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WORKING PAPER

The impact of budget participation on the budgetary motivation of managers reconsidered: An exploratory self-determination theory perspective

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The Impact of Budget Participation on the Budgetary Motivation of Managers Reconsidered: An Exploratory Self-Determination Theory Perspective

Abstract: This paper seeks to examine the impact of budget participation on managers' budgetary motivation from a self-determination theory perspective. Using data from 18 in-depth interviews with a cross-section of managers from three different Western-European companies, we document two types of budget motivation. In particular, the findings suggest that budget participation can relate to both autonomous and controlled budget motivation. That is, budget participation's effect on autonomous motivation is contingent on true participation and strategic alignment. Besides, a lack of budget participation does not create controlled motivation when participation congruence and strategic alignment are present. Our findings reveal the importance of considering the multi-dimensionality of budget motivation for understanding to what extent budget participation can "work". Our results also have important practical implications as superiors may consider our findings for effectively designing their budgeting process.