EFFECT OF LEADERSHIP STYLE OF INITIATION AND CONSIDERATION STRUCTURES TOWARD HUMAN RESOURCES QUALITY AND BUDGETERY PLANNING

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ABSTRACT

Budgetary planning carried out with the involvement of many stakeholders and using a variety of resources. Nevertheless, various issues of interest have an impact on the performance of the overall budget. As such, the issues have attracted considerable research interest. Hence, the purpose of this study to empirically examine (1) the influence of leadership style of initiating structure on budgetary planning, (2) the influence of leadership style of consideration structure on budgetary planning, and (3) the influence of human resources quality on budgetary planning. The research starts by investigate respondents that were employees involved in the budgetary planning process from preparation to budget accountability at the working unit within Syiah Kuala University in Banda Aceh. This is followed by path analysis method to find out the influence of independent variables on budgetary planning using path analysis. In so doing, the results showed that (1) simultaneously leadership style of initiating structure, leadership style of consideration structure and human resources quality have a positive and significant impact on budgetary planning. (2) Testing on an individual basis, only the leadership style of consideration structure that has a strong influence positively and significantly to the budgetary planning, while leadership style of initiating structure and human resources quality affect positively and significantly but weakly to budgetary planning.

Keywords: Budgetary planning, leadership style, and human resources quality

Introduction

Important component of the planning function is to create a budget, where Garrison (2000:404) stated that the budget is a function of control and planning. Planning includes the development goals for the future, while the control is used to ensure that all management functions carried out in accordance with a predetermined plan. The budget is a quantitative plan in the form of monetary or non-monetary used to translate the goals and strategies of the organization’s operating units (Hansen and Mowen, 2004:354). Budget not only as a financial planning tool, but also as a means of control, coordination, communication, performance evaluation and motivation (Cherrington and Cherrington, (1973); Schiff and Lewin, (1970); Kennis, (1979), Chow et al, (1988) as well as tools to delegate authority to subordinates superiors (Hofstede, 1968:29).

The use of budgets for control, performance evaluation, and coordination, is a human activity that brings many dimensions of behavior (Hansen and Mowen, 2000:714). Budgeting process to motivate managers to develop a direction for the organization, predicting difficulties, and develop future policy. Therefore, Milani (1975) states that the budgeting process is an important and complex activity, because the budget has the possibility of functional and dysfunctional impact on the attitudes and behavior of members of the organization. Argyris
(1955) suggests to prevent the impact of dysfunctional budgetary, subordinates should be given the opportunity to participate in the budgeting process.

Budgeting process is a managerial approach that is generally assessed as having a positive influence on the behavior and performance of the responsibility center managers to achieve goals (Govindarajan, 1986). Additionally, Brownell (1982) suggested budget preparation is a process where individuals, whose performance is evaluated and awarded based on the achievement of budget targets, engage and influence in the preparation of budget targets.

Therefore, the objective of this paper is to investigate the issues that have to be prepared as one of the triggering factors of the success of implementation of budget preparation, namely: (1) Leadership style of the organization and (2) Sufficient resources for the improvement of organizations that is the individual quality. Thus, the research starts by observing several conditions that must be prepared to support the success of budgetary planning, including the leadership style and quality of human resources using respondents’ questionnaires, followed by examining hypotheses in path analysis method. Application of appropriate leadership styles and improving the quality of human resources will then determine other factors such as commitment, administrative improvements, reward and punishment, as well as a strong desire to succeed.

Materials and Methods

Budgetary Planning

The entire component of an organization from top management to the staff plays an important role, from planning, implementation, and evaluation of the budget. There are some functions that relate to the budget manager (leader) and the staff concerned in it. The main functions of the public sector budget by Mardiasmo (2002:63-66) are the budget as: (1) a planning tool, (2) a control tool, (3) a means of coordination and communication, (4) a performance assessment tool, and (5) a motivational tool. Thus, in order to fulfill these functions, all leaders and especially staff involved in the preparation of the budget must have adequate qualifications and have the knowledge, skills and mindsets that support the implementation of the budget in accordance with the specified performance targets. This is because one of the purposes of budgeting is to communicate expectations of the management to the relevant parties so that the budget be understood, supported and implemented. One of these steps is negotiation between relevant parties regarding budget figures.

Based on understanding or definition of the budget and budgetary planning, it can be concluded that the budget is a program or activity that comes with a cost. While budgeting is a process that links between procurement or supply expenses and to finance a program or activity to be undertaken to achieve the objectives according to plans in the future.

Budgeting process conducts through certain stages. In connection with this, Soewartojo (1999:26) states basically budgeting cycle includes five stages, namely: (1) budget preparation phase, (2) phase of the budget approval or authorization, (3) implementation phase of the budget, (4) budget control phase, (5) budget accountability phase. The five stages are presented
in Figure 1.

![Budgeting Cycle Diagram](image)

**Figure 1. Budgeting Cycle (Soewartojo, 1999:26)**

On the basis of the opinion of the experts mentioned above can be assumed that in preparing the budget plan, the steps that must be taken include, among others, was based on the experience of previous years coupled with a plan to come, through the analysis of a mature, must be approved from the authorities, and should involve all units associated. So in the end, is expected to produce a quality budget plan as expected.

**Hypothesis-1**

Douglas McGregor in Robbins (2006:116-118) suggests two distinctly different views of the human. Basically, a negative one marked as X Theory and the other positive characterized by Y Theory. After reviewing how managers deal with employees, McGregor concluded that a manager's view of human nature based on certain assumptions group, and according to these assumptions, managers tend to pass on the way of their behavior to the subordinate.

Based on the theory of X and Y, organizational development conducted based on the human condition that exists in the organization and motivation related to the job. As noted in Suherlan (2011:36) employee motivation and ability is one aspect or factor that can increase the synergistic effect. Then, guide to human resources not only sin the implementation of training, but also supported the further development. Similarly to the quality of human resources in applying the method of budgetary planning in the working unit, needed the development in accordance with the work motives of individual’s own, does have a motive as the X or Y theories.

Thus, this study used a paradigm ties approach of three independent variables, namely leadership style of initiating structure, leadership style of consideration structure and human resources quality, simultaneously with the dependent variable is the budgetary planning.  

**H1:** Leadership style of initiating structure, leadership style of consideration structure and human resources quality affect together to budgetary planning.

**Leadership Style**

In the study of leader behavior, a team from the University of Ohio-Michigan found
that the two dimensions are very different and separate from each other. High scores on one dimension were not necessarily followed by the low value on other dimensions. Hence the two-dimensional behavior during the study was designed on a separate axis. Four squares were developed to show various combinations of the two-dimensional structure of the initiative behavior (tasks behavior) with the consideration (relationship behavior), as presented in Figure 2.

Figure 2. Leadership Quadrant Source: Thoha (2003:282)

**Leadership Style of Initiating Structure**

Leadership style of initiating structure is a task-oriented leadership style or in other words leadership that have great attention to tasks or jobs (Rivai, 2010:63). This initiating structure refers to the leaders behavior in describing the relationship between them and the members of the working group in order to form the pattern of organization, channels of communication, and methods or procedures that well established.

So that the leadership style of initiating structure based on the Ohio and Michigan study are assumed to be characterized by some of the following: (1) the leader gives instructions to subordinates, (2) the leader always held strict supervision to subordinates, (3) leaders convince subordinates that the tasks should be carried out in accordance with their wishes, (4) the leader is more emphasis on the implementation of the task rather than coaching and development of subordinates.

**Leadership styles of Consideration Structure**

Other aspect should also be considered in the leadership style that is the consideration structure or a behavioral relationship. Consideration leadership style structure is oriented leadership style to form the leadership attention to subordinates. The theory behind this is Ohio and Michigan leadership orientations studies cited by Rivai (2010:64) that this leadership behavior is much more show of friendship, mutual trust, respect, warmth, and the relationship between leaders and followers.

The structure of this consideration can be assumed that the leader considers the employee is important and part of the organization. Leadership is always providing motivation, the need for employees, as well as subordinates are involved in decision-making. This is reflected in the extent of the relationship between leaders and subordinates, and the rate is also influenced by the circumstances being faced by the leadership. Thus, oriented style of leadership to subordinates based on Ohio and Michigan studies are assumed to be marked by some of the following: (1) the leader is much more motivating than giving supervision to
subordinates, (2) the leader involves subordinates in decision-making, (3) the leader is more family-oriented, mutual trust and cooperation, mutual respect among fellow members of the group.

Hypothesis 2-3

Nor (2007) in his study revealed that success in managing an organization cannot be separated from the leadership factors and subordinates attitudes in carrying out the task of achieving organizational goals. According to Decoster and Fertakis (1968) Effective leadership should provide guidance to the efforts in achieving organizational goals. Brownell (1983) examined the effect of leadership style in the context of the budgeting system and found that the interaction between initiating and consideration have a significant effect on performance. Fertakis (1976) found a positive relationship between leadership styles with the participation in the budgeting, while the Muslimah study (1998) showed a no significant relationship between leadership styles with budgetary participation. As a compare the results of research conducted by Nor (2007) stated that the combination of fit between leadership styles and budgetary participation on managerial performance is not the best fit. This is caused by the bureaucratic culture of public organizations are not effective to allow for the participation false. Pseudo participation can occur if upper management totally control over the budgeting process and seek the support of their subordinates.

Based on the results of research conducted showed inconsistent results among the variables of the researchers, so it is interesting to test the effect of each leadership style, initiating structure and consideration structure to budgetary planning.

H2: Leadership style of initiating structure affects to the budgetary planning.

H3: Leadership style of consideration structure affects to the budgetary planning.

Human Resources Quality

Ndraha (1997:12) states that the quality of human resource is the human resource that is able to create not only a comparative value, but also the value-generative-innovative competitive with the highest energy use such as knowledge, skills, and attitudes; no longer solely use rough energy as raw materials, land, water, muscle power, and so on. Budgeting approach change from the traditional approach to the participative budgeting requires an entire organization’s readiness to undertake strategic planning. Strategic planning can be used to help anticipate and provide direction changes. In doing so, any personnel or human resources-related in it should get clear authority and responsibility and obtain delegation of authority as well as duty. In addition, it should be supported with financial regulation, personnel control, and compensation management that are clear and fair (Mardiasmo, 2002:48).

Hypothesis 4

Human Resources (HR) is an important component in the preparation and implementation of the budget because human resources always related that start from goal setting until evaluation. HR has an important function in determining the outcome performance indicators that are part of the budget targeting whereby the mechanism requires the following things as revealed by Mardiasmo (2002:131): (1) planning and control systems, (2) technical specifications and standardization, (3) the technical competence and professionalism, (4) economic mechanisms and market mechanisms, (5) mechanism of human resources. Thus, the
next hypothesis is defined as follow:

H₄: Human resources quality affects to the budgetary planning.

Research Method

The study population is finite and likely heterogeneous, so this study used a census or a complete enumeration method. Retrieval techniques of respondents were using purposive sampling method. Thus, the criteria of the study’s respondents are individuals who are directly related to the employee in the budget preparation of public funds in the unit of work in Syiah Kuala University in Banda Aceh. The study was conducted in one-shot case study during the period April to May 2013. Research questionnaire delivered to the entire population as the observed respondents with a number of 158 people.

Cronbach alpha coefficient of the research instrument consisting of budgetary planning (Y), leadership style of initiating structures (X₁), leadership style of consideration structure (X₂), and human resources quality (X₃) are 0.961, 0.898, 0.939 and 0.911 respectively which means the reliability of the instrument is acceptable.

Further, the steps in the path analysis based on the opinion of Riduwan and Kuncoro (2007:116-118) as follows:

1. **Formulate hypotheses and structural equation**
   - Substructure-1 X₃ = ρₓ₃ₓ₁ X₁ + ρₓ₃ₓ₂ X₂ + ρₓ₃ζ₁ ... (1)
   - Substructure-2 Y = ρᵧₓ₁ X₁+ ρᵧₓ₂ X₂+ ρᵧₓ₃ X₃+ ρᵧζ₂ ... (2)

2. **Calculate path coefficients based on regression coefficient**
   - a. Complete path diagram and structural equations in accordance with the proposed hypotheses as shown in Figure 3.
   - b. Calculate the regression coefficients for substructures that formulated.
   
   X₃ = β₁X₁ + β₂X₂ + ε₁ ... (3) = (1)
   
   Y = β₁X₁ + β₂X₂ + β₃X₃ + ε₁ ... (4) = (2)

Results and Discussion

Hypotheses result

Based on the correlation simultaneously known correlation among leadership style of initiating structure, leadership style of consideration structure, and human resources quality on budgetary planning is positive, very strong, and significant, as indicated by the value of R =
0.906 for indirect influence shown in Table 1 and R = 0.966 in Table 2 for direct influence.

Further, to test whether the effect of independent variables on the dependent variable is significant in the studied population then the Determination Coefficient used, which expressed as a percentage. Based on Table 1 the value of determinant coefficient for indirect influence is equal to $R^2 = 0.821$ or 82.1% and so the influence of other factors ($\rho_{x3x1}$) equal to 17.9%. While on Table 2, the value of determinant coefficient for direct influence is equal to $R^2 = 0.933$ or 93.3% and so the influence of other factors ($\rho_{y1}$) equal to 6.7%.

### Table 1. Model Summary of Substructure-1

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>0.906*a</td>
<td>0.821</td>
<td>0.819</td>
<td>R Square</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Statistics</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), $X_2$, $X_1$

### Table 2. Model Summary of Substructure-2

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>0.96*a</td>
<td>0.933</td>
<td>0.932</td>
<td>R Square</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Statistics</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), $X_3$, $X_2$, $X_1$

Testing the standardized path coefficient is then used to explain the magnitude of the effect (not predict) in independent variables of leadership style of initiating structure, leadership style of consideration structure, and human resources quality to the budgetary planning that treated as the dependent variable. Calculation results of coefficient influence to answer hypothetical on the substructure equations of the effect of independent variables on the dependent variable are shown in Table 3 and Table 4 respectively.

### Table 3. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>11229.496</td>
<td>2</td>
<td>5614.748</td>
<td>355.675</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>2446.859</td>
<td>155</td>
<td>15.786</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Total</td>
<td>13676.354</td>
<td>157</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: $X_3$  
b. Predictors: (Constant), $X_2$, $X_1$

### Table 4. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>37214.248</td>
<td>3</td>
<td>12404.749</td>
<td>714.598</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>2673.296</td>
<td>154</td>
<td>17.359</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Total</td>
<td>39887.544</td>
<td>157</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: $Y$  
b. Predictors: (Constant), $X_3$, $X_2$, $X_1$

Sources: Primary Data Processing Results in 2013

Based on indirect substructure calculations in Table 3 $F_{\text{count}}$ values obtained 355.675 and probability (sig) is 0.000 with a significance level of $\alpha$ take by 5%. In the F distribution table obtained $F_{\text{table}}$ for $n = 158$; $k = 2$; $df=n-k-1=158-2-1=155$; so obtained a value of 3.05. Thus sig$<0.05$ and $F_{\text{count}}>F_{\text{table}}$ that is 355.675>3.05. Furthermore, based on calculation of direct effects in Table 4 obtained $F_{\text{count}}=714.598$ and the probability value (sig) of 0.000 with a significance level $\alpha$ of 5%. In the F distribution table obtained $F_{\text{table}}$ for $n = 158$, $k= 3$; $df = nk-1 = 158-3-1 = 154$, then obtained a value of 2.66. Thus, sig$<0.05$ and $F_{\text{count}}>F_{\text{table}}$ that is
714.598>2.66 then H₁ accepted means that leadership style of initiating structure, leadership style of consideration structure, and human resources quality significantly affect to the budgetary planning.

Testing on standard path coefficients are simultaneously managed to explain the influence of variables of leadership style of initiating structure, leadership style of consideration structure, and human resources quality with budgetary planning.

Furthermore, the calculation of the influence coefficients for answering hypotheses individually on both substructural equations of independent variables on the dependent variable are shown in Table 5 and Table 6.

Based on t-test results for indirect substructure on X₁ in Table 5 is known that the value of t at 13.858 with significant values (p-value) equal to 0.000 and the value of t table; df=n-k-1=158-2-1=155 is 1.97539. Test results showed that t>t table ie 2.084>1.97539 and obtained sig. 0,000 less than the probability value of 0.05 or 0.05>0.000. While t-test results for direct substructure on X₁ in Table 6 is known that the value of t at 2.084 with significant values (p-value) equal to 0.028 and the value of t table; df=n-k-1=158-3-1=154 is 1.97549. Test results showed that t>t table ie 2.084>1.97549 and obtained sig. 0.028 less than the probability value of 0.05 or 0.05>0.028. Then from results obtained H₂ accepted means that leadership style of initiating structure has a positive and significant effect on budgetary planning.

Afterward, t-test results for indirect substructure on X₂ in Table 5 is shown that the value of t at 3.901 with significant values (p-value) equal to 0.000 and the value of t table; df=155 is 1.97539. Test results showed that t>t table ie 3.901>1.97539 and obtained sig. 0.000 less than the probability value of 0.05 or 0.05>0.000. In addition, t-test results for direct substructure on X₂ in Table 6 is shown that the value of t at 16.707 with significant values (p-value) equal to 0.000 and the value of t table; df=154 is 1.97549. Test results showed that t>t table ie 16.707>1.97549 and obtained sig. 0.000 less than the probability value of 0.05 or 0.05>0.000. Then, H₃ accepted meaning of leadership style of consideration structure affect positively and significantly to the budgetary planning.

Furthermore, known from t-test results for direct substructure on X₃ in Table 6 that the value of t at 2.403 with significant value (p-value) equal to 0.016 and the value of t table; df=154 is 1.97549 test results showed that t>t table is 2.403>1.97549 and obtained sig. 0.016 less than the probability value of 0.05 or 0.05>0.016 then H₄ accepted means of human resources quality affect positively and significantly to the budgetary planning.

Results of path analysis for indirect substructure in Table 5 shows that the magnitude of coefficient influence of variable ρₓ₁ₓ₁ = 0.210 and ρₓ₁ₓ₂ = 0.341. While for direct substructure in Table 6 shows that the magnitude of coefficient influence of variable ρₓ₁ = 0.087, ρₓ₁ = 0.939, ρₓ₁ = 0.069. Then, the epsilon coefficient is calculated based on the
Thus based on path analysis of leadership style of initiating structure, leadership style of consideration structure, human resources quality, and budgetary planning, it can be written as follow structural equation models:

\[ X_3 = 0.210X_1 + 0.341X_2 + 0.423\varepsilon_1 \]  \hspace{1cm} (1) = (3)

\[ Y = 0.087X_1 + 0.939X_2 + 0.069X_3 + 0.259\varepsilon_2 \]  \hspace{1cm} (2) = (4)

Path analysis calculation results both overall and individual shows that the influence of the variables in the model tested is significant so that it can be interpreted to provide information objectively and determine the influence between variables as follows:

1) The magnitude of the direct effect of leadership style of initiating structure (X1) on the budgetary planning (Y) is 0.087² = 0.0076 = 0.76% and for indirect effect is equal to \( \rho_{x31}\rho_{y3} = [0.210*0.069] = 0.0145 = 1.45\% \). Thus, the sum of total effect is \([\rho_{x31}\rho_{y3}]+\rho_{y1} = [0.210*0.069]+0.087 = 0.1015 = 10.15\% \).

2) The magnitude of the direct effect of leadership style of consideration structure (X2) on the...
budgetary planning (Y) is $0.939^2 = 0.8815 = 88.15\%$ and for indirect effect is equal to $\rho_{3x2} \cdot \rho_{yx3} = [0.341 \cdot 0.069] = 0.0235 = 2.35\%$. Thus, the sum of total effect is \[\rho_{3x2} \cdot \rho_{yx3} + \rho_{yx2} = [0.341 \cdot 0.069] + 0.939 = 0.9625 = 96.25\% .\]

3) The direct effect of human resources quality (X_3) on the budgetary planning (Y) is $0.069^2 = 0.0048 = 0.48\%$.

4) The direct influence factors of leadership style of initiating structure (X_1), leadership style of consideration structure (X_2), and human resources quality (X_3) to the budgetary planning (Y) simultaneously is $0.966^2 = 0.933 = 93.3\%$, and the remaining $6.7\%$ is influenced by other variables that were not examined. While for indirect influence factors are equal to $0.906^2 = 0.821 = 82.1\%$, and the remaining $17.9\%$ are influenced by variables outer model.

Discussion

The analysis of the data results, despite weak influence on leadership style of initiating structure and human resources quality, indicate that hypotheses in this study have been proved. The findings are consistent with previous research on the development of Ohio and Michigan study that found "a loss of morale" of employees (measured as a feeling of disgust, despair, angry with his work) was positively related to leadership style of supervisor that use initiating structure and a negative relationship with superiors who use consideration leadership style (Jewell and Siegel, 1998). Moreover, in another study found that employees prefer to work with a leader or supervisor who is attentive, supportive, warm, and focused on employees rather than a leader or supervisor who is hostile, apathetic, and focused on the job (Siegel & Lane, 1982). This has supported by Green and Olsson (2006) who state subordinates looks slightly better at work when they have a leader who showed concern for them. Although other research, some experts expressed the opinion that there are some employees prefer a leader or supervisor-oriented tasks (Kerr, Schriesheim, Murphy and Stogdill, in Siegel and Lane, 1982). Different results also shown by Amrul and Nasir (2002) who found that the effect of the influence of leadership styles on the relationship between budgetary participation and managerial performance is not significant.

Further, the importance of leader behaviors in the budget has been tested by several researchers, such as Swieringa and Fountan (1972), Fertakis (1976), Mia (1988) and Brownell (1983). Among the results of the study found that the appropriate leadership style is being geared towards more openness and humanist who by Coster and Fertakis (1968) in Muslimah (1998) referred to the consideration. The results showed that the leadership style of consideration structure have a positive impact on the budget boost. Effectiveness of budget participation is strongly influenced by the management style of leadership (Fiedler, 1978; Chandra, 1978) as quoted by Muslimah (1998).

Refers to a study that found human resources quality is a relatively small influence on budgetary planning may be the result of the quality possessed by the constituents of the budget where they are expected to make a decision quickly, easily and precisely. This requires the qualities of employee's ability to prepare budgets in the working unit where they worked with problems and challenges. This is in line with the opinion of Thoha (2003:1) who argues that in order to sustain life and the dynamic organization (organizational survival), every organization would have to be adaptive to changes. Bureaucratic organizations are able to compete in the future with knowledge-based human resources with a variety of skills and expertise (multi skilling workers).

Conclusions

Based on analysis and discussion of the results of hypothesis testing that has been
carried out, procured some important conclusions which are at the core of this study as follows: (1) simultaneously leadership style of initiating structure, leadership style of consideration structure, and human resources quality have a positive and significant impact on budgetary planning, (2) testing on an individual basis, only the leadership style of consideration structure that has a strong influence positively and significantly to the budgetary planning, while leadership style of initiating structure and human resources quality affect positively and significantly but weakly to budgetary planning. Thus, although variables in the model studied have a varying influence, the truth of all four hypotheses has proven successful.

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