

Participation Decision Making, Psychological Empowerment, Job Relevant Information and Managerial Performance

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Received: 24 September 2023; Revised: 6 Oktober 2023; Published: 16 November 2023

ABSTRACT

This study intends to investigate how psychological empowerment and job-relevant information are affected by participatory decision-making, as well as how this affects managerial performance. The self-determination theory and information processing theory served as the foundation for the research model. The study's participants included all of the Central Federation of Credit Union Cooperatives in Indonesia's managers of credit union cooperatives, according to a questionnaire. Path analysis and regression are used to process the data. The analysis of the data reveals that participatory decision-making significantly and favorably affects both psychological empowerment and job-relevant information. The impact of psychological empowerment and the applicability of job-relevant information on managerial performance is similar. Further research demonstrates that the association between participative decision-making and managerial performance is mediated by both psychological empowerment and job-relevant information.

Key Words: *Participation decision making; psychological empowerment; job relevance information; managerial performance*

Penelitian ini bertujuan untuk menguji bagaimana *participative decision making* berpengaruh terhadap pemberdayaan psikologis dan *job-relevant information*, serta dampak lanjutannya terhadap kinerja manajerial. Model penelitian ini dibangun atas dasar *self-determination theory* dan teori pemrosesan informasi. Penelitian dilakukan melalui kuesioner pada seluruh manajer koperasi credit union yang tergabung dalam Federasi Pusat Koperasi Credit Union di Indonesia. Analisis data diolah dengan menggunakan regresi dan analisis jalur. Hasil penelitian menunjukkan bahwa *participative decision making* berpengaruh positif dan signifikan terhadap pemberdayaan psikologis dan *job-relevant information*. Demikain halnya, pemberdayaan psikologis dan *job-relevant information* berpengaruh positif dan signifikan terhadap kinerja manajerial adalah serupa. Lebih lanjut penelitian ini menunjukkan bahwa hubungan antara *participative decision making* dan kinerja manajerial dimediasi oleh pemberdayaan psikologis dan *job-relevant information*.

INTRODUCTION

A series of studies related to the theme of participative decision-making and its consequences have been carried out by researchers in the last 3 decades, including Black and Gregersen (1997; Huang, Iun, Liu, & Gong, 2010; Gallani, Krishnan, Marinich, & Shields, 2019; Degenhart, Zonatto, & Lavarda, 2022). Previous studies have indicated that participative decision-making encourages creativity and innovation (Wong, Chow, Lau, & Gong, 2018; Schepers, Voordeckers, Steijvers, & Laveren, 2020);

likewise, it will encourage individual performance as well as group performance (Abubakar, Elrehail, Alatailat, & Elçi, 2019; Chamberlin, Newton, & LePine, 2018).

Some research gaps were identified by the literature search relating to the subjects mentioned above. However, it is our understanding that researchers pay little attention to participatory decision-making in the cooperative sector, despite the fact that it is the fundamental and even the primary concept in explaining cooperative management (Valverde-Moreno, Torres-Jimenez, & Lucia-Casademunt, 2020). Due to the fact that managers are those who carry out an entity's managerial processes, there is a second research gap: managerial performance is confirmed by the effects of participative decision-making processes.

This research explores the practice of participatory decision-making in the implementation of cooperative operations in the form of annual member meetings, its consequences in the managerial process, and its subsequent impacts. The choice of this research theme in the context of cooperative business is very relevant considering that the fundamental aspect of decision-making in cooperatives is through a participative decision-making process, including through annual member meetings and management and supervisory meetings (Cooperative Law, No. 17, 2012; PermenKop and UKM RI, 2015).

Since cooperatives are one of the foundations of Indonesia's national economy and general meetings of members have the most sway in decision-making, this research is significant in the context of participatory decisions. Top leaders will be given the ability through participatory decision-making to develop the psychological aspects of managers and employees in order to create a process that will confirm improved managerial performance. A person will feel appreciated if they are involved, which will increase psychological empowerment and make them feel valued, which will ultimately boost their performance (Handayani, 2017). Participatory decision-making, on the other hand, clarifies the information that must be followed, which will in turn stimulate higher performance (Daromes, 2023).

In order to assess how a participatory decision-making system might enhance managers' psychological empowerment and offer clear information about what has to be done, this research was conducted. Managers are mandated by the participatory decision-making process in general meetings of cooperative members to foster psychological empowerment and information clarity that can enhance management performance. In other words, managerial performance can be influenced through participative decision-making through psychological empowerment and information clarity.

THEORETICAL FOUNDATION AND HYPOTHESIS DEVELOPMENT

Psychological Contracts in Participative Decision Making

Numerous researchers have studied psychological contracts in accounting research, such as Krishnan, Marinich, and Shields (2012). According to them, psychological contracts are the result of employees' beliefs about the duties and responsibilities of parties in exchange relationships, as cited in Krishnan, Marinich, and Shields (2012). Whether or whether there is an economic contract, psychological contracts can nevertheless form. Employees must think that they and their organization (represented by their superiors) have obligations toward one another, and that the other party has made a promise – which may be an implicit promise – to fulfill those obligations. (Rousseau 1995 in Krishnan, Marinich, & Shields (2012).

An organization commits a psychological contract breach when an employee feels that it "has failed to fulfill one or more obligations in the psychological contract in a manner commensurate with his or her contribution" (Morrison and Robinson, 1997, in Krishnan, Marinich, & Shields, 2012). sentiments of violation, which are described as "emotional distress and feelings of anger and betrayal arising from the realization that one's organization has not fulfilled a very important promise" (Dulac et al. 2008), are brought on by psychological contract breach.

Psychological contracts are founded on the social exchange theory, which explains a series of interactions that lead to commitments (Blau, 1964), according to Gallani, Krishnan, Marinich, and Shields' (2019) study. Examples of generic principles for social interaction include the negotiation rule, which allows for negotiating terms that are advantageous to both parties, and the reciprocity rule, which encourages some sort of return (Cropanzano & Mitchell, 2005 in Gallani, Krishnan, Marinich, Shields (2019).

The annual general meeting of cooperative members, which functions as its mechanism for participatory decision-making, is the highest forum for administrators, in this case management, to convey their roles in managing the cooperative for the current year. The managers will tell all members of their strategic plans and initiatives for the upcoming years at the same time they present and provide information to the group as a whole. All management of the cooperative and all linked parts of it will be psychologically obligated to carry out their duties and responsibilities to all cooperative stakeholders as a result of this reality, which will give both a formal commitment and psychological commitment.

Theory of Self-Determination

Deci, Olafsen, and Ryan (2017) proposed the self-determination theory as a motivational theory. This idea highlights the significance of each person's right to act in accordance with their own preferences and the existence of an innate motivation that will lead to beneficial outcomes. On the other hand, if someone is extrinsically motivated and anticipates external rewards, bad things will happen (Vandenbos, 2008). Self Determination Theory is a thorough theory of motivation that distinguishes between an individual's intrinsic and extrinsic motivation. Intrinsic motivation refers to a person's own internal driving forces, independent of external factors. Competence, relatedness, and autonomy are the three central psychological requirements that humans have, according to the self-determination theory (Eliambu, 2021).

Self-determination theory was further developed by Spreitzer (1995) in Daromes (2023), arguing that psychological empowerment is "the value of a work goal or purpose ("the value of a work goal or purpose), namely an assessment related to the standard or ideal of an individual (judged in relation to an individual's own ideals or standards". Furthermore, he explains competence as an individual's belief about his capacity to perform activities with skills ("an individual's belief in his or her capacity to perform activities with skills"). Next, Spreitzer (1995) in Daromes (2023) replaced the "choice" component with self-determination by defining it as "autonomy in the initiation and continuation of work behavior or processes". Self-determination is a reflection of whether a person sees itself as something that displays itself in its actions. The next component, namely impact, is defined as "the degree to which an individual can influence strategic, administrative or operating outcomes at work".

Based on the explanations above, psychological empowerment refers to increasing motivation towards tasks which is manifested in four cognitions, namely meaning as the value of a work goal or purpose (the value of a work goal or purpose), namely an assessment related to standards or ideals. from an individual (judged in relation to an individual's own ideals or standards), competence which refers to an individual's belief in his capacity to carry out his work with the skills he has, self-determination is an individual's belief in the level of choices they make in their initiatives and behavior to achieve performance and impact, namely an individual's belief that someone is able to influence the results of a job.

Information Processing Theory

According to Galbraith (1973) in Daromes (2023), the essence of information processing is that more information must be processed between decision-makers throughout the execution of a job the more

uncertain the task is. This implies that numerous activities can be planned if an employee fully comprehends his obligations before to performing them. On the other hand, if an employee doesn't fully comprehend his responsibilities, new knowledge will be learned while these responsibilities are being carried out, which results in adjustments to resource allocation, schedules, and priorities. The accomplishment of Galbraith's (1973) task requires information processing for each of these adjustments. Consequently, managers' view of how much information they need to make decisions tends to influence how much information they actually use.

A manager can explain his objectives and responsibilities and choose the proper behavior to fulfill those responsibilities with the aid of work information in participatory decision-making. In other words, the amount of information required and the amount of information available have a significant impact on how information processing functions in a task with uncertainty (Daromes, 2014). An organization's aims can be viewed in broad strokes and in detail thanks to comprehensive work information, which a manager can use. As a result, a manager's goals will be more clearly defined since they will have a better grasp of their position and what the firm expects of them (Daromes, 2014). Briefly put, participatory decision-making will promote psychological empowerment and clear job knowledge, which will ultimately result in improved managerial performance.

Hypothesis Development

Participative decision making and psychological empowerment

Participatory decision-making is described by Lam *et al.* (2002) in Wen, Huang, and Teo (2023) as the sharing of influence or shared decision-making between hierarchical superiors and their subordinates. Participatory decision-making may have an impact on performance because people often utilize it to change the environment so that it is more conducive to their effectiveness. The degree to which a leader in a company provides employees flexibility, encourages them to exchange knowledge, and allows them to participate in organizational decision-making will be assessed by participatory decision-making (Tomas *et al.*, 2023). Participatory decision-making will put an emphasis on decision-making authority, which will boost employee confidence, motivate them on an intrinsic level, and foster psychological empowerment to improve interactions between managers and staff.

The aforementioned circumstances will result in a person's psychological contract, increasing psychological empowerment. Cooperative managers who are tasked with running the cooperative can feel empowered by participating in decision-making in the annual general meeting forum. Employee empowerment, according to research by Oliveira *et al.* (2023), entails delegating responsibility for making decisions. Psychological empowerment will take the form of a desire to use one's skills and abilities, the emergence of self-determination, and an understanding that one can contribute to and have an impact on the firm (Daromes, 2023).

According to Oliveira *et al.* (2023), psychological empowerment entails assigning responsibility for making decisions. Participatory decision-making will put an emphasis on decision-making authority, which will boost employee confidence, motivate them on an intrinsic level, and foster psychological empowerment to improve interactions between managers and staff. Thus, the following is the research's first hypothesis:

H1: *Participative decision making has a positive effect on psychological empowerment*

Participative decision making and the relevance of information

Research by Stashevsky & Elizur (2000) states that participative decision making is the main factor that influences improvements in organizational performance. This is supported by managers' efforts to formulate accurate estimates about environmental conditions based on the information they have

which will focus managers' attention when making decisions (Kren, 1992); Leach-López, Stammerjohan, & Sang Lee (2009).

Managers will know what kind of information to work with if decisions are made in a collaborative manner. This is consistent with the information processing paradigm put forward by Galbraith (1973) in Daromes (2023). According to research by Tokilov *et al.* (2019), the wide range of management information systems will put employees through a lot of challenges that will have an impact on planning and control.

A person feels doubtful because they believe they lack sufficient knowledge to make an accurate future prediction. Employees lose all knowledge of their new position as a result of environmental uncertainty brought on by the mutation process they go through. This will make it more challenging for them to decide when put in a difficult position. With the foregoing rationale, the following is the second hypothesis for this study:

H2: Participative decision making has a positive effect on the relevance of information.

Psychological empowerment and managerial performance

The effect of empowering leadership on work attitudes or job satisfaction and managerial performance was examined by Bharadwaja & Tripathi (2020). The results of this study suggest that empowering leadership raises work satisfaction among employees and managerial performance. Further findings from this study show that empowering leadership has a favorable relationship with psychological empowerment at work.

Empowerment is seen as a self-efficacy-based motivational notion. Employee engagement in performance improvement will rise if they feel empowered. A sort of intrinsic motivation known as psychological empowerment focuses on a person's role in a job by enhancing their feeling of empowerment and promoting their participation in the work process in order to enhance organizational performance (Bharadwaja & Tripathi, 2020).

According to Koole, Schlinkert, Maldei, & Baumann (2019), the self-determination theory emphasizes on keeping one's attention on one's job in order to produce greater performance. Although not directly, psychological empowerment can improve employee performance by raising higher intrinsic work motivation (Li *et al.*, 2015). Managerial performance can thus be made more productive by organizations and managers who encourage employee psychological empowerment. As a result, the third research hypothesis is:

H3: Psychological empowerment has a positive effect on managerial performance

The effect of information relevance on managerial performance

Nguyen, Evangelista, and Kieu (2019) reviewed the accounting literature related to the relevance of information and found that there are two main types of information in an organization: information that is available and information that influences decision making with a view to performance evaluation. A manager can improve his activities and gain a better grasp of alternative decisions and actions required to accomplish goals by determining the relevance of the information he receives (Kren, 2013).

Because it enables more precise predictions of environmental variables, the information a worker holds that is relevant can enhance management performance (Kren, 2013). Information sharing across various stakeholders is helpful in the decision-making process, particularly when making strategic decisions that enhance an organization's performance. According to Kren (2013), improved performance as a result of information sharing will allow staff members to predict the situation of the workplace more accurately, allowing them to take more suitable and effective action. In light of this, the fourth research hypothesis is:

H4: The relevance of information has a positive effect on managerial performance

The mediating role of psychological empowerment on the relationship between participative decision making and managerial performance

According to research by Tokilov et al. (2019), managers must understand what work units must perform in order to attain organizational goals in order to engage in participatory decision making. To attain the highest managerial performance, a manager will consider the best approach to use all the resources owned by the company. The managerial performance of the firm can advance to the greatest extent when employees feel empowered.

A leader must be able to inspire and persuade his team members that their efforts will be valued and contribute to corporate success as well as being evaluated beyond monetary results. Employees will be psychologically driven to carry out their responsibilities in order to achieve corporate goals if they feel valued and included in all processes, from planning through evaluation. According to research by Li et al. (2015), a manager who is passionate about improving performance must raise employees' perceptions of the value of their work, affirm their work capacity, provide understanding regarding the range of their own decisions, and emphasize those decisions' effects on others.

The cornerstone for autonomous work motivation, according to Koole, Schlinkert, Maldei, & Baumann (2019), is self-determination theory, which satisfies employees' demands for competence, relatedness, and autonomy. Employee participation in a discourse that clarifies job tasks is necessary to develop independent work motivation. By being aware of their duties and obligations, employees will feel supported by their supervisors and be more willing to contribute to the accomplishment of organizational objectives. In deciding on motivational techniques in firms, executives can therefore find the self-determination theory to be of great use.

According to Tamghe's research (2019), employee improvement activities are believed to be the primary element influencing organizational managerial performance indirectly through an increase in employee participation in participatory decision making. Employees who feel psychologically empowered will believe that their presence matters to the organization, which will make them feel attached to it and help them identify with it. High psychological empowerment ultimately gives workers more decision-making power, which is a very important asset. The following is the fifth hypothesis in this study:

H5: Psychological empowerment mediates the relationship between participative decision making and managerial performance.

The mediating role of information relevance on the relationship between participative decision making and managerial performance

A participative leadership style is necessary for participatory decision-making, which will boost manager output (Indra & Iwayan, 2018). Managers are compelled to include staff members more in decision-making as a result. Such procedures will support enhanced productivity, managerial performance, and managerial performance efficiency.

Employees frequently possess more comprehensive understanding of their occupations than managers, according to study on employee participation (Kearney & Hays, 2015). Managers are therefore expected to communicate with all currently operating units and resources in order to gather pertinent information for their task. By removing performance hurdles, such knowledge improves managers' and employees' comprehension of corporate objectives. As a result, decisions made in collaboration with employees and using more accurate data can aid in enhancing management effectiveness. Thus, the following is the research's sixth hypothesis:

H6: The relevance of information mediates the relationship between participative decision making and managerial performance.

METHODOLOGY

Research data

A questionnaire revealed that the participants in this study were all of the credit union cooperative managers in Indonesia's Central Federation of Credit Union Cooperatives. The sample selection technique chosen and used in this research was taken using a purposive sampling method, where the researcher selects samples that meet certain criteria in accordance with the research objectives. The following criteria for selecting samples for this research are:

1. Manager at the Central Federation of Credit Union Cooperatives in Indonesia Credit the Union Cooperative
2. Manager who has experienced a change of position (mutation) in the last 3 years
3. Have worked at least 5 years at a credit union cooperative

Variable measurements

1. Participative Decision Making was measured with 5 questions adapted from Siegel & Ruh (1973) measurements and validated by Kimpah & Ibrahim (2020) using 7 Likert scale measurements.
2. Psychological empowerment was adapted from the Spreitzer Measurement (1995) as validated by Daromes (2023) with six questions using seven Likert scale measurements.
3. Relevance of information using 3 questions adapted from Kren (1992) using 7 Likert scale measurements
4. Managerial performance using eight questions developed by Mahoney (1963) and adapted by Daromes (2023) using 7 Likert scale measurements

RESULT AND ANALYSIS

Data Validity Testing Results look as follows:

Table 1, Validity Test Results

Construct	Number of Item	Tested Items	Pearson's Correlation Product Moment	Sig. (2-tailed)	Explanation
<i>Participative Decision Making (PDM)</i>	5	5	0.692** - 0.851**	0.000	<i>Valid</i>
Managerial Performance (MP)	8	8	0.470** - 0.871**	0.000	<i>Valid</i>
Psychological empowerment (PE)	6	6	0.476** - 0.809**	0.000	<i>Valid</i>
Relevance of information (JRI)	3	3	0.906** - 0.928**	0.000	<i>Valid</i>

**Correlation is significant at the 0.01 level (2-tailed)
Source: Processed Data (2023)

Table 2, Reliability Test Results

Construct	Number of Item	Tested Items	Cronbach's Alpha	Reliability Coefficient (>)	Explanation
Participative Decision Making (PDM)	5	5	0.843	0.60	Reliabel
Managerial Performance (MP)	8	8	0.886	0.60	Reliabel
Psychological empowerment (PE)	6	6	0.726	0.60	Reliabel
Relevance of information (JRI)	3	3	0.902	0.60	Reliabel

Source: Processed Data (2023)

Table 3, Descriptive Statistics of Research Constructs

Construct	N	Theoretical Range	Actual Range	Mean	Std. Deviation
Participative Decision Making (PDM)	65	5-35	6-35	26.40	5.752
Managerial Performance (MP)	65	8-56	13-56	47.22	6.988
Psychological empowerment (PE)	65	6-42	24-42	36.48	3.709
Relevance of information (JRI)	65	3-21	3-21	17.63	2.684

Source: Processed Data (2023)

Table 4, Model testing results (F Test)

Model	Exogenous Variables	Endogenous Variables	F	Sig.
Sub-structure 1	Participative Decision Making (PDM)	Psychological empowerment (PE)	34.169	0.000
Sub-structure 2	Participative Decision Making (PDM)	Relevance of information (JRI)	24.332	0.000
Sub-structure 3	Participative Decision Making (PDM) Psychological empowerment Relevance of information (JRI)	Managerial Performance (MP)	42.474	0.000

Source: Processed Data (2023)

Table 5, Coefficient of Determination (R^2)

Model	Exogenous Variables	Endogenous Variables	R Square (R^2)	Adjusted R square
Sub-structure 1	Participative Decision Making (PDM)	Psychological empowerment (PE)	0.352	0.341
Sub-structure 2	Participative Decision Making (PDM)	Relevance of information (JRI)	0.279	0.267
Sub-structure 3	Participative Decision Making (PDM)	Managerial Performance (MP)	0.578	0.564

Source: Processed Data (2023)

Table 6, Path Analysis Results

Coefficient Model Structure	Exogenous Variables	Endogenous Variables	Standardized Beta Coefficient	Sig.	α	Explanation
Sub - structure 1 (The influence of participative decision making on psychological empowerment)	Participative Decision Making (PDM)	Psychological Empowerment (PE)	0.593	0.000	0.05	Significant
Sub - structure 2 (The influence of participative decision making on the relevance of information)	Participative Decision Making (PDM)	Relevance of information (JRI)	0.528	0.000	0.05	Significant
Sub - structure 3 The influence of participative decision making, psychological empowerment and the relevance of information on managerial performance	Psychological Empowerment (PE)	Managerial Performance (MP)	0.250	0.038	0.05	Significant
	Relevance of information (JRI)		0.561	0.000	0.05	Significant

Source: Processed Data (2023)

Table 7, Direct Effect

Effect Combination	Direct Effect
Participative Decision Making (PDM) → Psychological Empowerment (PE)	0.593
Participative Decision Making (PDM) → Relevance of information (JRI)	0.528
Psychological Empowerment (PE) → Managerial Performance (MP)	0.250
Relevance of information (JRI) → Managerial Performance (MP)	0.561

Source: Processed Data (2023)

Table 8, Indirect Effect

Effect Combination	Calculation	Indirect Effect
Participative Decision Making (PDM) → Psychological Empowerment (PE)-Managerial Performance	(0.593×0.250)	0.148
Participative Decision Making (PDM) → Relevance of information (JRI) → Managerial Performance	(0.528×0.561)	0.296

Source: Processed Data (2023)

Table 9, Effect of Total Variables

Effect Combination	Calculation	Total Effect
Participative Decision Making (PDM) → Psychological Empowerment (PE)-Managerial Performance	(0.593×0.148)	0.741
Participative Decision Making (PDM) → Relevance of information (JRI) → Managerial Performance	(0.528×0.296)	0.824

Source: Processed Data (2023)

Table 10, Sobel Test

Effect Combination	Value Estimation	Standard Error	ρ -value of Sobel test	Explanation
Participative Decision Making (PDM) → Managerial Performance (MP) via Psychological Empowerment (PE)	0.382 ; 0.472	0.065 ; 0.222	0.045	Significant
Participative Decision Making (PDM) → Managerial Performance (MP) via Relevance of information (JRI)	0.246 ; 1.460	0.050 ; 0.307	0.000	Significant

Source: Processed Data (2023)

<http://www.quantpsy.org/sobel/sobel.htm>

DISCUSSION

The effect of participative decision making on psychological empowerment

The direct impact of participatory decision making (X) on psychological empowerment (Y1) has a standardized beta coefficient value of 0.593 and a probability value of sig. equal to 0.000 0.05 based on the data analysis in table 6 above. This demonstrates that psychological empowerment (Y1)

is positively and significantly influenced by participatory decision making (X). In other words, this hypothesis demonstrates that structural authorities who engage in participatory decision-making will feel significantly more psychologically empowered. According to research by Baird et al. (2018), who found that someone who is involved and given tasks and responsibilities in decision making will experience increased psychological empowerment.

According to Gagne & Leci (2005), this is consistent with the self-determination theory, which is based on presumptions about human nature and motivation. According to this theory, people are motivated by two different types of factors: intrinsic motivation and extrinsic motivation. Intrinsic motivation drives people to complete their tasks because they find them interesting and because they can feel immediate satisfaction from doing so. Extrinsic motivation, on the other hand, is when someone is persuaded to perform a task by external variables like rewards.

The Effect of participative decision making on the relevance of information

Based on the analysis of the data in table 6 above, the direct impact of participatory decision-making (X) on the usefulness of information (Y2) has a standardized beta coefficient value of 0.528 and a probability value of sig. equal to 0.000 0.05. This demonstrates that participatory decision-making (X) significantly and favorably affects the information's relevance (Y2). Thus, this hypothesis demonstrates that the relevance of information (Y2) and the influence are both rather significant the more participatory decision making (X) that occurs among structure officials.

This is consistent with research findings by Tokilov et al. (2019), which showed that planning and control will be impacted by environmental uncertainty connected to the range of management knowledge, ultimately leading to a number of issues for employees. A person feels doubtful because they believe they lack sufficient knowledge to make an accurate future prediction. Employees will lose all knowledge of their new employment due to the environmental uncertainty brought on by the mutation process they will undergo in the near future.

This can also be explained by the fact that most respondents have held the post of branch manager for longer than three years, according to descriptive statistics of respondents. As a result, managers in Indonesia's Credit Union Cooperative sector have complete and strategic information at their disposal for use in making decisions about how to build the institution's policies.

Employees go through a transformation process that is timed to the Credit Union Cooperative institution's business planning period, which means that structural officials are fully involved in setting goals and implementing policies at their place of employment. As a result, they are able to gather enough strategic data to aid in decision-making. The primary factor influencing the enhancement of organizational performance is participatory decision-making.

The effect of psychological empowerment on managerial performance

Based on the data analysis in Table 6 above, the direct impact of psychological empowerment (Y1) on managerial performance (Z) has an estimated probability value of sig. equal to 0.038 0.05 and a standardized beta coefficient value of 0.250. This demonstrates the beneficial and considerable impact that psychological empowerment (Y1) has on management performance (Z). In other words, this hypothesis demonstrates that the possibility for improving management performance (Z) increases with the level of psychological empowerment (Y1) that structural officials experience.

This is consistent with the findings of Bharadwaja & Tripathi's research, which says that psychological empowerment focuses enhancing an individual's sense of their focus in a job and how to motivate people to be involved in every work process in order to increase managerial performance. Li et al. (2015) added that although not directly, psychological empowerment can improve employee performance by raising intrinsic work motivation.

This can also be explained by descriptive statistics, which show that the majority of the respondents in this survey were managers and department heads who had been employed for longer than three years. They have been heavily involved in institutional operations such as planning, investigation, coordination, assessment, supervision, staff selection, negotiation, and representation due to their roles as managers and department heads. The psychological empowerment that results from these actions will ultimately boost managerial performance.

The best way to increase an employee's sense of confidence in their capacity to perform their job effectively is through psychological empowerment. Empowering managers is a practice that will enable them to function at their highest level as managers by giving them decision-making authority that has been delegated from top-level officials to middle-level officials.

The effect of information relevance on managerial performance

Based on the examination of the data in table 6 above, the direct impact of information relevance (Y2) on managerial performance (Z) has a standardized beta coefficient value of 0.561 and a probability value of sig. equal to 0.000 0.05. This demonstrates that the usefulness of information (Y2) has a favorable and considerable impact on managerial effectiveness (Z). This implies that the possibility of improving managerial performance (Z) is higher the more relevant the information is to structural authorities (Y2), as shown by the null hypothesis.

Relevance of the information acquired will have a direct impact on raising management performance. Descriptive data, which show that respondents are primarily men with bachelor's degrees and ages 35 to 50, can be used to explain this. This maturity in managing the information acquired to establish strategic strategies to enhance managerial performance is evident at this age.

The mediating role of psychological empowerment on the relationship between participative decision making and managerial performance

Participatory decision-making (X) has an indirect effect of 0.148 on managerial performance (Z) in table 10 when psychological empowerment (Y1) serves as the mediating variable. This shows that the psychological empowerment variable (Y1) mediates the influence between the variable participative decision making (X) and the performance managerial (Z), which has a positive relationship pattern. The indirect influence of the participative decision making (X) on the managerial performance variable (Z) through the mediating variable psychological empowerment (Y1).

The results of this research show that participative decision-making (X) has a significant effect on psychological empowerment (Y1), and psychological empowerment (Y1) has a significant effect on managerial performance (Z). The Sobel test produced as in table 10 to test the mediating strength of the psychological empowerment variable (Y1) produces a p -value of Sobel test of $0.045 < 0.05$, so it can be concluded that psychological empowerment (Y1) significantly mediates the influence of participative decision-making (X) on managerial performance (Z).

Self-determination theory, according to Gagne & Deci (2005), focuses on how a person's conduct is motivated and guided. According to this theory, if someone is actively directed and involved in the performance improvement process, beginning with staff selection, planning, investigation, coordination, evaluation, and supervision, they will feel extrinsically motivated. They will feel personally wanted and valued as a result, which will positively affect how well they perform.

The mediating role of information relevance on the relationship between participative decision making and managerial performance

The findings of this study also demonstrate that managerial performance (Z) is significantly influenced by information relevance (Y2) and that participatory decision making (X) has a considerable impact on both variables. It can be concluded that information relevance (Y2) significantly mediates the influence of participative decision making (X) on performance. managerial (Z) based on the results of the Sobel test produced as in Table 10 to test the mediating strength of the information relevance variable (Y2).

The findings of this study are consistent with those of Kren's (1992) study, which found that a manager's access to information determines how relevant it is to his or her job. The availability of this data will empower a management to decide on the best course of action for enhancing performance (Widener, 2007). Amount of information pertinent to their jobs increases as more structural officials are permitted to participate in decision-making. The final result will be a big improvement in their managing performance.

It is envisaged that interactions between departments within a building will go smoothly, enabling accurate information gathering for each field's work. In order to remove performance barriers, this information can be used to improve knowledge of all stakeholders involved in the Credit Union. Consequently, judgments made in collaboration with staff members who have access to sufficient information can aid in enhancing a manager's managerial effectiveness. Through the simplicity of acquiring pertinent information required to make important decisions regarding their line of work, one will benefit from increased management performance in this way.

CONCLUSION

This research was conducted to examine the influence of participative decision-making on psychological empowerment and the relevance of work information, as well as its subsequent impact on managerial performance. The results of data processing lead to the conclusion that participative decision-making has a positive and significant influence on both psychological empowerment and the relevance of work information. Likewise, both psychological empowerment and the relevance of work information have a positive and significant effect on managerial performance. In detail, the research results can be summarized as follows:

The relationship between participative decision-making (PDM) and managerial performance, which is mediated by psychological empowerment, has a positive and significant influence. If linked to self-determination theory, it can be explained that someone who experiences psychological empowerment by being involved, given authority in making decisions and policies, and given the opportunity to independently consider their duties and responsibilities will have a significant influence on their managerial performance.

The relevance of information, as a mediator between participatory decision-making (PDM) and managerial performance, also has a positive and significant impact. In light of information processing theory, this suggests that many actions can be planned provided an employee fully comprehends his responsibilities before to performing them. Employees who actively participate in the formulation of work-related rules and choices and who gain access to information that enables them to use that information to make the best possible judgments will significantly impact their managerial performance.

Psychological empowerment has a positive and significant influence on managerial performance. This explains that psychological empowerment can contribute to managerial performance. Finally, the usefulness of information has a favorable and considerable impact on managerial performance. This describes how a high level of information relevance will

help staff to carry out planning, coordination, and evaluation at their best in order to enhance managerial performance.

Implications

Theoretically, one of the important elements in measuring managerial performance is related to participation from all parts of an organization. Self-determination theory reveals that at work, a person is influenced by intrinsic and extrinsic motivation. These intrinsic and extrinsic influences will positively influence a person's managerial performance. Likewise, participative decision-making will give rise to a psychological contract to commit to a mutual agreement within a predetermined plan. In this context, the more elements involved in an organization's decision-making process, the more relevant information related to their work will emerge. This will ultimately have an impact on improving their managerial performance.

Practically, this research proves empirically that the organizational process that has been running so far at the Credit Union Cooperative in Indonesia's Central Federation of Credit Union Cooperatives through routine strategic planning, business planning, monitoring, and evaluation activities can actually increase psychological empowerment for its activists. This is because this activity will increase participation in decision-making so that new ideas can be found in the member empowerment process.

This research can also provide practical implications for credit union cooperative institutions as a reference in making decisions regarding management development for the sustainability of credit union cooperatives in the future. Apart from that, the results of this research are also expected to broaden researchers' scientific insight and knowledge, especially in the field of cooperative economics, so that later they can be applied in researchers' workplaces at credit union cooperatives, especially at credit unions in Indonesia's Central Federation of Credit Union Cooperatives. Research

Limitations

Future studies should take into account the following limitations of this study: Particularly in light of the generalizability of the study's findings, there weren't many responders to the research. The findings of the t test will be ambiguous because the sub-structure of equation 2, which examines the direct impact of participatory decision-making on the information relevance variable, exhibits signs of heteroscedasticity. As a result, while evaluating research findings, researchers need to use caution.

Future Research

Future studies have to take into account utilizing additional variables besides those included in this study, such as leader trust, job satisfaction, and other variables that are anticipated to be crucial for boosting managerial efficacy and psychological empowerment.

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