

**THE EFFECT OF BUDGET PARTICIPATION AND BUDGET
EMPHASIS ON BUDGET SLACK WITH ORGANIZATIONAL
COMMITMENT AS A MODERATING VARIABLE IN LOCAL
GOVERNMENT AGENCIES**

(Study case in SKPD Bengkulu City and Seluma District)

A THESIS

Presented as Partial Fulfillment of the Requirements to Obtain the Bachelor
Degree in Accounting Department



Written By:

ANYAR NURSYIFA PERDANI

Student Number: 15312194

**INTERNATIONAL PROGRAM
DEPARTMENT OF ACCOUNTING
FACULTY OF ECONOMICS
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA**

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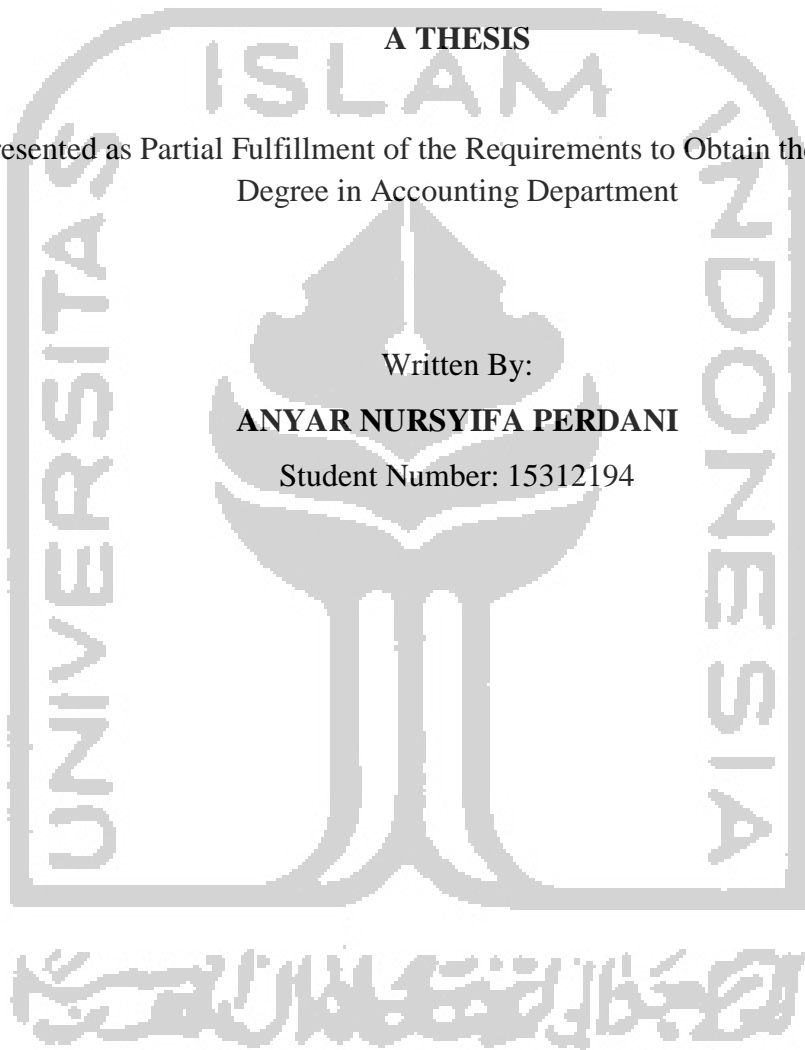
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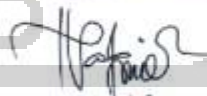
Approved by:

Content Advisor,



Ayu Chairina Laksmi, S.E., M.App.Com., M.Res., Ak., Ph.D. September 05, 2019

Language Advisor,



Ata Muflihah, S.S., S.Pd.

September 05, 2019

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Defended before the Board of Examiners
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Board of Examiners

Examiner I

Rigit Handoyo, S.E., M.Bus.

Examiner II

Ayu Chairina Laksni, S.E., M.App.Com., M.Res., Ak., Ph.D. September 24, 2019

September 24, 2019

Yogyakarta, September 24, 2019
International Program
Faculty of Economics
Darul Ulum Islam Indonesia
Dean



Uska Sryana, SE, M.Si., Ph.D.)

DECLARATION OF AUTHENTICITY

Hereby I declare the originality of the thesis; I have not presented someone else's work to obtain my university degree, nor I have presented someone else's words, ideas or expectations without any acknowledgements. All quotations are cited and listed in references of the thesis. If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation or its consequence.

Yogyakarta, September 05, 2019



Anyar Nursyifa Perdana

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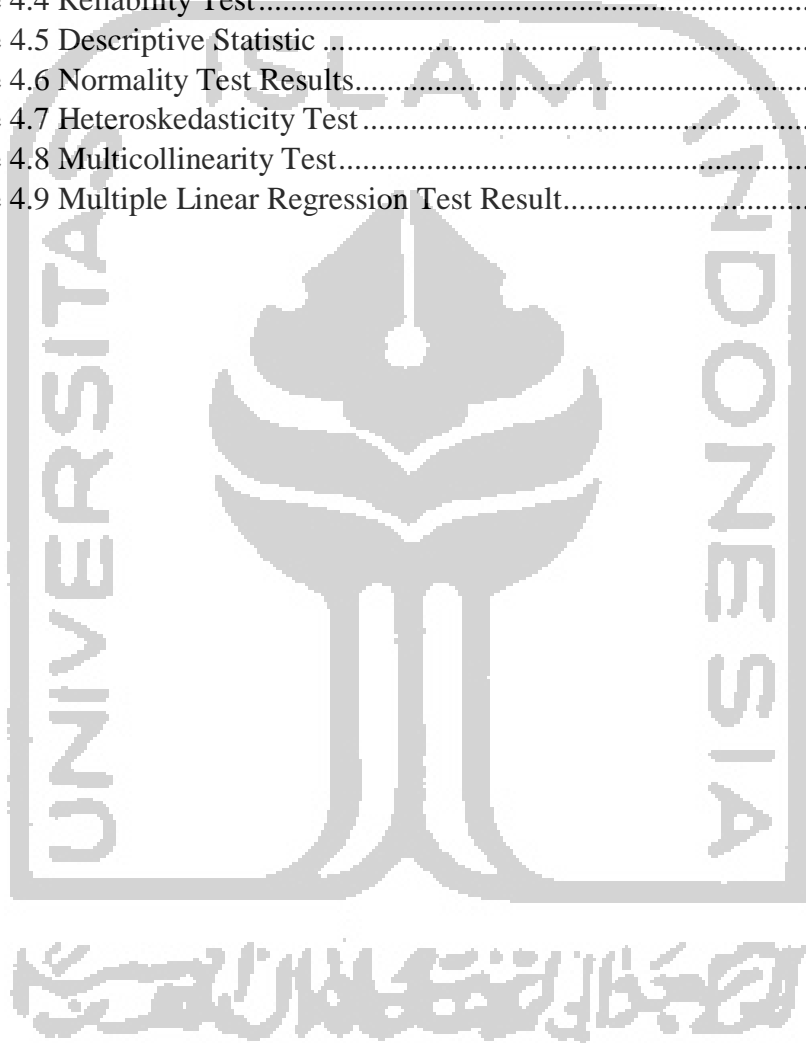
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ABSTRACT

This research aims to examine the effect of budgetary slack and budget emphasis on budgetary slack with organization commitment as a moderation variable at SKPD Bengkulu City and Seluma District. The selection of sample used purposive sampling. This research used primary data that was collected by distributing questionnaires to each head of division, head of finance, budget staff, and financial staff on SKPD. The result of the questionnaires was processed using IBM SPSS Statistics. The result of this research shows that budget participation has negative effect on budget slack, budget emphasis has positive effect on the budget slack, as well as the organization commitment to weaken the ridge between budget participation and budget emphasis on budget slack.

Key words: *Budget slack, budget participation, budget emphasis, organization commitment.*



ABSTRACT

Penelitian ini bertujuan untuk menguji pengaruh partisipasi anggaran dan penekanan anggaran terhadap senjangan anggaran dengan komitmen organisasi sebagai variable pemoderasi di Satuan Kerja Perangkat Daerah (SKPD) Pemerintah Kota Bengkulu dan Kabupaten Seluma. Pemilihan sampel dengan metode *purposive sampling*. Data yang digunakan dalam penelitian ini berupa data primer dengan teknik pengumpulan data dengan menyebarkan kuesioner kepada masing-masing Kepala Bidang/Seksi, Kepala Subbagian Keuangan, staff anggaran dan staff keuangan pada setiap SKPD. Hasil kuesioner diolah menggunakan *IBM SPSS Statistic*. Hasil penelitian menunjukkan bahwa partisipasi anggaran berpengaruh negative terhadap senjangan anggaran, penekanan anggaran berpengaruh positif terhadap senjangan anggaran, serta komitmen organisasi untuk memperlemah batas antara partisipasi anggaran dan penekanan anggaran pada kesenjangan anggaran.

Kata Kunci: senjangan anggaran, partisipasi anggaran, penekanan anggaran, komitmen organisasi.



CHAPTER 1

INTRODUCTION

1.1 Study Background

The management process of a government institution is started by composing a budget. Operationally, a local government budget is composed by executive who will then ask for approval from the legislative member (i.e. known as Dewan Perwakilan Rakyat Daerah / DPRD). According to Law No. 32 of 2004 concerning Regional Government and Law No. 33 of 2004 concerning Financial Balance between the Central and Regional Governments has changed the accountability or accountability of the regional government from vertical accountability (to the central government) to horizontal accountability (to the public through the DPRD), therefore local governments are required to be able to manage their regional finances well and with accountability, so that they can be accountable to the community. In the process of managing government finances, the budget is one of the important problems. Through the budget, it will be known how much the ability of the government to carry out various government affairs that are its authority. In local government, that budget is shaped of The Regional Budget (i.e. known as anggaran pendapatan dan belanja daerah or APBD) is used as a tool to determine the amount of income and expenditure, to help in development planning and decision making, and the basis for authorizing future expenditure. The budget is also used as a

standard measurement for performance evaluation and coordination tools for all activities in the work unit. Ferawati (2015) with regional autonomy, more regional authority big to manage and manage the household itself is expected to be able to provide flexibility to the regions to develop their regions through efforts that can increase the active participation of the society.

Regional Financial Management consists of all activities that include planning, implementation, administration, reporting, accountability, and regional financial supervision. In its implementation, the government has established Minister of Home Affairs Regulation (i.e. known as Permendagri) Number 59 of 2007 as a guideline in implementing, administering and reporting finance of APBD including accounting policies. Based on Permendagri Number 59 of 2007 Article 265 paragraphs (1), each Work Unit Regional Devices (SKPD) must compile and report accountability periodic implementation of APBD. One of the regional autonomy policies for dealing with budgets is budgeting with participatory methods, i.e. by involving each SKPD to submit a budget, preparing the budget and implementing budgeting (Husain, 2011).

According to Mardiasmo (2009), the government budget is a political document/contract between the government and the DPRD for the future. In agency theory, the government can be formulated as an agent and the community in this case represented by the DPRD is interpreted as principal. The relationship between agents and principals is expected to

facilitate the budget monitoring process so that dysfunctional behaviors do not occur, because the budget in government is a manifestation of development to achieve public welfare. Anthony and Govindarajan (2007) also stated that budget is a very important tool in planning and effective short-term controlling in an organization.

Budget is a plan that is written containing activities in the organization, which are expressed in a quantitative way and are used in units of money in a certain period (Purmita and Adi Erawati, 2014). Whereas according to Harefa (2008) in Pello (2014), the budget is a management tool used to communicate all management plans in an organization, allocate resources and coordinate activities. Because this budget will later become a guideline in carrying out activities, this budget must be prepared as well as possible so that all activities can be carried out properly.

Budget is not only important for private companies but also important in implementing government programs. The budget is a statement about the estimated performance to be achieved during a certain period of time expressed in financial measures. In public sector organizations, budgeting is a political process. In the private sector, budget is part of a company secret that is closed to the public, on the contrary in the public sector, the budget must be informed to the public to be criticized, discussed and given input. The public sector budget is an instrument of accountability

for managing public funds and implementing programs financed by public money (Mardiasmo, 2009).

According to Priyetno (2018), budgetary slack is an action where an agent estimates lower income and higher costs than the actual target can be achieved when given the opportunity to choose work standards so that they can improve their performance.

Many researchers have conducted research on factors that can lead to budget slack. Putra et al. (2015) found that there was a significant and positive effect of Budget Participation on the Budget Slack, Asymmetry Information had a significant and positive influence on the Budget Slack and Budget Emphasis had a significant and positive influence on the Budget Slack. While in the study of Aprianti et al. (2014) it is found that there was a positive and significant influence of budgetary participation on the budget slack. There is a positive and significant interaction effect between the emphasis of the budget on the relationship between budget participation and the budget slack. There is a negative and significant interaction effect between organizational commitment on the relationship between budget participation and the budget slack.

Starting with this condition, the public sector began to implement a budgeting system that could overcome the budgetary slack problem, namely the budget for participation, where employers must be involved in budgeting, budget approval and also following the results of budget

implementation so that realistic budgets were created, because without participation active from superiors, then subordinates tend to set a budget that is easily achieved by doing budgetary slack. Therefore, much subordinate participation in the budgeting process will provide greater opportunities for subordinates to carry out budgetary slack and vice versa when subordinate participation is little, subordinate expectations for budgetary slack are also low. Then there is a need to limit participation, of subordinates in preparing the budget according to proportional or predetermined plans and strategies so as to reduce the emergence of budgetary slack.

Based on agency theory, determining the income target in budgeting has a tendency to be budgeted lower than the maximum capability that should be achieved. This is done so that the budget target will be easily achieved which can be seen in the achievement of budget realization, which tends to be greater than the target. Unlike income, spending has a tendency to be budgeted higher than it should be. So that the realization of spending will be lower than the budget. This tendency is an indication of the occurrence of budgetary slack (Irfan, Santoso, & Effendi, 2016). The Regional Government Work Unit (i.e. known as Satuan Kerja Perangkat Daerah or SKPD) of the City government and Seluma district in Bengkulu, indications of budgetary slack can be seen from the performance reports of government agencies (i.e. known as Laporan Kinerja Instansi Pemerintah or LKIP) in the form of budget realization reports (i.e. known as Laporan

Realisasi Anggaran or LRA) in each SKPD through the Bengkulu Province website. For example, some LRAs from SKPD whose reports are published through the website indicate the occurrence of budgetary slack. It can be seen from the realization of revenues that exceed the budget, and the realization of expenses that are lower than the budget. The following is a summary of the LRA from the transportation office published on the website of the Bengkulu City Government.

Table 1.1
LRA Summary of Transportation of Service of Bengkulu City

No	Budget details	Regional Revenue and Expenditure Budget	Budget Realization	%
1	Income	Rp 16.169.314.000,00	Rp 22. 313.317.339,00	138
2	Indirect Expenditures	Rp. 8.201.860.339,00	Rp 7.199.444.520,000	87,8
3	Direct Expenditures	Rp 14.111.457.000,00	Rp 10.001.241.000,000	70.9

Source: <https://ppid.bengkuluprov.go.id>

Based on the table above, it can be seen that transportation agency revenues are realized at 138% which exceeds the budgeted target. While expenditure is intended for personnel expenditure and expenditure on goods and services, either direct or indirect expenditure is realized below the budgeted target. The tendency to reduce income and increase this burden is an indication of budgetary slack.

Participation in budgeting will give the agent an opportunity to determine how the budget will be arranged in accordance with the budget target in the section or each division. Agents participate in the budgeting process because of they have sufficient information to predict the future so their involvement is expected to reduce the tendency of individuals to do a budget slack. But on the other hand, participation in budgeting can provide an opportunity for agents to determine the budget plan where this condition can be used negatively so it can actually create slack in the budget (Husain, 2011).

One condition that can cause a budget slack is the existence of information asymmetry, meaning that if a lower or middle manager provides biased information to top managers in the budgeting process, it will affect the occurrence of budget slack. In the study of Putra et al. (2015), it is stated that one of the causes of the emergence of a budget slack is asymmetry information towards organization. The more biased information provided by lower and middle managers to top managers will affect the ability of top managers in determining the budget so that it can lead to budget slack.

A good budget is a budget that is not too low and not too high. The ideal budget is a budget that is challenging but achievable, so that progress will always occur in community development. Another factor that is considered to be the trigger for the emergence of budgetary slack is the budget emphasis. This might happen if the performance evaluation of

subordinates is largely determined by the budget that has been prepared, then subordinates will try to improve their performance by making a budget that is easy to achieve in this case by doing budgetary slack. It can cause subordinates tend to loosen the budget arranged so that the budget is easily achieved (Kusniawati and Lahaya, 2017). The emphasis of this budget in regional government is one of the factors that enable the budget slack to occur. Because if the burden of the area is too high while the income is just ordinary then the possibility of the slack becomes very high.

Organizational commitment shows a strong belief and support for the values and goals to be achieved by the organization. Managers who have a high level of organizational commitment will have a positive outlook and try to do their best for the sake of the organization (Luthans, 2015). With the existence of high commitment, the possibility of a budget slack can be avoided. Contrarily, individuals with low commitment will attach importance to themselves or their groups. If the individual does not have the desire to make the organization a better direction, so the possibility of a budget slack in budgeting will be greater.

Based on the previous research, this study is a replication of the research of Putra et al. (2015) by adding variable organizational commitment as a moderating variable referring to the study of Aprianti et al. (2014). It is consistent with the opinion of Falikhatun (2007), which states that differences in research results can be resolved through a contingency approach. The contingency approach allows other variables

act as moderating variables that influence the relationship of participation in budgeting.

Based on the description, the researcher in this study took the title “The effect of Budget Participation and Budget Emphasis on Budget Slack with Organizational Commitment as a Moderating Variable in Local Government Agencies”. The researcher conducted a study on Regional Work Unit (SKPD) of Bengkulu City and Seluma Districts as the executive who are actively involved in budgeting from planning to reporting. In addition, the researcher wanted to know the factors that cause budgetary slack more deeply at SKPD Bengkulu City Government in connection with the background described.

1.2 Research Problems

1. Does the budget participation have any effect on the creation of budgetary slack?
2. Does the budget emphasis have any effect on the creation of budgetary slack?
3. Does the organizational commitment weaken the relationship between budget participation and budgetary slack?
4. Does the organizational commitment weaken the relationship between budget emphasis and budgetary slack?

1.3 Research Objectives

1. To investigate and analyze the effect of budget participation on the emergence of budgetary slack
2. To investigate and analyze the effect of budget emphasis on the emergence of budgetary slack
3. To investigate and analyze the effect of organization commitment in weakening the relationship between budget participation to the budgetary slack
4. To investigate and analyze the effect of organization commitment in weakening the relationship between budget emphasis to the budgetary slack

1.4 Benefit of the Research

1. The result of this study is expected to be used as a consideration of the management in the government to achieve an effective budget and provide input in government activity planning activities.
2. To give contribution for the development of managerial accounting, specifically about the relationship of budget slack toward participative budgeting, budget emphasis, and organization commitment.
3. To give practical contribution for the management of the company to make policy about the budget.

CHAPTER II

LITERATURE REVIEW

2.1 Literature Review

2.1.1 Agency Theory

According to Anthony dan Govindarajan (2007), agency relationship arises when one party (the principal) gives instructions to the other party (agent) to carry out a service, where the principal delegates authority to the agent to make a decision. In this case the principal delegates the authority to agent to make a decision. As a result of the delegation of authority, the agent is obliged to implement his duties well and convey the main factors that should be considered in designing incentive contracts to motivate individuals to achieve goal alignment.

According to Anthony and Govindarajan (2007), one of the key elements of agency theory is that principals and agents have different preferences or goals. Agents are assumed to accept satisfaction not only from financial compensation, but also from other aspects, such as a lot of free time, good working conditions, flexible working hours, and so on. According to Widanaputra and Mimba (2014), the agency theory explains the relationship between two parties involved in a contract which consist of an agent as the party given the responsibility of a task and a principal as the party who delivers the responsibility. In this theory, it is possible that the unintended behavior or moral hazard occurs, because all of individuals, principle and agents, want to maximize their utilities rationally. The theory

agency also describes the relationship between the manager as principals and employees as agents in the term of budgeting process. This theory also analyzes the contractual arrangement between two, or more, individuals, group, or organization (Syahrir, 2017). The principal will make a contract, while the agent will do the work with the expectation that he or she will do what the principal wants.

The budgetary slack has relation with the agency theory. The concept of budget slack can be seen through the perspective of agency theory. According to the agency theory, the budget slack occurs because of the individual interest between the manager and employees. It also determines the phenomenon that happened when the manager delegates the work to the employees to do an authority to make decision. According to this theory, the intervention of the employee in the budgeting process will influence the intended target. It means, the employee has bigger chance to do the budget slack, because they want the target become easier to be achieved (Syahrir (2017), cited in Lukka (1988)).

2.1.2 Contingency Theory

Contingency theory is often referred to a situational theory because this theory suggests leadership that depends on the situation. Contingency model or theory Fiedler (1967) saw that effective groups depend on the compatibility between the styles of leaders who interact with their subordinates so that the situation is controlling and influencing leaders. Leaders try to influence group members in relation to specific situations.

Contingency theory explains that the good contribution of a leader in a group is determined by two things, they are characteristics of leaders and a variety of conditions and situations. In order to fully understand the effectiveness of leaders, both of these must be considered. Based on contingency theory, leadership can be seen from the aspect of organization context. Fiedler said the types of variable leadership such as leader orientation and 3 situation variables.

The orientation of the leader is what the leader is in an organization, kinetic to relationships or crossings on assignments. Good situation is the extent to which the leader can control a situation, which determined by 3 situation variables, namely:

1. Leader Orientation - Members: personal relationships between leaders and its members.
2. Task Structure: the level of the task structure given by the leader to be done by members of the organization.
3. Position of Power: the level of power gained by the leader of the organization because of position.

In this study, contingency theory is used to find out effectiveness of budgeting participation on managerial performance. Factor contingencies used in this study are leadership style, organizational culture, and organizational commitment. These factors will act as a connecting variable in relation to participation managerial budget and performance.

As described above, the findings in the study show inconsistencies between researchers with one another, so the researchers concluded that there were other variables that affected budgetary participation with budgetary slack. According the opinion of Shields and Young (1993), to resolve differences from various research results can be done by using a contingency approach. The contingency approach allows other variables to act as moderating variables that influence the relationship of participation in budgeting.

2.1.3 Budgeting

2.1.3.1 Definition of Budget

Budgeting is one of the most important planning and control mechanisms firms employ (Luft & Shields, 2003; Merchant & Van der Stede, 2017). A challenging aspect of budgeting is that it often simultaneously serves multiple purposes in the firm. Specifically, in many firms, budgets are concurrently used for both planning-oriented functions like forecasting of operating activities and performance-evaluation-oriented functions like determining bonus payments (Becker, Mahlendorf, Scaffer, & Thaten, 2016; Hansen & Van der Stede, 2004).

The budget is a guideline for actions to be implemented by the government which includes plans for income, expenditure, transfers, and financing measured in units of rupiah, which are arranged according to certain classifications systematically for one

period (PP No. 71 of 2010), while the definition of budget based on Governmental Accounting Standards Board (GASB) cited by Bastian (2006:164) is financial operations plan, which includes estimation of proposed expenditures, and sources of income that are expected to finance it in a certain period of time. Anthony and Govindarajan (2007) stated that the budget is an important tool for effective planning and short-term control in the organization.

2.1.3.2 Function and Benefits of the Budget

The main functions of the public sector budget according Mardiasmo (2009) are:

1) Budget as a planning tool

Public sector budgets are made to plan what actions will be taken by government, what costs are needed, and what results are obtained from government spending.

2) Budget as a coordination and communication tool

The public budget is a tool of coordination between parts of the government, so that it can detect inconsistencies of a work unit in achieving organizational goals.

3) Budget as a controlling tool

The budget provides details on government revenue and expense so that expenditure can be accounted for to the public. Without a budget, the government cannot control wasteful expenditures.

4) Budget as a motivational tool

The budget can be used as a tool to motivate manager and staff to work economically, effectively, and efficiently in achieving set organizational goals and objective.

5) The Budget as a political tool

The budget is used to decide priorities and financial needs of these priorities. In the public sector, the budget is a political document as a form of executive commitment and legislative agreement on the use of public funds for family purposes.

6) The Budget as a fiscal policy tool

Budget as a fiscal policy tool is used to stabilize the economy and encourage economic growth because through this budget it can be seen the direction of government fiscal policy so that economic predictions and estimates can be carried out.

7) The Budget as a performance assessment tool

The budget is a form of commitment from the budget holder (executive) to the giver of authority (legislative). Executive performance will be assessed based on the achievement of budget targets and the efficiency of budget execution. As a tool for assessing management performance, the budget serves as a planning control tool.

8) Budget as a tool for creating public spaces

Public budgets should not be ignored by cabinets, bureaucrats and DPRD. Communities, NGOs, and various community organizations must be involved in the public budgeting process. Organized community groups will try to influence the government budget for their interests.

The benefits of the budgeting process according to Garisson and Noreen (2000: 343) are as follows:

- 1) The budget is a communication tool for management plans through the organization.
- 2) The budget forces managers to think about and plan for the future.
- 3) The budgeting process is a resource allocation tool in parts of the organization so that it can be used as effectively as possible.
- 4) The budget coordinates the activities of the entire organization by integrating plans from various parts.
- 5) The budget determines goals and objectives that can be used to evaluate performance in another time.

2.1.3.3 Budgeting Process

Budgeting according to Anthony and Govindarajan (2007), needs to involve the budget department which has the function of

issuing procedures and forms for budgeting, coordinating and publishing annually corporate level basic assumptions that will be the basis for the budget (for example: assumptions about the economy), ensuring that information is properly delivered by interrelated organizational units, providing assistance to budget makers in preparing their budgets, analyzing proposed budgets and providing recommendations, first to budget makers and then to senior management, handling the process of making budget revisions during the year it coordinates the work of the budget department in the lower echelons (for example: the business unit of the budget department) and analyzes the reported performance of the budget, interprets the results, and makes a summary report for the budget senior management.

In budgeting, an organizational unit is needed to coordinate various types of budget proposals from various centers of accountability. The organizational unit is known as the budget committee. The budget committee carries out a role for each budget. Usually, the budget committee must also approve the large budget revisions made during the year (Anthony and Govindarajan, 2007).

According to Blocher et al. (2001), budgeting can be done in two ways, namely:

- a) Top down or authoritative budgeting in top down budgeting, top management determines overall goals in a budget period, while compiling the entire operating budget to achieve that goal. Authoritative sharing often reduces commitment from lower-level managers and workers responsible for implementing the budget because this authoritative budget is not communicating simply gives orders. Nevertheless, this budgeting can provide control of decision making that is better than participatory budgeting.
- b) Bottom-up or participatory budgeting is the opposite of authoritative or top down budgeting. Participatory budgeting is a good communication tool because it allows top management to understand the problems faced by its employees, and vice versa. So that this method can increase the commitment of employees to achieve budget goals. However, if it is not controlled properly, participatory budgets can lead to budget targets that are easily achieved or not in line with the organization's strategy or budget target.

Thus, it can be concluded that budgeting is a process that cannot stand alone because it requires cooperation from various parts and special departments are needed in its preparation. Budgeting also requires careful consideration so that the budget

revision process is not needed in its journey due to under-consideration at the time of initial preparation.

2.1.4 Budgetary Slack

Anthony and Govindarajan (2007: 86) stated that there are two main approaches in budgeting, namely from top to bottom and a bottom-up approach. From the top-down budget formulation, senior management sets the budget for the lowest level. With budgeting from the bottom up, lower level managers participate in determining the size of the budget. Another approach is a combination of the two approaches, they are the participation approach, and budget makers prepare the first draft budget for their areas of responsibility, which is a bottom-up approach. But they do this based on guidelines set at a higher level, which is a top-down approach. Budgetary slack is the difference between the budget amount and the best estimation (Anthony and Govindarajan, 2007). According to Suartana (2010) in Rukmana (2013), budget slack is the process of budgeting that is found to be deliberate distortions by lowering budgeted revenues and increasing budgeted expenses.

According to Hansen and Mowen (2009: 448), the budget slack arises when a manager estimates low income or raises costs deliberately. Budget slack is also defined as the express incorporation of budget amounts that make it easier to attain (Dunk, 199 in Rukmana, 2013).

Employees tend to make budget slack in order to make the budgeting process easier to be accomplished. Dunk (1993) in Sinaga (2013) also said that the employee who makes the budget slack is influenced by the manager's policy to evaluate the employee's performance by the budget accomplishment. Budgetary slack occurs when a manager deliberately makes an excessive demand on resources exceeding the real budget needs or manager deliberately state their productivity lower than their actual productivity (Widanaputra & Mimba, 2014). A manager can also make a budget slack by estimating the lower revenue and estimating bigger amount of cost. In the other hand, the manager stated too much amount of input needed to produce one unit of output.

2.1.5 Participative Budget

The budget participation is a process in which the budgeted is both involved in and has influence over the setting of budget amounts (Anthony and Govindarajan, 2007). By the participative budget, the senior manager has a right to review and criticize the proposed budget that is done by the lower level manager. The senior manager should do that in order to ensure that budgeted do not "play games" with the budgeting systems. If there is change in the budget that is done by the superior, he or she should inform the budgeted with the reasonable excuses.

Participative budgeting is often related with the occurrence of budget slack. In the participative budget, there is the cooperation between

agent and principal in making decision in the budgeting process. According to Maiga (2017) in participative budgeting, if budget attainability is viewed as the output from a relationship, then an individual's ability and effort to achieve budget can be viewed as inputs.

Participation in budgeting is an effective way to create harmony in the objectives of each unit of responsibility with overall organizational goals. Participation will lead to positive communication because with participation, there will be an exchange of ideas with each other's (Priyetno, 2018). It means, managers who have big participation in the budgeting process have bigger chance to make budget slack because when they involve too much in the budgeting process, they will protect their career by making the budget easier to be accomplished in the sake of their image (Rukmana, 2013).

2.1.6 Budget Emphasis

Another factor that is considered to trigger budgetary slack is the budget emphasis. It can be happened if the performance of subordinates is determined by the budget that has been prepared, and then the subordinates will try to improve their performance by making a budget that is easily achieved.

According to Anggasta and Martini (2014: 517), budget emphasis occurs when the budget is used as a performance benchmark and control tool. Budget emphasis can be measured by several indicators, namely: the

budget as a means of controlling (monitoring) performance, the budget as a measure of performance, the budget is set according to performance to achieve budget targets, the budget sets improves performance, gets rewards from superiors when the budget target is reached, and there is compensation when the budget target is reached

Budget emphasis is an encouragement from superiors to subordinates to implement a well-made budget, when an organization uses the budget as a performance benchmark, subordinates will try to improve their performance in two ways: first, improve performance, so that the budget realization is higher than it has been budgeted. While the second way is to make the budget easy to achieve or by loosening the budget, for example by lowering the income and increasing the cost, so the budget is easy to achieve, in this case will lead to budgetary slack.

2.1.7 Commitment the Organization

Commitment to the organization is defined as a level of acceptance of work on the goals of an organization and has a willingness to remain within the organization (Mathis, 2001 in Dewi and Erawati , 2014). If the individual pursues low organizational commitment, then the individual will try to slack the budget to make it looks good. Commitment is the attitude of someone who shows loyalty or loyalty to something. Ghozali (2013) revealed that commitment is:

- a) Trust and recognition of the goals and values of the organization or profession.
- b) Willingness to find the right effort for organization or profession.
- c) The desire to maintain a unity of membership in an organization or profession.

Strong organizational commitment within the individual will cause the individual to strive to achieve organizational goals in accordance with the goals and interests of the organization while the low organizational commitment in the individual will cause the individual to be more concerned with his personal interests compared to the interests of the organization (Mukaromah, 2015).

Commitment will make organizations be more productive and profitable (Luthans, 2015). Achieving organizational goals is important for individuals with high organizational commitment. Otherwise, for individuals or employees with low organizational commitment will have low attention to achieving organizational goals, and tend to try to meet personal interests. Individuals who have strong organizational commitment in themselves will cause these individuals to strive to achieve organizational goals in accordance with the goals and interests of the organization (Luthans, 2015) and will have a positive outlook and try their best for the sake of organization (Luthans, 2015). High organizational commitment makes individuals care about the fate of the organization and

tries to make the organization be better, and the possibility of a budget slack can be avoided.

2.2 Review of Previous Studies

Research on the effect of budget participation on budgetary slack with various moderating variables has been carried out. Putra, et al (2015) conducted a study with the title of the analysis of the Effect of Budget Participation, Asymmetry Information and Budget Emphasis on Gaps (Study on SKPD of the Buleleng Regency Government). The purpose of this study was to determine the effect of budget participation, information asymmetry and budget emphasis on budget slack both partially and simultaneously. This research took place at the SKPD of Buleleng Regency. The population in this study is the manager of the work unit or structural official involved in the budgeting process in each department or agency in the Buleleng Regency Regional Work Unit. The sample research method is purposive sampling so that a sample of 12 people per SKPD was obtained. The method used in collecting data is survey by distributing questionnaires. The technique used in this study is multiple analysis, t test and f test. The results showed a significant and positive effect on budget participation on the budget slack. Asymmetry information has a significant and positive effect on budget slack. Budget emphasis has a significant and positive influence on budget slack. Budget participation, information asymmetry and joint budgetary emphasis significantly influence budget slack.

The study was conducted by Apriantini, et al. (2014) with the title Effect of Budget Participation on Budget Gaps with Budget Emphasis and Organizational Commitment as Moderating Variables (case studies on the Buleleng district government agencies). The purpose of this study was to determine the effect of budget participation on the budget gap with emphasis on budget and organizational commitment as a moderating variable in the Buleleng district government services. The population used in this study amounted to 323 people, where the number of samples amounted to 75 people. Data analysis techniques used were validity test, moderated regression analysis (MRA), and coefficient of determination (R^2). The results of this study indicate that there is a positive and significant influence between budgeting participation on the budget slack. There is a positive and significant interaction between the budget emphasis on the relationship between budget participation and the budget slack, there is a negative and significant interaction between organizational commitment and the relationship between budget participation and the budget slack.

Rukmana (2013) stated that the participative budgeting is does not significantly influence the budgetary slack because not all of the level of organization that is observed implement the participative budgeting. By this means, there are some moderating factors that can influence the relationship between participative budgeting and budget slack. From the different findings, the moderating variable, in this research is attitude, can

be included for determining the influence of participative budgeting toward budgetary slack.

Rahmiati (2013) conducted a study on the Effect of Budget Participation on Budgetary Slack with Information Asymmetry and Organizational Commitment as moderating (empirical studies in the regional government of Padang city). This study aims to examine: 1) the effect of budget participation on budgetary slack. 2) The effect of budget participation on budgetary slack with asymmetric information as moderating. 3) The effect of budget participation on budgetary slack with organizational commitment as moderating. The populations in this study are all the Regional Work Units of the Padang city. The analytical method used is Moderated Regression Analysis (MRA). The results of the study prove that: 1) budget participation has a significant negative effect on budgetary slack 2) asymmetric information has a significant positive effect on the relationship between budget participation and budgetary slack and 3) organizational commitment does not significantly influence the relationship between budgetary participation and budgetary slack.

Triana et al (2002) conducted a study entitled The Effect of Budget Participation, Budget Emphasis, and Locus of Control on Budget Slack (Survey of Star Hotels in Jambi City). This study aims to determine the effect of budget participation, budget emphasis, and locus of control on budget slack carried out in two-star hotels, three and four in Jambi city. The data collection was done by distributing questionnaires to 47

respondents consisting of middle to lower managers using multiple regression analysis. The results of the study indicate that simultaneous budget participation, budget emphasis, and locus of control have an influence on the budget slack. Based on the t test, partially budgetary participation and budget emphasis have an influence on the budget slack, while partially there is no effect of locus of control on the budget slack. The results of previous research can be summarized in the table as follows:

Table 2.1
Summary of Previous Studies

Title and Author	Variables	Location	Results
Effect of Budgeting Participation on Budgetary Slack with Ethics, Organizational Culture, Opportunistic Behavior and Environmental Uncertainty as Moderating Variables. (Asih, Astika, dan Putri, 2016)	Independent: Budgeting participation Moderation: Ethics, Organizational Culture, Opportunistic Behavior and Environmental Uncertainty Dependent: Budgetary Slack	Jembrana Distict	Ethics is not able to moderate the influence of budgetary participation on budgetary slack. Organizational culture does not moderate the influence of budgetary participation on budgetary slack. Opportunistic Behavior does not moderate the effect of budgeting participation on budgetary slack. Environmental Uncertainty is able to strengthen the influence of budgeting participation on budgetary slack.
Analysis of the Effect of Budget Participation, Asymmetry Information and Budget Emphasis on Budgetary Slack (Study on Buleleng Regency Government SKPD) Putra et al (2015)	Independen: Budget participation, Asymmetry Information and Budget Emphasis Dependent: Budgetary Slack	Buleleng Bali	Budgetary Slack, information asymmetry and budget emphasis partially or jointly have the same significant effect on budget slack
The Effect of Budget Participation on Budget	Independent: Budget	Buleleng Bali	1) there is a positive and significant influence

Slack and Organizational Commitment as Moderating Variables (Case Study in Buleleng District Government Offices) Apriantini, et al (2014)	participation Dependent: Budgetary slack Moderating: Budget emphasis and organization commitment		between budgeting participation (2) there is a positive and significant interaction between the budget emphasis on the relationship in budget participation and the budget slack (3) there is a negative and significant interaction effect between organizational commitment to the relationship in participation budget with a budget slack
The Effect of Budget Participation on Budget Slack with Locus of Control and Organizational Culture as Moderating Variables (Sinaga, 2013)	Independent: Budget participation Moderation: Locus of Control and Organizational Culture Dependent: Budgetary slack	Pematang Siantar City	Budget participation has a significant negative effect on budgetary slack in Pematang Siantar municipal work unit. The influence will be stronger when individuals adhere to internal Locus of control at the Pematang Siantar City Regional Work Unit. People-oriented organizational culture has no influence on the relationship between budget participation and budgetary slack.
The Influence of Budget Participation and Asymmetry Information on the Emergence of Budget Slack (Empirical Study in Padang City Government) Rukmana (2013)	Independent: Budget participation and information asymmetry Dependent: Budgetary slack	Padang	1) there is no significant effect of budget participation on the budget slack 2) there is a significant effect of asymmetric information on the budget slack
The Effect of Budget Participation on Budgetary Slack with Asymmetry Information and Organizational Commitment as Moderating (Empirical Study in Padang City Local Government)	Independent: Budget participation Dependent: Budgetary Slack Moderating: Information on Asymmetry and Organizational Commitment	Padang	1) budget participation has a significant negative effect on budgetary slack 2) asymmetric information has a significant positive effect on the relationship between budget participation and budgetary slack 3) organizational

Rahmiati (2013)			commitment does not have a significant effect on the relationship between budget participation and budgetary slack
Effects of Budget Participation, Budget Emphasis, Information Asymmetry on Budgetary Slack on Samarinda City SKPD. (Kusniawati & Lahaya, 2017)	Independent: Budget Participation, Budget Emphasis, and Information Asymmetry Dependent: Budgetary Slack	Samarinda City	Budget participation has a negative but not significant effect on budgetary slack in the SKPD of Samarinda City. Budget emphasis has a significant positive effect on budgetary slack on Samarinda City SKPD. Information asymmetry has a positive but not significant effect on budgetary slack on Samarinda City SKPD.
Effects of Organizational Commitment and Environmental Uncertainty in the Relationship between Budget Participation and Budgetary Slack (Kartika, 2010)	Independent: Budget Participation Moderation: Organizational Commitment and Environmental Uncertainty Dependent: Budgetary Slack	Semarang	Budget Participation has a positive and significant influence on budgetary slack in Private General Hospitals in Semarang City. Organizational commitment does not have a significant influence on the relationship between budget participation and budgetary slack. Environmental uncertainty has a significant influence on the relationship between budgetary participation and budgetary slack and has a regression coefficient that shows negative results.
Effect of Budget Participation Emphasis and Locus of Control Budget (survey on star hotels in Jambi City) (Triana et al, 2012)	Independent: Budget participation, budget emphasis, and locus of control Dependent: budgetary slack	Jambi	1) partially budgetary participation and budget emphasis have an influence on budget slack 2) while in partially participation, there is no influence of locus of control on budget slack

2.3 Hypotheses Development

2.3.1 Effect of Participative Budget on Budgetary Slack

In agency theory, budget participation is a collaborative process between agents and principals in making decisions related to regional budgeting. The meaning of participation is the involvement of SKPD in compiling the Regional Budget (Dewi and Yasa, 2014). However, in the presence this budget participation is expected to cause budgetary slack. Budgetary slack is an action that degrades the productivity capability because of an agent through their participation in budgeting they have opportunities inside determine the standard of work (Young, 1985 in Dewi and Yasa, 2014).

If the involvement of employees in the preparation of the budget is misused to fulfill their personal desires and interests, it will cause slack, especially if the performance assessment is determined based on the achievement of the budget. Employees usually make an effort to determine income that is too low and the cost is too high. With this, employees can easily reach the budget target. The formulation of the hypothesis which states the effect of budget participation on budgetary slack refers to research done by Rukmana (2013), which stated that participation in planning of budgeting organization be able to create some negative behavior such as, establish the standard or target is too high or too low, the emergence slack budgeting, and the existence of false participation. Based on this description, the following hypothesis can be formulated:

H₁: Budget participation has a negative effect on the budget slack

2.3.2 Effect of Budget Emphasis on Budgetary Slack

Budget emphasis is a pressure from superior on subordinate to implement well-made budgets, when an organization uses the budget as a performance benchmark, subordinates will seek to improve their performance in two ways: first, improve performance, so that budget realization is higher than which has been budgeted, the second way is to make the budget easy to achieve or by loosening the budget, for example by lowering the income and raising costs, so the budget is easy to achieve, in this case it will cause budgetary slack.

It is supported by agency theory that organizational conditions can affect budgetary slack, where the principal as the chairman is more concerned with productivity and efficiency by making a cut-off on the budget that is submitted by the agent as subordinates. While the agency has its own interests to facilitate the achievement of their targets. Chairman urges subordinates to carry out efficiency in carrying out operating activities by reducing the burden and increasing the company's revenue. Budget targets that are too difficult will to reach affect subordinates to take short-term actions that are easily achieved, so that the applied budget emphasis encourages subordinates to do slack, and it results the budget that has been prepared in each unit is easily achieved.

The results of this study are supported by Putra, et al. (2015) who

found that budget emphasis in performance research encourages budget slack. The research conducted by Dunk (1993) is supported by Kusniawati and Lahaya (2017) research and Triana and Putra (2012) who stated that budget emphasis has an influence on budgetary slack. According to Dunk (1993) the higher the budget emphasis, the higher also budgetary slack that might occur. Research results of Kusniawati and Lahaya (2017) also shows a positive influence between emphasis budget and budgetary slack because the target budget is used as a refusal measure the performance of subordinates. Based on the description above, it can be formulated hypothesis as follows:

H₂: The Budget Emphasis has a positive effect on the budget slack

2.3.3 Effect of Organizational Commitment on the Relationship Between Budget Participation and Budget Slack

Commitment to the organization is defined as a level of acceptance of work on the goals of an organization and has a willingness to remain within that organization (Mathis, 2001) in Dewi and Erawati (2014). If the individual pursues a personal interest, then the individual will try to slack the budget to make it look good. High commitment makes individuals concerned with the fate of the organization and tries to make the organization a better direction and budget participation opens opportunities for subordinates to create budgetary slack for their benefit if employee commitment to the organization is at a low level (Jaya, 2014).

With the existence of high commitment, the possibility of budgetary slack can be avoided. From the results of the study Lathuheru (2005) states that the higher organizational commitment will lead to the decreasing tendency of individuals participating in budgeting to do budgetary slack. The higher the level of organizational commitment the more negatively influences the relationship between budgetary participation and budgetary slack, which means that the higher the organizational commitment, the lower the tendency of managers participating in budgeting to create budgetary slack. Therefore, the following hypothesis can be formulated:

H₃: Organization Commitment has a negative effect with the relationship between budget participation with budgetary slack

2.3.4 Effect of Organizational Commitment on the Relationship Between Budget Emphasis to Budgetary Slack

When an organization uses the budget as one of the performance benchmarks, the subordinates will try to improve their performance in two ways, the first, increase performance, so that the realization of the budget is higher than the budgeted, whereas the second way is to make the budget easy to achieve or in other words loosen the budget in a way, for example by lowering the income target by raising the cost of the company, so that the budget is easy to achieve, in this case it will cause budgetary slack (Armaeni, 2012).

The results of the study by Aprianti et al. (2014) stated that there is a positive and significant interaction effect between budget emphasis on relationships and budgetary participation with budgetary slack. Aprianti et.al.(2014) study also shows that the higher the level of organizational commitment, the positive relationship between budgetary emphasis and budgetary slack, which can be interpreted that the higher the organizational commitment, the higher the tendency of managers who participate in budgeting to create budget slack.

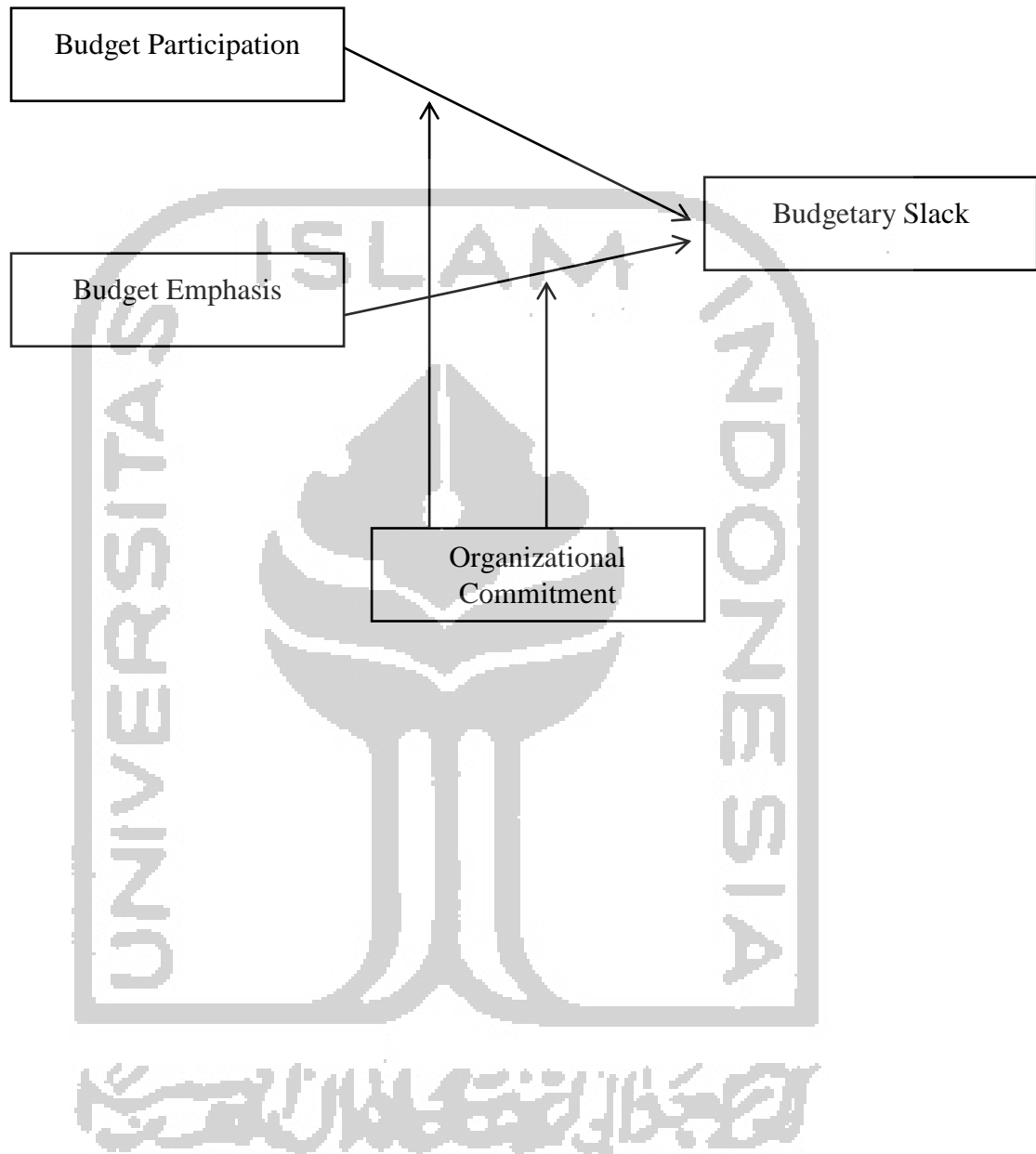
Based on this explanation, a hypothesis can be formulated as follows:

H4: Organizational commitment has a positive effect on the relationship between budget emphasis to budget slack

2.4 Conceptual Framework

This research aimed to find out and analyze the influence of budget participation and budget emphasis on budget slack through organizational commitment as a moderating variable. Hence, the conceptual framework of this study pictured as follows:

Figure 2.1 Conceptual Framework



CHAPTER III

RESEARCH METHOD

3.1 Research Variables Operational Definition

The variables of this study consist of three types of variables, namely independent variable, dependent variable, and moderating variable. Independent variables of this study are budget participation and budget emphasis and the dependent variable is slack budget. The moderating variable used in this study is organizational commitment. The variables of this study are explained further in the next section below

3.1.1 Independent Variables

The independent variable in this study is budget participation and budget emphasis. According Anthony and Govindarajan (2007) in Sinaga (2013), budget participation is the process by which the compiler has an influence in determining the amount of budget. Budgetary participation measured using instruments developed by Rukmana (2013) with five (5) questions on scale 1 to 6 where (1) stated strongly disagree and (6) stated strongly agreement.

Budget emphasis is a tendency to achieve goals in the easiest way (Lowe & Shaw, 2968). Budget emphasis measured using instruments developed by Hopwood (1972) in Triana et al. (2012) with eight questions on scale 1 to 6 where (1) stated strong disagreement and (6) stated strong agreement.

3.1.2 Dependent Variable

Budgetary slack is a dependent variable in this study. According Young (1985) in Syahputra, et al (2018), slack is a subordinate action that understates its productive capability when given the opportunity to determine its standard of work. The tendency to do budgetary slack is measured by an instrument developed by Dunk (1993) quoted from Ardila (2013) as follows:

- 1) Determining standards in the budget produces high productivity in the unit of accountability.
- 2) Budget target in the unit of responsibility can be both difficult or easy to achieve.
- 3) The existence of budget constrains or not in expenditure on the unit of responsibility.
- 4) The existence of budget target can increase efficiency or not.

The measurement scale used for this variable is with six of question on scale 1 to 6 where one stated strongly disagreement and six stated strongly agreement.

3.1.3 Moderating Variable

Organization commitment is encouragements from a manager do something in order to support the success of the organization in accordance with the objectives to prioritize the interests of the organization. Operational commitment can grow due to individuals having an emotional bond to the organization which includes moral support,

values acceptance that exist in the organization and self determination to serve the organization (Poerter et al., 1974 in Kartika, 2010). To measure organizational commitment used 9 question items that have been used by Mowday (1979) quoted from Asriningati (2006) using the Likert scale 1-6.

3.2 Population and Sample

The population is a generalization area consisting of subject and objects which have certain qualities and characteristics that have been determined by researchers to be studied and conclusions to be drawn (Sugiyono, 2014). The population of this research is the Regional Work Unit (SKPD) of the Bengkulu City Government. In this case, SKPD as the executive is actively involved in the budget from planning to report.

This study uses samples that can represent the population as a whole. The method used in determining the sample of this study was purposive sampling. Purposive sampling is a deliberate sampling technique based on certain criteria determined by the researcher. This sampling technique was also chosen to avoid bias in research and so that the results were more representatives (Sugiyono, 2014).

The sample criteria in this study were the head of the field, section head, and finance subdivision head of the department, agency, and sub-district on the some of SKPD in Bengkulu City and Seluma Districts consisting of the Department of Education, Department of Population and Civil Registration, Department of Public Works, Housing, and Settlement

Areas, Office of Culture, Department of Transportation, Social Service, Office of Industry and Trade, Office of Cooperatives, SMEs, Labor and Transportation, Agriculture and Food Service, Tourism Office, Defense and Spatial Service, and Youth Sports Service. The SKPD was chosen because each of them was actively involved in budget participation through the creation of work programs that used the budget as a planning and control tool. In addition, the selection of the SKPD was carried out on the grounds that the three agencies had an important role in preparing, using, and reporting on the realization of the budget or actively implementing the budget from the local government.

Sugiyono (2014) explained to determine the number of samples in multivariate (correlation or multiple linear regression) is to multiply 10 times the variable studied. In this study, there were a total of four variables then multiplied by 10 (ten) so that in total there are 40 minimum samples must be fulfilled.

3.3 Type and Source

The data source that will be used in this research are primary data in the form of respondents' answer to items of question contained four research instrument, such as budgetary slack, budget participation, budget emphasis, and organization commitment. Based on the answer contained in the questionnaire, data will be obtained that describes the attitudes and involvement of respondents during preparing budget. The type of data in this study is the type of subject data obtained in the form of opinions,

attitudes, experience, and characteristics of respondents who become the subject of this study.

3.4 Method of Collecting Data

Data collection in this study is employing the survey method, where research data is collected using questionnaires and data obtained directly from respondents. Data collection is done by distributing questionnaires to each SKPD. There are 12 SKPD, which are the object of research with a total of 50 questionnaires to be distributed. The questionnaire was distributed to some departments consisting of the Department of Education, Department of Population and Civil Registration, Department of Public Works, Housing, and Settlement Areas, Office of Culture, Department of Transportation, Social Service, Office of Industry and Trade, Office of Cooperatives, SMEs, Labor and Transportation, Agriculture and Food Service, Tourism Office, Defense and Spatial Service, and Youth Sports Service. For each SKPD four questionnaires were distributed. Three of them address for heads of fields / sections, while one of them is to financial subdivision head.

The questionnaire was distributed directly to each SKPD and then for the return taken by the researcher at the specified time. The questionnaire contains questions with several alternative answer choices, where respondents are asked to answer questions in the form of interval scale so that they can measure the respondent's response to the questions

that have been asked. The list of questions is taken from some of the literature that has been tested. The alternative answers provided are:

1 = Strongly Disagree

2 = Disagree

3 = Rather Disagree

4 = Rather Agree

5 = Agree

6 = Strongly Agree

3.5 Analysis Method

Data analysis in this study is carried out using linear regression analysis multiple with the help of an application called SPSS (Statistical Package for Social Sciences). Previously, a test was conducted on the quality of the data through testing validity and reliability to then do the classic assumption test, analysis multiple linear regressions, coefficient of determination, and hypothesis test.

3.5.1 Statistic Descriptive

This statistic aims to provide an overview of the demographics of respondents who indicate their level of education, gender, length of work and age of the respondent. Whereas to give a description of the character of the research variables, the researcher used a distribution table that shows the mean, median,

range and standard of deviation. According to Hamdi and Baharuddin (2014), descriptive method is a research method which purposed to describe the phenomenon in the past and current condition, not only describe the condition but also the development of a condition. Nazir (2005) stated that descriptive method is a research which used to examine a group of people, object, a certain condition, a systematical thinking, or a class of occurrence of current condition then discussed systematically factual and based on the facts and the characteristics of the relationship of the phenomena being observed.

3.5.2 Data Quality Test

3.5.2.1 Validity Test

Validity test is done with the aim to determine the extent to which the accuracy of a measuring instrument in determining the measurement functions. The approach is done by calculating the correlation between the scores of each question with the total score studied using product moment correlation techniques from Pearson correlations. The Pearson correlation is said to be positive and significant at the 0.05 level.

3.5.2.2 Reliability Test

Reliability test is intended to determine the minimum level of trust that can be given to the sincerity of the answers received. The reliability test of the research instrument was carried out by

examining the consistency of Cronbach alpha coefficients for all variables. According to Nunnally (1978) in Ghazali (2013), the research instrument is said to be reliable (reliable) if Cronbach alpha is more than 0.6.

3.5.3 Classic Assumption Test

The classic assumption test is used for research using methods multiple regression. This test is done to test whether the data meets classical assumptions and to avoid biased estimation parameters (Ghozali, 2013).

3.5.3.1 Normality Test

The normality test is done to find out whether in the regression model, the variables have a normal distribution (Ghozali, 2013). Normally distributed data will minimize the possibility of bias. According to Ghazali (2013) normality testing can be conducted by using the statistical test Kolmogorov Smirnov.

If the result of the Kolmogorov Smirnov test is above the confidence level of 5% or 0.05, it is indicated a normal distribution pattern, it means the regression model meets the assumption of normality. However, if Kolmogorov Smirnov's result is below the 5% confidence level it does not show a normal distribution pattern, and the regression model does not meet the assumption of normality.

3.5.3.2 Heteroscedasticity Test

This test is done to test whether in a regression model there is a variance inequality from the residual one observation to another observation. The method used is the *Glejser* test. The data in which there is no heteroscedasticity is the one that has a significance value which is above the confidence level of 0.05 (> 5%) (Ghozali, 2013). If the variant of residual one observation with other observations are fixed, it is called heteroscedasticity and if the variant of residual is resulted from two different observations, it cannot be called heteroscedasticity.

3.5.3.3 Multicollinearity Test

This test is carried out to test whether in the regression model it is found correlation among independent variables (Ghozali, 2013). In a good regression model, there should be no correlation among independent variables. To detect the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance inflation factor (VIF). As a reference basis, it can be concluded:

- a) If the tolerance value is > 0.10 and the VIF value is < 10 , it can be concluded that there is no multicollinearity between the independent variables in the regression model.

- b) If the tolerance value is <0.10 and VIF value is > 10 , it can be concluded that there is multicollinearity between independent variables in the regression model.

A good regression that is a regression model that is non multicollinearity means that between one independent variable and another in the regression model is not perfectly interconnected. If a regression model contains multicollinearity, the standard error of estimation will tend to increase the independent variables. If multicollinearity occurs in a regression model, steps can be taken as follows:

- 1) Issue one of the variables that has a strong correlation
- 2) Create a new variable, which is a combination of variables that correlate strongly and use new variables instead.

3.5.4 Analysis of Multiple Linear Regressions

According to Gujarati in Ghazali (2013), regression analysis is the study of dependent variables with one or more independent variables with the aim to estimate or predict the average of the dependent variable based on the value of the known independent variable. The accuracy of the sample regression function in estimating the actual value can be measured from the goodness of fit. Statistically, at least it can be measured from the value of the coefficient of determination (R^2), the statistical value F and the value of statistics t. Statistical calculations are called statistically

significant if the statistical test value is in a critical area (the area where H_0 is rejected) (Ghozali, 2013).

The interaction test or often called Moderated Regression Analysis (MRA) is a special application of linear multiple regression where the regression equation contains an element of interaction (Ghozali, 2013) with the formula:

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$Y = a + b_1X_1 + b_2X_3 + b_3X_1 * X_3$$

$$Y = a + b_1X_2 + b_2X_4 + b_3X_2 * X_3$$

Information:

Y = Budgetary Slack

a = Constants

b_1 - b_3 = regression coefficient

X_1 = Budget `Participation

X_2 = Budget Emphasis

X_3 = Organizational Commitment

e = Residual errors

3.5.4.1 T-Test

According to Ghozali (2013), t-test is used to test how far the influence of the independent variables used in this study

individually in explaining the dependent variable partially. The basis for decision making used in the t test is as follows:

- 1) If the significance probability value is > 0.05 , the hypothesis is rejected. The rejected hypothesis means that the independent variable has no significant effect on the dependent variable.
- 2) If the probability of significance is < 0.05 , the hypothesis is accepted. The irrevocable hypothesis means that the independent variable has a significant effect on the dependent variable.

CHAPTER IV

DISCUSSION

4.1 Description of the Research Object

The results of the research were obtained through a questionnaire that had been distributed to several SKPD in Bengkulu City and District of Seluma. Respondents in this study were heads of division, head of finance, budget staff, and financial staff who played an active role in the budget participation of Bengkulu City and District of Seluma. The SKPD was chosen as a sample because it met the criteria determined through purposive sampling, which is the part that was actively involved in budgetary participation in planning, implementing, controlling, evaluating and reporting activities in the form of budgets and their realization. 50 questionnaires were distributed directly to the respondent's place of work, namely department, agency and sub-district. The number of questionnaires returned and fulfilled the requirements was 40 questionnaires.

The following is a summary of the distribution and return of the questionnaire in this research:

Table 4.1

Recapitulation results of the Questionnaires Distribution

Information	Number of Questionnaires	Percentage (%)
Questionnaires distributed	50	100%
Questionnaires that did not return	4	8%
Returned questionnaires	46	92%
Unusable questionnaire	6	12%
Usable questionnaire	40	80%

Source: Research Data, 2019

Based on table 4.1 above, it can be seen that the rate of return is 92% while 6 questionnaires were not eligible so the return rate used was 80%. In this research, 40 samples were used which equal the minimum number of samples needed. Not all questionnaires can be returned because the object of research is governance where there are more difficult regulations. Researcher cannot supervise respondents directly in filling out the questionnaire due to time constraints and busy respondent. So, when collecting questionnaires at the allotted time not all questionnaires distributed can 100% return. Furthermore, the description of the respondents regarding gender, age, length of work, and position can be explained as follows:

Table 4.2
Respondents' Demographic

Information	Total	Percentage (%)
<i>Gender:</i>		
Female	17	42.5%
Male	23	57.5%
Total	40	100%
<i>Age:</i>		
25-30 years	9	22.5%
31-35 years	6	15%
36-40 years	4	10%
41-45 years	16	40%
>45 years	5	12.5%
Total	40	100%
<i>Job title:</i>		
Head of the field	16	40%
Head of Finance	9	22.5%
Budget staff	10	25%
Financial staff	5	12.5%
Total	40	100%

<i>Last Education:</i>		
High School	0	0%
D3 (Diploma)	4	10%
S1 (Undergraduate)	28	70%
S2 (Postgraduate)	8	20%
Total	40	100%
<i>Group/Rank</i>		
Eselon I	0	0%
Eselon II	2	5%
Eselon III	8	20%
Eselon IV	18	45%
Eselon V	1	2.5%
Others	11	27.5%
Total	40	100%
<i>Work Period:</i>		
<3 years	7	17.5%
3-5 years	8	20%
6-10 years	16	40%
11-15 years	4	10%
>15 years	5	12.5%
Total	40	100%

Source: Research Data, 2019

Based on table 4.2 above, it can be explained that based on the gender of the most respondents are male 57.5% who returned the questionnaire. Based on age, it is estimated that respondents were received 41-45 years. This result shows that the respondent already has a sufficient level of ability to think and act. Meanwhile, based on work period, the majority of respondents already have working experience in current positions for 6-10 years. This result shows that respondents have experienced several policy changes that might occur mainly related to the budget. So, it can be seen that the respondent already has sufficient experience related to budgetary slack that is likely to occur in the respondent's work environment.

Based on the latest level of education, the majority of respondents were S1 graduates as much as 70%. This result shows that respondents have adequate knowledge and competence in their field. The majority of respondents' occupations are echelon IV at 45%. Echelon is a structural position level where echelon I is the highest level then followed by echelon II, echelon III, echelon IV, and echelon V. The position level is related to the position held by the respondents in this research. Respondents with echelon IV position levels are the majority at 45%, which is in accordance with the number of section heads and also the head of financial affairs. Meanwhile, echelon II and echelon III respectively by 5% and 20%. This is also in accordance with the number of heads of fields in this study. Thus, respondents already represent the population and according to the desired sample criteria.

4.2 Data Quality Test Results

4.2.1 Validity Test

Validity test was carried out for a sample of 40 respondents who were measured by looking at the significance of the results of the bivariate correlation analysis in the correlation column using SPSS software (Ghozali, 2013). If the significance value is smaller than α (0.05), the data obtained is said to be valid. Based on the data processed, the following recapitulation is produced:

Table 4.3**Validity test**

Variables	Indicators	Correlation Coefficient (r)	Significant Value	Conclusion
Budget Slack	SA1	0,878	0,000	Valid
	SA2	0,722	0,000	Valid
	SA3	0,833	0,000	Valid
	SA4	0,724	0,000	Valid
	SA5	0,785	0,000	Valid
Budget participation	PA1	0,890	0,000	Valid
	PA2	0,835	0,000	Valid
	PA3	0,858	0,000	Valid
	PA4	0,769	0,000	Valid
	PA5	0,914	0,000	Valid
	PA6	0,873	0,000	Valid
Budget Emphasis	PNA1	0,811	0,000	Valid
	PNA2	0,793	0,000	Valid
	PNA3	0,724	0,000	Valid
	PNA4	0,641	0,000	Valid
	PNA5	0,715	0,000	Valid
	PNA6	0,764	0,000	Valid
	PNA7	0,692	0,000	Valid
Organization Commitment	KO1	0,923	0,000	Valid
	KO2	0,915	0,000	Valid
	KO3	0,925	0,000	Valid
	KO4	0,903	0,000	Valid
	KO5	0,913	0,000	Valid
	KO6	0,930	0,000	Valid
	KO7	0,837	0,000	Valid
	KO8	0,915	0,000	Valid
	KO9	0,851	0,000	Valid

Source: Research Result, 2019

4.2.2 Reliability Test

Reliability testing was carried out on a sample of 40 respondents.

The recapitulation of the test results is shown as follows:

Table 4.4**Reliability Test**

Variables	Number of Itemss	Cronbach's Alpha	Information
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Budget slack	5	0,844	Reliable
Budget participation	6	0,928	Reliable
Budget emphasis	7	0,858	Reliable
Organization commitment	9	0,971	Reliable

Source: Research Result, 2019

Based on the data that has been processed, Cronbach's Alpha obtained a budgetary slack variable as much as 0.844, a budgetary participation variable as much as 0.928, a budget emphasis variable as much as 0.858, and an organizational commitment variable as much as 0.971. Based on Ghazali (2013), the data is said to be reliable if Cronbach's Alpha > 0.60. These results indicate that each variable has Cronbach's Alpha > 0.60. So, it shows the data generated is reliable.

4.3 Classical Assumption Test Result

4.3.1 Descriptive Statistics Analysis

Descriptive analysis is used in this study to describe research data regarding the variables studied in the form of averages, standard deviations, minimum scores, and maximum scores.

Furthermore, there will be explained descriptive analysis which explains the data description of all variables that will be included in the research model. For more details can be seen in the following table:

Table 4.5

Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
SA	40	2.40	5.60	4.4450	.73935

PA	40	2.67	6.00	4.3458	.98738
PNA	40	2.67	6.00	4.3893	.80161
KO	40	1.78	6.00	4.2000	1.22963

Source: Research Result, 2019

From table 4.5 above, it can be explained that respondents' assessments of budgetary slack have an average of 4.4450, standard deviation of 0.73935, and a minimum to maximum range of 2.40-5.60. An average value of 4.4450 means that all respondents who provided answers to the budget slack on average gave a high enough assessment score. It means that on average employees believe that budget standards cause high productivity, allow for a budget slack, confident about achieving the budget, and careful about monitoring costs. While the standard deviation of 0.73935 means that the size of the spread and variable budgetary slack is 0.73935 from the 40 respondents studied.

The budget participation variable has an average of 4.3458, a standard deviation of 0.98738, and a minimum to maximum range of 2.67-6.00. This result means that all respondents who gave answers to budget participation on average gave an assessment of 4.3458, where individuals who participated in each budget participation, could suggest for a budget revision, were active in giving opinions and contributions, about the budget to superiors often asking for opinions in budget proposals. While the standard deviation of 0.98738 means that the size of the spread of the Budget Participation variable is 0.98738 of the 40 respondents studied.

Descriptive results of budget emphasis have an average of 4.3893, a standard deviation of 0.80161, and a minimum to maximum range of 2.67-6.00. This result means that all respondents who gave answers to high budget emphasis, where the leadership has a tendency to occur to achieve budget success in the easiest way, for example pressing subordinates in setting budget targets by offering greater income, to encourage employees' ability to achieve budget targets. While the standard deviation of 0.80161 means that the size of the spreader of the budget emphasis variable is 0.80161 of the 40 respondents studied.

The organizational commitment variable has an average of 4.2000, a standard deviation of 1.22963 and a minimum to maximum range of 1.78-6.00. it means that of all respondents who gave answers to organizational commitment on average included in high organizational commitment, where employees already have the desire to work hard to support the organization, do not retreat from the organization, feel proud to work in this government, have opportunities in improving performance employees and organizations because they care about the future of the organization. While the standard deviation of 1.22963 means that the size of the spread of the organizational commitment variable is 1.22963 from the 40 respondents studied.

4.3.2 Normality Test

Normality test is done using one sample Kolmogorov Smirnov, if the asymp.Sig (2-tailed) > 0.05 then the data distribution is considered to be normal (Ghozali, 2013).

Table 4.6
Normality Test Results

	Standardized Residual
N	40
Asymp.Sig.(2-tailed)	0,297

Source: Research Result, 2019

Based on the results of data processing, it is obtained that all variables have a Kolmogorov Smirnov value > 0.05 which is 0,297. So, it can be said that the data obtained in this research are normally distributed.

4.3.3 Heteroscedasticity Test

Heteroscedasticity test in this study was conducted to find out whether in the regression model there was an unequal variance in residuals between one observation to another. The presence of heteroscedasticity can be detected using Glajser test.

The following are the results of the heteroscedasticity test with the Glajser test:

Table 4.7
Heteroscedasticity Test

Variables	Sig.
Budget participation	0,181
Budget emphasis	0,548
Organization commitment	0,873

Source: Data Processed, 2019

Based on table 4.7 above, the level of significance for each variable is bigger than 0.05. Thus, it can be concluded that the regression model used in this study is free from heteroscedasticity.

4.3.4 Multicollinearity Test

Multicollinearity test in this research was conducted to prove that there was no correlation among independent variables. A regression model is said to be good if there is no correlation among independent variables. This testing can be done with Variance Inflation Factor (VIF) using SPSS software. The research data is said to be free of multicollinearity if Tolerance > 0.1 and VIF < 10 . The results of multicollinearity testing are as follows:

Table 4.8
Multicollinearity Test

Variable	Collinearity Statistics	
	Tolerance	VIF
Budget Participation	0,903	1,107
Budget Emphasis	0,920	1,086
Organization commitment	0,965	1,037
Dependent: Budget Slack		

Source: Data Processed, 2019

Based on the results of the multicollinearity test in the table, it can be seen that the tolerance and VIF values of the budget participation variables are respectively 0.903 and 1.107, for the Budget Emphasis variable of 0.920 and 1.086, and for the Organization Commitment variable of 0.965 and 1.037. These results indicate that the regression model in this research does not have a multicollinearity problem. It can be

said that there is no correlation between independent variables so it is appropriate to be used for further analysis because the tolerance value is greater than 0.1 and the VIF value is smaller than 10.

4.4 Multiple Linear Regression Analysis

4.4.1 Regression Equation

Based on the data that has been processed, the results of the multiple linear regression tests are follows:

Table 4.9
Multiple Linear Regression Test Result

Variables	Regression Coefficient	T count	Sig. t	Results
X1	-0.343	-3.602	0.001	Significant
X2	0.347	2.960	0.005	Significant
X1 X3	-0.268	-2.814	0.008	Significant
X2 X3	0.227	2.279	0.029	Significant

Source: Data Output, 2019

Information: X1 : Budget Participation

X2 : Budget Emphasis

X3 : Organization Commitment

Based on table 4.10 above, the regression equation is obtained as follows:

$$Y = 4.411 - 0.343X_1 + 0.347X_2 - 0.268X_1.X_3 + 0.227X_2.X_3 + e$$

From this equation, it can be explained as follows:

1. A constant of 4,411 indicates that if the independent variables namely budgetary participation, budgetary emphasis, and organizational commitment are assumed to be constant or equal to

zero (0) then the value of variable Y (budgetary slack) is equal to 4,411 units.

2. The coefficient of budget participation variable of -0.343 is negative, it indicates that each increase in the budget participation variable is 1 unit, and then the budgetary slack will decrease by 0.343 units assuming the other variables are in constant condition or unchanged.
3. The coefficient of the budget emphasis variable of 0.347 is positive it indicates that each increase in the moderating variable of the budget emphasis is 1 unit, then the budgetary slack will increase by 0.347 units assuming that the other variables are in constant condition or unchanged.
4. The coefficient of budget participation variable with organizational commitment as a moderating variable of -0.268 is negative, it indicates that every increase in the variable of budget participation with organizational commitment as a moderating variable is 1 unit, then the budgetary slack will decrease by 0.268 units assuming the other variables are in constant condition or unchanged.
5. The coefficient of the budget emphasis variable with organizational commitment as a moderation variable of 0.227 has a positive value indicating that every increase in the budget emphasis variable with organizational commitment as a moderating variable is 1 unit, the

budgetary slack will increase by 0.227 units with 1 assumption that is other variables in constant conditions or unchanged.

4.5 Hypothesis Testing

4.5.1 T-Test

T test aims to find out how the ability of each independent variable individually in explaining the dependent variable. The level of significance used in this test is 0.05. The hypothesis in this study was tested by multiple regression analysis with the MRA (Moderated Regression Analysis) method, that is the effect of budgetary participation and emphasis on budgetary slack, which is moderated by the variable organizational commitment. The discussion for each hypothesis is as follows:

1. **H₁: Budget participation has a negative effect on the budget slack**

Based on hypothesis testing, the budget participation variable has a significance level of 0.001. It shows that the significance value is less than 0.05 ($0.001 < 0.05$) so it can be said that budgetary participation significantly influences budgetary slack.

The coefficient β for budget participation variables has a negative value that is equal to -0.343. These results support H₁ that budgetary participation has a negative effect on budgetary slack, so H₁ can be accepted.

It means that if the higher the level of budget participation, the lower the level of budget slack. Whereas, the lower the budget participation, the higher the budget slack level. From the results of this research, it can be seen that the existence of budgetary participation does not affect the increasing of budget slack. The large budget participation makes the large involvement of employees in preparing the budget. If the employee involvement in the preparation of the budget is misused to fulfill his personal desires and interests, it will cause a slack, especially if the performance appraisal is determined based on the achievement of the budget.

Based on agency theory, budgetary slack can occur because between the principal and agent information asymmetry occurs. It is arising because agent who participate in preparing the budget, provide biased information to the principal, while agents have information that can be used to make the organization's budget be more accurate. So that the agent's participation in the budgeting process will make the agent take the action he wants to achieve in his own interest, namely by creating budgetary slack. Meanwhile, the purpose of budget participation in the public sector, especially local government, is that it should be able to increase the motivation and responsibility of managers and staff, especially those who prepare and implement the budget towards achieving

budget targets. Based on research SKPD in Bengkulu City and Seluma District, budgetary participation will reduce the tendency for budgetary slack.

It supports the results of Rukmana's research (2013), which stated that participation in planning of budgeting organization be able to create some negative behavior such as, establish the standard or target is too high or too low, the emergence of slack budgeting, and the existence of false participation.

2. H₂: Budget Emphasis has a positive effect on the budget slack

Based on hypothesis testing, the budget emphasis variable has a significance level of 0.005. It shows that the significance value is less than 0.05 ($0.005 < 0.05$) so it can be said that the emphasis of the budget has a significant effect on budgetary slack.

The coefficient β for the budget emphasis variable has a positive value that is equal to 0.347. These results support H₂ that budget emphasis has a positive effect on budget gaps, so H₂ can be

accepted. It means that budget emphasis will cause an increase in budget slack. From the results of these tests, the Government of Bengkulu City and Seluma District SKPDs can be seen that the existence of budgetary emphasis can increase the budgetary slack.

It can occur because of a performance-based budgeting system where the assessment is based on whether or not the budget target has been achieved which will then encourage agents to carry out

slack with the aim of increasing the prospect of compensation going forward.

Based on agency theory that organizational conditions can affect budgetary slack where the principal as the chairman is more concerned with productivity and efficiency by making a cut off on the budget proposed by the agency. On the other hand, the agents have their own interests to facilitate the achievement of their targets. A budget target that is too difficult will then influence the agent to take short-term actions that are easily achieved, by making budgetary slack, so that the budget emphasis can encourage agents to make slack, and the budget that has been prepared in each unit is easily achieved and its performance is good. These results support the research from Kusniawati and Lahaya (2017) supported by Triana and Putra (2012) research that the emphasis of the budget affects budgetary slack.

3. H₃: Organization Commitment has a negative effect with the relationship between budget participation with budgetary slack

Based on hypothesis testing, the interaction between budgetary participation variables and organizational commitment has a significance level of 0.008. This result shows that the significance value is less than 0.05 ($0.008 < 0.05$) so it can be said that organizational commitment can moderate budgetary participation on budgetary slack.

Coefficient β for budget participation variables with organizational commitment as a moderating variable has a negative value that is equal to -0.268. These results support H_3 that budgetary participation with organizational commitment as a moderating variable has a negative effect on budgetary slack, so that H_3 can be accepted. It means that partially budgetary participation has a negative and significant effect on budget slack in organizational commitment as a moderating variable. The negative regression coefficient shows that organizational commitment weakens the relationship between budgetary participation and budget slack.

From the result of this test, it can be concluded that the results of these tests represent a negative relationship where organizational commitment has an influence on the relationship between budgetary participation and budget slack. It means that individual commitment to the organization can affect one's desire to do budgetary slack where the higher the organizational commitment will reduce the individual's desire to do budgetary slack, and vice versa. The higher organizational commitment will cause the decreasing tendency of individuals who participate in the preparation of the budget to budgetary slack. The higher the level of organizational commitment, the more negatively influences the relationship between budgetary participation and budgetary slack,

which means that the higher the level of organizational commitment, the lower the tendency of those participating in budgeting to create budget slack.

The results of this study support the research of Apriantini et al. (2014) who found that there was a negative and significant interaction effect between organization commitment on the relationship between budget participation and budgetary slack.

4. H₄: Organizational commitment has a positive effect on the relationship between budget emphases to budget slack

Based on hypothesis testing, the interaction between budget emphasis variables with organizational commitment has a significance level of 0.029. This result shows that the significance value is less than 0.05 ($0.029 < 0.05$) so it can be said that organizational commitment can moderate the budget emphasis on budgetary slack.

The coefficient β for the budget emphasis variable with organizational commitment as a moderating variable has a positive value that is equal to 0.227. These results support H₄ that budget emphasis with organizational commitment as a moderating variable has a positive effect on budgetary slack, so that H₄ can be accepted. The results of this study indicate that partially budget emphasis has a positive and significant effect on budget disparities in organizational commitment as a moderating variable.

The results of this study support the research of Apriantini et al. (2014) who found that there was a positive and significant interaction effect between organization commitment on the relationship between budget emphasis and budgetary slack.



CHAPTER V

CONCLUSION

5.1 Conclusion

Based on the results of research in the form of questionnaire and hypothesis submitted, the conclusions of the result of the research “The Effect of Budget Participation and Budget Emphasis on Budget Slack with Organizational Commitment as a Moderating Variable in Local Government Agencies (study case in SKPD Bengkulu City and District of Seluma) are as follows:

1. Budget participation has a significant negative effect on budgetary slack in SKPD Government of Bengkulu City and Seluma District. It means that the higher the level of budget participation, the less likely the budgetary slack will occur.
2. Budget emphasis has a significant positive effect on budgetary slack in SKPD Government of Bengkulu City and Seluma District. It means that the higher the budget emphasis, the greater budgetary slack will occur.
3. Budget participation has a significant negative effect on budget slack with organizational commitment as a moderating variable. The negative regression coefficient shows that organizational commitment weakens the relationship between budgetary participation and budget slack.
4. Budget emphasis has a significant positive effect on budget slack with organizational commitment as a moderating variable.

5.2 Implications

Based on the results of previous studies and discussions, it is hoped that the regional government of Bengkulu and Seluma regencies can pay more attention to the possibility of budgetary slack in relation to create budget participation policies. The government can prevent indications of budgetary slack by paying more attention to and supervising the budget makers and ensuring that the budget prepared is in accordance with the capabilities of the region, there is no lowered income and an increased burden, so that government performance can be maximized. In addition, superiors as principals must have full information related to the budget and knowledge about the capabilities and potential of their institutions to prevent the personal interests of subordinates.

5.3 Research Limitations

This research is inseparable from the limitations that might affect the results of the study. The limitations include:

1. Data collection methods in this study use a questionnaire that allows the filling of the questionnaire by respondents who are less objective and not serious. So, it will then give results that are less present actual conditions.
2. Limitations of respondents who have a lot of agenda so that not all questionnaires can return according to the amount distributed. In addition, researcher cannot directly supervise respondents when filling

out questionnaires because the objects of research are an important person in government so that they have busy schedule.

5.4 Future Research

Based on the research that has been done, the suggestions that can be given are as follows:

1. In further studies, in order to obtain results that are more representative of the actual conditions, the research method can be added by conducting interviews directly to respondents.
2. Further studies can distribute more questionnaires and follow up more frequently on each SKPD so that the questionnaires that have been distributed can be responded to better and returned in the amount in accordance with the amount distributed.

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APPENDICES 1 Research Letter



PEMERINTAH KABUPATEN SELUMA
DINAS PENANAMAN MODAL DAN PELAYANAN PERIZINAN TERPADU
SATU PINTU (DPM-PTSP)
Jl. Soekarno-Hatta Pematang Aur No 01 Tais Kode Pos 38576

SURAT IZIN
NOMOR: 503 / 364 / DPM-PTSP / VII / 2019

Membaca Surat : Dari Dekan Fak. Ekonomi- UII Yogyakarta
Nomor : 727/DEK/10/IP/VII/2019
Tanggal : 25 Juli 2019
Mengingat :

1. Peraturan Gubernur Provinsi Bengkulu Nomor: 18 Tahun 2009 tentang Pedoman Pelayan Perizinan, Rekomendasi Pelaksanaan Survei, Penelitian, Pendataan, Pengembangan, Pengkajian, dan Studi Lapangan di Provinsi Bengkulu.
2. Peraturan Provinsi Bengkulu No 5 Tahun 2016 tentang pembentukan dan susunan perangkat Provinsi Bengkulu.
3. Peraturan Bupati Kabupaten Seluma Nomor 29 Tahun 2007 tentang pemberian Izin Penelitian, Praktek Kerja Lapangan dan Kuliah Kerja Nyata di Wilayah Kabupaten Seluma.
4. Peraturan Bupati Kabupaten Seluma Nomor 77 Tahun 2016 Tentang Susunan Organisasi, Kedudukan, Tugas Fungsi dan Tata Kerja Dinas Penanaman Modal dan Pelayanan Perizinan Terpadu Satu Pintu (DPM-PTSP) Kabupaten Seluma.
5. Peraturan Bupati Kabupaten Seluma Nomor 14 Tahun 2016 tentang Penyelenggaraan Perizinan pada pemerintah Kabupaten Seluma.
6. Peraturan Bupati Kabupaten Seluma Nomor 42 Tahun 2018 tentang Perubahan Atas Peraturan Bupati Kabupaten Seluma Nomor 29 Tahun 2018 tentang Penyelenggaraan Perizinan dan Non Perizinan Pada Pemerintah Kabupaten Seluma.

Dijinkan Kepada :

Nama : Anyar Nursyifa Perdani
No. Mha/ NIM : 15312194
Pekerjaan : Mahasiswa Fak. Ekonomi - UII Yogyakarta
Alamat : Jl. Hibrida X Gang Sepadan RT 20 RW 02 NO. 16 Kota Bengkulu

Penanggungjawab : Ayu Chairina Laksmi S.E., M.App.Com., M.Res., Ak., Ph.D.
Keperluan : Melakukan Penelitian dengan Judul Proposal: "The Effect of Budget Participation and Budget Emphasis on Budget Slack with Organizational Comitment as a Moderating Variable in Local Government Agencies"

Lokasi/ Responden : Kabupaten Seluma
Waktu : 30 Juli 2019 s/d 12 Agustus 2019
Lampiran : Proposal dan Daftar Pertanyaan
Dengan Ketentuan :

1. Wajib Memberikan Laporan hasil Penelitian berupa CO kepada Bupati Kabupaten Seluma (Cq Dinas Penanaman Model dan Pelayanan Perizinan Terpadu Satu Pintu(DPM-PTSP) Kabupaten Seluma.
2. Wajib Menjaga tata tertib dan menaati ketentuan-ketentuan yang Berlaku setempat
3. Izin ini tidak disalahgunakan untuk tujuan tertentu Yang dapat Mengganggu kestabilan pemerintahan dan hanya diperlukan untuk Keperluan ilmiah
4. Surat izin ini sewaktu-waktu dapat dibatalkan apabila telah dipenuhi Ketentuan-ketentuan tersebut diatas.

Kemudian diharap para pejabat pemerintah setempat dapat memberikan bantuan Seperlunya.

Tanda Tangan
Pemegang Izin

Dikeluarkan di : Kabupaten Seluma
Pada Tanggal : 29 Juli 2019

An. Kepala DPM-PTS



Tembusan Kepada :
Yth.

1. Bupati Kabupaten Seluma (Sebagai laporan)
2. Ka Badan Pengelolaan Keuangan dan Aset Kabupaten Seluma
3. Badan Perencanaan Pembangunan Kabupaten Seluma
4. Dinas Pendidikan Kabupaten Seluma
5. Dinas Kependudukan dan Pencatatan Sipil Kabupaten Seluma

APPENDICES 2 Questionnaires

GENERAL QUESTION

Respondent Identity

1. Name :
2. Last Position :
3. Gender :
 - () Male
 - () Female
4. Age :
 - () 25 – 30 years
 - () 31 – 35 years
 - () 36 – 40 years
 - () 41 – 45 years
 - () More than 45 years
5. Last Education :
 - () High School
 - () D3
 - () S1
 - () S2
 - () S3
 - () Others,
6. Group/rank :
 - () Eselon I
 - () Eselon II
 - () Eselon III
 - () Eselon IV
 - () Eselon V
 - () Others,

7. The length of time you work in your current position:

- () Less than 3 years
 () 3 – 5 years
 () 6 – 10 years
 () 11 – 15 years
 () More than 15 years

SPECIFIC QUESTION

Charging instructions:

You are asked to answer the questions below by giving a sign (✓) to the available answer choices which according to you are the most appropriate and most suitable to your conditions. Each question only requires one answer.

Explanation of answer choices:

- Strongly Disagree : SD
 Disagree : D
 Rather Disagree : RD
 Rather Agree : RA
 Agree : A
 Strongly Agree : SA

A List of Questions

Budget Slack

No	Question	SD	D	RD	RA	A	SA
1	Setting standards in the budget encourages high productivity in the scope of my responsibilities.						
2.	I can make sure the budget target for my department will be implemented.						
3.	I have to monitor every expenditure that is my authority because of the limited amount of budget provided.						
4.	The budget that is my responsibility is not so high in demand.						
5.	The existence of a budget target that I						

	have to achieve does not really make me want to improve the level of efficiency.						
--	--	--	--	--	--	--	--

Budget Participation

No	Question	SD	D	RD	RA	A	SA
1.	I have a big influence in budgeting.						
2.	I have always been actively involved in every budgeting.						
3.	My supervisor gives a logical reason when the budget is revised.						
4.	I discussed with my supervisor about the budget that I was proposing.						
5.	I have an important contribution in budgeting.						
6.	My supervisor often asks for my opinion when preparing a budget.						

Budget Emphasis

No	Question	SD	D	RD	RA	A	SA
1.	My supervisor emphasizes information related to the budget target in assessing my performance.						
2.	Budget targets are used with more flexibility in assessing my performance.						
3.	How efficient I am in carrying out my responsibilities is the most important factor in assessing my performance.						
4.	How well I meet budget targets is the most important factor in assessing my performance.						
5.	My supervisor is more concerned with actions that produce good results in the short term compared to long-term effectiveness.						
6.	Information related to budget targets plays a relatively insignificant role in assessing my performance.						
7.	My supervisor believes that information related to budget targets must be supplemented with other types of information to assess my performance.						

Organization Commitment

No	Question	SD	D	RD	RA	A	SA
1.	I am very proud to be able to tell others about this organization.						
2.	There is no slightest intention to resign from this organization.						
3.	I will work hard to advance this organization.						
4.	Even though the organization's financial condition is not so good, it seems I don't want to move to another organization.						
5.	I feel a part of this organization.						
6.	The hard work so far is not only for me personally, but also for the benefit of this organization.						
7.	Larger salary offers from other organizations will not make me want to move to work.						
8.	I would advise my good friends to work in this organization.						
9.	It feels great to know that what I did was beneficial to this organization.						

APPENDICES 3 Results of Respondents'

Last position				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Head of finance	1	2.5	2.5
	Head of division	1	2.5	5.0
	Head of division	1	2.5	7.5
	Head of division	1	2.5	10.0
	Head of division	2	5.0	15.0
	Head of division	2	5.0	20.0
	Head of division	2	5.0	25.0
	Head of finance	3	7.5	32.5
	Head of division	1	2.5	35.0
	Head of finance	2	5.0	40.0
	Head of finance	2	5.0	45.0
	Head of division	1	2.5	47.5
	Head of division	5	12.5	60.0
	Staff of budget	2	5.0	65.0
	Staff of Budget	1	2.5	67.5
	Staff of finance	2	5.0	72.5
	Staff of finance	1	2.5	75.0
	Staff of budget	4	10.0	85.0
	Staff of budget	5	12.5	97.5
	Staff of finance	1	2.5	100.0
	Total	40	100.0	100.0

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	11	27.5	27.5
	Male	12	30.0	57.5
	Female	4	10.0	67.5
	Female	13	32.5	100.0
	Total	40	100.0	100.0

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30 years	19	42.5	42.5
	31-35 years	6	15	60.0
	41-45 years	4	10	87.5
	More than 45 years	5	12.5	100.0
	Total	40	100.0	100.0

Last Education

	Frequency	Percent	Valid Percent	Cumulative Percent
D3	4	10	10	7.5
S1	28	70	70	82.5
S2	8	20	20	97.5
SLTA				100.0
Total	40	100.0	100.0	

Golongan/Pangkat

	Frequency	Percent	Valid Percent	Cumulative Percent
Eselon II	1	2.5	2.5	2.5
Eselon III	3	7.5	7.5	10.0
Eselon IV	9	22.5	22.5	32.5
Eselon I	1	2.5	2.5	35.0
Eselon II	2	5.0	5.0	40.0
Eselon III	6	15.0	15.0	55.0
Eselon IV	6	15.0	15.0	70.0
Eselon V	1	2.5	2.5	72.5
Lainnya	11	27.5	27.5	100.0
Total	40	100.0	100.0	

Lamanya Bapak/Ibu/Saudara bekerja pada jabatan sekarang

	Frequency	Percent	Valid Percent	Cumulative Percent
11-15 years	4	10	10	5.0
3-5 years	8	20	20	42.5
6-10 years	16	40	40	70.0
Less than 3 years	7	17.5	17.5	87.5
More than 15 years	5	12.5	12.5	100.0
Total	40	100.0	100.0	

APPENDICES 4 Result of Validity and Reliability Test

a. Budget Slack

		Correlations					
		SA1	SA2	SA3	SA4	SA5	Tot
SA1	Pearson Correlation	1	.681**	.762**	.505**	.544**	.878**
	Sig. (2-tailed)		.000	.000	.001	.000	.000
	N	40	40	40	40	40	40
SA2	Pearson Correlation	.681**	1	.580**	.314*	.300	.722**
	Sig. (2-tailed)	.000		.000	.048	.060	.000
	N	40	40	40	40	40	40
SA3	Pearson Correlation	.762**	.580**	1	.394*	.533**	.833**
	Sig. (2-tailed)	.000	.000		.012	.000	.000
	N	40	40	40	40	40	40
SA4	Pearson Correlation	.505**	.314*	.394*	1	.664**	.724**
	Sig. (2-tailed)	.001	.048	.012		.000	.000
	N	40	40	40	40	40	40
SA5	Pearson Correlation	.544**	.300	.533**	.664**	1	.785**
	Sig. (2-tailed)	.000	.060	.000	.000		.000
	N	40	40	40	40	40	40
Tot	Pearson Correlation	.878**	.722**	.833**	.724**	.785**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	40	40	40	40	40	40

**, Correlation is significant at the 0.01 level (2-tailed).

*, Correlation is significant at the 0.05 level (2-tailed).

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.844	5

B. Budget Participation

		Correlations						
		PA1	PA2	PA3	PA4	PA5	PA6	Tot
PA1	Pearson Correlation	1	.679**	.721**	.550**	.783**	.811**	.890**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40
PA2	Pearson Correlation	.679**	1	.652**	.632**	.758**	.606**	.835**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40
PA3	Pearson Correlation	.721**	.652**	1	.590**	.685**	.763**	.858**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	40	40	40	40	40	40	40
PA4	Pearson Correlation	.550**	.632**	.590**	1	.704**	.507**	.769**
	Sig. (2-tailed)	.000	.000	.000		.000	.001	.000
	N	40	40	40	40	40	40	40
PA5	Pearson Correlation	.783**	.758**	.685**	.704**	1	.773**	.914**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	40	40	40	40	40	40	40
PA6	Pearson Correlation	.811**	.606**	.763**	.507**	.773**	1	.873**
	Sig. (2-tailed)	.000	.000	.000	.001	.000		.000
	N	40	40	40	40	40	40	40
Tot	Pearson Correlation	.890**	.835**	.858**	.769**	.914**	.873**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	40	40	40	40	40	40	40

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.928	6

c. Budget Emphasis

		Correlations							
		PNA1	PNA2	PNA3	PNA4	PNA5	PNA6	PNA7	Tot
PNA1	Pearson Correlation	1	.586**	.434**	.419**	.442**	.663**	.632**	.811**
	Sig. (2-tailed)		.000	.005	.007	.004	.000	.000	.000
	N	40	40	40	40	40	40	40	40
PNA2	Pearson Correlation	.586**	1	.533**	.579**	.401*	.451**	.499**	.793**
	Sig. (2-tailed)	.000		.000	.000	.010	.003	.001	.000
	N	40	40	40	40	40	40	40	40
PNA3	Pearson Correlation	.434**	.533**	1	.397*	.485**	.556**	.333*	.724**
	Sig. (2-tailed)	.005	.000		.011	.002	.000	.036	.000
	N	40	40	40	40	40	40	40	40
PNA4	Pearson Correlation	.419**	.579**	.397*	1	.386*	.196	.334*	.641**
	Sig. (2-tailed)	.007	.000	.011		.014	.227	.035	.000
	N	40	40	40	40	40	40	40	40
PNA5	Pearson Correlation	.442**	.401*	.485**	.386*	1	.634**	.321*	.715**
	Sig. (2-tailed)	.004	.010	.002	.014		.000	.043	.000
	N	40	40	40	40	40	40	40	40
PNA6	Pearson Correlation	.663**	.451**	.556**	.196	.634**	1	.430**	.764**
	Sig. (2-tailed)	.000	.003	.000	.227	.000		.006	.000
	N	40	40	40	40	40	40	40	40
PNA7	Pearson Correlation	.632**	.499**	.333*	.334*	.321*	.430**	1	.692**
	Sig. (2-tailed)	.000	.001	.036	.035	.043	.006		.000
	N	40	40	40	40	40	40	40	40
Tot	Pearson Correlation	.811**	.793**	.724**	.641**	.715**	.764**	.692**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	40	40	40	40	40	40	40	40

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.858	7

d. Organization Commitment

		Correlations									
		KO1	KO2	KO3	KO4	KO5	KO6	KO7	KO8	KO9	Tot
KO1	Pearson Correlation	1	.825**	.902**	.791**	.770**	.862**	.756**	.811**	.765**	.923**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO2	Pearson Correlation	.825**	1	.893**	.797**	.810**	.777**	.730**	.820**	.784**	.915**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO3	Pearson Correlation	.902**	.893**	1	.766**	.845**	.822**	.678**	.801**	.804**	.925**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO4	Pearson Correlation	.791**	.797**	.766**	1	.809**	.823**	.814**	.836**	.695**	.903**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO5	Pearson Correlation	.770**	.810**	.845**	.809**	1	.875**	.678**	.836**	.787**	.913**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO6	Pearson Correlation	.862**	.777**	.822**	.823**	.875**	1	.747**	.812**	.814**	.930**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO7	Pearson Correlation	.756**	.730**	.678**	.814**	.678**	.747**	1	.801**	.558**	.837**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO8	Pearson Correlation	.811**	.820**	.801**	.836**	.836**	.812**	.801**	1	.711**	.915**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000	.000
	N	40	40	40	40	40	40	40	40	40	40
KO9	Pearson Correlation	.765**	.784**	.804**	.695**	.787**	.814**	.558**	.711**	1	.851**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000
	N	40	40	40	40	40	40	40	40	40	40
Tot	Pearson Correlation	.923**	.915**	.925**	.903**	.913**	.930**	.837**	.915**	.851**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	40	40	40	40	40	40	40	40	40	40

** . Correlation is significant at the 0.01 level (2-tailed).

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	-%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.971	9

Regression 1

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	PNA, PA ^b	.	Enter

a. Dependent Variable: SA

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.668 ^a	.447	.417	.56473

a. Predictors: (Constant), PNA, PA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.519	2	4.759	14.924	.000 ^b
	Residual	11.800	37	.319		
	Total	21.319	39			

a. Dependent Variable: SA

b. Predictors: (Constant), PNA, PA

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.411	.749		5.886	.000
	PA	-.343	.095	-.458	-3.602	.001
	PNA	.347	.117	.377	2.960	.005

a. Dependent Variable: SA

Regression 2

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	PA*KO, PA, KO ^b	.	Enter

a. Dependent Variable: SA

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.689 ^a	.474	.430	.55807

a. Predictors: (Constant), PA*KO, PA, KO

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.107	3	3.369	10.817	.000 ^b
	Residual	11.212	36	.311		
	Total	21.319	39			

a. Dependent Variable: SA

b. Predictors: (Constant), PA*KO, PA, KO

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.505	.522		12.467	.000
	PA	-.483	.093	-.644	-5.203	.000
	KO	.075	.076	.125	.990	.329
	PA*KO	-.268	.095	-.356	-2.814	.008

a. Dependent Variable: SA

Regression 3

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	PNA*KO, PNA, KO ^b	.	Enter

a. Dependent Variable: SA

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.608 ^a	.370	.317	.61094

a. Predictors: (Constant), PNA*KO, PNA, KO

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.882	3	2.627	7.039	.001 ^b
	Residual	13.437	36	.373		
	Total	21.319	39			

a. Dependent Variable: SA

b. Predictors: (Constant), PNA*KO, PNA, KO

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.789	.676		2.646	.012
	PNA	.396	.128	.429	3.084	.004
	KO	.160	.085	.266	1.893	.066
	PNA*KO	.227	.100	.335	2.279	.029

a. Dependent Variable: SA

APPENDICES 5 Classical Assumption Test Results

Multicollinearity Test

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	3.870	.772		5.011	.000		
	PA	-.371	.093	-.495	-3.996	.000	.903	1.107
	PNA	.362	.113	.393	3.198	.003	.920	1.086
	KO	.142	.072	.236	1.970	.057	.965	1.037

a. Dependent Variable: SA

Normality Test

One-Sample Kolmogorov-Smirnov Test			Unstandardized Residual
N			40
Normal Parameters ^{a,b}	Mean		0E-7
	Std. Deviation		.52261509
	Absolute		.154
Most Extreme Differences	Positive		.072
	Negative		-.154
Kolmogorov-Smirnov Z			.975
Asymp. Sig. (2-tailed)			.297

a. Test distribution is Normal.

b. Calculated from data.

Heteroscedasticity Test

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	KO, PNA, PA ^b	.	Enter

a. Dependent Variable: abs_res

b. All requested variables entered.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.281 ^a	.079	.002	.24294

a. Predictors: (Constant), KO, PNA, PA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.183	3	.061	1.031	.390 ^b
	Residual	2.125	36	.059		
	Total	2.307	39			

a. Dependent Variable: abs_res

b. Predictors: (Constant), KO, PNA, PA

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.255	.345		.738	.465
	PA	.057	.041	.230	1.365	.181
	PNA	-.031	.051	-.101	-.606	.548
	KO	.005	.032	.026	.161	.873

a. Dependent Variable: abs_res

Descriptives

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SA	40	2.40	5.60	4.4450	.73935
PA	40	2.67	6.00	4.3458	.98738
PNA	40	2.86	6.00	4.3893	.80161
KO	40	1.78	6.00	4.2000	1.22963
Valid N (listwise)	40				