ANALYSIS OF THE EFFECT OF PARTICIPATIVE BUDGET ON BUDGET GAP IN APBD ASAHA DISTRICT WITH ASIMETRY INFORMATION, ORGANIZATIONAL COMMITMENT, ORGANIZATIONAL CULTURE, AND INDIVIDUAL CAPACITY AS MODERATION VARIABLES

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ABSTRACT

The purpose of this study was to analyze and determine the effect of participative budgeting to budgetary slack with moderation variables, information asymmetry, organizational commitment, organizational culture and individual capacity through research of causality type. The population in this study are Civil Servants (PNS) who work in the Government of Asahan District who have middle and lower positions (Echelon III and IV). The sample of respondents was chosen with non probability sampling and determination of amount of samples with Slovin formula obtained 230 respondents. Data were collected by survey method through questionnaire and analyzed by t test and interaction test (moderation regression analysis). The results showed that participative budgeting had a significant and positive effect on the budgetary slack. Information asymmetry and organizational culture strengthen, while organizational commitment weakens the relationship between participative budgeting and budgetary slack. Individual capacity is unable to moderate the relationship between participative budgeting and budgetary slack.

Keywords: participative budgeting, information asymmetry, organizational culture, individual capacity, budgetary slack, organizational commitment.
INTRODUCTION

The existence of a budget gap can be identified in the APBD Amendments in each fiscal year. This phenomenon is common in various Regional Governments, as well as in the Asahan District Budget. Realization of Regional Revenue and Expenditure Budget; (1) revenue realization tends to be higher than the target set; (2) the realization of expenditure tends to be lower than the budget set.

Accounting researchers found that the influence of participatory budgets on the budget gap is also influenced by several contingency factors (variables that are contextual). Govindajaran (1986), states that the results of previous inconsistent research can be reconciled through a contingency approach. , contingency approaches can be used to evaluate the uncertainty of various factors that influence the effectiveness of Regional budgeting.

Research Objective

Previous research on budgets that adopted contingency theory, such as: Young (1985), Dunk (1993), Nouri and Parker (1996), Falikhatun (2007), Supanto (2010), Reysa (2011), Dewi (2013) and Ardianti (2015). Brownell (1982) classified various conditions into four groups of variables, namely cultural, organizational, interpersonal, and individual. Therefore in this study researchers also used the contingency theory approach as a moderating variable, is:

1. Information asymmetry, namely the difference in information held by agents and principals, so that the principal is unable to monitor the ability of the real agent (Kaplan and Atkinson, 1998). According to Dunk (1993), if the agent's performance is assessed based on whether or not the budget target is reached, then the agent is motivated not to provide all the information he has when budget planning.

2. The budget gap can be avoided if organizational members who participate in budgeting have high organizational commitment. Conversely, if the organizational commitment is low, personal interests are preferred so as to increase the budget gap (Nouri and Parker, 1996).

3. Maskun (2008), that the culture of the public sector organization has undergone a transition towards an increasingly open communication culture, so as to reduce the occurrence of a budget gap.

4. Yuhertiana Research (2004), that individuals who have enough knowledge will be able to allocate resources well, thus reducing disparity.

Kerangka konsep dapat dilihat pada Picture 3.2.
RESEARCH HYPOTHESIS
H1: Participatory Budget affects the Budget Gap.
H2: Information Asymmetry moderates the relationship between Participatory Budget and Budget Gap.
H3: Organizational Commitment moderate the relationship between Participatory Budget and Budget Gap.
H4: Organizational Culture moderates the relationship between the Budget
H5: Capacity Individuals moderate the relationship between Participatory Budget and Budget Gap.

RESEARCH METHODS
The type of research conducted is in the form of causality research, which is research that shows the causal relationship between variables.

The population in this study are employees who are involved in the preparation of the Work Plan and Budget (RKA) SKPD and have participated in the implementation of the budget contained in the Budget Implementation Document (DPA) SKPD namely Civil Servants (PNS) / State Civil Apparatus (ASN) Officials Financial Administration (PPK) or Activity Technical Executing Officer (PPTK).

The sample selection in this study is non-probability sampling and the determination of the number of samples with the Slovin formula is:

\[ n = \frac{N}{N + e^2 + 1} \]

\[ n = \frac{559}{559 + (0.05)^2 + 1} = 229.61 \approx 230 \text{ Respondents} \]

DATA ANALYSIS METHOD
The first hypothesis (H1) was tested using simple linear regression analysis to determine the level of influence of Participatory Budget on the Budget Gap. Testing is done by t test (t test) or often called partial test. The second hypothesis (H2), third (H3), fourth (H4), and fifth (H5),
were tested by using interaction moderation regression analysis or MRA (Moderated Regression Analysis).

**RESEARCH RESULTS AND DISCUSSION**

Participatory Budget Regression Results (X) with Budget Gap (Y) t count 26.706 > 1.969 t table and significance value of 0.00 < 0.05 then Hypothesis 1 is accepted, meaning Participatory Budget (X) has a significant effect on Budget Gap (Y). The parameter value of the coefficient is 0.610 (positive), meaning that the participatory budget has a positive and significant effect on the budget gap.

Regression results show Participatory Budget interaction variables with Information Asymmetry (X \cdot Z₁) t count 2.796 > 1.969 t table and significance value of 0.006 < 0.05 then Hypothesis 2 is accepted, meaning Information Asymmetry (Z₁) moderates the relationship between Participatory Budget (X) with Budget Gap (Y). The parameter value of the coefficient is 0.012 (positive), meaning that information asymmetry has a positive and significant effect on the relationship between participatory budget and budget gap.

Regression analysis results of Participatory Budget interaction variables with Organizational Commitment (X \cdot Z₂) t count value 2.595 > 1.969 t table and significance value of 0.010 < 0.05, Hypothesis 3 is accepted, meaning Organizational Commitment (Z₂) moderates the relationship between Participatory Budget (X) with Budget Gap (Y). The parameter value of the coefficient is -0.011 (negative), meaning that organizational commitment has a negative and significant influence on the relationship between participatory budget and budget gap.

The results of regression analysis showed Participatory Budget interaction variables with Organizational Culture (X \cdot Z₃) t count 2.794 > 1.969 t table and significance value of 0.006 < 0.05, Hypothesis 4 was accepted, meaning Organizational Culture (Z₃) moderated the relationship between Participatory Budget (X) with the Budget Gap (Y). The parameter value of the coefficient is 0.007 (positive), meaning that the organizational culture has a positive and significant effect on the relationship between participatory budget and budget gap.

The results of regression analysis show Participatory Budget interaction variables with Individual Capacity (X \cdot Z₄) t count value 1.604 < 1.969 t table and significance value of 0.110 > 0.05 then Hypothesis 5 is rejected, meaning that Individual Capacity (Z₄) does not moderate the relationship between Participatory Budget (X) with Budget Gap (Y).

**CONCLUSION**

1. Participatory budget has a positive and significant effect on the budget gap in the Asahan District budget.
2. Information asymmetry is able to moderate (strengthen) the relationship between participatory budget and budget gap in the Asahan District budget.
3. Organizational commitment is able to moderate (weaken) the relationship between participatory budget and budget gap in the Asahan District budget.
4. Organizational culture is able to moderate (strengthen) the relationship between participatory budgets and the budget gap in the Asahan District budget.
5. Individual capacity is not able to moderate the relationship between participatory budgets and budget gaps in the Asahan District budget.
RECOMMENDATIONS

In order to improve the budgeting system in the Asahan Regency Regional Government, it can be suggested:

1. In order for a participatory budget to reduce the budget gap in the Asahan District budget, it is necessary to change the paradigm of performance appraisal in SKPD. So far, the benchmark for performance assessment is the level of SKPD's ability to realize the budget, which should be the benchmark for the outcome (outcome) of the budgeted activity program.

2. In order for information asymmetry to reduce the budget gap, it is necessary to innovate with the use of information technology, so as to produce more accurate information about the potential for increasing local revenue (PAD).

3. Need to improve the work system to reduce the influence of a less conducive organizational culture, namely by strengthening coordination between fields of work. So that in the implementation of the activity program on the budget, each field of work feels each other supervised by other fields of work.

4. Improved supervision, supervision is not only carried out when the budget has been realized, but supervision must be carried out at the time of planning and budgeting.


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