

THE EFFECT OF
INFORMATION ASYMMETRY,
BUDGET PARTICIPATION, AND
INDIVIDUAL CAPACITY ON
BUDGETARY SLACK BY
ORGANIZATION CULTURE AS
THE MODERATION VARIABLE
(EMPIRICAL STUDY ON SKPD
SOPPENG REGENCY)

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RESEARCH ARTICLE

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THE EFFECT OF INFORMATION ASYMMETRY, BUDGET PARTICIPATION, AND INDIVIDUAL CAPACITY ON BUDGETARY SLACK BY ORGANIZATION CULTURE AS THE MODERATION VARIABLE (EMPIRICAL STUDY ON SKPD SOPPENG REGENCY).

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Abstract

This research aims to determine the effect of information asymmetry, budget participation, and individual capacity on budgetary slack that is moderated by organizational culture. The object of research in this study is SKPD Soppeng Regency. The population in this study was employees involved in preparing the Work Budget Plan (RKA) at SKPD Soppeng Regency. The sampling technique used in this study is Non Probability Sampling with the type of Purposive Sampling type Judgment Sampling with a sample of 185 respondents. The method of data collection in this study used a questionnaire. Data analysis uses analysis of Moderated Regression Analysis (MRA). The results of this study are (1) information asymmetry has a positive effect on budgetary slack, (2) budgetary participation has a positive effect on budgetary slack, (3) individual capacity has a positive effect on budgetary slack, (4) organizational culture moderates the effect of information asymmetry on slack, (5) organizational culture moderates the effect of budgetary participation on budgetary slack, and (6) organizational culture moderates the influence of individual capacity on budgetary slack.

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Introduction:-

Regional autonomy carried out in accordance with the mandate of Law Number 32 Year 2004 and amended by Law Number 23 Year 2014 concerning regional government, has caused significant changes in the procedure for the preparation of the Regional Budget (APBD) or budgeting reform. The budgeting reform is intended to increase the involvement of various parties in the process of regional budgeting, starting from the regional head to the Regional Work Unit (SKPD) which is under it with budgeting system bottom-up. This budgeting reform is also a change from traditional budget system to performance budget system. The performance-based budget system is intended to overcome the shortcomings of the traditional budget system and performance is used as a benchmark (Suartana, 2010). Performance appraisal based on the budget target that is achieved or not, will encourage the creation of budgetary slack for future career paths.

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6 Budgetary slack is the act of manipulating the budget, by 14 lowering the income budget and raising the budget to show good performance (Dian, 2016). 8 Budgetary slack arises when managers intentionally set income too low or set costs too high. Each of these actions makes it easier for managers to reach the set budget and do not encourage to work as much as possible.

Research related to budgetary slack has been carried out. In this study, researchers tried to examine information asymmetry, budget participation, and individual capacity as factors that influence budgetary slack. Information asymmetry is an information imbalance possessed by top managers and lower managers. This happens because the 8 bottom manager is directly related to daily operational activities. Dunk (1993) defines information asymmetry as a condition if the information possessed by subordinates exceeds the information possessed by their superiors.

8 Information asymmetry is 20 condition if the information possessed by subordinates exceeds the information possessed by the superior. This situation will trigger the emergence of a condition called information asymmetry which is a condition when there is an imbalance in the acquisition of information between superiors and subordinates. Information asymmetry is a condition when a boss does not have enough information about the performance of subordinates such as motivation and goals and actual performance, so that the boss cannot determine how much the subordinate contributes to the company or organization (Anthony and Govindarajan, 2014). Subordinate information about the unit of responsibility that is better than the boss makes subordinates take the opportunity to provide biased information. This has an impact on the budget set which is more easily achieved and is an indication of the occurrence of budgetary slack (Suartana, 2010). The higher the information asymmetry, the higher the budgetary slack that occurs (Dunk, 1993).

7 Information asymmetry has a positive effect on budgetary slack. This is supported by research conducted 33 by Harmawati (2017), Permana, et al (2017), Tresnayani and Gayatri (2016), Cika and Dwija (2016) which suggest that there is a 23 sitive influence between information asymmetry and budgetary slack. However, Irfan, et al (2016) shows that information asymmetry has no effect on budgetary slack.

Budget participation is a process when subordinates are involved and 2 have an influence on budgeting (Anthony and Govindarajan, 2014). Agency theory explains the phenomenon that occurs when superiors delegate their authority to subordinates to perform a task or authority in making decisions (Anthony and Govindarajan, 2014: 269). Kenis (1979) defines budgetary participation as the level of participation of managers in preparing budgets. Participation in budgeting involves many parties ranging from lower-level management to top-level management. Lower management is included in budgeting because they are more 3 aware of the immediate conditions regarding their operational conditions. It is expected that with the participation in the preparation of the budget, the best budget will be created, in accordance with the standards or conditions expected in the future (Fitri, 2007).

1 But often the wishes of superiors are not the same as those of subordinates, causing conflict between them. This happens, for example if the boss evaluates performance based on achieving the budget as the only benchmark, then subordinates will tend 1 to be psychologically depressed so that dysfunctional behavior creates budgetary slack. Executives carry out budgetary slack to avoid the risk of environmental uncertainty and improve the assessment of the performance of their institutions.

The results of Permana, et al (2017), Satria (2017), Basyir (2016), Irfan, et al (2016) and Dian (2014) show that 6 budget participation has a positive relationship to budgetary slack meaning that budget participation has a positive relationship towards budgetary slack, meaning that participation will increase the budget 6: t gap. In contrast, the results of the study by Supanto (2010), Putra, et al (2013), Dian (2016), Ardinasari (2017), Tresnayani and Gayatri (20 23) and Asak, et al (2016) show that budgetary participation negatively affects slack budget, which means that participation in budgeting can reduce the occurrence of budgetary slack.

Individual capacity is formed from 2 the process of education, knowledge, training and experience in general. In the budgeting process, individuals who have enough knowledge will be able to allocate resources well, so as to 7 minimize the possibility of budgetary slack (Yuhertiana, 2004). In line with the Erina and Wayan Research (2016) which states that individual capacity has a negative effect on budgetary slack. This shows that the higher the level of individual capacity, the lower the possibility of budgetary slack. This is different from Basyir's (2016) research which revealed that increasing individual capacity would actually create budget 2: y slack because subordinates were more creative and more free to carry out their operational activities. This means that the capacity of individuals has a

positive relationship with budgetary slack in line with research conducted by Harmawati (2017), Lestara, et al (2016), and Tresnayani and Gayatri (2016).

Organizational culture refers to the outlook on life in an organization. Organizational culture will reflect the traits or characteristics that are felt in the work environment and arise because of organizational activities, which are carried out consciously or not, and are considered to influence behavior, so that the culture that exists in the company can be viewed as the personality of the organization) Organizational culture influences the emergence of budgetary slack. The reason for choosing organizational culture because it is closely related to the values, rules and norms that are owned by an organization that can direct its members to work in order to achieve organizational goals effectively, thus making its members participate fully in achieving the targets set.

Usman's research (2010), Maharani and Putu (2015) which prove that organizational culture has a negative effect on budgetary slack, means that the higher the culture in the organization, the budgetary slack will decrease. Culture that is deeply embedded in the members of the organization will reduce the tendency that leads to the occurrence of budgetary slack. Likewise with Supanto's research (2010), and Ardinisari (2017) research suggests that organizational culture is not able to moderate the relationship between participatory budgets and budgetary slack. In contrast to the results of research Satrio (2017) argues that organizational culture is a variable that moderates the influence of participatory budgeting on budgetary slack. This is in line with Wardani's research, et al (2014) which suggests that organizational culture influences the relationship between budgetary participation and budgetary slack.

Indications of new budgetary slack can be assessed when the budget is realized. Slack occurs when the set budget revenue target tends to be lower than the realization of local revenue and the set budget target tends to be higher than the realization of regional expenditure. This can be seen from the Budget table and Realization of Regional Original Revenue and Regional Expenditures of Soppeng Regency, South Sulawesi Province in the following 2012-2016:

Table 1:-Budget and Realization of Soppeng Regency Regional Revenue and Regional Expenditures, Year 2012-2016 (in millions of rupiah)

Tahun	Anggaran Pendapatan Asli Daerah (Rp)	Realisasi Pendapatan Asli Daerah (Rp)	Selisih	Anggaran Belanja Daerah (Rp)	Realisasi Belanja Daerah (Rp)	Selisih
2012	628.735	636.079	7.344	663.718	617.230	(46.488)
2013	755.579	761.699	6.120	800.900	741.943	(58.957)
2014	829.201	846.234	17.033	887.152	330.124	(557.028)
2015	1.040.140	1.029.160	(10.980)	1.096.868	984.021	(112.847)
2016	1.193.213	1.006.287	(186.926)	1.164.874	906.660	(258.214)

Source: Soppeng Regency Regional Financial Management Agency (data processed, 2018)

Table 1 shows the realization of local revenue from 2012 to 2014 is higher than the local revenue budget but in 2015 and 2016 the realization of local revenue is lower than the revenue budget native area. While the realization of expenditure in 2012 to 2016 was lower than the regional budget with a considerable difference. Mayper (1991) indicates that budgetary slack occurs due to positive or negative variances in the budget. A positive variant means that the realization of income exceeding the income budget is caused by underestimating revenue, while the negative variance means that realization of regional expenditure is lower than the regional budget due to overestimate costs.

The researcher was interested in re-examining the factors that influence the budgetary slack based on the research gap of the research described. These factors include information asymmetry, budget participation and individual capacity as factors that influence the emergence of budgetary slack by adding organizational culture as a moderating variable that might influence budgetary slack.

Literature Review And Hypotheses

Asymmetry Information

Asymmetry information is a condition where the boss does not have enough information about the performance of subordinates such as motivation and goals and actual performance, so that the boss cannot determine how much the subordinate contributes to the company or organization (Anthony and Govindarajan, 2014).

Information asymmetry is an information imbalance possessed by top managers and lower managers. Information asymmetry also occurs when principals have more knowledge and insight than budget agents or implementers regarding their unit of responsibility or vice versa.

Information asymmetry can cause subordinates to overestimate their resource needs or understate their workability (Young, 1985). Agencies will budget lower revenues to be easily achieved and budget higher costs so that they look efficient in implementing the budget so that the performance appraisal is good.

Budget Participation ²⁵

Budget participation is the level of influence and involvement that individuals feel in the process of designing a budget (Milani, 1975). This is based on one's thinking that the higher the participatory level of subordinates in the budgeting process, the higher the sense of responsibility of employees to achieve targets in each of their work areas because they feel involved in budgeting (Milani, 1975). When subordinate aspirations are more concerned in the budgeting process, it is possible for subordinates to negotiate with superiors about budget targets that they think can be achieved (Dunk, 1993).

⁴⁵ Kenis (1979) suggested that budget participation refers to the level of participation of managers in preparing budgets and influencing budget goals. Budget participation is a process that describes the involvement of individuals who can be seen in the budgeting process and has an influence on the budget target and the need for respect for achieving the budget target (Brownell, 1982). Whereas Siegel and Marconi (1989) define budget participation as a process of joint decision making by two or more parties that has a future impact on decision makers.

In budget participation, all levels of the organization must be involved in budgeting because top managers usually lack knowledge of daily activities at lower levels. However, top managers have a broader perspective or view of the organization as a whole which is very vital for budget policy making in general.

Individual Capacity ⁴

The capacity of individuals is formed from the process of education in general both through education, training, and one's experience. Education and training are investments in human resources that can improve work skills and abilities, so as to improve one's performance. The intended education is formal education that has been taken by someone in school or college. A standard educational curriculum and a relatively long time can usually equip someone with the basics of general knowledge (Simanjuntak, 2011).

⁴ Individual capacity is essentially formed from the education process in general, both through formal, non-formal and informal education. Qualified individuals are knowledgeable individuals. Related to the budgeting process, individuals who have enough knowledge will be able to allocate resources optimally, thus reducing budgetary slack as well as vice versa if someone has low individual capacity will increase the occurrence of budgetary slack (Yuhertina, 2004).

Organizational Culture ¹²

According to Hofstede, et al (1990), organizational culture is the value of the beliefs held by members of the organization as outlined in the norms of behavior of individuals or groups of organizations where the individual works. Organizational culture can influence the way members behave, how to describe work, and how to work with other members. Arishanti (2009) defines organizational culture as a pattern that refers to a system of togetherness, values, beliefs that are used together in an organization and are used as guidelines for members to behave. People will not be separated from the organizational culture and in general they will be influenced by the diversity of existing resources as a stimulus for someone to act.

Organizational culture can influence the way members behave, how to describe work, and how to work with other members. Positive organizational culture will spur the organization in a better direction, whereas a negative organizational culture will also have a negative impact on the organization.

Organizational culture influences the emergence of budgetary slack. The reason for choosing organizational culture because it is closely related to the values, rules and norms that are owned by an organization that can direct its members to work in order to achieve organizational goals effectively, thus making its members participate fully in achieving the targets set.

6 Budgetary Slack

Budgetary slack is the difference between the amount of budget proposed by subordinates and the estimated amount of organization (Anthony and Govindarajan, 2014). Budgetary slack is carried out by subordinates, namely by presenting a budget with a low level of difficulty so that it is easily achieved and this gap tends to be carried out by subordinates because they know that their performance is measured based on the level of achievement of the budget set together. Budgetary slack is the amount deliberately created by managers by overestimating the necessary resources into the budget or deliberately lowering the productivity of the company (Young, 1985).

Maksum (2009) argues that budgetary slack can be interpreted as an effort to lower the income budget to be easily achieved or to increase the budget of the amount that should be. The goal is that the budget target (income) can be achieved and the budget target (cost) is not exceeded, in this case the manager hopes that he will be able to show good performance to his superiors and avoid the risk of failure to achieve budget targets.

Based on the correlation of theory and previous research, the hypotheses to be tested in this study are as follows.

1. H₁ : Information asymmetry has a positive effect on budgetary slack.
2. H₂ : Budget participation negative effect on budgetary slack.
- 48 H₃ : Individual capacity negative effect on budgetary slack.
- 4 H₄ : Organizational culture moderates the relationship of information asymmetry to budgetary slack.
5. H₅ : Organizational culture moderates the relationship of budget participation towards budgetary slack.
6. H₆ : Organizational culture moderates the relationship of individual capacity towards budgetary slack.

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Research Methods:-

The sampling technique used in this study was Non Probability Sampling with Purposive Sampling. Jogiyanto (2015: 98) defines purposive sampling as technique for data sources with specific objectives. The type of Purposive Sampling used in this research is Judgment Sampling, which is a type of sample selection that is done non-randomly whose information obtained using certain considerations, according to the purpose or problem of the study. The samples chosen in this study were officials who were directly involved in budgeting, namely: financial administration officials (PPK), heads of planning and program sections, heads of financial subdivisions, technical activity implementing officials (PPTK), and treasurers in each SKPD.

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This study uses a type of data, namely quantitative data is data in the form of numbers. Sources of data in this study are primary data and secondary data. Primary data in this study were obtained from respondents who were given and answered a list of statements in the form of questionnaires. The answers obtained from respondents will be processed and disclosed in the form of discussions, conclusions and suggestions. Secondary data in this study are budget data and realization of revenue and expenditure of Soppeng Regency for the 2012-2016 Budget Year, as well as the number of structural officials at SKPD Soppeng regency.

3

Data collection in this study uses survey methods with questionnaire techniques. This is done by distributing questionnaires directly to the respondents (samples) to get the answers needed in this study. For secondary data, namely by collecting a number of written data, in the form of APBD data from the BPKD and data on the number of structural officials at the SKPD Soppeng regency.

Information asymmetry is measured by 3 indicators, namely: (a) Adequacy of information, (b) Quality of information, and (c) Understanding of information. Budget participation is measured by 2 indicators, namely involvement in budgeting and influence in budgeting. Individual capacity is measured by 3 indicators, namely: 1) Education, 2) Training, and 3) Experience. Budgetary slack measured by 3 indicators namely budget standards, achievement of budget targets and budget targets. To measure organizational culture variables in this study using an instrument developed by Hofstede et al. (1990) with 12 items of questions including; 2 questions for indicators of professionalism, 2 questions for indicators of distance from management, 2 questions for indicators of trust in colleagues, 2 questions for indicators of regularity, 2 questions for indicators of hostility, and 2 questions for indicators of integration.

Research Results:-

Test Validity and Reliability

The correlation value of all question items on the questionnaire for the overall indicator and items is above 0.1322 (> 0.1322). Thus it can be concluded that all items met the validity requirements. The next stage is the instrument reliability testing. Instruments are declared reliable if the value's cronbach alpha above 0.6 (> 0.6). Cronbach alpha values in fifth research variable is worth more than 0.6 (> 0.6). Thus it can be concluded that the instrument has met valid and requirements reliable, so that the data obtained from the instrument (questionnaire) can be used to analyze the data at the next stage.

Classical Assumption

Data Normality Test

Table 2:-Test Normality Data

of Kolmogorov-Smirnov One-Sample Test			
			Unstandardized Residual
			156
Normal Parameters ^{a, b}	Mean	,0000000	
	Std. Deviation	1,95781762	
Most Extreme Differences	Absolute	,083	
	Positive	,059	
	Negative	-,083	
1-t Statistic			,083
Monte Carlo Sig. (2-tailed)	Sig.	,221 ^d	
	99% Confidence Interval	Lower Bound	,210
		Upper Bound	,232
a. The distribution test is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Based on 10000 sampled tables with starting seed 926214481.			

The test results presented in table 2 obtained the sig kolmogorov smirnov value of 0.221. Because the value of sig > 0.05, the assumption of normality is fulfilled.

Next is multicollinearity test. The test results are shown multikolinearitas assumptions Table 3.

Table 3:-Test Results Multicollinearity

independent variable	Tolerance	VIF	Description
Information Asymmetry (X1)	0.673	1.485	Non Multicollinearity
Participation Budget (X2)	0587	1703	Non Multicollinearity
Individual Capacity (X3)	0795	1258	Non Multicollinearity
Cultural Organization (Z)	0.987	1,013	Non Multicollinearity

Source: processed data, 2018

From Table 3 shows that the overall Tolerance value is > 0.10 and VIF is entirely at < 10, so that all independent variables are not containing multicollinearity (non multicollinearity). This means that the four independent variables studied are not interconnected so that they are properly used as independent variables in the model.

Table 4:-Test Results Heteroskedastisitas

Independent variables	Sig	Description
Information Asymmetry (X1)	0.536	Non heteroskedastisitas
Participation Budget (X2)	0,197	Non heteroskedastisitas
Capacity Individual (X3)	0,965	Non heteroskedastisitas
Cultural Organization (Z)	0.875	Non heteroskedastisitas

Source: processed data, 2018

Table 4 shows that the tested variables do not contain heteroscedasticity, because all the sig values are > 0.05. This means that there is no correlation between the size of the data and the residuals so that if the data is enlarged it does not cause the residuals to become bigger.

Hypothesis Testing

Results of Analysis of Multiple Linear Regression

Table 5 is the result of calculations from multiple linear regression models of information asymmetry (X1), budget participation (X2), and individual capacity (X3), and budgetary slack (Y).

Table 5:-Results of Linear Regression Analysis Multiple

Independent Variables	Coefficient	Std. Error	t	Sig.	Description
Constant	1257	0111	11 367	0000	Significant
Information Asymmetry (X1)	0 174	0.063	2.766	0.006	Significant
Budget Participation (X2)	-1915	0667	-2871	0005	Significant
Individual Capacity (X3)	-2385	0885	-2694	0008	Significant
R Square	=	0.298			
F _{count}	=	21,559			
Sig F	=	0,000			

Source: data processed, 2018

The model of multiple linear regression analysis based on Table 5 above is: $Y = 1.257 + 0.174 X_1 - 1.915 X_2 - 2.385 X_3 + 0.111$.

Based on Table 5, the R Square determination coefficient value is 0.298 or 29.8 percent. This means that the budgetary slack variable (Y) is affected by 29.8 percent by information asymmetry (X1), budget participation (X2), and individual capacity (X3), while the remaining 70.2 percent is influenced by other variables outside the independent variables examined in the study this.

To test the hypothesis partially, the t test is used to partially test the independent variables for the dependent variable as follows:

1. T test the effect of the information asymmetry variable (X1) on the budgetary slack variable (Y).
2. In the information asymmetry variable obtained a significance value of 0.006 smaller than 5 percent (0.006 < 0.05), then partially the information asymmetry variable (X1) has a significant effect on the budgetary slack variable (Y). Based on the value of the coefficient (0.174) marked positive, identifying a positive effect. This means that the higher the information asymmetry (X1), the higher the budgetary slack (Y).
3. T test of the effect of the budget participation variable (X2) on the budgetary slack variable (Y).
4. In the budget participation variable, the significance value of t is 0.005 smaller than 5 percent (0.005 < 0.05), then partially the budget participation variable (X2) has a significant effect on the budgetary slack variable (Y). Based on the above coefficient value (-1.915) which is negative, it indicates a negative effect. This means that the higher budget participation (X2), the lower the budgetary slack (Y).
5. The t test influences the individual capacity variable (X3) on the budgetary slack variable (Y).
6. On individual capacity variables (X3) obtained a significance value of t equal to 0.008 smaller than 5 percent (0.008 < 0.05), then partially the individual capacity variable (X3) has a significant effect on the budgetary slack variable (Y). Based on the coefficient value (-2,385) marked negative, it indicates a negative effect. This means that the higher the individual capacity (X3), the lower the budgetary slack (Y).

Moderated Regression Analysis (MRA)

Table 6:-Test results for Moderate Regression Analysis of

Variabel Independen	Coefficient	Std. Error	t	Sig.	Description
Constant	17.725	2.553	6.942	0.000	Significant
Information Asymmetry* Organization Culture(X1Z)	0.007	0.003	2.478	0.014	Significant
Budget Participation *Organization Culture (X2Z)	0.014	0.004	3.385	0.001	Significant
Individual capacity* Organization	0.011	0.004	3.224	0.002	Significant

Culture(X ₃ Z)					
R Square	=	0.362			
F _{hitung}	=	11.904			
Sig F	=	0.000			

Source: data processed, 2018

The equation model of moderating regression analysis based on Table 6 above is: $Y = Y = 17,725 + 0.007 X_1Z + 0.014 X_2Z + 0.011 X_3Z + 2,553$.

Based on Table 5.8, the determination coefficient of R Square is 0.362 or 36.2 percent. It means that the budgetary slack variable (Y) is affected by 36.2 percent by interaction of information asymmetry and organizational culture (X₁Z), interaction of budget participation and organizational culture (X₂Z), and interaction of individual capacity and organizational culture (X₃Z), while the remaining 63.8 percent is influenced by other variables outside the independent variables examined in this study.

To test the hypothesis partially, the t test is used to partially test the independent variable and the moderating variable on the dependent variable, as follows:

1. T test the influence of information asymmetry variables and organizational culture (X₁Z) on the budgetary slack variable (Y).
2. In the variable information asymmetry and organizational culture (X₁Z) obtained a significance value of t of 0.014 smaller than 5 percent (0.014 < 0.05), then partially variable information asymmetry and organizational culture (X₁Z) have a significant effect on budgetary slack variables (Y). Based on the coefficient value (0.007), it is positive, identifying its positive effect. This means that organizational culture variables strengthen the influence of information asymmetry (X₁) on budgetary slack (Y). Organizational culture (Z) both directly and interactively has a significant effect on budgetary slack (Y), it can be said that the organizational culture variable (Z) in this case is a quasi moderator that can stand alone as an independent variable and can also as a moderating variable on the effect of information asymmetry (X₁) on budgetary slack (Y).
3. T test of the effect of budget participation variables and organizational culture (X₂Z) on the budgetary slack variable (Y).
4. At variables budgetary participation and organizational culture (X₂Z) obtained significance value t of 0.001 less than 5 percent (0.001 < 0.05), then in partial budgetary participation and organizational culture (X₂Z) significantly affects variable budgetary slack (Y). Based on the coefficient value (0.013) marked positive, identifying positive effects. This means that organizational culture variables strengthen the influence of budget participation (X₂) on budgetary slack (Y). Organizational culture (Z) both directly and interactively has a significant effect on budgetary slack (Y), it can be said that the organizational culture variable (Z) in this case is a quasi moderator that can stand alone as an independent variable and can also as a moderating variable on the effect of budget participation (X₂) on budgetary slack (Y).
5. The t test influences individual capacity variables and organizational culture (X₃Z) on the budgetary slack variable (Y).
6. On individual capacity variables and organizational culture (X₃Z) obtained a significance value of t of 0.002 smaller than 5 percent (0.002 < 0.05), then partially individual capacity variables and organizational culture (X₃Z) have a significant effect on budgetary slack variables (Y). Based on the coefficient value (0.11), it is positive, identifying its positive effect. This means that organizational culture variables strengthen the influence of individual capacity (X₃) on budgetary slack (Y). Organizational culture (Z) both directly and interactively has a significant effect on budgetary slack (Y), it can be said that the organizational culture variable (Z) in this case is a quasi moderator that can stand alone as an independent variable and can also as a moderating variable on the effect of individual capacity (X₃) on budgetary slack (Y).

Discussion:-

The results of testing the first hypothesis state that information asymmetry has a positive effect on budgetary slack. This means that the higher the information asymmetry (X₁), the higher the budgetary slack (Y). Based on these results, the information asymmetry hypothesis has a positive effect on budgetary slack received so that the first hypothesis is accepted. The results of this study indicate that the information asymmetry carried out on the state civil apparatus in SKPD Soppeng Regency affected the budgetary slack that occurred in the Soppeng Regency Government. This means that the higher the level of information asymmetry carried out by the state civil apparatus

in the Soppeng Regency SKPD will increase the budgetary slack that occurs in the Soppeng Regency Government. The results of the Cika and Dwija study (2016) show that information asymmetry has an effect on budgetary slack. This means that the higher the information asymmetry, the budgetary slack that occurs will increase. The results of this study are in line with the research of Tresnayani and Gayatri (2016), Basyir (2016), and Lestara, et al (2016) which show that information asymmetry has a positive effect on budgetary slack.

The results of testing the second hypothesis states that budgetary participation has a negative effect on budgetary slack. Based on these results, the budget participation hypothesis has a negative effect on budgetary slack received so that the second hypothesis is accepted. The results of this study indicate that budget participation in the state civil apparatus at SKPD Soppeng Regency affects the budgetary slack that occurred in the Soppeng Regency Government. The results of this study are in line with research by Supanto (2010), Putra, et al (2013), Dian (2016), Ardinasari (2017), Tresnyani and Gayatri (2016) and Asak, et al (2016) which show that budgetary participation is influential negative for budgetary slack, which means that the existence of participation in budgeting can reduce the occurrence of budgetary slack.

The results of testing the third hypothesis state that individual capacity negatively affects budgetary slack. The results of this study indicate the individual capacity possessed by the state civil apparatus in the SKPD Soppeng Regency affects the budgetary slack that occurs in the Soppeng Regency Government. This means that the higher the level of individual capacity possessed by the state civil apparatus in the SKPD Soppeng Regency, the lower the budgetary slack that occurs in the Soppeng Regency Government. In the budgeting process, individuals who have enough knowledge will be able to allocate resources well, so as to minimize the possibility of budgetary slack (Yuhertiana, 2004). In line with the Erina and Wayan Research (2016) which states that individual capacity has a negative effect on budgetary slack. This shows that the higher the level of individual capacity, the lower the possibility of budgetary slack.

The results testing the fourth hypothesis states that organizational culture moderates the effect of information asymmetry on budgetary slack. The results of this study indicate the existence of organizational culture can strengthen the influence of information asymmetry carried out by the state civil apparatus in the SKPD Soppeng Regency on budgetary slack that occurred in the Soppeng Regency Government. A good organizational culture in the SKPD Soppeng Regency will suppress the occurrence of information asymmetry, thereby reducing the level of budgetary slack in the Soppeng Regency government.

The results of the fifth hypothesis testing state that organizational culture moderates participation in budgetary slack. The results of this study indicate the existence of organizational culture in the SKPD Soppeng Regency can strengthen the influence of budgetary participation carried out by the state civil apparatus in the Soppeng Regency on budgetary slack that occurred in the Soppeng Regency Government. A good organizational culture in the SKPD Soppeng Regency will increase good budget participation between subordinates and superiors in the SKPD Soppeng Regency so as to reduce the risk of budgetary slack in the Soppeng Regency Government. Isman's research (2010), Maharani and Putu (2015) which prove that organizational culture has a negative effect on budgetary slack, means that the higher the culture in the organization, the budgetary slack will decrease. Culture that is deeply embedded in the members of the organization will reduce the tendency that leads to the occurrence of budgetary slack.

The results of the sixth hypothesis testing state that organizational culture moderates an individual's capacity to budgetary slack. The results of this study indicate the existence of organizational culture can strengthen the influence of the individual capacity possessed by the state civil apparatus in the SKPD Soppeng Regency on budgetary slack that occurs in the Soppeng Regency Government. A good organizational culture at the SKPD Soppeng Regency strengthens the state civil apparatus which has good individual capacity to develop their own potential so that they can work honestly, skillfully, and optimally related to the budgeting process so as to reduce the risk of budgetary slack in the Soppeng Regency Government.

Conclusions And Recommendations:-

The results of this study indicate that the six hypotheses in this study were accepted. Information asymmetry, budget participation, and individual capacity affect the budgetary slack. Similarly, after being moderated by organizational culture. Organizational culture moderates the influence of information asymmetry, the effect of budgetary participation, and the influence of individual capacity on budgetary slack.

This study limits the variables used only in information asymmetry, budget participation and individual capacity in its influence on budgetary slack, so it is recommended for future researchers to add other variables that can affect budgetary slack such as budget emphasis, organizational commitment, social pressure, and control self.

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