Research Paper

The effect of budget Emphasis, Clarity of budget targets and Budget emphasis on Budgetary Slack

Nunung Susilawati Hasan
Abdul Rahman Kadir
Madris
Economic and Business Faculty, Hasanuddin University

ABSTRACT
This research was conducted at the SKPD Pulau Taliabu Regency. The samples taken were 100 people who were involved in the budget preparation process at the SKPD Pulau Taliabu Regency including the Head of Service, Head of Sub-Division of Finance, Head of Sub-Department of Planning and Head of Division. This study aims to determine the effect of budgetary participation, clarity of budget targets, and budget emphasis on budgetary slack. Data collection was carried out through a survey which was obtained by distributing questionnaires to the respondents. This study used the SPSS software version 22 multiple linear regression model. The results of this study found that budget participation, clarity of budget targets and budget emphasis have a significant positive effect on budgetary slack.
***Keywords**: Budget Participation, Clarity of Budget Targets, Budget Emphasis, Budgetary Gaps*.

I.   INTRODUCTION

Regional governments need to be accountable for their every action so that their performance as managers of local government budgets can be seen, so that in the future it will encourage the government to improve services to be better and more transparent. Performance can be seen from the appraiser and performance control in the previous year. So that in this way the interests of the community, as well as the community feel satisfied with good and quality service.

Regional budgets can be planned for spending/spending and receiving/financing expenditures of an area for a certain period of time. With local government budget planning that is accurate and implemented without any constraints according to the targeted targets, it can be a fiscal policy tool so that regional economic stability is realize and economic growth is increased so that the biggest effect can have an impact on people's welfare. Therefore, planning and using the budget according to the portion and target will support the desired goals.

The difference between the proposed budget amount and the best estimate of an organization or between the actual resources actually needed to effectively complete the work, an increased number of resources to complete the work is called budgetary slack. Budgetary slack is said to be when someone is more inclined to submit a budget by taking into account higher costs and lower income than the original during the budget preparation process.

Budgetary discrepancies are often problematic at the subordinate level or at each head unit of the government service, where the budget used is not in accordance with the budget made or planned beforehand. Sometimes the head of a government service unit uses a budget that is not on target or uses a budget that is not the top priority when preparing the budget, even spends a budget for personal gain and allocates expenditure components that are not important in an activity and carries out activities that use too large a budget in activities whose results are not measure or the final output cannot be seen.

Public sector organizations can cause budgetary slack in view of the less than ideal allocation of resources. Allocations that do not play on words can destabilize an organization. This can be seen from the Table of the Budget and Realization of the Regional Revenue and Expenditure Budget of the Taliabu Island Government SKPD for 2018 - 2022 as follows:

Table 1. Budget and Realization of Revenue and Expenditure Budget Regional Government SKPD Pulau Taliabu Regency (in billions of Rupiah)

Year	Budget Regional Income	Realization Regional Income	%	Budget Shopping Area	Realization Shopping Area	%
2022	621.35	558,49	89.88	971.35	628.05	64.66
2021	595.48	632.05	106.14	594,93	613,93	103.19
2020	665,10	598.74	90.02	691,10	510,21	73.83
2019	667.99	662.09	99.12	715.49	631.81	88.30
2018	631,24	555.95	88.07	670.34	610,19	91.03

Source: APBD Posture. Data processed, 2022

Based on the table above, it can be seen that there is an indication of budgetary slack. Budgetary slack can be observed from the determination of the budget and the realization of regional revenues for the Taliabu Island district government in 2018 to 2019 increasing and decreasing again in 2020, but there has been a rapid increase in 2021 exceeding the estimate of 100% but this cannot be maintained and has again decreased in 2022. The decline in regional income is caused by several government program targets that have not run optimally and are on target. Likewise, on the contrary, the regional budget and realization in the district of Taliabu Island experienced a drastic decrease and increase. Again, there was a drastic decrease, this was of course caused by a mismatch in budget planning and actual activities.

The component that causes monetary leeway is spending plan interest. Spending plan cooperation is a model of planning, wherein each person, the two bosses and subordinates, is involved and has the power to decide spending plan accomplishments. In any case, conditions like this are intimately acquainted to the adaptability of subordinates in planning spending plan focuses, as it is realized that spending plan targets are much of the time set by pioneers as per their desires in putting the spending plan in their separate segments. The lucidity of financial plan targets not entirely settled and seen from the degree to which financial plan goals are acknowledged obviously and explicitly with goals that can be handily exhibited and grasped by the individual liable for the acknowledgment of these objectives.

Budgetary slack occurs due to the implementation of the budget not according to what has been planned so that the leadership places emphasis on the budget, thus there is pressure from superiors to subordinates, thus there will be a penalty if it is less than the budget target and rewards if it is able to exceed the budget target. As per Titis (2018) recommends that on the off chance that the exhibition assessment of subordinates not entirely set in stone by the spending plan that has been arranged, then the subordinates will attempt to work on their presentation by making the spending plan simple to accomplish, via completing monetary leeway (financial elbowroom).

From the clarification above which shows the Spending plan information and the Acknowledgment of Income and Use of the Territorial SKPD of the Taliabu Island Regime Government, the creator is keen on directing exploration with the title: "The Impact of Financial plan Investment, Lucidity of Financial plan Targets, and Financial plan Accentuation on Monetary Holes"

II.   RESEARCH METHODS

The variable used in this study is budgetary slack which then becomes the dependent variable or in this case (Y). The variables of budget participation, clarity of budget targets, and budget emphasis are each independent variable X1, X2, and X3. The population used in this study is the Structural Officer of the Regional Work Unit (SKPD) of Pulau Taliabu Regency. The sample selection technique in this study was based on a purposive sampling approach, namely the method of determining the sample with certain considerations. The criteria for selecting the selected sample are only related to the process of preparing, implementing, and up to the accountability of the budget in each SKPD. So, based on these criteria, 100 questionnaires were distributed.

The sort of information utilized in this study is quantitative, to be specific as numbers showing the score of the respondents' responses in the exploration survey and data on the Spending plan report and Acknowledgment of the Local Income and Consumption Spending plan SKPD of the Taliabu Island Rule Government in 2018-2022. The wellspring of the information utilized in this study is essential information, in particular information got straightforwardly from the Local Work Unit (SKPD) of Pulau Taliabu Regime, which comprises of a rundown of inquiries as a poll given straightforwardly to the respondents.

The data collection technique in this study is a survey technique. The data used in that is primary data, which is in the form of the respondents' perceptions of the variables used. To obtain in this study is to use a

---

questionnaire. This research questionnaire was taken from several previous research references which were taken and developed again by the author.

The logical apparatus utilized in this exploration is quantitative. Quantitative information investigation is a type of examination that utilizations numbers and computations. Thusly, information should be grouped into specific classifications utilizing specific tables. To work with examination, a few straight relapse examination devices were utilized in the SPSS 25 rendition of the program. Different straight relapse examination was utilized to show the impact of monetary cooperation, lucidity of financial plan targets and financial plan accentuation on monetary leeway.

Data Quality Test
1.   Validity test
In (Sunyoto, 2009) states that the validity test is used to measure whether or not a questionnaire is valid.
2.   Reliability Test
Reliability is actually a tool for measuring a questionnaire which is an indicator of the variables or constructs. Question items are said to be reliable or reliable if one's answers to statements are consistent or stable from time to time.

Classic assumption test
1.   Normality test
The normality test aims to test whether in the regression model, the dependent and independent variables must be normally distributed or close to normal. This normality test uses the Kolmogorov-Smirnov normality test on the basis that if the (2-tailed) sig is less than 5%, it is concluded that the data is not normally distributed, whereas if the (2-tailed) sig is greater than > 5%, it is concluded that the data is normally distributed.
2.   Multicollinearity Test
The multicollinearity test aims to determine whether or not there is a correlation between the independent variables in the regression model. To detect the existence of multicollinearity in the regression model is to look at the tolerance value and Variance Inflation Factor (VIF) on the basis that if the VIF value is > 10, it can be concluded that there is multicollinearity between the independent variables in the regression model. However, if the VIF value is <10, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Multiple Linear Regression Analysis
In this study, the multiple linear regression model can be formulated as follows:
$$Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \varepsilon$$
Information:
Y   : Budget Gap X_2 : Clarity of budget goals
α   : Constant X_3 : Budget emphasis
β1 - β3 : Regression coefficient   ε   : Error standard
X_1 : Budget participation

Hypothesis test
1.   Coefficient of Determination (R-Squares)
The coefficient of determination is basically used to measure the ability of the independent variable to explain the variation of the dependent variable.
2.   F Significance Test (F Test)
The f test in this study was conducted to determine whether all the independent variables included in the regression model have a simultaneous (together) effect on the dependent variable or not.
3.   T Significance Test (t test)
The t test in this study can be carried out to determine individually the effect of each independent variable on the dependent variable.

III.   RESULTS AND DISCUSSION
Research Results Test the quality of data
Based on the results of the validity test, it shows that in this study all variables have a correlation value of > 0.187. Which means that all of these variables are declared valid and suitable for use in research.

Table 2. Reliability Test Results

Variable Models	Cronbanch's Alpha	Information
Budgetary Gap (Y)	0.632	Reliable
Budget Participation (X1)	0.984	Reliable
Clarity of Budget Goals (X2)	0.764	Reliable
Budget Emphasis (X3)	0.769	Reliable

Source: Data processed by SPSS 25

Based on the table, the reliability test results show that all variables have a Cronbanch's Alpha value higher than 0.60. So that the data is reliable or can be trusted.
Results of the Classical Assumption Test
1.   **Normality Test Results**

Table 3. Data Normality Test Results

One-Sample Kolmogorov-Smirnov	
Test Statistics Asymp. Sig. (2tailed)	.200

Source: SPSS Output 25

Based on the Kolmogorov-Smirnov table, it shows that the Asymp. Sig. (2tailed) of 0.200 is greater than the significance level of 0.05 (0.200> 0.05). So it can be concluded that the data used in this study are normally distributed.
2.   **Multicollinearity Test Results**

Table 4. Multicollinearity Test Results (Coefficientsa)

Model	Collinearity Statistics	
	tolerance	VIF
X1	.740	1,187
X2	.873	1,369
X3	.793	1,846

Source: SPSS Output 25

Based on the coefficients table, it can be seen that the VIF values of all independent variables are VIF <10 with a tolerance value of> 0.1. From this it can be concluded that there are no symptoms of multicollinearity between the independent variables of the regression model in this study, so this regression model is valid.

Hypothesis Testing Research Results
1. **Test Results for the Coefficient of Determination**

Table 5. Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.524a	.475	.525	.37523

Source: SPSS Output 25

The model table shows that the R-squared value obtained is 0.525, indicating that budgetary slack in SKPD Pulau Taliabu Regency is influenced by the variables of budget participation (X1), clarity of budget objectives (X2) and budget emphasis (X3) of 52.5%. The remaining 42.5% is influenced by other variables not examined in this study.

2. F-Test Results

ANOVA

Model	Sum of Squares	df	Means Square	F	Sig.
Regression	6,392	2	1875	13,263	.000b
residual	14,124	106	.174		
Total	20,516	108			

Source: SPSS Output 25

Based on the table above, it shows that the significance level is 0.000 <0.05, meaning that there is a significant positive influence between the variables of budget participation (X1), clarity of budget targets (X2), and budget stages (X3) together with the budget buffer variable (Y). The probability value in this study is > 0.05, so the regression model can be used to predict the budget gap (Y) or the regression model can be said to be a good or feasible model.

3. Test Results t

Estimate Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
Constant	2,199	.433		5,875	.000
Budget Participation	042	.180	057	.564	002
Clarity of Budget Targets	.712	.019	.323	2,756	.009
Budget Emphasis	.627	.066	.283	3,657	001

Source: SPSS Output 25

Based on the estimation table, the form of the regression equation is obtained as follows:
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$
Y = 2.199 + 0.042X1 + 0.712X2 + 0.627X3
By paying attention to the t count value and also the significant value, according to the table above, it can be explained as follows:

a.   Effect of Budgetary Participation on Budgetary Slack

The significant value of the Budget Participation variable (X1) is 0.002, so it can be concluded that Budget Participation has a significant positive effect on Budgetary Discrepancies in the Regional Work Units of Taliabu Island Regency. Based on the results of the research above, budget participation has a positive and significant effect on the budget deficit. This can illustrate that when the ratio of budget participation increases, budgetary slack also increases. Supposedly, the higher the involvement of subordinates in the budgeting process, the more flexible employees are in determining what is achieved in the organization. In the SKPD of Pulau Taliabu Regency, the large number of participants who helped prepare the budget actually contributed to the creation of budgetary slack, because many parties were not really involved for the benefit of the organization.

b.   The Effect of Clarity of Budget Targets on Budgetary Slack

The significant value of the Clarity of Budgetary Targets variable (X2) is 0.009 which can be concluded that the Clarity of Budgetary Targets has a positive and significant effect on Budgetary Slack in the Work Unit of the Regional Apparatus of Pulau Taliabu Regency.

In light of the consequences of the examination above, it tends to be seen that spending plan clearness affects monetary leeway. This can be represented on the off chance that the lucidity of spending plan targets builds, the financial plan hole increments. Research discoveries with respect to the lucidity of financial plan targets decidedly affect monetary leeway in territorial work units, showing that the Taliabu Island Locale Government applies clear monetary focuses in setting up the spending plan. The more clear the spending plan focus on, the greater the spending plan shortage. This is on the grounds that the pre-arranged financial plan has a dubious degree of trouble, time breaking point and difficulties so it can startle the financial plan preparers to accomplish the put forth spending plan objectives.

c.   The Effect of Budget Emphasis on Budgetary Slack

The significant value of the Budget Emphasis variable (X3) is 0.001 which can be concluded that Budget Emphasis has a positive and significant effect on Budgetary Slack in the Regional Work Units of Taliabu Island Regency.

The results of the research above indicate that budgetary emphasis has a positive and significant effect on budgetary slack. This can illustrate that with increasing budget emphasis, budgetary slack will also increase. This is in accordance with Suartana (2010: 138) that companies often use budgets as the only tool to measure management effectiveness. Such emphasis on the budget can lead to the creation of gaps. Evaluation of performance based on achievement of budget goals encourages subordinates to create loopholes to increase prospects for future rewards. The emphasis on the budget exists when the budget is used as a measure of subordinate performance.

IV. CONCLUSION

In view of the consequences of information examination, it tends to be presumed that 1) Financial plan support affects monetary leeway in SKPD Pulau Taliabu Regime, and that implies that when financial plan cooperation is done, monetary leeway likewise increments, 2) Lucidity of spending plan targets affects slack financial plan on SKPD Pulau Taliabu Rule, and that implies that the higher the degree of clearness of financial plan focuses on, the higher the monetary leeway, 3) Spending plan accentuation affects monetary leeway on SKPD Pulau Taliabu Rule, and that implies that the higher the degree of spending plan accentuation, the potential for monetary leeway the higher it is.

V. SUGGESTION

Based on the explanation in this study, the suggestions put forward from this research are:

1.   Participants who participate in the budget preparation process must pay more attention and be supervised by both superiors and subordinates who are part of the budget preparation. This is done so that there is no tendency for parties to cheat which will increase budgetary slack.

2.   To clarify budget targets, superiors need to double check or supervise budgets that have been prepared by subordinates to minimize discrepancies.

3.   It is suggested that the performance appraisal of subordinates is not only based on the achievement of budget objectives, but must be evaluated on several aspects that support the performance of other subordinates.

4.   It is suggested to other researchers to use data collection methods in the form of interviews with direct respondents.

REFERENCE

[1].   Arthaswadaya, A. (2015). The Effect of Information Asymmetry on Budgetary Slack With Self Esteem as a Moderating Variable: An Experimental Study in the Context of Participatory Budgeting. Thesis. Department of Accounting Education, Faculty of Economics, Yogyakarta State University

[2].   Bashir, AA (2016). The Influence of Budgetary Participation, Information Asymmetry, and Individual Capacity on Budgetary Slack in SKPD Samarinda City Government. Thesis. Department of Accounting Faculty of Economics and Business.

[3].   Erina, NPD, & Suartana, W. (2016). The Influence of Participation in Budgeting, Budget Emphasis, Individual Capacity, and Clarity of Budget Targets on Slack Budget. Udayana University Economics and Business E-Journal, 15(2), 973–1000.

[4].   Halim, A., & Kusufi, S. (2012). Public sector accounting. (ES Suharsi, Ed.). South Jakarta: Salemba Empat.

[5].   Kridawan, A., & Mahmud, A. (2014). The Effect of Clarity of Budget Targets on Budgetary Slack With Information Asymmetry as a Moderating Variable. Accounting Analysis Journal, 3(2), 194–202.

[6].   Listriani, H., & Jatmiko, B. (2016). Budgetary Participation, Organizational Commitment and Information Asymmetry and Their Effect on Budgetary Slack (Empirical Study on SKPD of Sleman Regency), 1–22.

[7].   Lubis, AI (2010). Behavioral Accounting. (Krista, Ed.) (2nd Ed.). South Jakarta: Salemba Empat.

[8].   Mardiasmo. (2009). Public sector accounting. Yogyakarta: ANDI.

[9].   Marfuah, & Listiani, A. (2014). The Effect of Budget Participation on Slack Budget With Information Asymmetry, Budget Emphasis And Commitment Organizational As a Moderating Variable. Journal of Accounting And Investments, 17(2), 158–175.

[10].   Rahim, AR (2014). Analysis of the Effect of Information Asymmetry and Budget Emphasis on Budgetary Slack in the Local Government of Pinrang Regency.

[11].   Suartana, I. Wayan. (2010). Behavioral Accounting. (W. Vidya, Ed.). Yogyakarta: ANDI.

[12].   Suliyanto. (2011). Applied Econometrics: Theory & Applications With SPSS. (FS Suyantoro, Ed.). Yogyakarta: ANDI.

[13].   Sunyoto, D. (2009). Regression Analysis and Hypothesis Testing. (Ratino, Ed.). Yogyakarta: Medpress.

[14].   Yanti, Ni Wayan Mirda, & Maria, M. Ratna Sari. (2016). Information Asymmetry as a Moderating Effect of Participation in Budgeting and Clarity of Budget Targets on Budgetary Slack. Udayana University Accounting E-Journal, 29(3), 190–195.

[15].   Yuliansyah, RB (2011). Analysis of the Effect of Information Asymmetry and Budget Emphasis on Budgetary Slack in the Local Government of Pinrang Regency. (Doctoral dissertation, Faculty of Economics).