

ABSTRACT

BUDGETARY PARTICIPATION EFFECT TOWARD BUDGETARY SLACK BY EXAMINING ORGANIZATIONAL COMMITMENT AS MODERATING VARIABLE (EMPIRICAL STUDY ON CITY GOVERNMENT METRO)

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Budgeting process approach to public sector performance at the Unit level (SKPD) involves many employees are there in SKPD. Problems arising from the involvement of staff and lower echelon officials and middle level is the creation of budgetary slack. Organizational commitment variable is used as a moderating variable to investigate the influence of these variables on the relationship between budget participation and budgetary slack.

This study aims to determine the effect of budgetary participation on budgetary slack when used Organizational Commitment as a moderating variable (an empirical studies at Metro City Government); and hypotheses tested were: "Budget Participation significant effect on budgetary slack when Organizational Commitment used as a moderating variable".

The data used are primary data obtained by using the techniques of data collection through questionnaire distribution. Respondents in this study were three echelon three (level of section chief and head of the field) and one person Head of Subdivision of Finance. Finance in their respective environments SKPD in Metro City Government.

Independent variables used in this study is the budgetary participation, while the dependent variable budgetary slack. The Organizational Commitment in this study serves as a moderating variable. The analysis tools to test hypotheses is the method of multiple regression using the MRA (Moderated Regression Analysis).

Results from this study can be concluded that there was a significant effect of budgetary participation variable with the inclusion of budgetary slack variable as a variable moderating Organizational Commitment. These results suggest that

increasing the Organization's commitment will cause a decrease in budgetary slack is done by employees who participated in preparing the budget. Thus it can be said that the increased interaction between Organizational Commitment variables with budgetary participation will reduce the tendency of employees who participated in drafting the budget to create budgetary slack (an empirical study at Metro City Government).

Keywords: budget participation, organizational commitment, budgetary slack