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The Effect Of Locus Of Control, Budget Emphasis and Budget Participation On Information Asymmetry and Its Impact On Budgetary Slack

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Abstract. *This research aims to determine the influence of locus of control, budget emphasis and budget participation on the budgetary slack with information asymmetry as an intervening variable in the Regional Apparatus Organization (OPD) of Kerinci Regency. The population in this study includes all Regional Apparatus Organizations (OPD) in Kerinci Regency, totaling 42 OPD with respondents taken namely the Head of OPD, OPD Secretary, Finance Section and Program Planning Section. The research sample was selected using saturated sampling, namely a sampling technique using the entire population as a research sample consisting of 168 respondents. This research method uses quantitative methods. This research uses primary data obtained through questionnaires distributed to respondents. The research results show that locus of control has a negative effect on the budgetary slack, while budget emphasis and budget participation have a positive effect on the budgetary slack. locus of control and budget emphasis have a positive effect on information asymmetry, while budget participation has a negative effect on information asymmetry. Information asymmetry is able to mediate the influence of locus of control, budget emphasis and budget participation on the budgetary slack.*

Keywords*: Locus of Control, Budget emphasis, Budget Participation, Budgetary slack, Information Asymmetry*

INTRODUCTION

Budgets have an important role in organizational planning. The budget is a management instrument that plays a very important role in monitoring the operational processes of an organization, and this is a very crucial factor in achieving the organization's goals (Panjaitan et al., 2019).As a management tool, budgets are essential to maintain control of organizational activities and enable the implementation of established strategies to achieve goals. In addition, the budget functions as a management and planning tool. The budget as a planning tool plays a role in planning the funding and income of the responsibility center that the organization will achieve within a certain period of time by carrying out other activities that have been previously identified. Budgets have a dual role in controlling and assessing the performance of an organization. Through budgets, organizations can measure the extent to which they are able to achieve the goals set within an organization (Fitriyana, 2020).

*Locus of control*is one of the many variables that can influence the occurrence of budgetary slack. Based on the research findings of Sinaldi et al (2023), locus of control has a negative effect on budgetary slack. A person's locus of control is their capacity to control an event. Locus of control is personal morality, where every individual has good morals, meaning he can control himself (Sugianto et al., 2020).

According to Young (1985), the budgetary slack can be overcome by reducing the level of information asymmetry that exists between superiors and subordinates. Improving control and raising information disclosure standards are two ways to reduce information asymmetry.

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One way to overcome the problem of information asymmetry is through budget participation. The more people who participate in the budget preparation process, the less information asymmetry will occur, which will ultimately reduce the emergence of gaps in the budget (Pradita., 2017).

LITERATURE REVIEW

Agency Theory (Agency Theory)

This theory covers contractual relationships between principals and agents, usually between two or more individuals, groups, or organizations. The principle is that the party makes choices and delegates all actions on behalf of the principal to other parties or agents (Jensen and Meckling, 1976).

Attribution Theory

Attribution theory assumes that individual behavior in preparing a budget is determined by two factors, namely internal and external factors. When internal factors are controlled, individuals tend to act to influence the organization optimally to achieve predetermined targets. On the other hand, when external factors are under the control of the organization, individuals will feel that they are not strong enough to achieve the targets they want to achieve (Anggraini et al., 2023).

Public Sector Budget

The budget based on Government Regulation Number 71 of 2010 functions as a benchmark for government action. This includes financing plans, transfers, income and expenses that are measured in rupiah units and systematically divided into different categories within a predetermined time period.

Budgetary slack

Budgetary slack, in Young's (1985) explanation, are actions taken by agents who, when given the opportunity to set work standards with the aim of improving performance quality, estimate lower revenues and higher costs (Sinaldi et al., 2023). According to Lubis (2017), a budgetary slack is an act of inflating the work budget when there is a gap between the larger amount of resources allocated to a task and the resources that actually exist and are needed effectively to complete it. Therefore, overestimating the amount of input required to produce one unit of output or budgeting higher costs and lower revenues are two common causes of gaps (Putra W.E et al., 2017)

Locus Of Control

There are two types of locus of control, namely internal and external. Internal locus of control refers to people thinking they are responsible for their behavior at work. Meanwhile, external locus of control is used to describe people who think that external factors are the cause of all their performance and task success (Sinaldi et al., 2023).

Budget emphasis

Budget emphasis when superiors put pressure on subordinates to implement the budget that has been set. So, so that subordinates can implement the budget accurately and fulfill the budget that has been set, superiors emphasize budgeting. According to Putra and Mintoyuwono (2017), subordinates will be rewarded or compensated if the budget target is met, and they will be given a warning or subject to sanctions if the budget is not achieved.

Budget Participation

The level of involvement of each person in the budget preparation process and how it affects budget implementation is called budget participation. The components of contribution, change, satisfaction, influence, and discussion are all included in measuring budget participation. This is in line with the opinion expressed by Milani (1975).

Information Asymmetry

Information asymmetry refers to the mismatch or distortion of information held by superiors and subordinates as a result of disparities in sources and ways of accessing information. Opportunities to include local information may arise from subordinate participation in the budget preparation process. Certain personal information that may be included in the budget may be communicated or disclosed by subordinates. Additionally, subordinates have the option to withhold certain personal information to influence the budget; The greater the degree of information asymmetry, the larger the budget (Pratiwi., 2023).

RESEARCH METHODS

Types and Locations of Research

Types of research

The type of research used in this research is quantitative research. Quantitative research according to Sekaran (2017) is a scientific method where data in numerical form can be processed and then analyzed using mathematical or statistical calculations. According to Cooper (2017), quantitative research is measuring something accurately and is used to measure customer behavior, knowledge, opinions and attitudes.

Research sites

According to Sekaran (2017), research location refers to the meaning of a place or social location of research which is characterized by the presence of elements, namely actors, places and activities that can be observed. According to Sugiyono (2019) a research location is a place where researchers obtain information regarding the required data. The research location is the place where the research will be carried out. Location selection must be based on considerations of attractiveness, uniqueness and suitability for the chosen topic. The research location in this research is within the Kerinci district government in regional apparatus organizations (OPD), totaling 42 OPD. Details of the research locations are shown in table 1.

Table 1

Kerinci Regency OPD

No	Nama OPD
1	Dinas Lingkungan Hidup
2	Dinas Perhubungan
3	Dinas Pariwisata, Kebudayaan, Pemuda Olah Raga
4	Dinas Koperasi, Perindustrian dan Perdagangan
5	Dinas Penanaman Modal, PTSP dan Tenaga Kerja
6	Dinas Pemberdayaan Masyarakat desa
7	Kependudukan dan Catatan Sipil
8	Perikanan
9	Ketahanan Pangan
10	Perkebunan dan Peternakan
11	Tanaman Pangan dan Holtikultura
12	Pengendalian Penduduk, KB,PP dan PA
13	Dinas Sosial
14	Dinas Pekerjaan Umum dan Perumahan Rakyat
15	Dinas Kesehatan
16	Dinas Pendidikan
17	Sekretariat DPRD
18	Inspektorat
19	Dinas Penanggulangan Bencana Daerah
20	Dinas Kesatuan Bangsa dan Politik
21	Dinas Kepegawaian dan Pengembangan Sumber Daya Manusia
22	Pengelola Pajak dan Retribusi Daerah
23	Pengelola Keuangan dan Aset Daerah
24	Badan Perencana Pembangunan Penelitian
25	Kecamatan Air Hangat
26	Kecamatan Air Hangat Barat
27	Kecamatan Air Hangat Timur
28	Kecamatan Batang Merangin
29	Kecamatan Tanah Cogok
30	Kecamatan Bukit Kerman
31	Kecamatan Danau Kerinci
32	Kecamatan Danau Kerinci Barat
33	Kecamatan Depati Tujuh
34	Kecamatan Gunung Kerinci
35	Kecamatan Gunung Raya
36	Kecamatan Gunung Tujuh
37	Kecamatan Kayu Aro
38	Kecamatan Kayu Aro Barat
39	Kecamatan Keliling Danau
40	Kecamatan Sitinjau Laut
41	Kecamatan Siulak
42	Kecamatan Siulak Mukai

Source: kerinckab.co.id

RESULTS AND DISCUSSION

Validity test

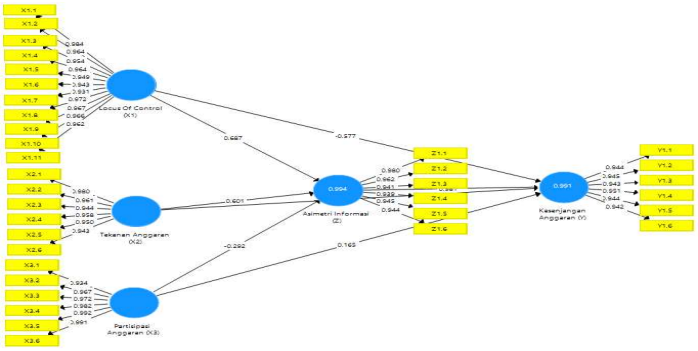
Validity is the degree of accuracy between the data that actually occurs on the research object and the data that can be reported by the researcher. Valid data is data that does not differ between the data reported by researchers and the data that actually occurs at the research object (Indriantoro & Supomo, 2018).

Convergent Validity Testing

The following are the results of the PLS Algorithm which shows the validity test.

Figure 1

PLS Algorithm



The image above shows the outer model test which can be detailed in several tables below. Table 1 below presents the results of the convergent validity test on the indicators of the variables locus of control (X1), budget emphasis (X2), budget participation (X3), information asymmetry (Z) and budgetary slack (Y). This value comes from the outer loading of the running PLS Algorithm.

Table 2

Outer Loading

	LOC (X1)	TA (X2)	PA (X3)	AI (Z)	KA (Y)
X1.1	0.984				
X1.2	0.964				
X1.3	0.954				
X1.4	0.964				
X1.5	0.949				
X1.6	0.943				
X1.7	0.931				
X1.8	0.972				
X1.9	0.967				
X1.10	0.966				
X1.11	0.962				
X2.1		0.980			
X2.2		0.961			
X2.3		0.944			
X2.4		0.958			
X2.5		0.950			
X2.6		0.943			
X3.1			0.934		
X3.2			0.967		
X3.3			0.972		
X3.4			0.982		
X3.5			0.992		
X3.6			0.991		
Z1.1				0.980	
Z1.2				0.962	
Z1.3				0.941	
Z1.4				0.939	
Z1.5				0.945	
Z1.6				0.944	
Y1.1					0.944
Y1.2					0.945
Y1.3					0.943
Y1.4					0.951
Y1.5					0.944
Y1.6					0.942

Source: data processed by researchers

Table 2 above shows that each indicator in the questionnaire produces an outer loading value of > 0.7, in other words the indicators in this study are valid so they are able to measure the latent variables locus of control (X1), budget emphasis (X2), budget participation (X3), information asymmetry (Z) and budgetary slack (Y) well.

Discriminant Validity

The discriminant validity test uses cross loading values and is carried out to ensure that each concept of each latent variable is different from the other variables. An indicator is declared to meet discriminant validity if the cross loading value for each variable is greater

than 0.70. The discriminant validity test results were obtained as follows:

Table 3

Discriminant validity test results (Cross Loading)

	LOC (X1)	TA (X2)	PA (X3)	AI (Z)	KA (Y)
X1.1	0.980	0.970	0.984	0.976	0.978
X1.2	0.965	0.962	0.964	0.956	0.968
X1.3	0.951	0.942	0.954	0.941	0.950
X1.4	0.960	0.956	0.964	0.957	0.960
X1.5	0.955	0.946	0.949	0.937	0.953
X1.6	0.948	0.941	0.943	0.927	0.946
X1.7	0.915	0.906	0.931	0.938	0.913
X1.8	0.967	0.957	0.972	0.967	0.967
X1.9	0.961	0.957	0.967	0.965	0.963
X1.10	0.951	0.937	0.966	0.954	0.945
X1.11	0.949	0.940	0.962	0.959	0.948
X2.1	0.977	0.972	0.981	0.978	0.980
X2.2	0.958	0.955	0.955	0.946	0.961
X2.3	0.934	0.934	0.934	0.937	0.944
X2.4	0.955	0.952	0.958	0.958	0.958
X2.5	0.947	0.941	0.942	0.935	0.950
X2.6	0.938	0.939	0.930	0.921	0.943
X3.1	0.899	0.892	0.918	0.934	0.904
X3.2	0.960	0.955	0.962	0.967	0.964
X3.3	0.964	0.960	0.968	0.972	0.967
X3.4	0.964	0.963	0.971	0.982	0.971
X3.5	0.984	0.978	0.991	0.992	0.986
X3.6	0.978	0.975	0.984	0.991	0.983
Z1.1	0.980	0.970	0.984	0.976	0.978
Z1.2	0.962	0.960	0.955	0.945	0.960
Z1.3	0.941	0.933	0.935	0.928	0.936
Z1.4	0.939	0.941	0.936	0.930	0.931
Z1.5	0.945	0.938	0.934	0.925	0.939
Z1.6	0.944	0.936	0.938	0.922	0.940
Y1.1	0.927	0.944	0.919	0.916	0.925
Y1.2	0.941	0.945	0.931	0.919	0.933
Y1.3	0.936	0.943	0.931	0.931	0.940
Y1.4	0.948	0.951	0.944	0.941	0.941
Y1.5	0.944	0.944	0.937	0.929	0.944
Y1.6	0.937	0.942	0.931	0.923	0.943

Source: Data processed by researchers

Based on table 3, it can be seen that all indicators in the research variables have cross loading values greater than 0.7. Based on the results obtained, it can be stated that the indicators used in this research have good discriminant validity in compiling their respective variables. The conclusion for the discriminant validity test shows that the research indicators in the study have been able to measure variables*locus of control*(X1), budget emphasis (X2), budget participation (X3), information asymmetry (Z) and budgetary slack (Y).

Reliability Test

Reliability testing is carried out to test the level of reliability of a construction and prove the precision, consistency and accuracy of the instrument in measuring the construction. In this research, the reliability of the instrument must be high. This can be proven through composite reliability and Cronbach alpha values which are greater than 0.7 (Ghozali and Latan, 2015).

Table 4

Reliability Test Results (Outer Model)

Variabel	*Cronbach's Alpha*	*Composite Reliability*	Keterangan
Locus Of Control (X1)	0.991	0.992	Reliabel
Tekanan Anggaran (X2)	0.981	0.985	Reliabel
Partisipasi Anggaran (X3)	0.989	0.991	Reliabel
Asimetri Informasi (Z)	0.979	0.983	Reliabel
Kesenjangan Anggaran (Y)	0.976	0.980	Reliabel

Source: Data processed by researchers

Based on table 4, the results of the composite reliability and Cronbach alpha tests show that the values of all variables can be said to be reliable because they have composite reliability and Cronbach alpha values greater than 0.70. This means that all variables can be said to be reliable, trustworthy and research data can be used to produce the best research.

Inner Model Evaluation

Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The inner model is evaluated by looking at the percentage of variance explained, namely by looking at the R-Square value for the endogenous latent construct using resampling procedures such as bootstrapping to obtain stability of the estimates (Ghozali & Latan, 2015).

R Square

When assessing the model with PLS, start by looking at the R-Square for each dependent latent variable (Hair et al., 2020).

Table 5

R-Square Value

Variabel	*R Square*	*Adjusted R Square*
Asimetri Informasi (Z)	0.994	0.994
Kesenjangan Anggaran (Y)	0.991	0.991

Source: Data processed by researchers

Table 5 shows the results for the R-square value of information asymmetry of 99.4%, and the budgetary slack of 99.1%. This shows that the influence of locus of control, budget emphasis and budget participation on information asymmetry is in the strong category. Then the influence of locus of control, budget emphasis and budget participation on the budgetary slack is in the strong category.

Q Square

A model is considered to have relevant predictive value if the Q square value is greater than 0 (> 0). The predictive-relevance value is obtained using the following formula. The predictive-relevance value is obtained by the formula:

$Q2=1 – (1-R12) (1-R22)$

$Q2= 1 - (1- 0.9942) (1 – 0.9912)$

$Q2= 1 – (1- 0.988) (1- 0.982)$

$Q2= 1 – (0.012)(0.018)$

$Q2= 1 – 0.0002$

$Q2= 0.9998$

The result of the Q square calculation in this research is 0.9998 > 0, meaning that the model in this research is considered predictive or relevant.

Direct Effect

To find out the direct effects in this research, you can see the following table:

Table 6

Direct Effects

	Path Coefficient
Locus Of Control (X1) -> Kesenjangan Anggaran (Y)	-0.577
Tekanan Anggaran (X2) -> Kesenjangan Anggaran (Y)	0.426
Partisipasi Anggaran (X3) -> Kesenjangan Anggaran (Y)	0.165
Asimetri Informasi (Z) -> Kesenjangan Anggaran (Y)	0.981
Locus Of Control (X1) -> Asimetri Informasi (Z)	0.687
Tekanan Anggaran (X2) -> Asimetri Informasi (Z)	0.601
Partisipasi Anggaran (X3) -> Asimetri Informasi (Z)	-0.292

Source: data processed by researchers

Based on the results of the direct effects analysis in table 6 above, it can be concluded as follows:

1. Direct influence*Locus of Control*to the Budgetary slack is -0.577, which means if*Locus of Control*increases by one unit, the Budgetary slack decreases by 57.7%. This influence is negative.
2. Direct influenceBudget emphasisto the Budgetary slack is 0.426, which means ifBudget emphasisincreases by one unit, the Budgetary slack can increase by 42.6%. This influence is positive.
3. Direct influenceBudget Participationto the Budgetary slack is 0.165, which means ifBudget Participationincreases by one unit, the Budgetary slack can increase by 16.5%. This influence is positive.
4. Direct influenceInformation Asymmetryto the Budgetary slack is 0.981, which means ifInformation Asymmetryincreases by one unit, the Budgetary slack can increase by 98.1%. This influence is positive.
5. Direct influence*Locus of Control*towards Information Asymmetry is 0.687, which means if*Locus of Control*increasing by one unit, Information Asymmetry can increase by 68.7%. This influence is positive.
6. Direct influenceBudget emphasistowards Information Asymmetry is 0.601, which means ifBudget emphasisincreasing by one unit, Information Asymmetry can increase by 60.1%. This influence is positive.
7. Direct influenceBudget Participationtowards Information Asymmetry is -0.292, which means ifBudget emphasisincreases by one unit, Information Asymmetry decreases by 29.2%. This influence is negative.

Indirect Effect

To find out the indirect effects in this research, you can see the following table:

Table 7

Indirect Effects

	Path Coefficient
Locus Of Control (X1) -> Asimetri Informasi (Z) -> Kesenjangan Anggaran (Y)	0.674
Tekanan Anggaran (X2) -> Asimetri Informasi (Z) -> Kesenjangan Anggaran (Y)	0.589
Partisipasi Anggaran (X3) -> Asimetri Informasi (Z) -> Kesenjangan Anggaran (Y)	-0.286

Source: data processed by researchers

1. Indirect influence*Locus of Control*to the Budgetary slack through Information Asymmetry is 0.674, which means if*Locus of Control*increases by one unit, the Budgetary slack can increase indirectly through Information Asymmetry by 67.4%. This influence is positive.
2. Indirect influenceBudget emphasisto the Budgetary slack through Information Asymmetry is 0.589, which means ifBudget emphasisincreases by one unit, the Budgetary slack can increase indirectly through Information Asymmetry by 58.9%. This influence is positive.
3. Indirect influenceBudget Participationto the Budgetary slack through Information Asymmetry is -0.286, which means ifbudget participationincreases by one unit, the Budgetary slack decreases indirectly through Information Asymmetry by 28.6%. This influence is negative.

Hypothesis testing

The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in testing the hypothesis is the value contained in the output result for inner weight. Table 8 provides the estimated output for testing the structural model regarding direct effects.

Table 8

Hypothesis testing

	Sampel Asli (O)	Rata-rata Sampel (M)	Standar Deviasi (STDEV)	T Statistik (|O/STDEV|)	P Values
LOC (X1) -> KA (Y)	-0.577	-0.593	0.131	4.392	0.000
TA(X2) -> KA(Y)	0.426	0.428	0.145	2.941	0.003
PA (X3) -> KA (Y)	0.165	0.174	0.076	2.168	0.030
AI (Z) -> KA (Y)	0.981	0.987	0.165	5.937	0.000
LOC (X1) -> AI (Z)	0.687	0.709	0.131	5.254	0.000
TA (X2) -> AI (Z)	0.601	0.589	0.079	7.634	0.000
PA (X3) -> AI (Z)	-0.292	-0.301	0.074	3.930	0.000
LOC(X1) -> AI (Z) -> KA (Y)	0.674	0.705	0.196	3.436	0.001
TA (X2) -> AI (Z) -> KA (Y)	0.589	0.581	0.124	4.770	0.000
PA (X3) -> AI (Z) -> KA (Y)	-0.286	-0.302	0.104	2.748	0.006

Source: data processed by researchers

Hypothesis Testing the Effect of Locus of Control on Budgetary slack (H1)

Statistical hypothesis:

H0 :*Locus of control*has no effect on the budgetary slack

Ha :*Locus of control*negative effect on the budgetary slack

The t-statistic value of Locus of control on the budgetary slack is 4.392 > t-table 1.96 and the P Values are 0.000 smaller than 0.05 with a value*path coefficient*as big as-0.577 so H0 is rejected and Ha is accepted. This means that Locus of control has a negative effect on the budgetary slack (H1 is accepted).

Hypothesis Testing the Effect of Budget emphasis on Budgetary slack(H2)

Statistical hypothesis:

H0 :Budget emphasis has no effect on the budgetary slack

Ha :Budget emphasis has a positive effect on the budgetary slack

The t-statistic value of budget emphasis on the budgetary slack is 2.941 > t-table 1.96 and the P value is 0.003, smaller than 0.05 with a value of*path coefficient*as big as0.426 so H0 is rejected and Ha is accepted. This means that budget emphasis has a positive effect on the budgetary slack (H2 is accepted).

Hypothesis Testing the Effect of Budget Participation on Budgetary slack(H3)

Statistical hypothesis:

H0 :Budget participation has no effect on the budgetary slack

Ha :Budget participation has a negative effect on the budgetary slack

The t-statistic value of budget participation on the budgetary slack is 2.168 > t-table 1.96 and the P value is 0.030 smaller than 0.05. H0 is rejected and Ha is accepted but the value*path coefficient*as big as0.165, which means it is in the opposite direction to the hypothesis so Ha is rejected. This means that budget participation has a positive effect on the budgetary slack (H3 is rejected).

Hypothesis Testing the Effect of Information Asymmetry on Budgetary slack(H4)

Statistical hypothesis:

H0 :Information asymmetry has no effect on the budgetary slack

Ha :Information asymmetry has a positive effect on the budgetary slack

The t-statistic value of information asymmetry on the budgetary slack is 5.937 > t-table 1.96 and the P value is 0.000 smaller than 0.05 with a value*path coefficient*as big as0.981 so H0 is rejected and Ha is accepted. This means that information asymmetry has a positive effect on the budgetary slack (H4 is accepted).

Hypothesis Testing the Effect of Locus of Control on Information Asymmetry (H5)

Statistical hypothesis:

H0 :*Locus of control* has no effect on information asymmetry

Ha :*Locus of control* negative effect on information asymmetry

The t-statistic value of locus of control on information asymmetry is 5.254 > t-table 1.96 and the P value is 0.000 smaller than 0.05. H0 is rejected and Ha is accepted but the value*path coefficient*as big as0.687, which means it is in the opposite direction to the hypothesis so Ha is rejected. This means that locus of control has a positive effect on information asymmetry (H5 is rejected).

Hypothesis Testing the Effect of Budget emphasis on Information Asymmetry (H6)

Statistical hypothesis:

H0 :Budget emphasis has no effect on information asymmetry

Ha :Budget emphasis has a positive effect on information asymmetry

The t-statistic value of budget emphasis on information asymmetry is 7.634 > t-table 1.96 and the P value is 0.000, smaller than 0.05 with a value of*path coefficient*as big as0.601 so H0 is rejected and Ha is accepted. This means that budget emphasis has a positive effect on information asymmetry (H6 is accepted).

Hypothesis Testing the Effect of Budget Participation on Information Asymmetry (H7)

Statistical hypothesis:

H0 :Budget participation has no effect on information asymmetry

Ha :Budget participation has a negative effect on information asymmetry

The t-statistic value of budget participation on information asymmetry is 3.930 > t-table 1.96 and the P value is 0.000, smaller than 0.05 with a value of*path coefficient*as big as-0.292 so H0 is rejected and Ha is accepted. This means that budget participation has a negative effect on information asymmetry (H7 is accepted).

Hypothesis Testing the Effect of Locus of Control on Budgetary slack Through Information Asymmetry (H8)

Statistical hypothesis:

H0 :Information asymmetry does not mediate the effect of locus of control on the budgetary slack

Ha :Information asymmetry is able to mediate the influence of locus of control on the budgetary slack with a negative influence

The t-statistic value of Locus of Control on budgetary slack through information asymmetry is 3.436 > t-table 1.96 and the P Values are 0.001 smaller than 0.05. H0 is rejected and Ha is accepted but the value*path coefficient*as big as0.674, which means it is in the opposite direction to the hypothesis so Ha is rejected. This means that information asymmetry is able to

mediate the influence of locus of control on the budgetary slack but has a positive influence (H8 is rejected).

Hypothesis Testing the Effect of Budget emphasis on Budgetary slack Through Information Asymmetry (H9)

Statistical hypothesis:

H0 :Information asymmetry does not mediate the effect of budget emphasis on the budgetary slack

Ha :Information asymmetry is able to mediate the effect of budget emphasis on the budgetary slack with a positive influence

The t-statistic value of budget emphasis on the budgetary slack through information asymmetry is 4.770 > t-table 1.96 and the P value is 0.000 smaller than 0.05 with a value of*path coefficient*as big as0.589 so H0 is rejected and Ha is accepted. This means that information asymmetry is able to mediate the influence of budget emphasis on the budgetary slack with a positive influence (H9 is accepted).

Hypothesis Testing the Effect of Budget Participation on Budgetary slack Through Information Asymmetry

Statistical hypothesis:

H0 :Information asymmetry does not mediate the effect of budget participation on the budgetary slack

Ha :Information asymmetry is able to mediate the effect of budget participation on the budgetary slack with a negative effect

The t-statistic value of budget emphasis on the budgetary slack through information asymmetry is 2.748 > t-table 1.96 and the P value is 0.006, smaller than 0.05 with a path coefficient value of -0.286 so that H0 is rejected and Ha is accepted. This means that information asymmetry is able to mediate the effect of budget participation on the budgetary slack with a negative effect (H10 is accepted).

Discussion

The Effect of Locus of Control on Budgetary slack

The results of the research show that the path coefficient value is -0.577 (negative) with the t-statistic value of locus of control for the budgetary slack of 4.392 > t-table 1.96 and P Values 0.000 < 0.05 (α = 5%), so H1 is accepted which means that locus of control has a negative effect on the budgetary slack.

The results of this research support the proposed hypothesis and succeed in confirming consistency with agency theory, which according to Lane (2003) agency theory can be applied

to the public sector. One of the most important ways of analyzing public policy involvement is the interaction between principals and agents, namely between superiors and employees. Locus of control has a significant negative effect on budgetary slack, this means that a high level of self-confidence or the level of an employee's ability to control their own destiny will reduce the occurrence of budgetary slack. The higher the level of locus of control an employee has, the more internal the locus of control will be. A person with a high locus of control will have good self-control so that he tends to do his job well and will be more active in his work, able to choose the information he needs, able to make decisions and be responsible for those decisions and have good control so as to reduce the occurrence of budgetary slack (Sinaldi et al., 2023).

The Effect of Budget emphasis on Budgetary slack

The results of the research show that the path coefficient value is 0.426 (positive) with a t-statistic value of budget emphasis on the budgetary slack of 2.941 > t-table 1.96 and P Values 0.003 < 0.05 (α = 5%), so H2 is accepted which means budget emphasis has a positive effect on the budgetary slack.

Research data shows that there is budget emphasis on the OPD of Kerinci Regency, where based on the questionnaire statements distributed, it shows that the average assessment of respondents based on the budget emphasis variable (X2) is 5.34. Several questionnaire question items confirm that there is budget emphasis on the Kerinci Regency OPD, namely with the statement (X2.1), namely "The budget in the unit for which I am responsible functions as a means of controlling (supervising) my performance" has an average value of 5.26, (X2 .2) namely "The budget set is used as a benchmark for my performance" has an average value of 5.39, (X2.3) namely "The budget set requires my performance to reach the budget target" has an average value of 5.34 and the statement (X2. 6) namely "There is a bonus composition when the budget target can be achieved" has an average value of 5.37. This shows that the budgetary pressure on the Kerinci Regency OPD is still high, where it can be seen that the budget is used as a benchmark for performance so that if the budget target is achieved, the performance of an OPD is considered good and gets awards and bonuses from superiors, which triggers employees to take slack. budget so that the budget target is achieved.

The Effect of Budget Participation on Budgetary slack

The results of the research show that the path coefficient value is 0.165 (positive) with a t-statistic value of budget participation on the budgetary slack of 2.168 > t-table 1.96 and P Values 0.030 < 0.05 (α = 5%), so H3 is rejected, which means Budget participation has a

positive effect on the budgetary slack.

Research data shows that budget participation in the Kerinci Regency OPD is able to trigger a budgetary slack where based on the questionnaire statements distributed, it shows that the average respondent assessment based on the budget participation variable (X3) is 5,288. Several questionnaire question items confirm that budget participation in the Kerinci Regency OPD can trigger budgetary slack, namely the statement (X3.1), namely "You have an important contribution in the budget preparation process" which has an average value of 5.31, (X3.3), namely "Setting budget targets for which you are responsible is largely under your control" has an average value of 5.32, and the statement (X3.4) namely "Your boss has asked for your opinion when determining budget targets for which you are responsible" has average value 5.26. This shows that with budget participation and contribution in giving opinions by employees regarding the budget, it can provide employees with the opportunity to provide biased information for their own interests regarding the budget which results in budgetary slack so that the budget is easy to achieve so that their performance can be assessed as good.

The Effect of Information Asymmetry on Budgetary slack

The results of the research show that the path coefficient value is 0.981 (positive) with the t-statistic value of information asymmetry on the budgetary slack of 5.937 > t-table 1.96 and P Values 0.000 < 0.05 (α = 5%), so H4 is accepted which means Information asymmetry has a positive effect on the budgetary slack.

Research data shows that the high level of information asymmetry that occurs among Kerinci Regency OPD employees has triggered a budgetary slack where based on the questionnaire statements distributed, it shows that the average respondent assessment based on the information asymmetry variable (Z) is 5.34. Several questionnaire question items confirm that information asymmetry among Kerinci Regency OPD employees triggers budgetary slack, namely the statement (Z1.1), namely "You have better information on activities in your area of responsibility" has an average value of 5.3 , (Z1.2) namely "You have a better understanding of the internal input-output relationships of operations in your area of responsibility" has an average value of 5.4 and the statement (Z1.6) namely "You have a better understanding of what that can be achieved in the area that is your responsibility" has an average value of 5.36. This shows that there is a difference in the information possessed by superiors and subordinates, where subordinates have more information than superiors, resulting in information asymmetry.

The Effect of Locus of Control on Information Asymmetry

The results of the research show that the path coefficient value is 0.687 (positive) with the t-statistic value of locus of control on information asymmetry of 5.254 > t-table 1.96 and P

Values 0.000 < 0.05 (α = 5%), so that H5 is rejected. This means that locus of control has a positive effect on information asymmetry.

Based on the locus of control theory, an employee's behavior in preparing a budget will be influenced by the characteristics of his or her locus of control. Characteristics of an internal locus of control are those who believe that an event is always under their control and will always take a role and responsibility in determining right or wrong. On the other hand, people with an external locus of control believe that events in their lives are beyond their control, can be influenced by environmental factors and do not believe in their own abilities. The research results show that the high external locus of control in Kerinci Regency OPD employees as seen from the results of the questionnaire in the statement (X1.9), namely "I feel my effectiveness in preparing the budget is determined by my seniors" has an average value of 5.30. This means that employees at the Kerinci Regency OPD believe that events and actions in their lives are beyond their control and can be influenced by environmental factors, which means that the information disclosed by employees depends on the situation and environmental factors so that the information conveyed becomes biased which increases information asymmetry.

The Effect of Budget emphasis on Information Asymmetry

The results of the research show that the path coefficient value is 0.601 (positive) with the t-statistic value of budget emphasis on information asymmetry of 7.634 > t-table 1.96 and P Values 0.000 < 0.05 (α = 5%), so H6 is accepted which means Budget emphasis has a positive effect on information asymmetry.

Data from the questionnaire shows high budget emphasis and information asymmetry in the Kerinci Regency OPD with an average value of 5.34. High budget emphasis then results in information asymmetry where the pressure on the budget given by superiors to subordinates makes subordinates hide information, thereby making the information biased so that the budget is easily achieved.

The Effect of Budget Participation on Information Asymmetry

The results of the research show that the path coefficient value is -0.292 (negative) with a t-statistic value of budget participation on information asymmetry of 3,930 > t-table 1.96 and P Values 0.000 < 0.05 (α = 5%), so that H7 is accepted. This means that budget participation has a negative effect on information asymmetry.

The research results prove that budget participation in the Kerinci Regency OPD can reduce the occurrence of information asymmetry. Judging from the questionnaire statement on the budget participation variable (X3.4), namely "Your supervisor has asked for your opinion

when determining budget targets for which you are responsible" with an average value of 5.26. This means that there is active participation from Kerinci Regency OPD employees in providing opinions and information regarding budget preparation. Because budget participation provides a means for superiors to obtain more information from their subordinates, this makes budget participation have a negative impact on information asymmetry. The more people who participate, the more valuable the information is to superiors.

The Effect of Locus of Control on Budgetary slack Through Information Asymmetry

*Locus of control*can have a direct effect on the budgetary slack, but can also have an indirect effect on the budgetary slack, namely through information asymmetry as an intermediary or mediation. The magnitude of the direct influence of locus of control on the budgetary slack is -0.577 (negative) while the magnitude of the indirect influence of budget emphasis on the budgetary slack through information asymmetry as an intermediary is 0.674 (positive). Based on these data, it is known that the direct influence and indirect influence have opposite directions.

The research results show a path coefficient value of 0.674 (positive) with a t-statistic value of locus of control on budgetary slack through information asymmetry of 3,436 > t-table 1.96 and P Values 0.001 < 0.05 (α = 5%). So H8 is rejected, which means that locus of control has a positive effect on the budgetary slack through information asymmetry.

The results of this research show that employees tend to think about their own interests. The belief that employees can control themselves actually encourages employees to do whatever can maintain or even improve their performance so that they always look good in front of their superiors. So, to improve their performance, employees tend to make budgetary slack, meaning that the higher the employee's locus of control, the budgetary slack will increase.

The Effect of Budget emphasis on Budgetary slack Through Information Asymmetry

Budget emphasis can have a direct effect on the budgetary slack, but can also have an indirect effect on the budgetary slack, namely through information asymmetry as an intermediary or mediation. The direct effect of budget emphasis on the budgetary slack is 0.426, while the indirect effect of budget emphasis on the budgetary slack through information asymmetry as an intermediary is 0.589. Based on these data, it is known that the indirect influence is greater than the direct influence, but the difference is not too big.

The results of the research show that the path coefficient value is 0.589 (positive) with the t-statistic value of budget emphasis on the budgetary slack through information asymmetry of 4,770 > t-table 1.96 and P Values 0.000 < 0.05 (α = 5%), so H9 accepted, which means that

budget emphasis has a positive effect on the budgetary slack through information asymmetry.

The Effect of Budget Participation on Budgetary slack Through Information Asymmetry

The research results show the path coefficient value is -0.286 (negative) with the t-statistic value of budget participation on the budgetary slack through information asymmetry of 2,748 > t-table 1.96 and P Values 0.006 < 0.05 (α = 5%), so that H10 is accepted, which means that budget participation has a negative effect on the budgetary slack through information asymmetry.

Information asymmetry is able to mediate budget participation against budgetary slack. One way to overcome information asymmetry is through budget participation. The more people who participate in the budget preparation process, the less information asymmetry will result in a smaller budgetary slack. One potential solution to reduce information inequality between superiors and subordinates is the implementation of budget participation. According to Baiman & Evans, involvement in the budget preparation process allows subordinates to divulge or exchange the personal information they have, thus giving superiors the opportunity to collect additional information from subordinates. This research is in line with research conducted by Pradita (2017) which also found that information asymmetry was able to mediate the effect of budget participation on the budgetary slack. This influence is negative, meaning it can reduce the budgetary slack.

CONCLUSION

Locus of Control has a significant and negative effect on the budgetary slack, while Budget Emphasis, budget participation and information asymmetry have a positive and significant effect on the budgetary slack. The variables Locus of Control and budget emphasis have a positive and significant effect on Information Asymmetry, while budget participation has a significant and negative effect on Information Asymmetry. Locus of Control and budget emphasis have a significant and positive effect on the Budgetary slack through Information Asymmetry, while budget participation has a negative and significant effect on the budgetary slack through information asymmetry.

Suggestion

For the Kerinci Regency OPD, it is recommended that the preparation of the Kerinci Regency OPD budget must really focus on the goals of community welfare, not just realizing personal or group interests, for this reason truly accurate information is needed in preparing the OPD budget. Where restrictions are needed, namely that employees in preparing the budget

must be in accordance with predetermined proportions or plans and strategies so that budgetary slacks can be minimized and for future researchers, it is important to complement the survey method with interviews to increase the caring attitude and seriousness of respondents in answering all existing questions, as well as adding other independent variables that can influence the budgetary slack, such as Moral Equity and others.

Research Limitations

Research data collection only comes from questionnaires so it is not possible to collect respondents' answers flexibly and the small number of samples used in this research means that the research results are hampered from being generalized to all OPDs in the Jambi province.

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