

Participation and clarity of budget targets, management accounting information system on managerial performance with budgetary slack as a mediation variable

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<i>ARTICLE HISTORY</i>	<i>ABSTRACT</i>
<p><i>Received: July, 31st 2024</i> <i>Revised: August, 15th 2024</i> <i>Accepted : September, 25th 2024</i></p> <p>Keywords : <i>Budget Gaps</i> <i>Budget Participation</i> <i>Budgetary Slack</i> <i>Clarity of Budget Targets</i> <i>Information System</i> <i>Management Accounting</i> <i>Managerial Performance</i></p>	<p><i>The aim of this research is to analyze "budget participation, clarity of budget targets and management accounting information systems on managerial performance with the budgetary slack as a mediating variable," which has been carried out by 5 service companies affected by COVID-19. This research uses quantitative methods, and the data source used is primary data. The population in this research is 5 service companies spread across Jakarta, including PT. Sukses Andalan Bangsa, PT. Anak Bangsa Cakrawala Dunia, PT. Impact Power Mandiri, PT. Kitamuda Andalan Indonesia and PT. Triputra International. The sample selection for this research included directors, managers, and supervisors in each division of the company, with a total of 50 respondents. In this research, data analysis uses SmartPLS 4.0 with a data-based analysis method structural equation modeling based on partial least. Based on the hypothesis testing carried out, the research results show that budget participation has no positive and insignificant effect on managerial performance. For clarity of budget targets and management, accounting information systems have a positive and significant effect on managerial performance. Then, the budget gap has a positive and significant mediating effect on all variables of budget participation, clarity of budget targets, and management accounting information systems on managerial performance.</i></p>

INTRODUCTION

After the COVID-19 pandemic, which occurred for more than two years in Indonesia, many companies in various sectors were under pressure, one of which was a company operating in the services sector (Siregar et al., 2021). A phenomenon that occurs in companies operating in the advertising, event organizing, tour and travel, outsourcing, and other services sectors, especially in Jakarta, where in the Covid-19 era, these service companies were affected due to government policies that implement social distancing and the implementation of homework forms, so that work that is gathering time or is outdoor is eliminated (Rini & Fikri, 2022). Service companies in this sector must create appropriate budget preparation strategies, so that the company's economic wheels can survive in these conditions, and management hopes that everything that has been budgeted will have clarity in the budget that has been prepared (Dewi et al., 2023). From this, managerial performance is required to be able to exercise control by making appropriate budget planning.

Managers in companies are required to be more flexible in decision-making and change their strategies to mitigate the financial impact and maintain a balance between operational costs and income to be able to survive during the pandemic, especially in companies in the

service sector such as advertising, event organizers, outsourcing and tourism. & tours. One of them is the travel & tour company PT. Anakbangsa Cakrawala Nation and PT. Triputra International, the company is almost in suspended animation because all of its tours were canceled due to government policies, and various countries closed access to their countries for visits during the pandemic. Then, advertising event organizing, and outsourcing companies such as PT. Sukses Andalan Bangsa, PT. Kitamuda Andalan Indonesia, and PT. Impact Power Mandiri, as well as PT. Triputra Indonesia where managers have to change their strategy on how to survive the pandemic situation and can continue to get projects so that the company can continue running in the pandemic conditions.

Carrying out effective and efficient budget management is the key to successful managerial performance in carrying out company activities. Therefore, participation in budget preparation is required. Garrison explains that participation in budget preparation has a big influence on the budgeted targets (Fitriasuri & Dini, 2023). Budget participation can contribute to improving management processes, as well as improving the work environment, which tends to have a positive impact on the performance of each employee in the company (Zonatto et al., 2020).

Another aspect that can influence managerial performance is the clarity of budget targets. Clarity of budget targets is the extent to which the budget is set clearly and specifically with the aim that the budget can be understood by the person responsible for achieving the budget target (Alsharari, 2020). With clarity on budget targets, the budgeting process becomes more focused and measurable, enabling organizations to manage resources more effectively and achieve set goals more efficiently (Rudiyanto et al., 2023). In previous research, clarity of budget targets in public sector organizations in city government has an effect on improving managerial performance (Alhasnawi et al., 2023). This is in line with research which also explains the clarity of budget targets in testing. has a significant effect on the managerial performance of regional work units (Alawia et al., 2021).

Another phenomenon that often occurs, namely budget gaps or budgetary slack, refers to the practice of inserting "reserves" into the budget that are not actually needed to achieve organizational goals. This is often done by managers to ensure that they can meet or even exceed the targets set in the budget. Budgetary slack is a phenomenon that is defined as the difference between the reported budget and the budget that matches the company's best estimate (Sanjiwani & Suryanawa, 2020).

Research related to the relationship between budget participation and clarity of budget targets on managerial performance has been carried out by many previous researchers mostly carried out in the public sector or city and regional governments and also state-owned companies and the results of this research show different influences (Ariani & Budiasih, 2021; Faizal et al., 2022; Handayati & Safitri, 2020).

Based on the description above, this is one of the reasons the author conducted research on service companies such as agencies, event organizers, tours, and outsourcing related to budget participation, clarity of budget targets, and management accounting information systems on company performance with the budget gap as a mediating variable. This study can help understand the extent to which this participation is effective in achieving budget targets for the 5 (five) service companies in the Covid-19 pandemic situation. And also clarity of

budget targets is a key factor in evaluating budget participation, which is an important aspect in managing company finances and also a management accounting information system (SIAM) can make a significant contribution to managerial performance in an organization so that budget gaps or budgetary slack do not occur.

This is the latest in this research, namely conducting a survey in 5 (five) service companies in the fields of advertising, outsourcing, and tourism and tours, especially in the Jakarta area, as well as budget planning on budget participation, clarity of budget targets and management accounting information systems on managerial performance with budgetary slack. budget as a mediating variable and also testing all these variables on how budget participation, clarity of budget targets, and management accounting information systems affect managerial performance in the Covid-19 pandemic situation.

It is hoped that this research will provide knowledge and can be used as a reference as information material for observing and analyzing budget participation, clarity of budget targets and management accounting information systems on managerial performance with the budget gap as a mediating variable in 5 service companies in Jakarta.

LITERATURE REVIEW

Agency theory

Agency theory is a work plan used to understand and analyze the relationship between the two main parties in an organization, namely shareholders/principals and managers/agents (Obermann et al., 2020). This theory focuses on the problems that arise when there is a conflict of interest between the principal and the agent and how asymmetric information can affect this relationship (Ali, 2020).

Information asymmetry theory

Information asymmetry theory refers to a condition where one party has more or better information than the other party (Vosooghizaji et al., 2020). Asymmetric information is a condition where agents/managers have more information about the condition of a company/organization or the company's potential compared to the company owner (Fasihati et al., 2023).

Budget

Budget is a detailed design that contains estimates of income and expenses covering all company activities in a certain period of time in the future (Sureka et al., 2022). Budget is defined as a formal financial plan that describes resources and commitment over a certain period of time (Raudla & Douglas, 2022). It is an important tool in management that not only functions for planning and control, but also to increase involvement and coordination within the organization.

Budget Participation

Participation comes from the English word "*participation*" which means taking part or involvement. Participation is also defined as an indication of democracy where a number of

people are involved in planning and implementation and share responsibility according to the portion and level of their obligations (Bell & Reed, 2022). Budget participation indicators relate to the participation of managers and superiors in designing the budget (Amir et al., 2021). Because budget participation is closely linked to human attitudes and behavior, it is often difficult to establish very clear indicators. There are several indicators that can be used to assess the level of budget participation, namely involvement in budget preparation, influence on budget determination, the importance of budget proposals, and logic in the budget (Jatmiko et al., 2020).

Clarity of Budget Targets

Clarity of budget targets is the level of clarity and specification of budget objectives so that they can be well understood by those responsible for achieving budget targets (Cuadrado-Ballesteros & Bisogno, 2022). The following are several indicator points which can help in achieving clarity on company budget targets, setting specific goals, preparation of a business plan, budget distribution, monitoring and reporting, clear communication, and evaluation and improvement (Agarwal, 2021).

Management Accounting Information System

Management Accounting Information System (SIAM) is a series of procedures, methods and tools used by management in collecting, classifying, processing, analyzing and presenting information needed for planning, controlling and making decisions in a company/organization (Hertati et al., 2020). Characteristics of Management Accounting Information Systems are 4 parameters of the characteristics of management accounting information (HA, 2019), including Broadscope, Timelines, Aggregation, and *Integration* (Hariyati et al., 2023).

Managerial Performance

Managerial performance is an important factor in a company because increasing managerial performance is expected to improve company performance (Coles & Li, 2020). Managerial performance is the output of the work and activities of a person or group in a company, which is influenced by several aspects of achieving a company goal for a period of time (Sitopu et al., 2021). In research before argued that there are eight aspects of personal managerial evaluation and one overall performance dimension, including: planning, investigation, coordination, evaluation, supervision, negotiation, staffing, and representative (Alves & Lourenço, 2023).

Budgetary Slack

The concept of organizational slack which was introduced into accounting literature in the 1930s was a harbinger of the study of budgetary slack (Offer, 2022). Budgetary slack or budget gap is a practice where individuals or teams involved in preparing the budget deliberately lower revenue estimates and increase cost estimates (Donna & Ningsih, 2020). Budgetary slack or budget gaps are often considered a form of deviant behavior in budget preparation (Sarwendhi, 2021). The dimensions of the budget gap consist of several aspects such as budget standards, budget effectiveness, budget accuracy, budget emphasis, budget efficiency and

budget targets (Khan, 2024).

Framework of thinking

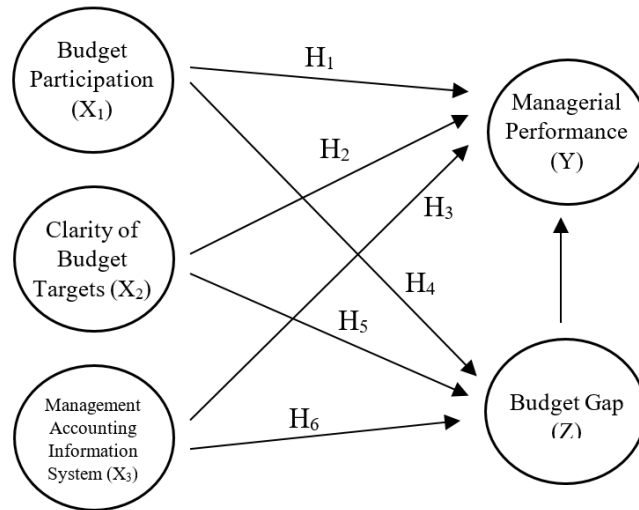


Figure 1. Framework for Thought

Hypothesis Development

Hypothesis is a statement or conjecture that is put forward to be tested for its truth through collecting and analyzing data in scientific or research methods and the formulation of the problem is stated in a question format (Sugiyono, 2017).

Budget participation on managerial performance

Budget participation is a process that involves managers in budget participation so that it is in line with company goals and is the responsibility of managers. Previous research conducted stated that budget participation has a positive and significant relationship between budget participation and managerial performance (Zonatto et al., 2020). Apart from that, another research also conveys the same thing, showing that budget participation has a positive influence on achieving managerial performance (Sofyani et al., 2020). From the explanation above, the hypothesis formulated is:

H₁ : Budget participation has a significant positive effect on managerial performance.

The effect of budget target clarity on managerial performance

Clarity of budget targets is a goal or target determined by a company to direct managerial performance in achieving desired results. In research before it is explained that the results of hypothesis testing on clarity of budget targets have a significant positive effect on managerial performance (Nasution, 2021), and in another research it is also explained that clarity of budget targets has a significant positive effect on managerial performance of regional work units (Melia & Sari, 2019). However, this is different from research that clarity of budget targets has no effect on performance (Frederica & Augustine, 2020). From this explanation, the hypothesis formulated is

H₂ : Clarity of budget targets has a significant effect on managerial performance.

Management accounting information systems on managerial performance

SIAM can play an important role in performance in a company. Based on hypothesis testing it is explained that the characteristics of SIAM information have a positive and significant influence on the company's managerial performance (Nurmaulidiya & Suryani, 2019). In line with research before integration of management accounting information systems as a mediating variable has a positive effect on managerial performance (Vărzaru, 2022). This is supported by research results from which show that the characteristics of management accounting information systems have a significant effect on managerial performance (Suprantiningrum & Lukas, 2021). From the description above, the hypothesis formulated is: H₃ : Management accounting information systems have a significant effect on managerial performance.

Budgetary slack mediate budget participation on managerial performance.

Based on research before, it explains that partially the budgetary slack variable has no influence on managerial performance variables (Fitri et al., 2024). Budgetary Slack has a direct effect on Managerial Performance in BMT. From this explanation, the hypothesis formulated is:

H₄ :Budgetary slack mediate the influence of budget participation on managerial performance.

Budgetary slack mediate the clarity of budget targets on managerial performance.

Research before that budgetary slack and clarity of budget targets have a positive and significant effect on budget slack (Fitri et al., 2024). That shows that clarity of budget targets and partial grouping have a significant positive effect on budgetary slack. From the explanation above, the hypothesis formulated is:

H₅: Budgetary slack mediate the effect of budget target clarity on managerial performance.

Budgetary slack mediate management accounting information systems on managerial performance

SIAM enables managers to monitor and control operational performance more effectively. Research before shows that *the broad scope SAM variable* has no influence on the budget participation variable on the budget gap. Likewise, research before shows that the budgetary slack variable has no influence on managerial performance variables, this is because the budget gap plays a role in increasing performance, although this does not always happen and partially the SIAM variable has an influence on managerial performance variables. However, in contrast to research management accounting information systems have a significant effect on budgetary slack, mediating variables that influence budgetary slack.

RESEARCH METHODS

The method used in this research is a quantitative method. The reason for using quantitative research methods in this research is to test and analyze hypotheses. The quantitative approach

is considered appropriate to the research topic. Service companies in the Jakarta area are the objects of this research and the aim of this research is to see how budget participation and clarity of budget targets and management accounting information systems influence managerial performance with the budget gap as a mediating variable.

The dependent or dependent variable, namely the variable that is influenced or is the result, because of the existence of the independent variable (Sugiyono, 2017). So in this study the dependent variable is managerial performance (Y) which is defined as a measure or indicator that describes how effective and efficient a manager is in achieve goals and responsibilities within an organization. Measurement of this variable uses a questionnaire. This questionnaire was developed with a Likert scale of 1 – 5 to indicate the level of managerial performance. The lowest score is at point 1, which is the lowest performance point, while the highest score is at point 5, which shows the highest performance.

Independent or independent variables are the type of variable that influences or is the cause of the change or emergence of the dependent (bound) variable. So the free/independent variable used is measured by 3 variables, namely:

a) Budget Participation (X_1)

Budget participation in this research is to see the involvement of individuals/managers in the budget preparation process in a company on a periodical or annual basis. There are 6 questions to measure this variable using a Likert scale, namely point 1 is the lowest point to indicate the lowest participation and the highest point is point 5 which indicates high participation.

b) Clarity of Budget Targets (X_2)

Clarity of budget objectives is very important because it can help ensure that the budget has a clear objective and helps keep the budget focused and relevant and ensures that spending and resource allocation supports achieving those objectives. There are 5 questions to measure this variable using a Likert scale, namely point 1 is the lowest point to show the clarity of the lowest budget targets and the highest point is point 5 which shows the clarity of the highest budget targets.

c) Management accounting information system (X_3)

The management accounting information system (SIAM) is believed to be an independent variable that can influence company performance. Effective implementation and use of SIAM can influence various significant aspects of company performance. There are 5 questions to measure this variable using a Likert scale, namely point 1 is the lowest, which shows how often SIAM is used, and the highest point is point 5, which shows SIAM use.

Mediating/intervening variables are variables that mediate or explain the relationship between independent (causal) variables and dependent variables in a model or theory. The main function of a mediating variable is to explain the mechanism or process of how or why the independent variable influences the dependent variable. The mediating/intervening variable in this research is the Budgetary slack (Z). The budget slack in each question uses a five-point Likert scale (1-5).

The data sources used in this research are primary and secondary data. Secondary data is data that comes from indirect data collection. Secondary data is also a data source that can complement primary data (Sugiyono, 2017). Meanwhile, the primary data in this research is

by sending questionnaires by direct visits to respondent companies (*Personally Administered Questionnaires*) or via *Google Form* . There were 50 questionnaires sent to respondents. This number is adjusted to the position of manager or director in each service company to be studied.

The research location was carried out at 5 companies operating in the service sector, such as Advertising Agencies, Event organizers, Tourism and Tours, and Outsourcing in the Jakarta area, including PT. Sukses Andalan Bangsa (SAB Group Indonesia), PT. Anak Bangsa Cakrawala Dunia, PT. Impact Power Mandiri, PT. Kitamuda Andalan Indonesia, and PT. Triputra Internasional.

The population in this study is at the functional and operational manager level or division heads of 5 service companies in the Jakarta area. The sample used in this research is based on convenience (*convenience sampling*). The reason for using this method is that researchers choose subjects or sample units based on the convenience or availability of subjects and the limitations of respondents as well as time and costs.

The data analysis method in this research is the descriptive statistical analysis method, where the technique is used to analyze data by describing all the data that has been collected without changing the data source. The software used to carry out testing in this research is SmartPLS version 4.0. SmartPLS is software used in structural analysis based on partial structural equations (*Partial Least Squares Structural Equation Modeling / PLS-SEM*).

RESEARCH RESULT

General description

COVID-19 pandemic has had a significant impact on industries in the service sector such as advertising and event organizers, outsourcing and tourism & tours. These four types of industries have had to adapt and overcome challenges during the pandemic, but they have also found ways to adapt and survive in this situation. One of them is PT Sukses Andalan Bangsa, which is a startup company that was founded in early 2019 in the Cilandak area, South Jakarta. This company is engaged in advertising and consulting agencies, where when we entered the pandemic period, many events were canceled due to government regulations regarding the prohibition on mass gatherings.

Then PT. Anakbangsa Cakrawala Dunia Nation, this startup company was founded in early 2019 in the East Jakarta area. PT Anak Bangsa Cakrawala Dunia is a company that focuses on Umrah and Hajj travel services as well as international tourism and PT. Triputra Internasional which is a travel and tourism & tour services company. A startup company in the service sector that was founded in 2019 and is located at Tokopedia Tower, South Jakarta. The impact of Covid-19 was really felt by these two companies so that there was a decrease in demand for international tourists and Umrah/Hajj participants so that these companies were suspended. However, with flexibility, innovation and good communication with customers being the keys to success in facing this dynamic situation, this company has bounced back.

PT. Impact Power Mandiri is a startup company that was founded in 2018, in the South Jakarta area. PT Impact Power Mandiri is an outsourcing services company that may face various challenges and opportunities in the COVID-19 pandemic situation. Like many other

companies, they have had to adapt to sudden changes in economic and health conditions.

Apart from that, it has had a big impact on the Covid-19 pandemic, namely PT. Kita Muda Andalan Indonesia is a service sector company in the field of event organizers which was founded in 2019 and is located in Kuningan, South Jakarta, experiencing the same thing as other service companies. As a result of the Covid-19 pandemic, many outdoor events have been canceled. COVID-19 pandemic has brought major changes to the event-organizing industry, pushing many event organizers to adapt to new situations

Hypothesis test

In testing this hypothesis, an analytical method that is often used in analyzing questionnaire data is the Structural Equation Modeling (SEM) method. Several steps in analyzing SEM data using Smart PLS, include measurement testing, form a structural model, testing the goodness of fit model

Measurement Testing (Outer Models)

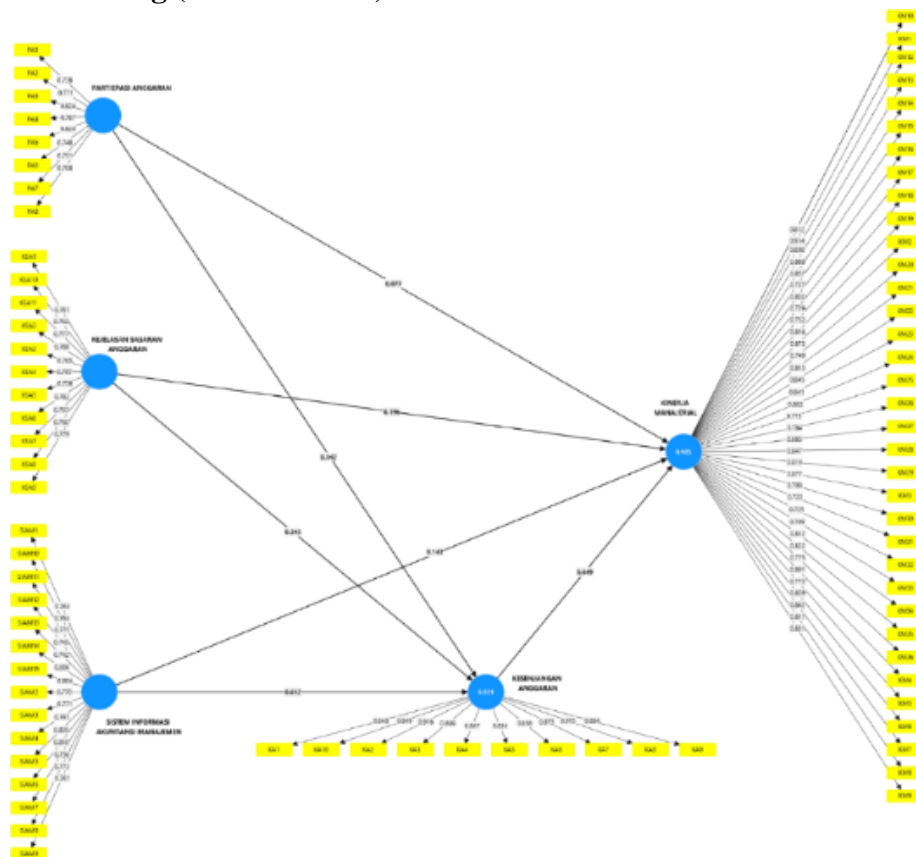


Figure 2. Outer Model

Outer model or measurement model explains how each indicator block relates to its latent variable. The outer model is used to test construct validity and instrument reliability. Test this outer model using the PLS Algorithm procedure. When testing the outer model, validity and reliability tests need to be carried out, which is an important stage for analyzing SEM PLS to confirm that the model built has good quality. The purpose of the validity test is to measure the level of accuracy of the SEM PLS model in representing actual phenomena. The ways to

test validity include:

Composite Reliability and Cronbach's alpha

Reliability testing is the next stage carried out by researchers in testing the instrument. In SmartPLS for reliability testing, you can use 2 methods: Cronbach's alpha and composite reliability. Cronbach's alpha and composite reliability coefficients must be greater than 0.7 although a value of 0.6 is still acceptable. And a variable can be said to meet a good reliability value, if the composite reliability value must be more than 0.70 for confirmatory research and a value of 0.60 - 0.70 is still acceptable for exploratory research (Ghozali, 2016).

Table 1. Composite Reliability and Cronbach Alpha

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Budget Participation (X ₁)	0,965	0,966	0,970
Clarity of Budget Targets (X ₂)	0,934	0,936	0,944
Management Accounting Information System (X ₃)	0,986	0,986	0,986
Managerial Performance (Y)	0,901	0,926	0,919
Budget Gap (Z)	0,953	0,954	0,958

Based on table 4.6 above, it is known that the Cronbach's alpha and composite reliability values for each variable are met because all Cronbach's alpha values are above > 0.7 and composite reliability above > 0.6. From these results it can be concluded that all the variables above meet composite reliability, which means that all these variables have good reliability data.

Discriminant Validity

Discriminant validity shows that different latent variables are not highly correlated with each other. The purpose of validity testing is to see how precisely a measuring instrument performs its measurement function. Each item is highly correlated with the variable it measures, so the discriminant validity evaluation is fulfilled.

Table 2. Cross Loading

Variables / Indicators	Budget Participation (X ₁)	Clarity of Budget Targets (X ₂)	Management Accounting Information System (X ₃)	Managerial Performance (Y)	Budget Gap (Z)
PA1	0.738	0.217	0.032	0.232	0.182
PA2	0.771	0.493	0.272	0.490	0.452
PA3	0.824	0.506	0.412	0.565	0.559
PA4	0.767	0.285	0.220	0.393	0.364
PA5	0.820	0.417	0.221	0.414	0.367
PA6	0.740	0.293	0.189	0.344	0.308
PA7	0.751	0.312	0.045	0.292	0.238
PA8	0.708	0.355	0.111	0.331	0.296
KSA1	0.520	0.781	0.558	0.721	0.678
KSA2	0.418	0.788	0.510	0.661	0.620
KSA3	0.354	0.785	0.652	0.765	0.753
KSA4	0.266	0.767	0.542	0.647	0.627
KSA5	0.342	0.756	0.440	0.597	0.554

KSA6	0.245	0.782	0.455	0.633	0.608
KSA7	0.430	0.787	0.552	0.684	0.653
KSA8	0.354	0.780	0.679	0.767	0.757
KSA9	0.470	0.779	0.526	0.700	0.665
KSA10	0.369	0.763	0.517	0.649	0.627
KSA11	0.456	0.777	0.711	0.794	0.763
SIAM1	0.304	0.561	0.763	0.698	0.686
SIAM2	0.354	0.613	0.770	0.747	0.741
SIAM3	0.194	0.506	0.771	0.664	0.668
SIAM4	0.182	0.546	0.797	0.692	0.722
SIAM5	0.460	0.665	0.805	0.817	0.799
SIAM6	0.304	0.585	0.810	0.728	0.745
SIAM7	0.160	0.482	0.736	0.602	0.615
SIAM8	0.201	0.567	0.773	0.695	0.692
SIAM9	0.174	0.579	0.761	0.706	0.704
SIAM10	0.225	0.650	0.784	0.758	0.773
SIAM11	0.213	0.626	0.775	0.669	0.672
SIAM12	0.049	0.508	0.745	0.654	0.665
SIAM13	0.150	0.422	0.742	0.589	0.598
SIAM14	0.114	0.539	0.806	0.666	0.696
SIAM15	0.170	0.575	0.804	0.686	0.711
KM1	0.517	0.827	0.801	0.914	0.883
KM2	0.467	0.826	0.768	0.873	0.844
KM3	0.482	0.798	0.773	0.877	0.853
KM4	0.485	0.807	0.762	0.891	0.861
KM5	0.357	0.754	0.691	0.773	0.763
KM6	0.511	0.765	0.726	0.859	0.833
KM7	0.368	0.727	0.758	0.842	0.825
KM8	0.411	0.758	0.714	0.817	0.770
KM9	0.378	0.759	0.770	0.831	0.794
KM10	0.375	0.711	0.721	0.812	0.775
KM11	0.462	0.771	0.819	0.877	0.845
KM12	0.553	0.846	0.786	0.898	0.874
KM13	0.519	0.809	0.730	0.869	0.841
KM14	0.540	0.824	0.726	0.857	0.836
KM15	0.329	0.591	0.675	0.727	0.748
KM16	0.375	0.682	0.759	0.802	0.828
KM17	0.412	0.582	0.672	0.729	0.762
KM18	0.371	0.632	0.643	0.752	0.735
KM19	0.437	0.676	0.748	0.816	0.824
KM20	0.352	0.626	0.652	0.749	0.745
KM21	0.492	0.718	0.704	0.813	0.813
KM22	0.479	0.720	0.741	0.845	0.836
KM23	0.573	0.750	0.732	0.841	0.815
KM24	0.491	0.791	0.774	0.882	0.846

KM25	0.421	0.636	0.686	0.773	0.775
KM26	0.427	0.680	0.699	0.784	0.781
KM27	0.486	0.816	0.809	0.865	0.865
KM28	0.488	0.789	0.798	0.847	0.826
KM29	0.477	0.819	0.689	0.819	0.798
KM30	0.318	0.621	0.667	0.709	0.737
KM31	0.413	0.645	0.646	0.722	0.744
KM32	0.346	0.572	0.731	0.735	0.761
KM33	0.262	0.641	0.640	0.709	0.741
KM34	0.498	0.718	0.741	0.812	0.775
KM35	0.319	0.807	0.784	0.822	0.802
KM36	0.368	0.789	0.722	0.775	0.762
KA1	0.568	0.739	0.707	0.841	0.848
KA2	0.451	0.812	0.862	0.909	0.916
KA3	0.356	0.835	0.853	0.909	0.899
KA4	0.484	0.736	0.750	0.848	0.847
KA5	0.348	0.676	0.760	0.799	0.834
KA6	0.409	0.732	0.762	0.845	0.856
KA7	0.429	0.731	0.834	0.859	0.873
KA8	0.430	0.770	0.829	0.891	0.915
KA9	0.414	0.758	0.771	0.872	0.884
KA10	0.385	0.721	0.751	0.815	0.849

Based on the data display in table 2, test results using SmartPls version 4.1, it is known that each indicator in the research variable has a greater cross loading value for the variable it forms compared to the cross loading value for the other variables. From the results obtained, the discriminant validity evaluation of the data is fulfilled and the data has good discriminant validity in compiling each variable.

Table 2. Average variance extracted (AVE)

Variable	Average Variance Extracted (AVE)
Budget Participation (X_1)	0,761
Clarity of Budget Targets (X_2)	0,604
Management Accounting Information System (X_3)	0,667
Managerial Performance (Y)	0,587
Budget Gap (Z)	0,603

Based on the data above in table 4. 8, it shows that the budget participation variable is 0.761, clarity of budget targets is 0.604 and the management accounting information system is 0.667 and the managerial performance variable is 0.587 and the intervening variable budget gap is 0.603. From all the variable values, it shows that all variables > 0.5 . So it can be concluded that all research variables have met good convergent validity and the size of cross loadings and AVE values with latent variable correlations have met the requirements, so it can be concluded that the discriminant validity requirements have been met.

Structural Testing (*Inner Models*)

Inner model or structural model describes the relationship or strength of estimates between latent variables or constructs that are built based on the substance of the theory. The structural

related to each other have a moderate influence. And for the variable (X_2) clarity of budget targets on managerial performance has a value of 0.603 and a value of 0.572 for the variable (Z) budget gap, which means both variables have a large influence. Meanwhile, the variable (X_3) management accounting information system on the variable (Y) managerial performance has a value of 0.194, the relationship between the two variables has a moderate influence and then for the variable the big one.

Hypothesis testing

t-statistical test shows the extent to which the influence of one independent variable individually can explain variations in the dependent variable. Hypothesis testing can be carried out using t-statistics from the bootstrapping test with a value greater than 1.96, or using a p-value less than 0.05 through the goodness of fit test. If the T-statistic value $>$ T-table, it can be concluded that the exogenous variable has a significant influence on the endogenous variable.

Table 5. Path Coefficient

Variable	Oroginal Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic ((O/STDEV))	P Values	Decission
X1 \rightarrow Y	0,077	0,082	0,041	1,850	0,064	Ditolak
X2 \rightarrow Y	0,196	0,200	0,040	4,878	0,000	Diterima
X3 \rightarrow Y	0,143	0,134	0,062	2,309	0,021	Diterima
X1 \rightarrow Z \rightarrow Y	0,092	0,092	0,034	2,727	0,006	Diterima
X2 \rightarrow Z \rightarrow Y	0,224	0,216	0,067	3,341	0,001	Diterima
X3 \rightarrow Z \rightarrow Y	0,397	0,402	0,066	5,994	0,000	Diterima

Discussion

Based on the results of previous hypothesis testing, it can be seen that the descriptive t-statistics for each variable for all statements on the influence of budget participation variables, clarity of budget targets and management accounting information systems on managerial performance with the budget gap as an intervening variable include:

The effect of budget participation on managerial performance

Based on the results of the first hypothesis test on the effect of budget participation (X_1) on managerial performance (Y), it can be seen in table 5 that the path coefficient shows that the t-statistic value is 1.850, where this value is less than the t-table value, namely 1.96 ($1.850 < 1,96$) and the pvalue is 0.064. This value is greater than the probability value of $0.064 > 0.05$, so this value indicates that H_1 is rejected and H_0 is accepted. Then the original sample value is 0.077 which is positive. So the test results show that budget participation (X_1) does not have a positive effect on managerial performance (Y) and is also not significant on managerial performance (Y).

The effect of clarity of budget targets on managerial performance

Based on the results of testing the second hypothesis, it can be seen in table 4.11 that the clarity of budget targets (X_2) on managerial performance (Y) has a p-value of 0.000, which means the value is smaller than the probability value ($0.000 < 0.05$) and the t-statistic is 4.878 which means the value is greater than the t-table ($4.878 > 1.96$), so this value shows that H_2 is

accepted and H_0 is rejected, then the value in the original sample is 0.196 which is positive. These results can be concluded that clarity of budget targets (X2) has a significant positive effect on managerial performance (Y).

The influence of management accounting information systems on managerial performance.

Based on the results of testing the third hypothesis, it can be seen from table above that the management accounting information system (X3) on managerial performance (Y) has a p value of 0.021, which means the value is smaller than the probability value ($0.021 < 0.05$) and the t-statistic is 2.309 which means the value is greater than the t-table ($2.309 > 1.96$), so this value shows that H_3 is accepted and H_0 is rejected, then the value in the original sample is 0.143 which is positive. These results can be concluded that the management accounting information system (X3) has a significant positive effect on managerial performance (Y).

The effect of budgetary slack interfering with budget participation on managerial performance.

Based on the results of testing the fourth hypothesis, it can be seen in table above which shows that the budget gap (Z) mediates budget participation (X1) on managerial performance (Y) has a p value = 0.006, which means the value is smaller than the probability value ($0.006 < 0.05$) and tstatistics 2.727 which means the value is greater than the t-table ($2.727 > 1.96$), so this value shows that H_4 is accepted and H_0 is rejected, then the value in the original sample is 0.092 which is positive. The results of hypothesis testing can be concluded that the budget gap has a significant positive effect on budget participation on managerial performance. This shows that these 5 startup companies in the service sector understand and manage budget gaps effectively, companies can maximize the benefits of budget participation efficiently and improve overall managerial performance and also evaluating the budget is very important to achieve an optimal balance between flexibility and accountability.

The effect of budgetary slack intervening on the clarity of budget targets on managerial performance.

Based on the results of testing the fifth hypothesis, it can be seen that the data displayed in table above shows that the budget gap variable (Z) mediates clarity of budget targets (X2) on managerial performance (Y) has a pvalue of 0.001, which means this value is smaller than the probability value ($0.001 < 0.05$) and t-statistics 3.341 which means the value is greater than the t-table ($3.341 > 1.96$), so this value shows that H_5 is accepted and H_0 is rejected, then the value in the original sample is 0.224 which is worth positive. The results of hypothesis testing can be concluded that the budget gap has a significant positive effect on mediating the clarity of budget targets on managerial performance.

This shows that the budget gap (Budgetary slack) can act as a mediating factor in the influence of clarity of budget targets on managerial performance in these 5 startup companies in the service sector. By providing room for flexibility and reducing excessive pressure, budgetary slack allow managers to focus more on achieving predetermined goals, as well as increasing adaptability, and overall improving managerial performance. Agency theory and

information asymmetry theory support this view, and empirical research corroborates that appropriate balance in budget design is critical to achieving optimal results.

The effect of budgetary slack intervening in management accounting information systems on managerial performance

Based on the results of testing the sixth hypothesis, it can be seen in the data displayed in table above which shows that the budget gap variable (Z) intervening with SIAM (X3) on managerial performance (Y) has a pvalue of 0.000, which means the value is smaller than the probability value ($0.000 < 0.05$) and the t-statistic is 5.994 which means the value is greater than the t-table ($5.994 > 1.96$), so this value shows that H6 is accepted and H0 is rejected, then for the value in the original sample it is 0.397 which is worth positive. The results of this hypothesis testing can be concluded that the budget gap has a significant positive effect on SIAM intervening on managerial performance. This means that budgetary slack management has been carried out effectively in order to maximize the benefits of SIAM implementation in improving managerial performance.

The Management Accounting Information System (SIAM) in these 5 service companies has an important role in supporting management in making the right decisions by presenting appropriate, timely and accurate information about business performance.

CONCLUSION

This study shows that budget target clarity significantly negatively affects Budgetary Slack, while budget participation has a significant positive effect. Information asymmetry is proven to moderate both relationships, where information asymmetry strengthens the effect of budget goal clarity and weakens the effect of budget participation on Budgetary Slack. These findings imply the importance of clarifying budget targets and managing the level of participation in budget preparation, as well as minimizing information asymmetry to reduce the occurrence of Budgetary Slack in SKPD in Palangka Raya City. However, this study has limitations in terms of geographical coverage limited to one city and the use of survey methods that are prone to respondent bias.

For future research, it is recommended to expand the geographical coverage to several regions to improve the generalization of the results. The use of mixed methods by combining quantitative and qualitative approaches can provide a deeper understanding of the Budgetary Slack phenomenon. In addition, future research can consider other variables, such as organizational commitment, leadership style, or organizational culture, as moderating or mediating variables. For practitioners, the results of this study can be used as a reference in designing a more effective budgeting system by paying attention to clarity of objectives, level of participation, and better information management.

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