

THE INFLUENCE OF BUDGET PARTICIPATION, PERFORMANCE-BASED BUDGET, INDIVIDUAL CAPACITY ON THE PERFORMANCE OF THE APBDES BUDGET THROUGH BUDGETARY SLACK WITH ORGANIZATIONAL COMMITMENT AS MODERATION IN COASTAL VILLAGE, SIDOARJO DISTRICT

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Abstract

This research aims to analyze the influence of budget participation, performance-based budgeting, individual capacity on APBDes budget performance through budgetary slack with organizational commitment as moderation in coastal villages, Sidoarjo Regency. Data were collected using a questionnaire with the respondents being the Village Head, Village Secretary, and all BPD administrators from each Coastal Village, Sidoarjo Regency with a total of 73 respondents. Data analysis using the Smart-PLS Application. The research results are: 1) Budget participation has a significant effect on budget performance. 2) Performance-Based Budgeting has a significant effect on Budget Performance. 3) Individual Capacity has no significant effect on Budget Performance. 4) Budgetary slack does not mediate the effect of budget participation on budget performance. 5) Budgetary slack does not mediate the effect of performance-based budgeting on budget performance. 6) Budgetary slack does not mediate the effect of individual capacity on budget performance. 7) Budget participation has a significant effect on budgetary slack. 8) Performance Based Budgeting has no significant effect on Budgetary slack. 9) Individual Capacity has no significant effect on Budget Allowance. 10) Organizational Commitment moderates the influence of Budget Participation on Budgetary slack. 11) Organizational Commitment does not moderate the effect of Performance-Based Budgeting on Budgetary slack. 12) Organizational Commitment does not moderate the influence of Individual Capacity on Budget Performance. 13) Budgetary slack has a significant effect on budget performance.

Keywords: Budget Participation, Performance Based Budget, Individual Capacity, Budgetary Slack, Budget Performance.

INTRODUCTION

According to Law No. 6 of 2014 concerning Villages, article 1 explains that a Village is a legal community unit that has territorial boundaries that has the authority to regulate and manage government affairs, the interests of local communities based on community initiatives, original rights and/or traditional rights that are recognized and respected in the system. government of the Unitary State of the Republic of Indonesia. This is an initial step to village independence in administering government and managing village funds. According to Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management, all Village rights and obligations can be valued in money as well as everything in the form of money and goods related to the implementation of the Village's rights and obligations.

Village Financial Management is all activities which include planning, implementation, administration, reporting and accountability. Achieve good village financial management, it is hoped that the community will participate in all activities carried out by the village government. APBDesa has a strong influence on the village strategic plan, this will strengthen the impression on village residents that the strategy that must be pursued is a plan that is created and followed by all residents. Apart from that, the budget can function as a communication tool for village development achievements for all village residents. Goal congruence should be realized; the goals of an organizational manager should be consistent with the goals of the organization itself. Management control systems should be designed and operated with the principle of goal alignment in mind for each individual (Anthony & Govindarajan, 2005). So if the goals of all managers are aligned with the goals of the organization, the relationship between the budget preparation process, budget implementation and budget accountability makes it very possible for behavior to create budgetary slack, which results in the budget being ineffective and inefficient.

The relationship between the budget preparation process, budget implementation and budget accountability makes it very possible for behavior to create budgetary slack, which results in the budget being ineffective and inefficient. The budget preparation process involves many parties, from top level management to lower level management which is often referred to as Budget Participation. Budget participation is expected to be able to have a positive influence on the budget targets that are prepared, because by involving each level of management in preparing the budget, each person knows and is able to achieve how much the budget set will be achieved, but on the contrary, because of the different human characters and behavior, participation the budget can have a negative effect on slack.

There are two opinions regarding budgetary gaps which are influenced by budget participation. The first opinion is that participation will create gaps, stating that the higher the participation given to subordinates in budgeting tends to encourage subordinates to create budgetary gaps. Meanwhile, the group that does not support this opinion states that participation can reduce budgetary slack which is characterized by positive communication between managers (Schoute & Wiersma, 2011). Budgetary slack in regional governments occur due to opportunistic behavior in Regional Apparatus Organizations. This opportunistic behavior includes proposing activities that are not actually a priority, proposing activities that have large profitable opportunities (opportunities to gain personal profits), and increasing the budget for activities whose results are difficult to measure (Abdullah, 2004). The research results of Pusporini, Haryadi and Herwiyanti (2018) show that budget participation has a positive effect on the budget, in contrast to Pundarika and Dwirandra (2019) which shows that budget participation has a negative effect on the budget allowance. These two researchers show that there are differences in results (gaps) regarding the influence of participation on inequality

Implementing autonomy in the financial sector with the issuance of various new government regulations requires human resources who are capable of preparing a performance-based APBDes. The condition of human resources in villages is related to the need to prepare APBDes planning by directly linking input, output with the outcomes to be achieved,

accompanied by an emphasis on the effectiveness and efficiency of the allocated budget which is still very limited. Regarding the quality of human resources, Ni Putu Dewik Erina and Wayan Suartana (2016) in their research results stated that individual capacity has a negative effect on budgetary slack. Meanwhile, Nurul Jannah Tahang, Asri Usman and Aini Indrijawati (2018) stated in their research results that individual capacity has a positive effect on budgetary slack.

General behavior related to budget preparation is opportunistic behavior to create budgetary slack, namely by presenting a budget with a low level of difficulty so that it is easy to achieve, citing the District Financial Report. Sidoarjo, in 2022 the data for the last three years regarding the regional income and expenditure of Sidoarjo Regency in terms of realized income for 2019= 101.13%, in 2020= 108.98%, in 2021= 109.34%, while in terms of actual expenditure for in 2019= 80.11%, in 2020= 91.81%. This illustrates that the realization of income each year tends to be greater than the target so that financial performance appears good. Meanwhile, on the expenditure side, each year the realization tends to be lower than the target, so there appears to be efficiency.

The researcher presents this with the intention of trying to reveal that in financial performance there is a problem, namely, as is the general habit related to budget preparation, there is opportunistic behavior to create budgetary slack, namely by presenting a budget with a low level of difficulty so that it is easy to achieve, regardless of whether the problem is intentional or not. there is an element of intent. It is possible that there are differences between the reported budget and the budget that is in accordance with the best estimate for the organization, thereby creating budgetary slack, for this reason there is a need for a more in-depth study in the budget preparation process so that budget performance or financial performance can be measured. As stated by Hansen and Mowen (2009: 448), budgetary slack appears when a manager estimates low income or increases costs on purpose.

The framework of the previous research model analyzed that the process from budget preparation to budget implementation as the dependent variable are factors that influence performance while the independent variable is the variable of organizational performance or individual performance. This occurs because of the paradigm in government/public budgets that there is a perception of K /L, namely budget absorption capacity as an indicator of K/L performance.

Based on PMK NUMBER 22/PMK.02/2021 concerning Monitoring and Evaluation of Budget Implementation for State Ministries/Institutions, to measure the quality of performance of K/L budget implementation from the following aspects: 1) conformity to planning, 2) Effectiveness of budget implementation, 3) Efficiency of budget implementation, 4) compliance with regulations. With this, the measurement of budget performance will more fully monitor the implementation of the APBN from upstream (budgeting process) to downstream (budget implementation and accountability process), with the hope that all these efforts will lead to the optimal role of government spending, for this reason there is a need for a more in-depth study of the process. budget preparation, so that regional government performance can be measured from budget performance or financial performance as stated in PMK NUMBER 22/PMK.02/2021.

Based on the gap in research results from previous researchers, existing phenomena and changes in performance measurement paradigms, Novelty in this research is a research model, namely a model of the relationship between the dependent variable (independent variable) and the independent variable (dependent variable) with the independent variable is Budget Performance.

FORMULATION OF THE PROBLEM

Based on the background described previously, the problem in this research can be formulated in the form of a research question as follows:

- 1) Does Budget Participation influence the Performance of the APBDes Budget in Coastal Villages, Sidoarjo Regency?
- 2) Does performance-based budgeting influence the performance of the APBDes budget in Coastal Villages, Sidoarjo Regency?
- 3) Does individual capacity influence the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency?
- 4) Does budget participation through budgetary slack affect the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency?
- 5) Does performance-based budgeting through budgetary slack affect the performance of the APBDes budget in Coastal Villages, Sidoarjo Regency?
- 6) Does individual capacity through budgetary allowances influence the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency?
- 7) Does Budget Participation influence the APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency?
- 8) Does performance-based budgeting influence APBDes budgetary slack in Coastal Villages, Sidoarjo Regency?
- 9) Does individual capacity influence the APBDes budget gap in the Coastal Village of Sidoarjo Regency?
- 10) Does organizational commitment moderate the relationship between budget participation and APBDes budgetary slack in Coastal Villages, Sidoarjo Regency?
- 11) Does organizational commitment moderate the relationship between performance-based budgeting and APBDes budgetary slack in the Coastal Villages of Sidoarjo Regency?
- 12) Does organizational commitment moderate the relationship between Individual Capacity and APBDes budgetary slack in Coastal Villages, Sidoarjo Regency?
- 13) Does the budget gap affect the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency?

RESEARCH PURPOSES

The aim of this research is to analyze:

- 1) The Influence of Budget Participation on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency.
- 2) The influence of performance-based budgeting on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 3) The influence of individual capacity on the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency
- 4) The Effect of Budget Participation through Budgetary slack on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency
- 5) The influence of performance-based budgeting through allowances on the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency
- 6) The influence of individual capacity through budgetary slack on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 7) The Effect of Budget Participation on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency
- 8) The influence of performance-based budgeting on APBDes budgetary slack in Coastal Villages, Sidoarjo Regency.
- 9) Influence of individual capacity on APBDes budgetary slack in Coastal Villages, Sidoarjo Regency.
- 10) Organizational commitment moderates the influence of budget participation on APBDes budgetary slack in Coastal Villages, Sidoarj Regency
- 11) Organizational commitment moderates the influence of performance-based budgeting on APBDes budgetary slack in Coastal Villages, Sidoarjo Regency
- 12) Organizational commitment moderates the influence of Individual Capacity on APBDes budgetary slack in Coastal Villages, Sidoarjo Regency
- 13) The influence of budgetary slack on APBDes budget performance in coastal villages, Sidoarjo Regency

STUDY THEORY

1. Public Finance

Public finance is a branch of economics that studies state activities such as taxation and government spending. The important issues in the study of public finance are not financial issues even though they relate to financial aspects, but rather the main issues related to the real sources of a country. Mardiasmo (2018) explained the meaning of the public sector from an economics perspective. The public sector is an entity whose activities are related to efforts to produce public goods and services in order to fulfill public needs and rights. The public sector

is a place for the government to produce public goods and services to meet public needs by prioritizing community welfare. So that in carrying out all its activities the public sector organizes all its activities and work programs into a budget.

2. Regional Finance

The definition of regional finance as contained in article 1 of Law number 12 of 2019 concerning Regional financial management: Regional Finance is all Regional rights and obligations in the context of implementing Regional Government which can be valued in money as well as all forms of wealth that can be made into Regional property relating to rights and obligations the area. Abdul Halim (2012:43) states that Regional Finance is the process of identifying, measuring, recording and reporting economic (financial) transactions from regional government entities (districts, cities or provinces) which are used as information in the context of making economic decisions by parties. External local government entities (district, city, or province) that require. Kuswandi (2016) states that Regional Finance is all regional rights and obligations that can be valued in money and everything in the form of money and goods that can be made regional property related to the implementation of these rights and obligations.

Regional finance is all regional rights and obligations in the context of regional government administration which can be assessed by the money used to finance all regional needs in government administration stated in the APBD to achieve regional economic growth and community prosperity.

3. Public sector budget

Mardiasmo (2018) states that the public sector budget is an activity plan that is presented in the form of a plan for generating income and expenses in monetary units. The public sector budget is a breakdown of all aspects of activities to be implemented which are composed of income and expenditure plans that will be implemented within one year. The public sector budget is created to assist the government in helping the level of community growth, such as electricity, clean water, quality health, education and so on, so that they are properly guaranteed and the level of community welfare will be more guaranteed and its use and allocation will be more effective and efficient.

The public sector budget can be interpreted as a government (state) financial operations plan which includes estimates of proposed expenditures, and sources of income expected to finance them within a certain time period with the aim of achieving economic growth and prosperity of its people.

4. Village Budget

Law No. 6 of 2014 concerning Villages is a milestone in changing the paradigm of village regulation. Villages are no longer considered as objects of development, but are placed as subjects and spearheads of development and improving community welfare. Villages are given the authority to regulate and manage government affairs, the interests of local communities based on community initiatives, original rights, customs and socio-cultural values of village

communities. Law Number 6 of 2014 concerning Villages in article 71 concerning village finances states:

- 1) Village Finances are all Village rights and obligations that can be valued in money as well as everything in the form of money and goods related to the implementation of Village rights and obligations.
- 2) The rights and obligations as intended in paragraph (1) give rise to income, expenditure, financing and management of Village Finances.

5. Budget Performance

According to Munandar (2017), defining a budget is a plan that is prepared systematically, which covers all company activities expressed in monetary units and is valid for a certain period of time in the future. Mahsun (2016:25) defines performance as a description of the level of achievement of implementing an activity/program/policy in realizing an organization's targets, goals, mission and vision as stated in an organization's strategic planning. The term performance is often used to refer to the achievement or level of success of individuals or groups of individuals.

It can be concluded that the definition of budget performance is the measurable achievement or work result of budget management that has been agreed upon by assessing the input and output, as well as the level of effectiveness and efficiency of budget use. The aim of measuring public sector budget performance is to improve people's lives by providing the best service, which is often difficult to measure using financial measures.

Performance measurement includes the activity of establishing a series of measures or performance indicators that provide information to enable public sector budget work units to monitor their performance in producing outputs and outcomes for society. The Ministry of Finance of the Republic of Indonesia in the Regulation of the Director General of Treasury Number per-4 /Pb/2021 concerning Technical Instructions for Assessment of Budget Implementation Performance Indicators for State Ministries/Institutions states: Budget Implementation Performance Indicators, hereinafter abbreviated as IKPA, whose measurements include:

a. Aspect of suitability between planning and budget implementation

The aspect of conformity between planning and budget implementation is an assessment of the conformity between budget implementation and what is planned and stipulated in the DIPA, which is measured by the following indicators:

- 1) Revision of DIPA.
- 2) DIPA Page III Deviation
- 3) Minus Ceiling

b. Aspects of Compliance with statutory regulations in the field of budget implementation

Aspects of Compliance with statutory regulations in the field of budget implementation. is an assessment of the Satker's compliance with statutory regulations in the field of budget implementation, which is measured by indicators

- 1) Submission of Contract Data,
- 2) Management of Inventory Money and Additional Inventory Money (UP and TUP),
- 3) Submission of the Treasurer's Accountability Report (LPJ),
- 4) Dispensation for Submission of Payment Orders (SPM),

c. Aspects of the effectiveness of budget implementation

The effectiveness aspect of budget implementation is an assessment of the achievement of output and completion of payment implementation, which is measured by indicators

- 1) Budget Absorption,
- 2) Bill Settlement,
- 3) Output Achievement,
- 4) Return of Fund Disbursement Order (SP2D),

d. Budget execution efficiency

Budget implementation efficiency, which is an assessment of the accuracy of the Satker in making payments for DIPA expenses, as measured by the indicators:

- 1) SPM Returns/Errors,
- 2) Cash planning (Renkas) budget,

6. Budgetary slack

Budgetary gaps can be traced from various agency theory developments which try to explain how the parties involved in the company will behave opportunistically, because basically they have different interests. Management is given the power to make decisions in the interests of the principal. Therefore, management is obliged to be accountable for all its efforts to the principal. Agency theory is a contract between an agent and a principal, so the focus of this theory is determining the most efficient contract between the principal and agent.

Hansen and Mowen (2013) state that budgetary slack arise when a manager estimates low income or raises costs on purpose. Budgetary slack or what is better known as budgetary slack is carried out by subordinates, namely by presenting a budget with a low level of difficulty so that it is easy to achieve and this gap tends to be made by subordinates because they know that their performance is measured based on the level of achievement of the budget that has been determined together. Anthony and Govindarajan, (2011), state that budget slack is the difference between the stated budget amount and the best budget estimate that can honestly be predicted.

Onsi (1973) in Asriningati (2006) states: Budget slack indicators are

- 1) Difference between the stated budget amount and the best estimate.
- 2) Looseness in the budget.
- 3) Budget standards.
- 4) Desire to achieve targets

7. Budget Participation

Participation is a process that involves individuals directly in it and has an influence on the preparation of budget objectives whose achievements will be assessed and will likely be rewarded on the basis of achieving their budget objectives. Participation involves face-to-face interaction between individual superiors and subordinates to determine a budget that is acceptable to both parties, and employees carry out the necessary activities starting from the initial budget preparation, negotiation, final budget determination and necessary budget revisions. There are two opinions regarding budgetary gaps which are influenced by budget participation. The first opinion is that participation will create gaps, stating that the higher the participation given to subordinates in budgeting tends to encourage subordinates to create budgetary gaps. Meanwhile, the group that does not support this opinion states that participation can reduce budgetary slack which is characterized by positive communication between managers (Schoute & Wiersma, 2011). Referring to Hidrayadi's (2015) research, budget participation is measured based on indicators:

- 1) Involvement of managers and employees in budget preparation
- 2) Influence in budget formulation
- 3) Influence in determining targets and setting budgets
- 4) Providing opportunities for subordinates in preparing the budget.
- 5) Control over setting budget targets
- 6) Frequency of submission of suggestions and opinions

8. Performance Based Budget

Law Number 17 of 2003 concerning State Finances article 19 (1) and (2), namely, an approach based on work performance to be achieved. By building a budgeting system that can combine performance planning with the annual budget, it will be seen that there is a link between available funds and the expected results. This kind of budgeting system is called Performance Based Budget (ABK). Government Regulation Number 21 of 2004 concerning Preparation of Work Plans and Budgets for State Ministries/Institutions Article 7 paragraph 1 states that the preparation of performance-based budgets is carried out by taking into account the relationship between funding and expected outputs and results including efficiency in achieving these results and outputs. Halim (2007:177) performance-based budgeting is a budgeting system for management to link each funding outlined in activities with the expected output and outcomes

including efficiency in achieving the outcomes of these outputs. Performance-based budget indicators are regulated in the Government Regulation of the Republic of Indonesia Number 12 of 2019 concerning Regional Financial Management article 97 paragraph 2, which states that in the framework of performance-based budget measurement, work indicators are determined to be a measure of success to be achieved from planned programs and activities including:

- 1) Input (Input)
- 2) Output (Output)
- 3) Results (Outcome)

9. Individual Capacity

If the APBDes planning is matured and supported by adequate human resources, maximum budget absorption results will be obtained in the village. In other words, individual capacity in village government will certainly influence the quality of APBDes management. Nasution (2011:1) Individual capacity or ability is the ability or skill which means that someone has the ability or ability to do something which is realized through their actions to increase work productivity. Tresnayani and Gayatri (2016: 1411) Individual capacity is a technical assessment of what an individual does to carry out something, in this case to increase work productivity

Regarding the definition of individual capacity, it can be concluded that individual capacity is the individual's ability to carry out functions as they should effectively, efficiently and continuously. Leavit (2004) states that individual capacity can be measured by indicators:

- 1) Knowledge.
- 2) Skills.
- 3) Competency.
- 4) Ethics.

10. Organizational Commitment

Organizational commitment is a situation where a person supports a particular organization and its goals and desires to maintain membership in the organization. Organizational commitment is an attitude that reflects the extent to which an individual or employee knows and is attached to their organization. According to Mowday, Porter, and Steers (1982: 27) Organizational commitment is the relative strength of an individual in identifying his involvement in the organization, which is characterized by three things: employee acceptance of the organization's values and goals, employee readiness and willingness to try seriously on behalf of the organization, as well as the employee's desire to maintain their membership in the organization (become part of the organization).

Greenberg & Baron (2003: 160) state that organizational commitment is the degree to which employees are involved in their organization and wish to remain members, which contains an attitude of loyalty and the employee's willingness to work optimally for the organization where

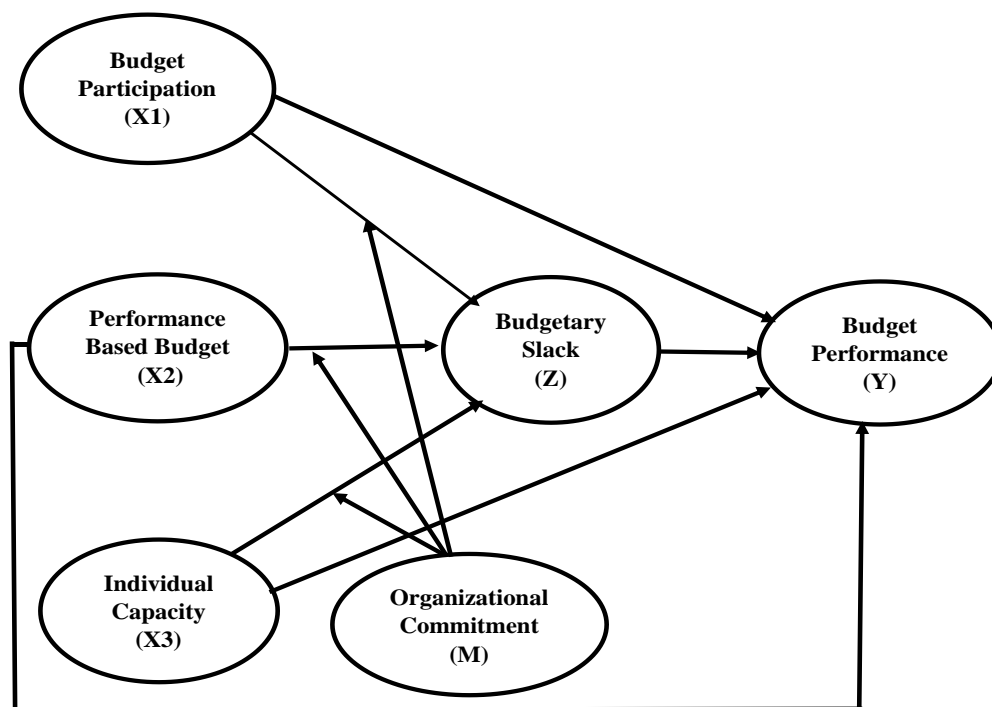
the employee works. Based on several expert opinions above, it can be concluded that organizational commitment is a person's behavior that is related to strong trust and acceptance of the goals and values of the organization, a willingness to strive to achieve the interests of the organization, and a desire to maintain one's position as a member of the organization.

Lincoln (1989) and Bashaw (1994), stated that organizational commitment can be measured by indicators:

- 1) Employee will, namely the willingness to strive to achieve the interests of the organization.
- 2) Employee loyalty, namely a strong desire to maintain organizational membership.
- 3) Employee pride in the organization, namely strong trust and acceptance of the organization's goals and values

KERANGKA KONSEPTUAL

Berdasarkan model teoritika yang telah disusun sebelumnya dan kerangka proses berpikir, maka selanjutnya menyusun hubungan antara variabel penelitian: Partisipasi anggaran, Komitmen organisasi, Senjangan anggaran, Kinerja Anggaran menjadi rangkaian judul Desertasi. Adapun kerangka konseptualnya dapat digambarkan sebagai berikut:



Research Hypothesis

Based on the problem formulation, theoretical studies, previous research and research conceptual framework, a hypothesis related to the problem formulation points 1 – 13 is prepared as follows:

- 1) Budget participation has a significant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency.
- 2) Performance-based budgeting has a significant effect on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 3) Individual capacity has a significant effect on APBDes budget performance in the Coastal Village of Sidoarjo Regency
- 4) Budget participation through Budgetary slack has a significant effect on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 5) Performance-based budgeting through budgetary slack has a significant effect on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 6) Individual capacity through budgetary allowances has a significant effect on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 7) Budget participation has a significant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency
- 8) Performance-based budgeting has a significant effect on the APBDes budget gap in the Coastal Village of Sidoarjo Regency.
- 9) Individual capacity has a significant effect on the APBDes budget gap in the Coastal Village of Sidoarjo Regency.
- 10) Organizational commitment significantly moderates the influence of budget participation on APBDes budgetary slack in Coastal Villages, Sidoarj Regency
- 11) Organizational commitment significantly moderates the influence of performance-based budgeting on APBDes budgetary slack in Coastal Villages, Sidoarjo Regency
- 12) Organizational commitment significantly moderates the influence of Individual Capacity on APBDes budgetary slack in Coastal Villages, Sidoarjo Regency
- 13) Budgetary slack have a significant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency

RESEARCH METHODS

The research method used is a quantitative method. Quantitative methods are used to research a population or sample, where the sampling technique is generally carried out randomly and the data is collected using research instruments, then the data is analyzed quantitatively/statistically with the aim of testing predetermined hypotheses (Sugiyono, 2014).

1. Population and research sample

The population used in this research is all Village Government Officials and BPD Administrators who are involved and responsible in preparing the APBDes and making accountability reports from each Coastal Village in Sidoarjo Regency which consists of 4 Districts or 9 Villages, namely 73 people, using a Saturated Sample. (Census).

According to Sugiyono (2017:85) saturated sampling technique is a sampling technique where all members of the population are used as samples. So the number of samples used in this research was 73 people

2. Data collection methods

Data collection in this research uses primary data. Primary data was obtained from a questionnaire given to respondents with answers based on a Likert scale. Sugyiono (2014) stated that the respondent's opinion on the statement had a value of 4 for each alternative answer of strongly agree (SS); 3 marks for each alternative answer agree (S); 2 points for each alternative answer disagree (TS); value 1 for each alternative answer strongly disagree (STS).

3. Data analysis techniques

Data analysis in this research uses quantitative analysis. Data obtained directly using PLS software. The method used for

4. Hypothesis Testing

Hypothesis testing uses P Values, namely if P Values < 0.05 then the hypothesis is accepted and vice versa if P Values > 0.05 then the hypothesis is rejected

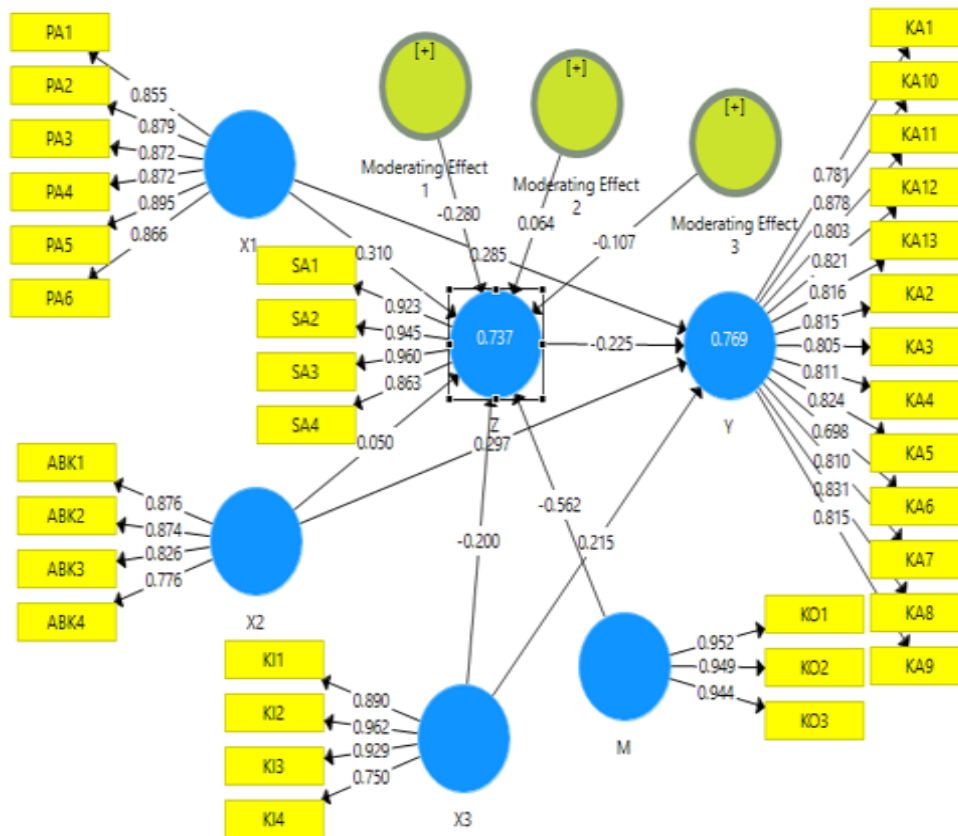
RESULTS OF ANALYSIS AND HYPOTHESIS TEST

From calculations using PLS it is obtained

1. Validity test results

Validity test is a test used to show the extent to which the measuring instrument used can measure what is being measured. This can be seen from the out loading value and AVE value, namely if the loading factor value is > 0.50 and the AVE value is > 0.5 then it is said to be valid.

a. Convergent Validity calculation results:



b. AVE Calculation Results:

Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (...)	Cop
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)	
M	0.944	0.944	0.964	0.900	
Moderating Effect 1	1.000	1.000	1.000	1.000	
Moderating Effect 2	1.000	1.000	1.000	1.000	
Moderating Effect 3	1.000	1.000	1.000	1.000	
X1	0.938	0.940	0.951	0.763	
X2	0.860	0.874	0.905	0.704	
X3	0.906	0.912	0.936	0.786	
Y	0.956	0.957	0.961	0.655	
Z	0.943	0.957	0.959	0.853	

From the calculation results, it was found that all loading factor values were > 0.5 and AVE values were > 0.5 , so it could be said to be valid, meaning that the measuring instrument the researcher used could measure what was to be measured.

2. Reliability Test Results

The Reliability Test is carried out to determine the consistency of the measuring instrument when repeated in the same way. Related to this, the Cronbach Alpha value can be seen, that is, if the Cronbach Alpha value is > 0.7 , it can be concluded that it is reliable.

From the calculation results it was found that all Cronbach Alpha values were > 0.7 so they could be said to be reliable

3. Hypothesis Test Results

The estimated value of the path coefficient between the constructs is said to be significant if the P Values < 0.05 , it can be concluded that the independent variable has a significant influence on the dependent variable.

From the calculation results it is obtained:

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
M -> Z	-0.562	-0.554	0.081	6.913	0.000
Moderating Effect 1 -> Z	-0.280	-0.275	0.111	2.511	0.012
Moderating Effect 2 -> Z	0.064	0.063	0.097	0.663	0.508
Moderating Effect 3 -> Z	-0.107	-0.106	0.118	0.906	0.365
X1 -> Y	0.285	0.269	0.132	2.154	0.032
X1 -> Z	-0.310	-0.317	0.144	2.156	0.032
X2 -> Y	0.297	0.313	0.123	2.403	0.017
X2 -> Z	0.050	0.042	0.117	0.423	0.673
X3 -> Y	0.215	0.233	0.133	1.622	0.105
X3 -> Z	-0.200	-0.195	0.155	1.290	0.198
Z -> Y	-0.225	-0.207	0.095	2.359	0.019

Table 1: Nilai Original Sample dan P Value Direct Effect

No	Hypothesis	Original Sample	P Value	Description
1	X1 => Y	0,285	0,032	Significant
2	X2 => Y	0,297	0,017	Significant
3	X3 => Y	0,215	0,105	Not significant
4	X1 => Z	-0,310	0,032	Significant
5	X2 => Z	0,050	0,673	Not significant
6	X3 => Z	-0,200	0,198	Not significant
7	Moderating Effect 1 => Z	-0,280	0,012	Significant
8	Moderating Effect 2 => Z	0,064	0,508	Not significant
9	Moderating Effect 3 => Z	-0,107	0,365	Not significant
10	Z => Y	-0,225	0,019	Significant

Specific Indirect Effects

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (O/...	P Values
M -> Z -> Y	0.126	0.118	0.060	2.111	0.035
X1 -> Z -> Y	0.070	0.065	0.039	1.778	0.076
Moderating Effect 1 -> Z -> Y	0.065	0.063	0.040	1.625	0.105
Moderating Effect 2 -> Z -> Y	-0.004	-0.005	0.026	0.136	0.892
X2 -> Z -> Y	-0.007	-0.000	0.027	0.250	0.802
Moderating Effect 3 -> Z -> Y	0.017	0.014	0.030	0.584	0.559
X3 -> Z -> Y	0.040	0.035	0.034	1.166	0.244

Table 2: Nilai Original Sample dan P Value Indirect Effect

No	Hypothesis	Original Sample	P Value	Description
1	X1 => Z => Y	0,070	0,076	Not significant
2	X2 => Z => Y	-0,007	0,082	Not significant
3	X3 => Z => Y	0,040	0,244	Not significant

Hypothesis 1:

Budget participation has a significant effect on budget performance in the APBDes in the Coastal Village of Sidoarjo Regency

From table 1, the original sample value = 0.285, meaning that Budget Participation has a positive influence on Budget Performance, which means that Budget Participation is increased so that Budget Performance in the APBDes in the Coastal Village of Sidoarjo Regency increases. If you pay attention to the P value, it is $0.032 < 0.05$, which is significant, meaning that budget participation has a significant effect on budget performance in the APBDes in the Coastal Village of Sidoarjo Regency.

Hypothesis 2:

Performance-Based Budgeting has a significant effect on Budget Performance in APBDes in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = 0.297, meaning that the Performance Based Budget has a positive influence on Budget Performance, which means that the Performance Based Budget is increased, so the Budget Performance in the APBDes in the Coastal Village of Sidoarjo Regency is increasing. If you pay attention to the P value, it is $0.017 < 0.05$, which is significant, meaning that Performance-Based Budgeting has a significant effect on Budget Performance in the APBDes in Coastal Villages, Sidoarjo Regency.

Hypothesis 3:

Individual capacity has a significant effect on budget performance in the APBDes in the Coastal Village of Sidoarjo Regency

From table 1, the original sample value = 0.215, meaning that Individual Capacity has a positive influence on Budget Performance, which means that Individual Capacity is increased, the Budget Performance in the APBDes in the Coastal Villages of Sidoarjo Regency is increasing.

If you pay attention to the P value, it is $0.105 < 0.05$, which means it is not significant, meaning that individual capacity has no significant effect on budget performance in the APBDes in the Coastal Village of Sidoarjo Regency.

Hypothesis 4:

Budget participation through Budgetary slack has a significant effect on APBDes budget performance in Coastal Villages, Sidoarjo Regency

From table 2, the original sample value = 0.070, meaning that budget participation through budgetary slack has a positive influence on budget performance.

If you pay attention to the P value, it is $0.076 > 0.05$, which means it is not significant, meaning that the Sengjangan variable does not mediate the influence of the Budget Participation variable on Budget Performance in the APBDes in the Coastal Village of Sidoarjo Regency.

Hypothesis 5:

Performance-based budgeting through budgetary slack has a significant effect on the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency

From table 2, the original sample value = -0.007 means that Performance-Based Budgeting through Budgetary slack has a negative influence on Budget Performance.

If you pay attention to the P value, it is $0.082 > 0.05$, which means it is not significant, meaning that the Sallow variable does not mediate the influence of the Performance-Based Budget variable on Budget Performance in the APBDes in the Coastal Village of Sidoarjo Regency.

Hypothesis 6:

Individual capacity through budgetary allowances has a significant effect on APBDes budget performance in Coastal Villages, Sidoarjo Regency

From table 2, the original sample value = 0.040 means that Individual Capacity through Budgetary slack has a positive influence on Budget Performance.

If you pay attention to the P value, it is $0.244 > 0.05$, which means it is not significant, meaning that the Sallow variable does not mediate the relationship between the Individual Capacity variable and Budget Performance in the APBDes in the Coastal Village of Sidoarjo Regency.

Hypothesis 7:

Budget Participation has a significant effect on Budgetary slack in the APBDes preparation process in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = -0.311, meaning that Budget Participation has a negative influence on Budget Allowance, which means that Budget Participation is increased, the Budget Allowance in the APBDes in the Coastal Villages of Sidoarjo Regency decreases. If you pay attention to the P value, it is $0.032 < 0.05$, which means that it is significant, meaning that budget participation has a significant effect on budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency.

Hypothesis 8:

Performance-Based Budgeting has a significant effect on Budgetary slack in APBDes in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = 0.050, meaning that the Performance Based Budget has a positive influence on the Budget Allowance, which means that the Performance Based Budget is increased so that the Budget Allowance in the APBDes in the Coastal Village of Sidoarjo Regency increases. If you pay attention to the P value, it is $0.673 < 0.05$, which means it is not significant, meaning that the rise and fall of the Performance Based Budget has no effect on the Budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency

Hypothesis 9:

Individual Capacity has a significant effect on Budgetary slack in the APBDes in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = -0.200, meaning that Individual Capacity has a negative influence on Budget Allowance, which means that Individual Capacity is increased, the Budget Allowance in the APBDes in the Coastal Villages of Sidoarjo Regency decreases. If you pay attention to the P value, it is $0.198 > 0.05$, which means it is not significant, meaning that the rise and fall of Individual Capacity has no effect on Budgetary slack in the APBDes in Coastal Villages, Sidoarjo Regency

Hypothesis 10:

Organizational Commitment moderates the influence of Budget Participation on Village Budgetary slack in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = -0.280, meaning that Organizational Commitment has a negative influence on the relationship between Budget Participation and Budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency, which means that Organizational Commitment weakens the influence of Budget Participation on Budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency. If you pay attention to the P value, it is $0.012 < 0.05$, which means it is significant, meaning that Organizational Commitment plays a significant role in moderating the influence of Budget Participation on Budgetary slack in the APBDes in Coastal Villages, Sidoarjo Regency.

Hypothesis 11:

Organizational Commitment moderates the influence of Performance-Based Budgeting on Village Budgetary slack in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = 0.064, meaning that Organizational Commitment has a positive influence on the relationship between Performance-Based Budgeting and Budgetary slack in the APBDes in Coastal Villages, Sidoarjo Regency, which means that Organizational Commitment strengthens the relationship between Performance-Based Budgeting and Budgetary slack in APBDes in Coastal Villages, Sidoarjo Regency. Sidoarjo. If you pay attention to the P value, it is $0.508 > 0.05$, which means it is not significant, meaning that Organizational Commitment moderates the influence of Performance-Based Budgeting on Budgetary slack in the APBDes in Coastal Villages, Sidoarjo Regency in an insignificant way.

Hypothesis 12:

Organizational Commitment moderates the influence of Individual Capacity on Village Budgetary slack in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = -0.107, meaning that Organizational Commitment has a negative influence on the relationship between Individual Capacity and Budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency, which means that Organizational Commitment weakens the relationship between Individual Capacity and Budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency. . If you pay attention to the P value, it is $0.365 < 0.05$, which means it is not significant, meaning that Organizational Commitment moderates the influence of Organizational Commitment on Budgetary slack in the APBDes in the Coastal Village of Sidoarjo Regency in an insignificant way.

Hypothesis 13:

Budgetary Gaps have a significant effect on Budget Performance in the APBDes in Coastal Villages, Sidoarjo Regency

From table 1, the original sample value = -0.225, meaning that Budgetary slack have a negative influence on Budget Performance, which means that Budgetary slack are increased so that Budget Performance in the APBDes in Coastal Villages, Sidoarjo Regency decreases. If you pay attention to the P value, it is $0.019 < 0.05$, which is significant, meaning that the rise and fall of Budgetary slack has an effect on the rise and fall of Budget Performance in the APBDes in the Coastal Villages of Sidoarjo Regency.

DISCUSSION

1. The Influence of Budget Participation on Budget Performance in APBDes in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results obtained were that Budget Participation had a positive and significant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency. The budget preparation process

involves many parties, from top level management to lower level management which is often referred to as budget participation. Budget participation is expected to be able to have a positive influence on the budget targets that are prepared, because with the involvement of each level of management in preparing the budget, each of them knows and is able to achieve how much the set budget will be achieved. Previous researchers examined the performance of the organization or institution as an independent variable, whereas in budget theory it is stated that the budget must be expressed in monetary units, so the performance measurement that is measured is financial performance. By involving every level of management and the community in preparing the budget, each person knows how much the budget has been set and will achieve it because they are involved in preparing the budget.

2. The influence of performance-based budgeting on budget performance in the APBDes of Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model using Smart PLS, the results showed that the Performance-Based Budget had a positive and significant effect on the APBDes Budget Performance in the Coastal Village of Sidoarjo Regency, meaning that if the Performance-Based Budget was increased, Budget Performance would increase. Halim (2007:177) performance-based budgeting is a budgeting system for management to link each funding outlined in activities with the expected output and outcomes including efficiency in achieving the outcomes of these outputs. This is in line with the aim of implementing performance-based budgeting, which is to increase the link between resource allocation and expected performance results. A performance-based budgeting approach focuses on achieving goals and results, not just on expenses and activities. Previous researchers examined the performance of the organization or institution as an independent variable, whereas in budget theory it is stated that the budget must be expressed in monetary units, so the performance measurement that is measured is financial performance. By involving every level of management and the community in preparing the budget, each person knows how much the budget has been set and how much they will achieve it because they are involved in preparing the budget.

3. The Influence of Individual Capacity on the Performance of the APBDes Budget in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results showed that Individual Capacity had a positive and insignificant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency, meaning that Individual Capacity had no effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency. This happens because it is possible that the human resource capacity of each village is very varied and the majority still experience difficulties in understanding the legal umbrella in the form of regulations, even though individual capacity development has been carried out in terms of managing the APBDes, this is reflected in Government policy. Sidoarjo Regency Region by providing assistance to each village, namely Village Assistants who have the competence and qualifications for assistance in the fields of government administration, economics, social, culture and/or engineering. The aim is that APBDes management can provide benefits to village residents and not experience difficulties starting from the budget preparation process to

reporting and accountability as well as anticipating negative risks related to the use and management of village finances such as irregularities in budget use and procedural and administrative errors.

Aspects of budget planning that are carried out immaturely due to individual limitations in understanding regulations will certainly have an impact on not running work programs that must be carried out properly. This is of course due to a mismatch between budget planning and the work program that will later be implemented.

4. The Effect of Budget Participation through Budgetary slack on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results were that Budget Participation through Budgetary slack had a positive and insignificant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency, meaning that Budgetary slack were unable to mediate the effect of Budget Participation on Performance APBDes Budget for Coastal Villages, Sidoarjo Regency. This may be due to a lack of community involvement. Effective budget participation requires good involvement and understanding from the parties involved, including village communities. If budget participation is only carried out formally without in-depth understanding from the community, then budgetary slack cannot be explained or accepted properly.

5. The influence of performance-based budgeting through allowances on the performance of the APBDes budget in the Coastal Village of Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results showed that Performance-Based Budgeting through Budgetary slack had a negative and insignificant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency, meaning that budgetary Allowances did not mediate the influence of performance-based Budgeting on Performance of APBDes Budget for Coastal Villages, Sidoarjo Regency. This is possible due to the limited focus on financial performance. Performance-based budgeting places more emphasis on achieving goals and overall organizational performance rather than just financial aspects. Budgetary slack usually have more to do with inaccurate cost estimates than with achieving performance goals.

6. The influence of individual capacity through budgetary slack on APBDes budget performance in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results showed that individual capacity through Budget Allowance had a positive and insignificant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency, meaning that budgetary Allowance did not mediate the influence of individual Capacity on Budget Performance APBDes for Coastal Villages, Sidoarjo Regency. This is possible due to variability in individual capacity. Each individual has capacities that vary significantly among team members, therefore, the resulting budget gap may not accurately reflect the extent to which differences in individual capacity influence APBDes budget performance.

7. The Effect of Budget Participation on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results showed that Budget Participation had a negative and significant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency. Meaning that if Budget Participation is increased then the Budget Allowance will decrease or conversely if Budget Participation is reduced then the Budget Allowance will increase. This research is in line with the theory stated by Schoute & Wiersma, (2011), namely that there are two opinions about budgetary slack which are influenced by budget participation, the first opinion is that participation will create slack, stating that the higher the participation given to subordinates in budgeting tends to encourage subordinates to create slack. Budget. Meanwhile, the group that did not support this opinion stated that participation could reduce budgetary slack as indicated by positive communication between managers

The budget preparation process involves many parties, from top level management to lower level management which is often referred to as Budget Participation. Budget participation is expected to be able to have a positive influence on the budget targets that are prepared, because by involving each level of management in preparing the budget, each person knows and is able to achieve the budget they have set.

8. The Influence of Performance-Based Budgeting on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model using Smart PLS, the results showed that Performance-Based Budgeting had a positive and insignificant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency, meaning that Performance-Based Budgets had no effect on Budgetary slack.

The results of this research are not in line with existing theory. This is possibly due to the lack of understanding of APBDes managers regarding Performance-Based Budgeting as stated by Juraj Nemec, Michiel S. de Vries (2019). Traditional budgeting shows where the money is spent, but does not provide a picture. Anything about the results of his expenditure. Performance-based budgeting is expected to overcome this gap. However, the positive expectations associated with it have not been fully fulfilled in practice due to problems in its implementation, because Performance-Based Budgeting has not been fully understood by the public.

9. The Influence of Individual Capacity on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results show that Individual Capacity has a negative and insignificant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency, meaning that Individual Capacity has no effect on Budgetary slack. The results of this research are not in line with theory, one of which is influenced by inappropriate priorities, budgetary slack can also occur if expenditure

priorities are incorrect. Individual capacity may not matter if spending is allocated to things that do not support the achievement of organizational goals or are not based on a good needs analysis. Budgetary slack can also occur if spending priorities are not correct. Individual capacity may not matter if spending is allocated to things that do not support the achievement of organizational goals or are not based on a good needs analysis.

10. Organizational Commitment moderates the influence of Budget Participation on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results show that Organizational Commitment moderates the influence of Budget Participation on APBDes budgetary slack in the Coastal Village of Sidoarjo Regency significantly in a negative direction, meaning that Organizational Commitment weakens the influence of Budget Participation on APBDes budgetary slack in Coastal Village, Sidoarjo Regency. The results of this research are in line with theory which in its conclusion, the influence of organizational commitment on the relationship between Budget Participation and Budgetary Slack can vary depending on organizational culture, power structure, and the support given to budget participation. If organizational commitment is high, and budget participation is supported and appreciated, then it is likely that budget participation will contribute to reducing budgetary slack. However, if organizational commitment is low or budget participation is not given enough space, budgetary slack can remain high.

11. Organizational Commitment moderates the influence of Performance-Based Budgeting on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results show that Organizational Commitment does not significantly moderate the influence of Performance-Based Budgeting with APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency, meaning that Organizational Commitment is not able to moderate either strengthening or weakening the influence of Based Budgeting. Performance on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency. This is possible if the planning underlying the Performance-Based Budget is inaccurate or does not consider external factors that can influence income or expenditure, then APBDes gaps may occur or there is also a lack of understanding of the Performance-Based Budget.

12. Organizational Commitment moderates the influence of Individual Capacity on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results showed that Organizational Commitment does not significantly moderate the influence of Individual Capacity on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency, meaning that Organizational Commitment is not able to moderate either strengthening or weakening the influence of Individual Capacity regarding APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency. It is possible that there are other factors outside organizational commitment that have a greater influence on the relationship between individual capacity and budgetary slack, for example, leadership style

13. The Effect of Budgetary slack on the Performance of the APBDes Budget in Coastal Villages, Sidoarjo Regency.

Based on the results of testing the path analysis model (path analysis) using Smart PLS, the results showed that Budgetary slack had a negative and significant effect on the APBDes Budget Performance in the Coastal Villages of Sidoarjo Regency, meaning that if the Allowances increased, the APBDes Budget Performance of the Coastal Villages of Sidoarjo Regency would decrease. The results of this research are in line with the theory which states that budgetary slack is the obstacle that most often arises in a budget preparation process, which results in the loss of the best estimate of the budget itself which affects the performance of an organization. The emphasis in a tight budget will involve controlling costs which reduces the opportunity for subordinates to create budgetary slack. If controlling accuracy and tight budget targets becomes the most important thing for superiors, it will create a situation that causes superiors to tend to view slack.) the budget as something detrimental and taking incentive actions to prevent slack. When all control attributes work well, it will be difficult for subordinates to create budgetary slack.

CONCLUSION

Based on the problem formulation, literature review, analysis of research results and discussions described in the previous chapter, it can be concluded as follows:

- 1) Budget participation has a significant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency.
- 2) Performance-Based Budgeting has a significant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency
- 3) Individual capacity has no significant effect on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency
- 4) Budgetary Slack is unable to mediate the influence of budget participation on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 5) Budgetary slack is unable to mediate the influence of performance-based budgeting on APBDes Budget Performance in Coastal Villages, Sidoarjo Regency
- 6) Budgetary slack is unable to mediate the influence of individual capacity on APBDes budget performance in Coastal Villages, Sidoarjo Regency
- 7) Budget participation has a significant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency
- 8) Performance-Based Budgeting has no significant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency
- 9) Individual Capacity has no significant effect on APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency

- 10) Organizational Commitment has a significant (moderating) effect on the relationship between Budget Participation and APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency
- 11) Organizational Commitment has an insignificant (moderating) effect on the relationship between Performance-Based Budgeting and APBDes Budgetary slack in Coastal Villages, Sidoarjo Regency
- 12) Organizational Commitment has an insignificant (moderating) effect on the relationship between Individual Capacity and APBDes Budget Performance in Coastal Villages, Sidoarjo Regency
- 13) Budgetary slack has a significant effect on APBDes budget performance in the Coastal Village of Sidoarjo Regency

SUGGESTION

Based on the research results and conclusions above, the researcher provides suggestions that can be used as consideration for the Village Government, Village Community and further researchers:

1) Village Government:

- a) The Village Government in managing the APBDes must maintain and increase Community Participation in the preparation and implementation of the budget so that Budget Performance increases.
- b) Implementing Performance-Based budgeting more clearly, so that Budget Performance increases.
- c) Increase Organizational Commitment and try as much as possible to reduce Budgetary slack so that Budget Performance increases
- d) Village governments in managing the APBDes should increase community participation so that budgetary slack can be reduced or eliminated.

2) For the Community:

- a) The community should continue to increase its involvement in the preparation of the APBDes
- b) The community must always supervise the implementation and reporting of APBDes accountability so that APBDes management meets the elements of Transparency, Accountability, Efficiency and Effectiveness for the development of village communities

3) For further researchers:

- a) **Future researchers** in research on budgets should focus on Budget Performance, not Organizational or Institutional Performance, because Organizational or Institutional Performance has many influencing factors, while budget management is only one

measure of Organizational/Institutional Performance as stated in PMK NUMBER 22/PMK. 02/2021 Regarding Monitoring and Evaluation of Budget Implementation for State Ministries/Institutions, for the 2018 APBN, it has begun to be measured based on Budget Implementation Performance Indicators, hereinafter referred to as IKPA. To measure the quality of K/L budget implementation performance in terms of: 1) Compliance with planning, 2) Effectiveness of budget implementation, 3) Efficiency of budget implementation, and 4) Compliance with regulations.

- b) Researchers can conduct in-depth research on the Influence of Individual Capacity variables on APBDes Budget Performance, which in this research resulted in having a significant influence while based on theory it should have a significant influence.

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