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The Roles Of Factors Determining The Relation Between Budgetary Partisipation And Budgetary Slack (A Study Case in Universitas Negeri Manado)

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ABSTRACT

This research aims at analyzing the relation between budgetary partisipation and budgetary slack as well as assessing the roles of organizational culture and group cohesiveness which are assumed to increase the impactt on relation between budgetary partisipation and budgetary slack. Further, this research examines: 1) the influence of budgetary partisipation on budgetary slack; 2) the impactt of organizational culture as the moderating variable on the relation between budgetary partisipation and budgetary slack; 3) the impact of group cohesiveness as the moderating variable on the relation between budgetary partisipation and budgetary slack. The research applies empirical and structured model by employing explanatory survey method which enables the researcher to test hypothesis by investigating the interaction among research variables. The research population is the members of institutional units in Universitas Negeri Manado consisting of 8 faculties/graduate programs/institutions. The respondents are 72 university staffs who have held certain positions for at least one year. Due to the limited number of research population, all research Samples become research target. Thus, this is a population research. The findings of this research are; 1) budgetary Partisipation has a positive influence on budgetary slack; 2) organizational culture as the moderating variable has a siginificant effect on the relation between budgetary partisipation and budgetary slack; 3) Group cohesiveness organizational culture as the moderating variable has a siginificant effect on the relation between budgetary partisipation and budgetary slack.

Keywords: Organizational Culture, Group Cohesiveness, Budgetary Partisipation and Budgetary Slack.

INTRODUCTION

The budgeting process is considered as the most crucial factor in the effort to produce a budget product because this process involves the partisipation of stakeholders from top-level management to lower-level management. Siegel (1989) argues that a budget has a direct effect on human behavior particularly all stakeholders who directly involve in a budgeting process. In preparing an effective budget, a manager needs to be able to forecast incidences within a certain period in the future by drawing attention on certain factors such as environment, partisipation and preperation varieties. Budgetary slack occurs when subordinates provide biased estimates to their superiors.

Many previous research focusing on the relation between participatory budgeting and budgetary slack trigger a constrasting views because the findings of those research shows inconsistencies. Research conducted by Camman (1976) and Dunk (1993) showed that partisipation in budget preparation can reduce budgetary slack. While the research of Lowe and Shaw (1968), Young (1985) and Lukka (1988) provides contrast evidence with the research that was conducted by Onsi, Camman, Marchant and Dunk. Their results showed that Partisipation in budgeting did not significantly affect the budgetary slack.

These inconsistent findings may be the result of contingency variables or situational factors which also affect the relation between budgetary Partisipation and budgetary slack. To anticipate these factors, Govindarajan (1988) argues that contingency theory should be included to evaluate the uncertainty of conditional factors which are possible to impair the effective role of budgetary Partisipation on budgetary slack. The contingency approach used in this research does not involve residual approach as having been suggested by Riyanto (2001). This research re-assesses the relation between budgetary Partisipation and budgetary slack and includes contingency factors in which mediating variables are used to investigate the relation between budgetary partisipation and budgetary slack. This method is similar to research conducted by Dunk (1993)and Duncan (1972).

In this research, organizational culture and group cohesiveness function as moderating variables to figure out the relation between budgetary partisipation and budgetary slack. Basically, this research is inspired by previous studies from Falikhatun (2007) and Arfan Ikhsan, La Ane (2007). Falikhatun conducted a study case in all general hospitals in Central Java while Arfan Ikhsan, La Ane focused on manufacture factories in Medan Industrial Centre.

What distinguish this research from those of Falikhatun (2007) and Arfan Ikhsan, La Ane (2007) lies on moderating variables and research objects. Moderating variables used in this research only focus on organizational culture and group cohesiveness. Unlike other studies which examined private sectors and hospitals as the public sectors, this research examines the phenomenon in Universitas Negeri Manado as the public sector. In other words, this research investigates the roles of organizational culture and group cohesiveness as the moderating variables on the relation between budgetary Partisipation and budgetary slack in Universitas Negeri Manado.

This research aims at re-assessing the relation between budgetary partisipation and budgetary slack. Empirically, the relation between those variables is inconsistent due to moderating variables which affect the the relation between budgetary partisipation and budgetary slack. In this research, organizational culture and group cohesiveness play role as the moderating variables. Thus, the main focus of this research is to analyze the roles of organizational culture and group cohesiveness as moderating variables which affect the the relation between budgetary partisipation and budgetary slack.

1. Budgetary Partisipation and Budgetary Slack

Conceptually, budgetary partisipation has a negative impactt on budgetary slack as higher budgetary Partisipation reduces the number of budgetary slack. Onsi (1973) states that budgetary slack turns out to decrease since budgetary partisipation tends to show positive communication. Merchant (1985) supports previous notion by providing a significant evidence that budgetary participatory has negative correlation with budgetary slack.

Darlis (2002) explains that the artisipation of subordinates improves cohesiveness, fosters the sense of belonging and encourages the initiative of contributing ideas leading to well-acclaimed decision. Partisipation reduces a potential conflict between individual goal and organizational goal, so the staffs' work performance is improving. Budgetary partisipation enables superiors to gain information about existing environmental problems and possible threat in the future. Baiman (1995) and Dunk (1993) support arguments that budgetary Partisipation turns out to decrease budgetary slack. The findings of research conducted by Camman (1976) sum up that budgetary partisipation reduces defense response of subordinates which eventually triggers budgetary slack.

2. Budgetary Partisipation, Budgetary Slack and Organizational Culture

Deal and Kennedy (1982) in Setyorini (2004) define culture as the integrated pattern of human behavior which constitutes thought, utterance, attitude, and artefacts it depends on the capability of human being to develop and transmit them for the glory of the generation. The definition implies that organizational culture can not be easily grasped and perceived by other people. However, it can be understood and seen from the behavior and values which particular groups firmly hold. Culture determines how someone behaves in an organization and even in bureaucracy.

According to Setiawan (1998), bureaucracy in Indonesia represents patrimonial culture in which position and behavior embedded in overall bureaucracy hierarchy are deeply rooted from family relationship, personal relationship, and patron-client relationship. A relation with the client simply represents the effort to meet social, material, spiritual, and emotional needs. A client gains the fulfilment by showing loyalty and willingness to obey what Ptron ask to do. A client also tends to sastisfy the patron. By considering that budget is essential to assess the Patron's performance (Mardiasmo, 2002), Subordinates prepares a budget which benefits them in achieving it in order that a superior gives good remark on their work performance. As a result, this results in budgetary slack.

Supomo and Indriantoro (1998) disclose that person-oriented organizational culture has a positive influence to the effectiveness of budgetary Partisipation in improving managerial performance. Conversely, task-oriented organizational culture has a negative influence to the effectiveness of budgetary Partisipation in improving managerial performance. Person-oriented organizational culture positively affects performance, for it results in low budgetary slack. On the other hand, task-oriented organizational culture increases the number of budgetary slack.

3. Budgetary Partisipation, Budgetary Slack and Group Cohesiveness

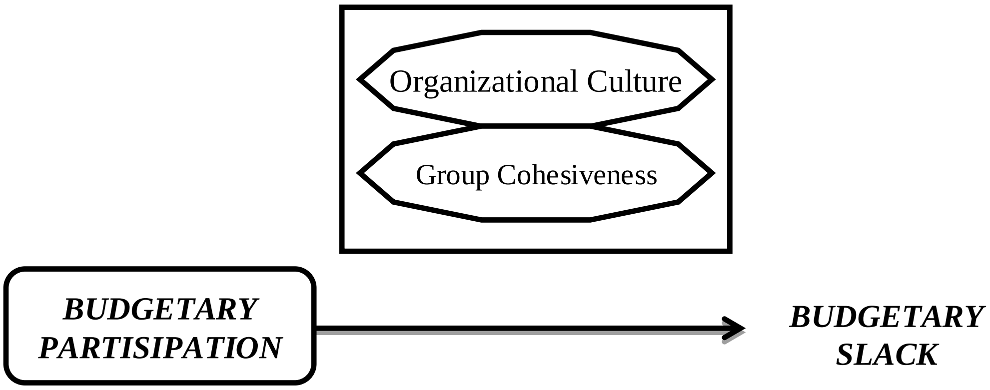
Formal and informal groups share similarities in attitude, behavior, and achievement. Gibson (1993) defines this similarity as Group Cohesiveness, a term usually associated with the pull factor to remain solid in a group instead of pushing certain members away from the group. Robbins (1996) defines Group Cohesiveness as the extent to which all members are attracted to each other and share strong motivation to exist in a group.

The concept of Group Cohesiveness plays a crucial part to understand the organization. The cohesiveness level may have a positive or negative effect depending on how far group goal strengthens formal organizational goal. From the perspective of formal organization, high cohesiveness and the willingness of a group to perform formal organizational goal lead to positive behaviour. Conversely, a group demonstrates a negative behavior when this group has high cohesiveness, yet its goal does not support formal organizational goal (Robbins, 1996).

A low group cohesiveness negatively affects the organization when the group goal does not suit the management goal. On the other hand, a low group cohesiveness turns to provide a positive effect for the organization if its goal supports the organizational goal. However, this positive result puts more basis on individual than group. In preparing budgetary partisipation, despite a high group cohesiveness, budgetary slack is possible to happen when the goal of the group does not suit the goal of the organization.

Based on the research problems, research objectives and theoretical framework, research model is formulated as follows:

Figure 1: Research Constellation



The above diagram describes leadership style, organizational culture and group cohesiveness as the determinant factors on the relation between budgetary partisipation and budgetary slack. Thus, research hypothesis can be formulated as follows:

1) Budgetary partisipation has an influence on budgetary slack
2) Budgetary partisipation has a positive influence on budgetary slack within task-oriented organizational culture, and vice versa.
3) Budgetary partisipation has a positive influence on budgetary slack within high Group Cohesiveness, and vice versa.

RESEARCH METHOD

The research applies empirical and structured model by employing explanatory survey method which enables the researcher to test hypothesis by investigating the interaction among leadership style, organizational culture and group cohesiveness as moderating variables in digging out the relation between budgetary partisipation and budgetary slack. This research uses quantitative approach oriented on the pattern among variables.

There are 4 research variables used. Budgetary partisipation as the independent variable, budgetary slack as the dependent variable, and organizational culture and group cohesiveness as the moderating variables. These variables are measured by instruments adapted from previous studies which have been published in some journals.

1. Budgetary Slack

Budgetary slack is the difference between the reported budgetary slack and the budget in accordance with the best estimation for the company which can be foreseen. This variable is measured quantitatively to figure out the individual perception on the tendency to make the target easily achieved (budgetary slack). Measurement indicators for budgetary slack consist of 6 items:

1) Standard for preparing budget,
2) Budget plan for each work unit
3) Budgetary slack for each work unit,
4) The inadequacy of budget,
5) Budget target, and
6) Budget goals

Respondents need to express their opinion in a questionnaire measured by a Likert scale with a score to 1 to 5, where 1 indicates strongly disagree and 5 is strongly agree.

2. Budgetary Partisipation

Budgeting partisipation is the involvement of managers, subordinates and sociey in the overall activities in determining or preparing a budget which becomes the responsibility of the executive board. These processes cover formulating goal and policy, strategy, priority and budget advocacy. Society takes part in budgeting supervision by observing the implementation of development. Measurement indicators for budgetary partisipation consist of 6 items, as follows:

1) Involvement in formulating activation and policy,
2) Involvement in deciding method and implementation strategy,
3) Involvement in establishing priority and budget advocacy,
4) Involvement in formulating and budget goal clarity which becomes the responsibility.
5) Involvement in the making of budget draft to final budget,
6) Contribution in the process of budget preparation.

During the process of budget preparation, budgetary partisipation is measured by some instruments. Respondents have to answer 6 questions which aim at measuring respondents' partisipation, the effect to the respondents and their contributuon in this process. These respondents select one score within 1-5 scales where 1 indicates extremely low Partisipation level and 5 shows extremely high Partisipation.

3. Organizational Culture

Organizational Culture refers to values and belief firmly held by the members of organization. These are manifested on norms determining the individual's behavior or groups (practical dimension approach). Indicators in organizational culture refer to Robbins (1996). 7 characteristics used to understand the core of organizational culture are elaborated as follows:

1) Innovation and risk taking, with dimensions: (1) having innovative sense; (2) bravery to take risk.
2) Attention to detail), with dimensions: (1) Clear Job description; (2) Procedures used in the process.

3) Outcome orientation), with dimensions: (1) a goal which has been targeted; (2) the desired outcome.
4) People orientation, with dimensions: (1) service provision; (2) giving attention.
5) Team orientation), with dimensions: (1) service to team; (12) giving attention to team.
6) Aggressiveness, with dimensions: (1) aggresive disposition; (2) competitive disposition.
7) Stability, with dimensions: (1) maintain work stability (2) comBPring the growth of work stability.

Organizational culture variable is measured by ordinal scale with a score to 1 to 5. The lowest score (1) indicates low organizational culture and the highest score (5) shows extremely organizational culture.

4. Group Cohesiveness

Group Cohesivenessrepresents the strength of a group's member and their commitment in a group. A group can consist of formal group and informal group sharing similarities in attitude, behavior and achievement. High group cohesiveness sharpens the sensitiveness of a group member to other members. It means that willingness to help and assist each other is growing stronger. Group Cohesiveness is measured by using instrument developed from the theory of Gibson (1993). The instrument consists of 4 question with a scale 1 (strongly diBSgee) to 5 (strongly agree) with 5 choices. High scale indicates high group cohesiveness, and low scale indicates low cohesiveness.

The research population is the deans of faculties, graduate programs and PPG in Universitas Negeri Manado consisting of 8 faculties/graduate programs/PPG. The expected characteristics of faculty leaders are deans/directors, vice dean/ graduate programs' vice leader/vice directors, unit chiefs, sub-unit chiefs. Those leaders who become the research respondents have held certain positions for at least one year. This research criterion is important since it is expected that those respondents have adequate experience in preparing budget under their responsibilty. The population consists of 72 respondents. Due to the limited number of research population, all research BSmples become research target. Thus, this is a population research.

This research aims at testing three hypothesis. H1 is tested by using simple linear regression model. The statistical equation is: Y = a + bX + e, where Y = budgeting slack, a= constant, b = regression cefficient X = pudgeting partisipation and e = other influencing variables. The second hypotheis to the third hypothesis (H2 to H4) are tested by using Moderated Regression Analysis (MRA). Moderated Regression Analysis is regression method designed hierarchically to determine the relation between two variables which are intercepted by the third or moderating variable (Nunnally dan Berstein, 1994). The statistical equation is formulated as follows:

BS = a + b1BP...(1)
BS = a + b1BP + b2OC...(2)
BS = a + b1BP + b2OC + b3BP*OC...(3)
BS = a + b1BP + b2GC..(4)
BS = a + b1BP + b2GC + b3BP*GC...(5)

Explanation :

BS = budgeting slack
BP = budgeting Partisipation
OC = organizational culture
GC = group cohesiveness
a = intercept
bi = slope
e = other moderating variables

Moderate Regression Analysis (MRA) criteria used to ensure whether three contingency variables can serve as moderating variables or not (Sharma, 1981) are: if equation (2) and (3) are not significantly different, with b3 = 0 and b2 ≠ 0, organizational culture (OC) is not moderator variable. Variable OC functions as pure moderator, ifequations (1) and (2) are not different, but they are different from equation (3), b2 ≠ 0; b3 ≠ 0. Variable OC is classified as quasi moderator, if equations (1), (2), and (3) are different, with b2 ≠ 0 and b3 ≠ 0. if equation (4) and (5) are not significantly different with b3 = 0 and b2 ≠ 0, group cohesiveness (GC) is not moderator variable. Variabel GC functions as pure moderator, if equations (1) and (4) are similar , but they are different from equation (5), with b2 ≠ 0; b3 ≠ 0. variabel GC is classified as quasi moderator, if equations (1), (4) dan (5) are different, with b2 ≠ 0 and b3 ≠ 0.

RESEARCH FINDINGS

The Description of Data

The results of data output show that 32 faculty leaders in Universitas Negeri Manado meet the requirement to be the respondents for budgetary partisipation variable (BP). The maximum score is 57,00, and the minimum score is 19,00, with the deviation of 38,00. The description of data for organizational culture can be elaborated as follows: the maximum score is 38.00, and the minimum score is 9.00, with the deviation of29.00. the mean is 29.90, and the fixed deviation is 7.71. The description of data for Group Cohesiveness (GC) can be elaborated as follows: the maximum score is 38.00, and the minimum score is 15.00, with a deviation of 23.00. The mean is 29.81, and the fixed deviation is 7.47, and the description of data for budgetary slack can be elaborated as follows: the maximum score is 56.00, and the minimum score is 17.00, with a deviation of 39.00.The mean is 46.59 and fixed deviation is 11.21.

Data Quality Test

The instruments in this research have been adapted from the instruments used in previous research because their validity and reliability have been justified. Validity test is important to measure the quality and the validity of those instruments. It also refers to how well a concept can be described in a measurement (Hair et al., 1998). An instrument is valid if it can measure and reveal data precisely. Validity test is performed by using factor analysis which is possible to conduct if Kaiser's MBS is above 0,5 (Kaiser & Rice, 1974). Items in factor analysis must have loading factor above 0,40 (Chia, 1995). The result of instrument test is presented below:

Table1. The Result of Validity and Reliability Tests

The resullt of Reliablibity test for variable data	The number of item and validity test	Cronbach alpha	Test Result
Budgetary Partisipation	12 (valid)	0,784	Reliable
Organizational Culture	9 (valid)	0,803	Reliable
Group Cohesiveness	8 (valid)	0,801	Reliable
Budgetary Slack	8 (valid)	0,786	Reliable

Source : the analysis of primary data

The test result and criteria show that instruments including for each item in each variable and all variables meet both validity and reliability requirements. Instruments for budgetary partisipation, organizational culture, group cohesiveness and budgetary slack can be perfectly used to gain research data.

Classical Assumption Test

Regression model is considered good if meeting the free statistical and classical assumption which include multicolinearity, heteroscedastisity, autocorrelation and normality. Classical assumption tests used in this research are heteroscedastisity, autocorrelation and normality test.

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Multicolinearity test. A good regression model should not contain correlation among independent variables. Hair et al (1993) and Ghazali (2006) offer a method to test multicolinearity by considering the tolerance value of Variance Inflation Factor (VIF). If the value of VIF < 10 and tolerance value reaches 1, multicolinearity does not occur. The normality test for data distribution uses Kolmogorov-Smirnov test. Data has normal distribution if coefficient is higher than α ≤ 0,05. Multicolinearity can be detected by analyzing matrix of free variables and the value of VIF. The display of SPSS output has following result: Model 1) BS = 18.108 + 0.604BP, with VIF = 1,000; Model 2) BS = 14,037 + 0,404BP + 0,452OC, with VIF for budgetary partisipation (BP) variable =1,534and the value of VIF for organizational culture variable (OC) =1,534; model 3) BS = 14,109 + 0,503BP + 0,295GC, with VIF BP = 1,289 and the value of VIF GC = 1,289. The display of output shows that the correlation among free variables is below tolerance limit with the value of Variance Inflation Factor (VIF) less than 10. It can be concluded that regression model in this research does not contain Multicolinearity.

Heteroscedaticity Test. The heteroscedaticity influence is tested by using P-plot test or scatter plot. Another assumption in regression model is to examine the heteroscedaticity influence from each variable in which independent variable and its residual should have significant correlation. The heteroscedaticity influence is tested by using P-plot test or scatter plot. If observation points are found in regression line, heteroscedaticity doesnot occur. The result of SPSS output shows that observation points are found in regression line from all variables tested. Thus, this regression model has fulfilled heteroscedaticity model.

Test on autocorrelation possibility is conducted by considering the analysis result by using Durbin Watson. If the value of D-W is below –2 positive autocorrelation occurs. If D-W lies between –2 to +2, autocorrelation does not occur, and if D-W is below +2, negative correlation occurs (Santoso, 2001). From three analyzed model, the result is: Model 1) BS = 18.108 + 0.604BP, with DW = 1,773; Model 2) BS = 14,037 + 0,404BP + 0,452OC, with DW = 1,534; model 3) BS = 14,109 + 0,503BP + 0,295GC, with DW = 1,691. This research results in the value of DW between -2 to 2. Based on the test criteria from Santoso, (2001), the three models in this research do not show the autocorrelation among variables.

Due to the result of multicolinearity, heteroscledasticity and autocorrelation, those three models do not show the symptoms of multicolinearity, heteroscledasticity and autocorrelation. Thus it can be concluded that regression models in this research are from multicolinearity, heteroscledasticity and autocorrelation.

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Hypothesis Test

There are four hypotheses in this research. The first hypothesis is tested byusing simple linear regression analysis. The second, third and fourth hypotheses are tested by using moderated regression analysis (MRA). Table 2 below presents the SPSS output for linear regression analysis and moderated regression analysis (MRA):

Table 2.
The Result of Regression Linear Analysis and Moderated Regression Analysis

The Result of Moderated Regression Analysis (MRA) Hypothesis	Regression Equation	F value	R^2 (sig)	Result	Conclusion
H1	BS = 18.108 + 0.604BP	22.058 (0,000)	0,306	BP has positive influence on BS	Accepted
H2	BS = 14,037 + 0,404BP + 0,452OC BS = -11,108 + 0,990BP +	14,325 (0,000) 10,689 (0,000)	0,369 0,400	OC as pure moderator	Accepted

	1,497OC – 0,023BP*OC				
H3	BS = 14,109 + 0,503BP + 0,295GC BS = -12,771 + 1,410BP + 2,00GC - 0,037BP*GC	12,401 (0,000) 10,477 (0,000)	0,339 0,396	GC as pure moderator	Accepted

Explanation :

BS = budgeting slack
BP = budgeting partisipation
OC = organizational culture
GC = group cohesiveness
a = intercept
bi = slope
e = other moderating variables

BS = 18.108 + 0.604BP..(1)
F = 22.058; R^2 = 0.306; Sig = 0,000

BS = 14,037 + 0,404BP + 0,452OC...(2)
F = 14.325; R^2 = 0.369; Sig = 0,000

BS = -11,108 + 0,990BP + 1,497OC – 0,023BP*OC....................................(3)
F = 10.689; R^2 = 0.400; Sig = 0,000

BS = 14,109 + 0,503BP + 0,295GC...(4)
F = 12.401; R^2 = 0.339; Sig = 0,000

BS = -12,771 + 1,410BP + 2,00GC - 0,037BP*GC.......................................(5)
F = 10.477; R^2 = 0.396; Sig = 0,000

The test for hypothesis 1 is conducted by linear regression analysis and the notion stating that budgetary Partisipation has influence on budgetary slack can be accepted. The output of regression analysis in Table 2 shows that budgetary partisipation variable has influence on budgetary slack variable with determinant coefficient 0,306 or 30,60% of budgetary slack result from budgetary partisipation. In this condition, the partisipation does not serve as the effort to achieve personal goal, so it triggers disfunctional consequence leading to budgetary slack. This finding supports research from Lukka (1998), Young (1985), and Arfan Ikhsan dan La Ane (2007), who prove that budgetary Partisipation has influence on budgetary slack. This research also strenghtens the research from Falikhatun, 2007. This research summarizes that budgetary Partisipation in public organization (local hospitals in particular) increases budgetary slack.

A test to figure out interaction among variables needs data on the interaction of budgetary Partisipation variable and each moderating variables. The interaction of budgetary Partisipation variable and organizational culture variable is expressed in the first moderate (1). The interaction of budgetary Partisipation variable and group cohesiveness variable is expressed in the second moderate (2).

The test on hipothesis 2, 3 and 4 uses moderated regression analysis (MRA). From the output in table 2, organizational culture is the pure moderator in the relation of budgetary Partisipation and budgetary slack. The SPSS output from hypothesis 2 test shows R^2 = 0,369, and it implies that 36,90% of budgetary slack variance can be explained through budgetary partisipation and leadership style. 63.10% are explained through other models which are not examined in this research. Simultaneous significance test (F statistical test) results in the value of F hitung for 10,689 and significance level of 0,000. It shows significance probability lower than 0.05, so budgetary Partisipation, organizational culture and the first moderate have influence on budgetary slack. The result of individual BPrameter significance test (t statistical test) shows that budgetary Partisipation, organizational culture and the first moderate variables have significance of 0,000. Thus R^2 rises from 0,369 or 36,90%. Thus, equation (1) and equation (2) are not siginificantly different, but they are significantly different from equation (3) where b2 ≠ 0; b3 ≠ 0.

The test on hipothesis 2. In equation 3, organizational culture is added as the independent variable, so its determinant coefficient becomes 0,400. It means that organizational culture influences budgetary slack with the variance of 40,00%.. Test on hypothesis 3 uses interaction test on budgetary Partisipation and organizational culture. Then, the result shows that 40% of budgetary slack result from the interaction of budgetary partisipation and organizational culture. To conclude that organizational culture can function as moderating variable, it needs to put an emphasis on equation (1), (2), and (3). Those three equations are different where b2 ≠ 0 and b3 ≠ 0. Thus, it can be concluded that organizational culture can function as oure moderator.

Test on hypothesis 3 on equation 4 and 5 uses Anova test or F test in which F hitung is 12.401 with significance degree of 0,000 on the fifth rquation and F hitung is 10,477 with significance degree of 0,000. This significance value is lower than probability 5%, thus it can concluded that budgetary partisipation, group cohesiveness and the second moderate influence budgetary slack. To conclude that group cohesiveness can function as moderating variable, it needs to put an emphasis on equation (1), (4), and (5). Those three equations are different where b2 ≠ 0 and b3 ≠ 0. Thus, hypothesis 3 is accepted because it is supported by data.

THE RESEARCH FINDING

The result shows that budgetary partisipation influences positively toward budgetary slack in organizational culture that is oriented in work. This result indicates that cultural organization has positive influence toward the relation between budgetary Partisipation and budgetary slack. This goes along with the research that is done by Supomo and Indriantoro (1998). They state that people-oriented organizational culture has positive influence in budgetary Partisipation. This means that it can decrease the slack. It also shows that the higher organizational culture in budgetary Partisipation, the higher possibility of the decreasing of slack budgetary.

Another research states that budgetary partisipation influences positively toward budgetary slack in high group cohesiveness. This shows that the higher group cohesiveness, the better relation between budgetary Partisipation and budgetary slack. This result is supported by Falikhatun who states that budgetary Partisipation influences positively toward budgetary slack in high group cohesiveness. This research is also appropriate with theory from Alvin Zander (1979) in Falikhatun (2007) that states the strong group cohesiveness will improve the BStisfaction and decrease the absence also staff reshuffle. In other side, group cohesiveness influences the effectivity and efficiency in decission taking process. Furthermore, in relation with budgetary slack, the decission taking process depends on the harmony of group attitude toward formal aim and organization aim. If that attitude is beneficial, and the cohesivity level is high , so the efficiency and the effectivity of decission taking is also high. Otherwise, if that attitude is not beneficial but the cohesivity level is high, so the efficiency and effectivity will decrease. This goes along with the condition of the place where the research is conducted. When the cohessivity is high, the decission taking process runs well. It could happen because the efficiency and the effectivity of leader in taking the decission that related with bugetary is good. Thus, the possibility of bugetary slack also decreases. From this explanation, it is clear that budgetary partisipation influences positively toward budgetary slack in high group cohesiveness.

CONCLUSION, IMPLICATION, and SUGGESTION

Based on the analysis result and the dicussion of result that are stated before, there are conclusions as followed: 1) the budgetary partisipation influences positively toward the slack budgetary in organizational culture that is oriented in work. This research result indicates that organizational culture has positive influence toward the relation between budgetary Partisipation and budgetary slack. 2) the budgetary Partisipation, organizational culture, and group cohesiveness are together giving influence toward budgetary slack. 3) the organizational culture is a variable that moderates the relation between budgetary Partisipation and budgetary slack. 4) the group cohessivity is a variable that moderates the relation between budgetary Partisipation and slack budgetary.

This research strengthens the previous research. It states that budgetary slack factor in Universitas Negeri Manado is budgetary Partisipation and the moderating factor are organizational culture and group cohesiveness. The implication is if there is not any high budgetary slack in the public organization, so it must reveal and find the factors that can dtermine the relation between thsse praBPration of budgetary Partisipation with budgetary slack that occur. In this research it is found that the leadership style and group cohesiveness really determine the occurance of budgetary slack.

This research also gives implication that factors such as organizational culture and group cohesiveness have strength in determining the relation between the preBPration of budgetary partisipation and budgetary slack. Because of that, it is true what Darlis and Edfan have suggested. They state that the subordinates Partisipation will improve the togetherness, grow the sense of belonging,be initiative in giving idea, and the decission can be accepted. Besides that, Partisipation can decrease the potential conflict between individu goals and organization goals. So the work of performance of subordiantes can improve. Through the subordinates Partisipation, the superior will get the information about the work environment that is faced and will be faced. This is supported with Baiman (1982) and Dunk (1993) who strengthen the argument if Partisipation has tendency in decreasing the budgetary slack. This finding is supported with the research from Camman (1976) who concludes that budgetary partisipation will decrease the defense response of subordinates like the budgetary slack creation.

Being remembered again, Setiawan (1998) states that bureaucracy in Indonesia is patrimonial bereaucracy that made position and behavior in hierarchy based on familiar things, private relationship, and patron client relationship. The attention that is given to client is the fulfillment of social, material, spiritual, and emotional aspect. Client who gets protection will fullfil the patron order voluntarily and loyally. The client also attempts to amuse them. With the consideration that the budget can be used to evaluate patron work performance (Mardiasmo, 2002) the subordinates want the budgetary target that is easier to reach or do the budgetary slack in order to make their work performance is evaluetd good.

Based on several conclusions that have been stated, there are several suggestion that can be stated: 1) With the consideration that budget can be used to evaluate the patron work, in order to subordinates work is evalueted well by the superior, the leader should create the budgetary target that is easier to reach so there will not be any budgetary slack. One of the ways is by the partisipation from the subordiantes in making the budget. 2) Since organizational culture and group cohesiveness enables subordinates to avoid budgetary slack, more attention should be given to good habit in organization. At the end, this good habit shapes more condusive organizational culture. Similarly group cohesiveness needs to be maintained to avoid the unhealthy competition among the members of organization.

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