

Huma Betang Cultural Influence in Moderating Budgetary Participation in Budgetary Slack

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Abstract The purpose of this research is to find out the influence of budgetary participation and *huma betang* cultural moderation on budgetary slack. The population consists of 28 Palangkaraya's Regional Apparatus Working Units, Central Kalimantan Province. Proportionate random sampling is used as the sample selection technique. Furthermore, data collection technique is conducted through the questionnaires distribution to 100 respondents. As for the data analysis techniques, simple linear regression analysis is used to test the first hypothesis, and moderation regression analysis with the absolute difference test is employed to test the second hypothesis. The results show that budgetary participation has a positive effect on budgetary slack and the culture of *huma betang* moderates the relationship of budgetary participation toward budgetary slack. Hence, the suggestion for the next research is that it should be performed in all local government budgeting process.

Keywords: participation, budgetary slack, *huma betang*.

I. INTRODUCTION

The government budget serves as a benchmark whether or not any activity undertaken by each Regional Apparatus Working Units (SKPD) is successful. Bottom-up, the pattern by involving all existing SKPD, is used for budget preparation at Palangkaraya City Government of Central Kalimantan province. Budget preparation sometimes influenced by the individual behavior which tends to easily realize the budget by lowering revenue and rising costs from the organization best potential or budgetary slack (Govindarajan, 1986; Young, 1985; Anthony and Govindarajan, 1998). It is caused by contractual relationships between principal which is represented by the Head of Region and agent which is represented by the Head of SKPD (Jensen and Meckling, 1976; Kencana, 2010). The principal is motivated to increase the utility of the budget while the agent is motivated by the personal interest of improving his future career. To resolve the conflict between principal and agent, the existence of participation in the budgeting process becomes necessary (Onsi, 1973, Merchant, 1981; Dunk, 1993; Hansen and Mowen, 2013). On the other side, other studies have found that participation in the budgeting process has led to the budgetary slack performance by agents (Lowe and Shaw, 1968; Young, 1985; Lukka, 1988). To overcome the explained contradiction, it is necessary to have contingency factor as a budgetary slack predictor (Govindarajan, 1986) that is local culture (Robbin and Judge, 2008; Hofstede, 2011) of Dayak *huma betang*. The culture of *Huma betang* is reflected in the 2013-2018 vision and mission of Palangkaraya City Government. The cultural philosophy of

huma betang which is held and inherited intensively, fundamentally, firmly and widely constitutes as the strong local culture. The stronger the local culture is, the greater loyalty of organization member is (Hoefstede, 2011).

Huma betang comes from *Ngaju* Language. *Huma* means house and *betang* means long or big. *Huma Betang* means longhouse or big house (Wahidin, 2001). *Huma betang* 30-150 meters long, 10-30 meters wide, 3-4 meters above the ground, inhabited by 10-40 households or 100-200 people. *Huma betang* only has one door, and the stairs (called as *hejan* or *hejot*) is located on the front of the house. The *huma betang* residents consist of a wide variety of cultures, sub-ethnics, and religions headed by the head of *betang* that is the main character of all the residents (Tjilik Riwut, 2007). The life of *huma betang* is guided under one particular value order that applies to all and accepted by all with full awareness (Kusni Sulang, 2011). The ease of interaction between *huma betang* residents will strengthen the sense of brotherhood, solidarity and togetherness and unity.

The cultural philosophy of *huma betang* is chosen to be a vision by the Palangkaraya City Government for the realization of a cultured, harmonious, dynamic, and peaceful society. Palangkaraya City Government wants to build a country even though it consists of various religions, groups and ethnic (Abubakar, 2016) through the behavior of life that uphold honesty, equality, togetherness, tolerance and law-abiding (Governor of Central Kalimantan, 2008). To achieve this, good and clean governance should be implemented through participation in budgeting. So the first problem asked is whether budget participation affects

budgetary slack. And the second problem is whether the *huma betang* culture is moderating the influence of participative budgeting on budgetary slack.

II. RESEARCH METHOD

The research population is all echelon of Regional Apparatus Working Units (SKPD) of Palangkaraya City Government of Central Kalimantan Province which consists of 792 people in over 28 SKPD. Secondary data used in the form of Central Kalimantan Municipal Government Budget Report from 2008 to 2016. The sample selection technique uses proportionate stratified random sampling, grouped in a certain level based on echelon. The samples are the 100 respondents. The independent variable in this study is budget participation (X1), the dependent variable is budgetary slack (Y), and moderation variable is *huma betang* culture (X2). Data collection technique uses a survey method through the distribution of questionnaires towards the respondents (Sugiyono, 2011). Questionnaires on budgetary participation use six statements, budgetary slack use six statements and *huma betang* culture uses eight statements. Confirmatory factor analysis is used in X2 because there are some invalid statement items so that three statements are rejected because the value of the standardized coefficient is relatively small. Measurement of each statement in the questionnaire uses the five-point Likert scale as follows: score 1 for strongly disagree, score 2 for disagree, score 3 for hesitate, score 4 for agree and score 5 for strongly agree. The classical assumption test is performed by normality test with the *kolmogorov-smirnov*, the *multicollinearity* test is performed by the variance inflation factor, and heteroscedasticity test is performed by using *glejser* test. Analysis data uses simple linear regression analysis technique to examine the effect of budgetary participation on budgetary slack and moderation regression analysis technique with absolute difference test to test the ability of *huma betang* culture in moderating budget participation relationship with budgetary slack. The significance level used is 5% (Ghozali, 2011). This study is limited to the planning and budget preparation process.

III. RESULTS AND ANALYSIS

All model passes from the classical assumption test. Based on table 1, regarding the test for the first hypothesis, it is noted that the regression equation $Y = 1.858 + 0.378 X_1 + e$ is formed. With result $R^2 = 0,432$ or 43,2% the budgetary slack variation can be explained from budget participation with F count equal to 72,376 with F Sig = 0,000 < 0,05 so this model is feasible to be used. About the test for the first hypothesis which is budget participation has a positive effect on budgetary slack is indicated by beta coefficient value of 0.378 with p-value of 0.000 < 0.05, and it has proven. Employee participation in budgeting will increase budgetary slack for individual interests to ease the target. The higher the participation of employees in preparing the budget is, the more freely employees in determining what they want to achieve is. Budgetary slack

is performed to create an impression that the SKPD will look good if the budget can be achieved. These results support Lowe and Shaw's research (1968), Merchant (1981), Young (1985), Lukka (1988), Siegel and Marconi (1989), Yuwono (1999), Yuhertiana (2004), Hafisah (2005), Falikhatun (2007), Ikhsan and Ane (2007), Sudarba (2010), Andriyani and Hidayati (2010), Nasution (2011), Reysa (2011).

Regarding the test for the second hypothesis, it is noted that regression equation $Y = 3,399 + 0,266 ZX_1 + 0,156 ZX_2 + 0,088 \text{ Abs}(ZX_1 - ZX_2) + e$ is formed. It is proved by the value of R^2 of 0.575 or 57.5% of the budgetary slack variation can be explained by the variation of budget participation, the *huma betang* culture and the interaction between the two. F value counts as 41,956 with F Sig of 0,000 < 0,05 so this model is feasible to be used. The second hypothesis that *huma betang* culture moderating the relationship of budget participation to budgetary slack is proved by beta coefficient value equal to 0,088 with p-value equal to 0,017 < 0,05. Better cultures can moderate the influence of the relationship between budgetary participation and budgetary slack. The *huma betang* culture which is full of harmony, dynamic, and peace which embodied the participation of budget preparation will decrease the desire of Palangkaraya City Government officials to do budgetary slack. These results support the research of Maskun (2008), Reysa (2011), and Sandrya (2013)

TABLE 1
THE RESULT OF REGRESSION ANALYSIS

Model	Variable	Unstandardized Coefficients	Value t	Significant Value
Regretion Model 1	Constanta	1,858	9,590	0,000
	X ₁	0,378	8,507	0,000
Regretion Model 2	Constanta	3,399	75,738	0,000
	ZX ₁	0,266	9,065	0,000
	ZX ₂	0,156	5,447	0,000
	Abs(ZX ₁ – ZX ₂)	0,088	2,431	0,017
Regretion Model 1, Value R² = 0,432 ; F-test = 72,376 (Sig. 0,000)				
Regretion Model 2, Value R² = 0,575 ; F-test = 41,956 (Sig. 0,000)				

Sources: processed data, 2017

IV. CONCLUSION

Budgetary participation has been proved to have a positive effect on budgetary slack. Budgetary slack is performed to avoid the risk of uncertainty in reaching the budget and to improve the performance of SKPD. Therefore, it should be in the form of the real employee participation and not the quasi-employee participation. The *huma betang* culture has been proved in moderating the effect of budgetary participation on budgetary slack. The *huma betang* culture applied in the community of Palangkaraya City Government will reduce the quasi-participation in the preparation of the budget.

This research is limited to the budget planning process in Palangkaraya City Government so that subsequent research can be conducted for the whole process of government budgeting by using Dayak Culture which diverse in Kalimantan Island.

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