

ABSTRACT

The present study aims to find empirical evidence about budgetary participation and budgetary slack in a public sector organization. It also attempts to examine whether asymmetry information and individual capacities moderate the effects of budgetary participation and budgetary slack.

To collect data of this study, survey questionnaires are used. From 100 questionnaires were given to managers in a public sector organization, questionnaires with complete answers were 60 questionnaires (60%). A Moderated Regression Analysis was utilized to examine the direct and indirect effects of budgetary participation on budgetary slack.

The result showed that budgetary participation had a positive effect on budgetary slack. asymmetry information and individual capacities are not be able to moderate the effect of participatory budgeting on budgetary slack.

Keywords : Budgetary Participation, Budgetary Slack, Assymetry Information, Individual Capacities, Public Sector Organization