

ABSTRACT

The establishment and development of a public sector institution can be done through budget management that directly involves *principal* and *agent*, so the budget process is considered to be more complicated than a private sector institution. The success of budget management will be the measuring instrument in evaluating the performance of the budget officers. It causes the existence of *budgetary slack* that emerges because of several factors. This research tests the influence of budget participation, information asymmetry, and *budget emphasis* toward *budgetary slack* with the leadership style as the moderation variable. This research hypothesized the budget participation, information asymmetry, and *budget emphasis* influences significantly and positively toward *budgetary slack* strengthened by the leadership style.

This research is conducted in Universitas Negeri Semarang using descriptive quantitative method and sampling done is using *purposive sampling* so that it results in 151 samples that fulfilling the criteria. The data analysis technique used is multiple regression analysis with *Moderating Regression Analysis (MRA)*. The research result suggests that budget participation, information asymmetry and *budget emphasis* does influence significantly and positively toward *budgetary slack*. In addition, the existence of the moderation variable, leadership style, positively strengthens the influence of budget participation, information asymmetry, and *budget emphasis* toward *budgetary slack*.

Key Word : Budget Participation, Information Asymmetry, *Budget Emphasis*, *Budgetary Slack* and Leadership Style.