# The Effect of Budget Participation, Asymetric Information, Budget Employment and Motivation on the Budgetary Slack on Hotels in Batam City During the Covid-19 Pandemic

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**Abstract.** This research to test and analyze the effect of budget participation, information asymmetry, budget emphasis, and motivation on budgetary slack at the hotels in Batam city during the covid-19 pandemic. This type of research is quantitative. The sampel of this study is hotel employees with some characteristics with a total of 155 people. Data analysis uses multiple linear regression and hypothesis testing with the help of SPSS version 25. The results of this study can be concluded that partially budget participation, information asymmetry, budget emphasis and motivation have a positive and significant effect on budgetary slack at the hotel in kota Batam during the covid-19 pandemic.

**Keywords:** Budget Participation · Information Asymetry · Budget Emphasis · Motivation · Budgetary Slack

## 1 Preliminary

Disease or Covid-19 pandemic is a Health crisis that is the focus around the world. Starting at the end 2019, covid 19 plagued Wuhan city, China who arrived moment this has spread large to 185 countries including Indonesia through then cross people and goods with use route aviation and shipping international (Harahap & Harahap, 2020). The *World Health Organization* (WHO) announced on March 11, 2020 that COVID-19 is a global pandemic. Based on announcement this, some countries forbid foreigners for visit to country, including the Indonesian government prohibits foreign national for visit to Indonesia. Prohibition foreign national _ this impact on stopping route flight international and have an effect on the decline traveler foreign visit to city Batam, Indonesia. Based on problem above, in the second semester of the year this level residence in the city Batam experience drop until is at 10 percent. This condition no different far with beginning the disturbing Covid-19 pandemic global stability, especially in Batam city that started since

April 2020. However, entering the third semester of 2020, only about 5 hotels still not yet operate of 233 hotels in the city. Which level is Batam? Residence still no changed since the beginning of the pandemic (Liputan 6, 2020). Number of star hotels and resorts four (4) is in town Batam is as many as 33 hotels and resort. According to guest reviews on Tripadvisor (2021) of the total hotels and resorts of bintan four in town Batam, during this covid 19 pandemic only 30% stay dare self for permanent operate with consequence subtraction employees (layoffs) and reductions amount day work employee that's per month work 15–20 days in impactful month to income employee that.

Determination budget be the main focus party hotel management for face this COVID-19 pandemic situation. According to Cinitya and Asmara (2014), budget is one component important in planning future company could determine progress something company. Because of that, participation budgeting participation more subordinates knowing condition direct share and hope will created appropriate budget with expected conditions. In the process of drafting budget, participation from manager level lower required by manager peak for knowing actual condition from company. Participation budget by manager below, there is exchange effective information between maker budget. Suartana (2010) argues that non financial manager should use bottom up approach to Budgeting. With approach the subordinate could give information related condition company to leadership, so leader could make decision best for company.

Related with composing budget, there is response positive and negative from manager. Response positive arise because view manager who thinks budget as tool for evaluate performance them, so they motivated for increase its performance. But in reality many manager looking up budget as pressure from superior to subordinates. This thing make manager create *slack* for help realize budget, so performance they will rated good by superiors. Study this only discuss variable participation budge, information asymmetr, emphasis budget, and motivation to gap budget (*budgetary Slack*).

Based on background behind above, formula problem study this as following:

1. is Participation Budget influence Gap Budget (*budgetary slack*) in Hospitality in Batam City During the Covid-19 Pandemic?
2. is Information Asymmetry Influence Gap Budget (*budgetary slack*) on hospitality in Batam City During the Covid-19 Pandemic?
3. is Emphasis Budget influence Gap Budget (*budgetary slack*) on hospitality in Batam City During the Covid-19 Pandemic?
4. is Motivation influence Gap Budget (*budgetary slack*) on hospitality in Batam City During the Covid-19 Pandemic?

## 2 Research Methods

**Type Study**
Type study this is causal-comparative. Study causal-comparative is something research

carried out for describe schma more relationship and influence in from two or more facts and traits the object under stud.

## Population and Sample

The population that becomes object of research this is whole employees who work in services hotels in the Batam City area with various characteristics with amount population as many as 200 employees hospitality with the withdrawal process sample use method *Purporsive Sampling* and results sample 155 employees with various type characteristics.

## Data Analysis Techniques

1. Normality Test, used for test is in a regression model there is variable bully or residuals that have normal distribution.
2. Multicollinearity test, used for knowing a number of variable free result in existence opportunity variable free each other correlate strong.
3. Heteroscedasticity test, used for test is in the regression model occur variance inequality of the residual one observation to observation another.
4. Multiple Linear Regression Test, an analysis that has pattern technical and substance almost _ same with analysis regression simple.
5. Significant Test Partial (t test), for knowing significant influence variable independent by individual in explain variable dependent.
6. Coefficient Determination ($R^2$), for see ability variable independent in explain variation change variable dependent.

# 3   Results

## Assumption Test Results Classic

a. Normality Test

Kolmogorov-Smirnov results for Asymp. Variable sig Participation Budget, Information Asymmetry, Emphasis Budget, Motivation and *Budgetary Slack* by in a row join are 0.325, 0.279, 0.365, 0.281, and 0.139. The result more big than 0.05, then could concluded that the data is normally distributed.

b. Multicollinearity Test

Test results on multicollinearity show that the resulting tolerance value for variable participation budget, information asymmetry, emphasis budget, and motivation of 0.325, 0.585, 0.264, and 0.238 while the resulting VIF for variable participation budget, information asymmetry, emphasis budget, and motivation of 3,073, 1,709, 3,792, and 4,197. Based on multicollinearity test results that, then could concluded that all variable independent in regression no there is a multicollinearity problem.

c. Heteroscedasticity Test

Test results on heteroscedasticity show that there is scattered dots shape pattern certain clear, as well as scattered around number zero on the Y axis and no shape something pattern or trend of a certain line, p this means no occur problem heteroscedasticity in the analytical model study this.

### Multiple Linear Analysis Results

$$Y = 4.168 + 0.037X_1 + 0.278X_2 + 0.460X_3 + 0.818X_4$$

From the equation on could is known that:

a. Constant value worth positive i.e. 4,168 p this show that if variable participation budget ($X_1$), information asymmetry ($X_2$), *Budget Emphasis* ($X_3$), and Motivation ($X_4$) is constant, then *Budgetary Slack* (Y) is 4,168.
b. Coefficient regression variable participation budget (b1) worth positive that is of 0.037. This thing show if participation budget increases, then *Budgetary Slack* (Y) will increase by 0.037 with assumption variable free other constant.
c. Coefficient regression variable information asymmetry (b2) is worth positive that is of 0.278. This thing show if information ascending asymmetry increases, then children's *budgetary slack* (Y) also increased by 0.278 with assumption variable free other constant.
d. Coefficient regression variable emphasis budget (b3) worth positive that is of 0.460. This thing show if emphasis budget increases, then *budgetary slack* (Y) will increase by 0.460 with assumption variable free other constant.
e. Coefficient regression variable motivation (b4) worth positive that is of 0.818. This thing show if motivation increases, then *Budgetary Slack* (Y) will increase by 0.818 with assumption variable free other constant

### Partial Test Results (t Test)
### Table 2

| Model | Unstandardizied | | Standardizied Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Tol | VIF |
| 1 (Constant) | 4.168 | 2530 | | 1.647 | .102 | | |
| Partisipasi Anggaran | .037 | .075 | .024 | 2.488 | .026 | .325 | 3.073 |
| Informasi Asimetri | .278 | .077 | .131 | 3.597 | .000 | .585 | 1.709 |
| Budget Emphasis | .460 | .092 | .269 | 4.978 | .000 | .264 | 3.793 |
| Motivasi | .818 | .078 | .598 | 10.507 | .000 | .238 | 4.197 |
| Dependent Variable : Budgetary Slack | | | | | | | |

Sumber: Data diolah (2022)

1. Participation Budget ($X_1$)

   Based on table on could seen results processing variable participation budget ($X_1$) is obtained value of t count of 2,488 with probability 0.026. With t count more than 2,488 big from t-table$_{0.05(155)}$ 1.65487 or probability of 0.026 more small from 0.05; so could concluded that variable participation budget by Partial or individual take effect positive and significant to gap budget (*budgetary slack*) on hotels in the city Batam during the covid-19 pandemic.

2. Information Asymmetry ($X_2$)

   Based on table on could seen results processing variable information asymmetry ($X_2$) is obtained value of t count of 3,597 with probability 0.000. With t count 3,597 more big from t-table$_{0.05(155)}$ 1.65487 or probability 0000 more small from 0.05; so could concluded that variable information asymmetry by Partial or individual take effect positive and significant to gap budget (*budgetary slack*) on hotels in the city Batam during the covid-19 pandemic.

3. *Budget Emphasis* ($X_3$)

   Based on table on could seen results processing variable *budget emphasis* ($X_3$) obtained value of t count of 4.978 with probability 0.000. With t count 4,978 more big from t-table$_{0.05(155)}$ 1.65487 or probability 0.000 more small from 0.05; so could concluded that variable *budget emphasis* by Partial or individual take effect positive and significant to gap budget (*budgetary slack*) on hotels in the city Batam during the covid-19 pandemic.

4. Motivasi ($X_4$)

   Based on table on could seen results processing variable motivation ($X_4$) is obtained value of t count of 10,507 with probability 0.000. With t count 10,507 more big from t-table$_{0.05(155)}$ 1.65487 or probability 0000 more small from 0.05; so could concluded that variable motivation by Partial or individual take effect positive and significant to gap budget (*budgetary slack*) on hotels in the city Batam during the covid-19 pandemic.

**Coefficient Test Results Determination ($R^2$)**

**Model Summary** [b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .940 [a] | .884 | .881 | 1.38252 | 1.999 |

[a]Predictors: (Constant), Participation Budget, Information Asymmetry, Budget Emphasis, Motivation

[b]Dependent Variable: Budgetary Slack

Based on table above _ the could seen results *Adjusted- R $^2$* with SPSS program assistance in analysis regression multiple obtained number customized determination _ or *Adjusted- R $^2$* of 0.881. This thing means 88.1% variation *Adjusted R Square* explained by variation change factors participation budget ($X_1$, information asymmetry ($X_2$), *Budget Emphasis* ($X_3$), and motivation ($X_4$). Temporary the rest by 11.9% influenced by other factors that are not follow observed influencing _ variable gap budget (*budgetary slack*).

## 4    Conclusion

Based on the data obtained from the analysis that has been done in research this then can conclude that:

1. Participation Budget take effect positive and significant to Gap Budget or (*budgetary slack*) on hotels in the city Batam during the covid-19 pandemic.
2. Information Asymmetry take effect positive and significant to Gap Budget (*budgetary slack*) on hospitality in the city Batam during the covid-19 pandemic.
3. *Budget Emphasis is* influential positive and significant to Gap Budget (*budgetary slack*) on hospitality in the city Batam during the covid-19 pandemic.
4. Motivation take effect positive and significant to Gap Budget (*budgetary slack*) on hospitality in the city Batam during the covid-19 pandemic.

## 5    Suggestion

Based on conclusion on then the advice given in research this namely:

1. Take sample from various areas in the Riau Archipelago, so that results study could generalized for all hotels in Indonesia.
2. Item statement that will used in study next should customized with regulations and policies from each hotel.
3. Look for variable other independent appropriate and influential by significant related with deviation budget on hospitality in Indonesia.
4. To do study with more respondents large for test is results study this permanent consistent.

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