Research:

THE INFLUENCE OF BUDGETING PARTICIPATION AND ASYMMETRIC INFORMATION AGAINST THE BUDGETING VARIANTS REFERS TO THE ORGANIZATION COMMITMENT AS THE INTERVENING VARIABLE OF THE SURVEY AT FOOD AND BEVERAGE COMPANY IN THE INDUSTRIAL AREA JABABEKA KARAWANG

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Abstract. *The study was based on the issue of managers in setting budgets often the difference (variance) is quite large and aims to demonstrate empirically the direct and indirect effects of budgetary participation and information asymmetry partially on budgetary slack. The analytical method used is path analysis with the participation of the budget, the asymmetry of information and organizational commitment as exogenous and endogenous budgetary slack variables. The sample used in this study as many as 78 people functional managers who have a tenure of more than five years, so hopefully they have experience in budgeting. The survey results revealed that the budgetary participation has positive effect directly against budgetary slack, the information asymmetry positive effect directly against budgetary slack, budgetary participation negatively impact directly on organizational commitment, the information asymmetry negative effect directly on organizational commitment, organizational commitment negatively affect directly to the budgetary slack, budgetary participation indirect positive effect on budgetary slack through organizational commitment, the information asymmetry indirect positive effect on budgetary slack through organizational commitment and it is known that the model in the study track is fit.*

Keywords: budgetary participation, information asymmetry, organizational commitment and budgetary gap.

INTRODUCTION

Food and beverage industries had been facing a lot of challenges in 2004, some of the national economics condition and policies are still the potential threat to depress the development of this sector. Rupiah currency which is weakening gradually has been affecting the increasing price of raw materials. The regulation of the minimum wages for the worker within the province (UMP) increased 9% up to 30% in average in 2014 reflecting to the adjustment of the production cost conducted by the company. Increasing price of the basic tariff of electricity consumption for food and beverage companies which is in the group of I.3 had been increasing about 38%, increasing of BI rate up to 7.5% at the end of 2013 reflecting to the increasing of bank interest. Such conditions are not only jeopardizing the giant companies but also the small food and beverage industries (UMKM) which is most of them are still nonformal industries. Those small industries should have to be able to deal not only with local products, but also with imported products, in 2013 the food and beverage companies were predicted to be able to evolve about 5% (GAPPMI, 2014). The increasing price of food refers the slowing down of exportation have been depressing the development of food and beverage industries. Meanwhile, our competitors from other countries are producing cheap products and exporting their products to Indonesia, it explains

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that cheap products are entering Indonesia competitively either at price or quality. Imported products do not have any increment of production cost but local products do.

Budget is considered to be the most important component in the company planning. Budget contains the future activities planning and indicates the strategy to achieve the goal. The achievement of the company goal is depending on the quality of human resources which is the capability of planning, organizing, directing and supervising all the resources of the company. Human resources is the central part of the company coordinating other functions, therefore, the function of human resources management is indicated as an important role in achieving the company goal.

Jababeka Industrial Estate, TBK which is located in Cikarang is an industrial area occupied by small scale industries, medium scale and otomotive industries. In 2014, about 1.650 industries were located within Jababeka Industrial Estate, national and 30 multinational industries (USA, UK, France, German, Dutch, Australia, Japan, China, Taiwan, Singapore, Malaysia, etc) which had been employing more than 700.000 employees and 4.300 expatriates. This Limited company has many tenants consisting of multinational industries, L'oreal, ICI Paints, Mattel, Samsung, Unilever, United Tractors, Akzo Nobel and Nissin Mas. By performing an observation and interview with some functional managers relating to budgeting, it explains that the problem which is very often coming up refers to the managers providing a budget will always be creating big differences/ variants within the years. The budget which has been stipulated is not in compliance with budget realization which is affecting the implementation of the managers' program that should have to perform an adjustment or correction against the budget itself which is the obstacles of the operational of company. There are two main factors which are influencing the budget. Internal factor within the company; sales data, sales policy, production capacity, employees commitment, qualification and experiences of the manager who prepares the budget. External factors related to competitors, economics condition, people income, government regulations dan people culture. Optimum budgeting is related to the efficiency and effectiveness of budget which is the objective of managers to execute budget implementation by developing a competitive advantage.

THEORY REVIEW AND HYPOTHESIS DEVELOPMENT

Budgeting participation refers to the employees involvement (line manager, medium and superior managers). The bigger the participation has been performed, the bigger the different variants occurred generally. These variants have been influenced by the asymmetric information which is a biased information given by line managers or medium managers to their superiors. Therefore, the more biased or the more bad information provided, the bigger budget variants occurred, but the better information provided, the smaller variants occurred. The organization commitment have also been influencing budget variants since the managers who have strong commitment for the organization will do their best. Hence, they will provide the best budgeting. Therefore, stronger commitment of the organization refers to smaller budget variants happened, but lower commitment of the organization refers to bigger budget variants occurred. Picture herebelow is explaining about it.

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Picture 1
Framework

Some previous research have been applied to explain the following research paradigm:

1 Budget participation has been influencing the commitment of organization.

Budget participation has been influencing the commitment of organization refers to the opinion of Siegel and Marconi (1989) explained that the participation of managers in budgeting will initiate them to share their idea and information, to develop sense of belonging, to improve the teamwork of the group in achieving the organization goal obviously. Refers to the aforementioned opinion, it explains that a higher participation in budgeting will create stronger commitment of the managers for their company. This influencing has been explained by Yusfaningrum research (2005) who has found out that such a participation in budgeting has a significant influence against the commitment of organization.

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2. Asymmetry Information has been influencing the commitment of organization.

Asymmetric information has influenced the commitment of organization which refers to Anthony and Govindarajan (2005) defined that asymmetric information is a condition where the superior does not have any sufficient information about the actual performance of their subordinates, motivation and objectives, hence, their superiors could not be able to determine the contribution of their subordinates refers to the actual results of the company or organization.

This opinion has explained that asymmetric information is bigger than before (more bias information provided) showing that they do not have any commitment for the company and smaller asymmetric information refers to stronger commitment of organization. Related research conducted by Setiyanto (2010) has found out that the commitment of organization is considered as an intervening variable between asymmetric information and budget variants.

3. Budget participation has been influencing budget variants.

The influences of budget participation against budget variants has been explained by Lukka, 1998 in Fitri (2004) declared that strong participation within the process of budgeting has been providing bigger opportunity to their subordinate to create the variants,. It explains that stronger budget participation of line manager and middle manager could create bigger variants. Sometimes, stronger participation could create smaller budget variants. It is in compliance with the research done by Amiruddin and Auzir (2006) showing that the participation of budget has a positive relation with budget variant.

4. An asymmetric information has been influencing budget variants.

An asymmetric information could create budget variant which is in compliance with the research of Eisenhardt 1989 in Fitri (2004) defined that the cause of budget variant occurred is that an asymmetric information has happened in the company. Much more biased information given by the line and middle managers to their superiors will interfere the capacity of the superiors to define the budget which is creating budget variants. The research done by Rahmiati (2013) explains that asymmetric information has been influencing significantly and positively to the budget variants.

5. The organization commitment has been influencing budget variants.

The commitment of organization has been showing a reliable belief and strong support to achieve the expected goal and value of the company. (Mowday, 1979 within Setiani, 2002). It explains that the commitment of organization has been influencing budget variants. When the commitment of organization attached strongly to an employee individually, this person is going to do his/her best to achieve the company goal which is decreasing the budget variant. Such a related research had been done by Setiyanto (2010) indicating that the commitment of organization has described a significant influence against the budget variants.

According to the previous research, it has obtained two main variables to be analyzed, budget participation variable and asymmetric information variable which is exogen variable of budget variant, endogen variable and commitment of organization variable as intervening variable. Therefore, the research paradigm could be explained as follows:

Picture 2
Research Paradigm

Hypothesis

Hypothesis is an early prediction of the research which is going to be analyzed. Based on the aforementioned framework, the hypothesis of this research is able to be formulated as follows:

- H₁ : Budget participation has influenced the commitment of organization.
- H₂ : Asymmetric information has influenced the commitment of organization.
- H₃ : Budget participation has influenced budget variants.
- H₄ : Asymmetric information has influenced budget variants.
- H₅ : Organization commitment has influenced budget variants.
- H₆ : Budget participation has influenced budget variants thru the commitment of organization.
- H₇ : Asymmetric information has influenced budget variants refers to the commitment of organization.

RESEARCH METHOD

Research method

This research method has applied a casual survey method which is path analysis since it is in compliance with the objective of the research to examine the confirmity of direct effect model, indirect effect and total effect.

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Venue and time of the research

This research has been done at some registered food and beverage companies within the area of Jababeka Industrial Estate Karawang in order to ease the researcher to get the total respondents (functional managers) as sampling of the research. This research had been performed in January 2015 to August 2015.

Sample and population

Sampling has been applying non probability sampling technique or non-random sampling which is the purpose of sampling, samples for a specific reasons and objectives. Criteria defined as follows:

1. Respondents / samples are functional managers.
2. Having been working for more than 5 years, who is being expected to have an experience in budgeting process.

Defining samples measurement refers to Roscoe (1975) in Sakaran (2006) describing that total samples should be more than 30 but less than 500 which is the best samples in many researches. 120 questionnaires had been distributed and 97 pcs had been returned. After screening them, there were only 78 persons which is in compliance with purposive sampling requirement (>5 years of service). These samples are going to be applied as research samples.

Operational variable

This research has 4 variables covering two exogenous variables, one endogenous variables and one intervening endogenous variable. Variables which have been examined are as follows:

1. Exogenous variables are all the variables which do not have any explicit causes or do not have any arrows directing to it in the diagram.
 - a. Budget participation variable (X1), is a process where the person in charge of budgeting has a power to decide the total amount of the budget (Anthony and Govindarajan, 2005. Wenzel (2002) has defined that 5 indicators should have to be applied to measure budget participation.
 - b. Asymmetric information variable (X2) is a different information occurred between upper managers and their subordinates or middle managers during the process of decision making relating to budgeting.(Dunk, 1993 in Widiastuti 2006). There are six indicators to measure asymmetric information variable refers to Dunk(1993).
2. Intervening endogenous variable is a variable having an arrow directing to it which is creating a model of path diagram. The organization commitment has been defined (Y1) refers to the manager intensity to identify himself which is his involvement in the company. Mowday, 1979 in Mas'ud (2004). Measuring the organization commitment should have to apply the five indicators developed by Ganesan, et.al (1996).
3. Endogenous variable is a variable having arrows directing to the related variable. Budget variant variable (Y2) is the differences between amount of the budget and budget expended (Onsi, 1973 in Mas'us 2004). To measure the variants variable, the four indicators developed by Onsi (1973) has been applied.

Analysis Design and Hypothesis Test

To obtain and analyse the data in this research, the questionnaires have been designed applying the questions scale. According to Sugiyono (2007:86), Likert Scale is to measure the individual or group attitude, opinion, perception regarding social phenomena which is a gradual scale starting from very positive to very negative point. This scale has five level of responses scale. (polycotom)

Research Instrument Test.

Before performing an analysis, the instrument should have to be tested refers to the validity and reliability of the instruments against the 30 respondents as pre-research samples to ensure the validity and reliability of the questionnaires being applied.

a. Validity test

Umar (2008) stated that validity test is very useful to recognize whether the questions on the questionnaire should have to be rejected or replaced since they are not relevant. Validity test is going to apply Pearson's Correlation or product moment to correlate items scoring and

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total scoring. When the coefficient value of its correlation is > 0.361 ($\alpha = 0.05$ and $n=30$) explains that the item is valid. Significant test has been applied by comparing the value of $r_{\text{calculated}}$ with r_{table} refers to the degree of freedom (df) = $n-k$ which is n is the total samples and k is the total constructs.

b. **Realibility Test.**

Refers to Umar (2008: 54) realibility test is usefull to define whether the instrument which is the questionnaires could be able to be applied more than once at least by the same respondent. The writer of this research has applied Cronbach's Alpha Formula. The calculation applying Cronbach's Alpha is calculating the average of correlation among the items on the questionnaires. The related variables have been considered realible when the realibility coefficient is > 0.7 .

Classic Assumption Test.

Classic assumption test being applied refers to the analysis requirement to apply inferential statistics, as follows:

a. **Normality Test**

Normality test could be applied by using various ways either visually or statistically. One of the normality test applying statistics is by implementing Kolmogorov Smirnov Test. The data which is complied with the normal distribution requirements will provide better statistically test result.

b. **Signification and linear test**

The analysis of regression test applied to recognize the correlation and influences of the variables. The requirements should have to respected are when the related variables having a linear correlation and significant regression. Nevertheless, this test has been applied to indicate casually the correlation among the variables as the foundation to implement path analysis model.

Path Analysis

Path Analysis Model has been applied to analyze the pattern of variables correlation to indicate either a direct or indirect influence occurred between exogenous variable and endogenous variable, path analysis is applied as well to explain and examine the correlation of cause and effect variables instead of interactive/reciprocal one. (Sugiyono, 2007)

a. **Significant test of path coefficient (t Test)**

According to Rangkuti (2005), basically t test is applied to indicate partly the influences of each variable. The decision to accept or reject a hypothesis in a research refers to a significant coefficient of each exogenous variable against the endogenous variable.

Whenever the result of the calculation is not significant, then path coefficient is erased.

b. **To examine the significant correlation of variables refers to the analysis model test whether it is accepted or unaccepted applying the significant test analysis based on the following criteria:**

- When the significance of value ≥ 0.05 , it explains that the variables of research do not have any significant correlation (H_0 is accepted but H_a is rejected)
- When the significance of value < 0.05 , it explains that the variables of the research have a significant correlation (H_0 is rejected but H_a is accepted)

RESULT AND EXPLANATION OF THE RESEARCH

Validity test result

Before the distribution of questionnaires to all respondents, some questionnaires have been distributed to 30 persons implementing validity and reability test to ensure that all the items are valid and reliable to be defined as research instrument.

Based on the result of analysis, it indicates that the significant value of every item < 0.05 or the coefficient value of correlation > 0.361 (Barker, 2002), concluded that each item on the questionnaires regarding budget participation, asymmetric information, organization commitment and budget variants is categorized valid. Furthermore, after validity test had been completed, then realibility test to be examined. Reliability test has been applying Cronbach Alpha value test. A

variable is reliable when each variable value refers to Cronbach Alpha value > 0.600 (Barker, 2002). According to the aforementioned table, it explains that value of Cronbach Alpha against the variable of budget participation, asymmetric information, organization commitment and budget variants > 0.600 refers to all the item are reliable.

Normality Data Test.

Regression model is good when the model has a normal distribution or hardly normal. Normality test has been applying Kolmogorov Smirnov test by conducting One Sample Kolmogorov Smirnov test refers to significant level of 0. The data obtained is within normal distribution when the significance of value is > 0.05 or value of $a_{\text{calculated}} < a_{\text{tabel}}$. value at $n = 78$ and its significance 0.05 obtaining 0.151. Referring to the aforementioned table, it explains $a_{\text{calculated}}$ of all the variables < 0.151 and significant value > 0.5 . Therefore, the values of budget participation, asymmetric information, organization commitment and budget variants variables is normal distribution.

Linearity and significant test result

Linearity and significant test of organization commitment against budget participation have been using both parties t-test which is the significant level of 0.05 refers to the significant value (0.00) of < 0.05 , it explains that a significance of linear correlation between the organization commitment and budget participation has occurred.

.Linearity and significant test of organization commitment against asymmetric information which has been applying both t-test which is the significant level of 0.05 refers to the significance of value (0.00) of < 0.05 , it describes that a linear and significant correlation between the organization commitment and asymmetric information has happened.

Linearity and significant test of budget variants against budget participation which has been applying both t-test which is the significant level of 0.05 refers to significant value (0.00) of < 0.05 , it explains a significant and linear correlation between budget variant and budget participation has occurred.

Linearity and significant test of budget variants against asymmetric information has been applying both t-test which is the significant level of 0.05 refers to the significant value (0.00) of < 0.05 . Based on the related test, it explains that a significant and linear correlation between budget variant and asymmetric information has occurred.

Linearity and significant test of budget variants against the organization commitment, have been applying both t-test and the significant level of 0.05 refers to the significant value (0.00) of < 0.05 . It explains that budget variant has a significant and linear correlation with the organization commitment.

Path Analysis

Based on the result of data analysis which has been applying software Lisrel obtaining path model as picture 3 herebelow:

Picture 3
Correlation Model of the Inter-Variables According to the Calculation Result of Path Analysis

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According to the correlation model of inter-variable hereabove. It explains the following regression formula.

$$Y_1 = 45,578 - 0,418X_1 - 0,517X_2 + \varepsilon \dots\dots\dots (1)$$

$$Y_2 = 9,835 - 0,211Y_1 + 0,409X_1 + 0,173X_2 + \varepsilon \dots\dots\dots (2)$$

Formula (1) explains:

1. A direct influence of budget participation against the organization commitment has obtained the coefficient value of -0.418. Path coefficient of this budget participation has a negative value describing an opposite relation between budget participation and the organization commitment has occurred. It explains that an increasing value of budget participation which is 1, with the assumption that other influencing variables are considered as fixed variables, so that, the commitment of organization has decreased about 0.418. It could be defined that the direct influence of budget participation against the commitment of organization is 0.418.
2. Direct influence of asymmetric information against the commitment of organization has obtained the value of path coefficient which is -0.517. A negative regression coefficient value of asymmetric information explains that an opposite relation between asymmetric information and the organization commitment has occurred. It explains that when an increasing value of asymmetric information is 1 (one) with the assumption that the other influencing variables are considered as fixed variables, then, the commitment of organization has decreased about 0.517. It could be defined that a direct influence of asymmetric information against the commitment of organization is 0.517.

Formula (2) explains as follows:

1. Direct influence of budget participation against budget variant has obtained the value of path coefficient which is 0.409. Value of regression coefficient of this budget participation is positive, it explains that a same direction of the relation between budget participation and budget variant has occurred. Therefore, a value of budget participation has increased about 1 with the assumption that other influencing variables are fixed variables, reflecting to an increasing of budget variant which is 0.409. It explains that direct influence of budget participation against budget variant is 0.409.
2. Direct influence of asymmetric information against budget variant has obtained path coefficient value of 0.173. Positive regression coefficient value of asymmetric information has explained that the same direction of the relation between asymmetric information and budget variant has occurred. Hence, a value of asymmetric information has increased about 1 with the assumption that other influencing variables are fixed variables, reflecting to an increasing value of budget variant which is 0.173. It explains that a direct influence of asymmetric information against budget variant is 0.173.
3. Direct influence of the organization commitment against budget variant has obtained path coefficient value of -0.211. A negative value of regression coefficient of the organization commitment has explained that an opposite relation between the organization commitment and budget variant has occurred. It describes that an increasing value of the organization commitment is one with the assumption that other influencing variables are fixed variables, reflecting to 0.211 decreasing of budget variant. Defining that a positive influence of the organization commitment against budget variant is 0.211.
4. Indirect influence of budget participation against budget variant refers to the organization commitment which has been analyzed by path analysis obtaining 0.088 coefficient value. Such a coefficient value is a multiplication between the direct influence of budget participation against the organization commitment and the direct influence of the organization commitment against budget variants which is (-0.418×-0.211) . Therefore, the total influence of budget participation against budget variant is 0.497 describing direct influence of budget participation against budget variant which is 0.409 plus the indirect influence of budget participation against budget variant which refers to the organization commitment which is 0.088.
5. The indirect influence of asymmetric information against budget variant refers to the organization commitment obtaining path coefficient value of 0.109. Such a coefficient value is

the multiplication between the direct influence of asymmetric information against the organization commitment and the direct influence of the organization commitment against budget variant (-0.517×-0.211). Therefore, total influence of asymmetric information against budget variant is 0.283 which describes that the direct influence of asymmetric information against budget variant refers to the organization commitment is 0.109.

Test of the significance of path coefficient.

To test the significance of path coefficient can be described as follows:

1. The influence of budget participation against the organization commitment.

Based on the result of analysis, it describes that path coefficient value of budget participation against the organization commitment is -0.418 and value $t_{\text{calculated}} = -3.485$ refers to $\alpha = 0.05$ and freedom degree = $78-2-1 = 75$ obtaining -1.992 which is smaller than value $t_{\text{table}} (-3.485 < -1.992)$. According to the aforementioned result, a hypothesis explains that budget participation has influenced the organization commitment which is accepted (H_0 is rejected and H_a is accepted). Therefore, budget participation has a significant direct influence against the organization commitment.

2. The influence of asymmetric information against the organization commitment.

Based on the calculation, path coefficient value of asymmetric information against the organization commitment is -0.517 refers to $t_{\text{calculated}} -5.267$ which is smaller than t_{table} refers to $\alpha = 0.05$ and freedom degree = $78-2-1 = 75$ obtaining -1.992 ($-5.267 < -1.992$). Based on the result of analysis, a hypothesis declares that asymmetric information has influenced significantly against the organization commitment which is accepted (H_a is accepted and H_0 is rejected). Therefore, asymmetric information has influenced directly and significantly against the organization commitment.

3. The influence of budget participation against budget variant.

Based on the aforementioned table, path coefficient value of budget participation against budget variant 0.409 refers to $t_{\text{calculated}}$ value 4.906 which is bigger than t_{table} value for $\alpha = 0.05$ and freedom degree = $78-2-1 = 75$ obtaining 1.992 ($4.906 > 1.992$). Therefore, H_0 is rejected and H_a is accepted which describes that budget participation has influenced significantly against budget variants is accepted, it explains that budget participation has a direct and significant influence against budget variant.

4. The influence of asymmetric information against budget variant.

Path coefficient value of asymmetric information against budget variant is 0.173 and $t_{\text{calculated}}$ 2.343 is bigger than t_{table} for $\alpha = 0.05$ and freedom degree = $78-2-1 = 75$ obtaining 1.992 ($2.343 > 1.992$). Based on the result of analysis, a hypothesis describes that asymmetric information has influenced significantly against budget variant which is accepted (H_a is accepted and H_0 is rejected), it explains that asymmetric information has influenced directly and significantly against budget variant.

5. The influence of the organization commitment against budget variant.

Result of analysis has described path coefficient value of the organization commitment against budget variant is -0.211 and value of $t_{\text{calculated}}$ is $-2.836 < t_{\text{table}}$ for $\alpha = 0.05$ and freedom degree = $78-2-1 = 75$ obtaining 1.992 ($-2.836 < -1.992$). Based on the result of this test, a hypothesis has declared that the organization commitment has influenced significantly against budget variant which is accepted (H_a is accepted and H_0 is rejected). Therefore, the organization has influenced directly and significantly against budget variant.

6. The influence of budget participation against budget variant refers to the organization commitment.

In compliance with the table aforementioned, path coefficient value of budget participation has influenced significantly against budget variant refers to the organization commitment which is 0.088. Furthermore it has obtained the value of $t_{\text{calculated}}$ 2.199 $> t_{\text{table}}$ for $\alpha = 0.05$ and freedom degree = $78-2-1 = 75$ which is 1.992 ($2.199 > 1.992$). Therefore, H_0 is rejected and H_a is accepted which explains that the hypothesis has declared that budget participation has influenced significantly against budget variant refers to the organization commitment which is accepted, it indicates that budget participation has a significant indirect influence against the organization commitment.

7. The influence of asymmetric information against budget variant refers to the organization commitment.

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Based on the result of analysis, path coefficient value of asymmetric information against budget variant which refers to the organization commitment is 0.109, t-calculated is $2.497 > t\text{-table for } \alpha = 0.05 \text{ and freedom degree} = 78-2-1 = 75 \text{ obtaining } 1.992 (2.497 > 1.992)$. According to the aforementioned result, the hypothesis has declared that asymmetric information has influenced significantly against budget variant refers to the organization commitment which is accepted. (H_a is accepted and H_o is rejected). Therefore, it concludes that asymmetric information has a significant indirect influence against budget variant refers to the organization commitment.

EXPLANATION OF THE RESULT OF THE RESEARCH

1. The influence of budget participation against the organization commitment.

In compliance with the aforementioned result of analysis, it explains that budget participation has a significant influence and a negative direct relation with the organization commitment. The research has described an opposite phenomena which is the participation of line and middle managers are not in line with the company goal affecting to degrading the value of the team work and their sense of belonging to the company. Therefore, the more the participation of line and middle managers has been done, the more the degrading of their commitment to the company has occurred. This condition has been described by determining the coefficient value of budget participation against the organization commitment which is $21.34 \% < \text{other variables contribution}$.

2. The influence of asymmetric information against the organization commitment.

The result of analysis has described that asymmetric information has a significant influence and negative relation with the organization commitment. It explains that the more the asymmetric information has been provided, the more the degradation of the employees commitment to the company has occurred. The phenomena appeared in this research has explained that top level managers do not have any sufficient information and knowledge about the potential capability of middle and line managers. Hence, the more the asymmetric information has been provided, the less the commitment to the company has happened.

Information is a data which has been providing better useful of knowledge and information for the people to make a decision either at this moment or future. Since the information are very important, then actual information are required to make a decision. Asymmetric information is a biased information, the more the biased information has been provided, the less the commitment to the company has occurred.

3. The influence of budget participation against budget variant.

According to the result of analysis, budget participation has a significant influence and a direct positive relation with budget variant. It describes that the better the participation of line and middle managers in budgeting, the bigger the budget variant has occurred.

This research has provided a phenomena which is line and middle managers have placed their own purposes more rather than the objectives of the company to achieve. Therefore, the higher the participation of the managers have, the bigger the opportunity to create their own purposes reflecting a bigger budget variant has occurred.

Budget participation is a mutual teamwork for all level of the employees, the involvement of all parties to participate in budgeting is crucial to the success of budgeting which is the company goal. Having been participating in budgeting, it is expected to improve the performance of managers which is distributing the minimum budget variant. But when the participation of line and middle managers are not referring to their own responsibility and the willingness to support the success of the company, then, bigger budget variant would happen. Bigger budget variant has happened because line and middle managers have been decreasing the income but increasing costs comparing to the best estimation offered.

4. The influence of asymmetric information against budget variant.

The analysis has explained that asymmetric information has influenced significantly and has a positive direct influence against budget variant. The phenomena appearing in this research has happened because line and middle managers have been hiding and keeping the information secret which is required in budgeting. This condition has created the budgeting which is not in compliance with the actual information, since the information have been provided are not complying with the expected performance.

Asymmetric information could happen since there are different objectives between CEO and their subordinates have occurred refers to the top management who does not have sufficient information regarding their subordinates performance. Therefore, top management is not able to define their subordinate contribution against the actual achievement of the company. In general, line and middle managers have better understanding about the actual condition and the prospect of the company than the top management has. That is why the more biased information about the acknowledgement differences happened between top management and their subordinates relating to the bigger budget variant has happened.

5. The influence of the organization commitment against budget variant.

In accordance with the aforementioned result of analysis, the organization commitment has a significant influence and has a positive direct relation with budget variant. It explains that the higher the commitment of organization occurred, the lower the budget variant happened, but the lower the organization commitment happened, the higher budget variant occurred.

Strong commitment of line and middle managers to the company will be reflecting to their efforts in achieving the objectives of the company. Managers who have strong commitment to their company will be reflecting to positive attitude against the company and be apart of the company. This research has been describing that the commitment of managers have been influenced by budget participation and asymmetric information. Phenomena within this research has been explaining that line and middle managers do not have any responsibility and willingness basically to gain the company goal. Besides, the managers have not provided an accurate and relevant information. Those aforementioned conditions have been describing that the employees commitment to the company is quite low (bad) Therefore, it has been reflecting to a negative budget variant, the lower the commitment to the company happened, the higher the budget variant occurred.

6. The influence of budget participation against budget variant refers to the commitment of organization.

Based on the result of analysis, budget variant has a significant influence and a positive direct relation to budget variant refers to the commitment of organization. It has been describing that the higher the budget participation of line and middle managers happened, the bigger the budget variant occurred which is the commitment of organization defined as an intervening variable. The result of this research has confirmed that the organization commitment as intervening variable has been providing a big influence of the relation between budget participation and budget variant, instead of direct influence of budget participation against budget variant which has not been applying the commitment of organization as an intervening variable.

Budget participation is an employee's involvement in budgeting process, and the commitment of organization is a strong trustworthy matter refers to value and the company goal.

Thus, budget participation of line and middle managers which is getting along with the commitment of organization will create their sense of belonging and they will do their best, but when the participation of the managers are not based on the responsibility and willingness to achieve the company objectives reflecting to the degradation of the commitment value. Low commitment refers to bigger budget variant. It explains that line managers as well as middle managers do not have any enthusiast for doing their best to the company reflecting bigger budget variant occurred.

7. The influence of asymmetric information against budget variant refers to the commitment of organization.

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The analysis has been describing that asymmetric information has a big influence and has an indirect positive correlation with budget variant refers to the commitment of organization as an intervening variable. The result of this research has determined that the commitment of organization as an intervening variable has obviously been influencing the correlation of asymmetric information and budget variant stronger than a direct influence of asymmetric information against the budget variant without applying the commitment of organization as an intervening variable.

This positive correlation has explained that the more the biased (asymmetric) information given, the lower the commitment of organization occurred refers to bigger budget variant happened. The commitment of organization describes that strong belief and support of the managers have supported obviously in achieving the company goal. Biased information given by line and middle managers has explained that the related managers do not have any commitment to the company at all. It happened because line and middle managers have kept the information confidential and do not provide relevant information during budgeting process, thus the related managers do have any willingness to do their best for the company.

CONCLUSION, LIMITEDNESS AND IMPLICATION OF THE RESULT OF RESEARCH

Conclusion

- a. Budget participation has influenced significantly and has had a negative correlation with the commitment of organization.
- b. Asymmetric information has influenced significantly and has had a negative correlation with the commitment of organization.
- c. Budget participation has influenced significantly and has had a positive correlation with budget variant.
- d. Asymmetric information has influenced significantly and has had a positive correlation with budget variant.
- e. Commitment of organization has influenced significantly and has had a negative correlation with budget variant.
- f. Budget participation has influenced significantly and has had a positive correlation with budget variant refers to commitment of organization.
- g. Asymmetric information has influenced significantly and has had a positive correlation with budget variant refers to commitment of organization.

Limitedness

1. Limitedness of this research could be described as follows:
 - a. Indicating the weakness of the samples refers to the managers of the company as the samples of the research.
 - b. Lack of, honesty, understanding and seriousness during answering the questions are the weakness of the result.
2. Variables to be examined are limited about three variables only which have been influencing budget variant. Obviously, many variables have been determining budget variant, thus this research has been describing the three exogen variables only.

Suggestions

Practical suggestions

- a. Line and middle managers participation during the budgeting process should have to be based on the responsibility and willingness to achieve the company goal.
- b. Willingness of the manager to achieve the company goal should have to be based on their responsibility so that the information required for budgeting could be provided properly which is in accordance with the company goal.
- c. In order to improve the commitment of managers to the company, the program to develop the quality of human resources should have to be provided which is in line with the managers' needs.

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- d. A proper information system should have to be designed to minimize budget variant, the accuracy of any data is very crucial to avoid any biased information provided.

Academic suggestions

- a. Further research should have to be conducted refers to other variables which has been influencing the budget variant besides budget participation, asymmetric information and commitment of organization.
- b. The research should have to provide more samples and more various different industrial types.

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