

## **ABSTRAK**

*A budget is a plan expressed in the company's financial measures as a guideline for work in a certain period. Budgeting involves many parties starting from the top and bottom levels, making it vulnerable to budgetary slack. This study aims to determine the effect of budget participation on budgetary slack through employee motivation at PT ASDP Indonesia Ferry (Persero) head office.*

*This study used quantitative research by conducting surveys through questionnaires. The respondents in this study were 211 employees of PT ASDP Indonesia Ferry (Persero) head office and were analyzed using path analysis.*

*The results showed that directly budget participation has a significant and positive influence on the budgetary slack at PT ASDP Indonesia Ferry (Persero) head office. Budget participation and employee motivation directly have a simultaneous and significant positive effect on the budgetary slack at PT ASDP Indonesia Ferry (Persero) head office. Meanwhile, employee motivation can mediate the effect of budget participation on budgetary slack at PT ASDP Indonesia Ferry (Persero) head office.*

**Keywords:** *Budgetary Slack, Employee Motivation, Budget Participation*