Influence of Decentralization and Management Accounting System Managerial Performance Against

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**ABSTRACT**: This study aims to analyze the impact of decentralization and management accounting systems on managerial performance. Research data collection is done by distributing questionnaires to 49 employees of PT PLN (Persero) Makassar. The data were analyzed using descriptive analysis, regression test, classic assumption test, F test and t test. The results showed that the decentralization and management accounting systems and simultaneous partial effect on managerial performance. The implication of this study is that decentralization, which is applied to the PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi could encourage more creative managers determine new ideas in creating a higher managerial performance.

**Keyword**: Decentralization; Managerial Performance; Management Accounting System

**Introduction**

Competition between companies increasingly competitive has its own consequences for managers to be able to see, identifying and selecting the increasingly complex issues that managers are able to make the right decision (Erna & Dwi, 2006). Control of the company management process can be done through the delegation of authority to subordinates in order to create harmony between the objectives of the organization with the purpose of the individual involved. To achieve goal alignment, required managerial performance that can motivate individuals involved in the enterprise's activity melaksanakaan aligned with business entities.

The manager of a company has a role to mobilize others to achieve corporate goals (Widodo & Windi, 2011), Information served to increase the ability of the manager to understand the circumstances surrounding environment and to identify relevant activities (Nazaruddin, 1998; Yazid, 2012). According to Ngkriwang, (2013) Information management is one of product management accounting system has a role to predict
the possible consequences of various alternative actions that can be performed in a
variety of activities such as planning, monitoring, and decision making. According to
Dwinarian, Asnawi & Sanggenafa, 2017) performance manager like planning (planning),
organizing (organizing), direction (actuating), monitoring (controlling) is the most
important factor in an organization
In organizations, leaders serves to mobilize and organize subordinates in
achieving organizational goals. Every manager strives to motivate and make the
employees work well and the maximum. A company's performance is low, due to the
company's accounting management system that failed in the determination of
appropriate advice, performance measurement and reward systems (Sigilipu, 2013),
Decentralized authority management expects decisions to be made quickly so that
they do not interfere with the company's operations and with decentralization,
decisions can be taken by one party so that there is no confusion in decision making.
Differences in levels of decentralization will lead to differences in the needs of
information, resulting in the need to consider an alignment between the level of
decentralization and availability characteristics of management accounting system. If
the company has a high level of decentralization should be supported also by the
characteristics of management accounting system information reliably. It is necessary
for compatibility between the information needs of decision-making that will support
the quality of the decisions taken.

Some studies related to decentralization, managerial performance as (Erna and
Dwi, 2006; Inkriwang, 2013; Setyolaksono 2011; Widodo and Windi, 2011) found a
significant and positive effect of decentralization on manjerial performance. The results
of different studies found Solechan and Setiawati (2009) which showed no significant
and positive effect of decentralization on managerial performance. Characteristics of
useful information such broad scope, timeliness, aggregation, and integrity of
information is needed by managers to make decisions (Chenhall and Morris, 1986).
Characteristics of information available within the organization will be effective if the
user support information or decision-making. In achieving these objectives, one of
which will require management accounting information that can be used as a tool for
planning the budget as well as feedback to improve the performance of enterprises,
especially managerial. Information management accounting as one product
management accounting role in helping to predict the possible consequences of various
activities as planning, control, and decision making. The presence of information will
also increase the ability of managers to understand the actual state of the environment
and also function in identifying relevant activities (Widodo & Windi, 2011).

Several studies related to the management accounting system and managerial
performance as (Mulyaningtyas, 2008; Solechan and Setiawati 2009; Suryani, 2013;
Yazid, 2012) found a significant and positive influence between management accounting
systems on managerial performance. The results of different studies found (Inkriwang,
2013) which showed no significant and positive effect of decentralization on managerial
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Inconsistencies with previous research results as previously described makes this study important enough to do. Research was conducted on PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi. The reason this is a site selection study because at PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi based survey conducted early research shows indicate instability of revenue. This is due to a decrease in the lack of skills development, product quality has declined and production costs are still high. In addition, in an uncertain environment conditions make the company had difficulty in making planning and control will become more difficult and face many problems, because the events that come AKN difficult to predict. Initial survey results reveal that managers depend on a variety of skills and perform different activities depending on the level of hierarchy and their responsibilities.

This study uses a contingency approach as presented (Otley, 1980), Otley (1980), Rihardjo, (2009) explained that the availability of each of the characteristics of management accounting information is not always the same for every organization, there are certain factors which will affect the level of demand for management accounting information. (Amin, 2007) concluded that the degree of managerial style combined with the scope of the high management accounting system will have a positive influence on managerial performance. Yuliana (2010), Rante, Rosidi & Djamhuri, (2014) stated that the management accounting system plays an important role to improve performance in an organization.

In general, management of authority within an organization can be classified into centralized and decentralized. Centralization is a centralized management of authority, while decentralization itself is the delegation of authority from top management to subordinates. Management of decentralized authority is expected that a decision can be taken quickly so as not to disturb the operation of the company. In addition to the decentralization of the decision can be taken by one party that does not happen poisoning in decision-making (Widodo & Windi, 2011), Decentralization provides advantages bids for the division of the organization because of the decision process a decision can be taken by a lower level managers with regard to their respective responsibilities (Cahyaningrum & Suprapti, 2016), Simamora (2005) Decentralization is a delegation of authority or the authority’s decision returns to the lower levels of management into an organization. The essence of a decentralization is to move the decision point to the lowest managerial layers for every decision taken. Managers have assumed the authority to make decisions without having to seek approval from higher management (Ingkriwang, 2013), Research (Erna and Dwi, 2006; Inkriwang, 2013; Setyolaksono 2011; Widodo and Windi, 2011) found a significant and positive effect of decentralization on manjerial performance.

H1: Decentralization of positive and significant influence among the managerial performance
Characteristics of information available within the organization will be effective if it supports decision-making. The achievement of management performance is often influenced by various factors. SAM is one thing that is identified as one of the important factors that could drive the achievement of managerial performance (Setiawan, 2012), Research Mulyaningtyas, (2008), Solechan and Setiawati, (2009), Syriac, (2013), Yazid, (2012) found a significant and positive influence between management accounting systems on managerial performance. According to Mariana, (2009) Characteristics of the information available in the organization will be effective if it supports the needs of users of information or decision-makers.

H2: Management Accounting System and significant positive effect between the managerial performance.

![Research Model](image)

**Figure 1.** Research Model

**Research Methods**

This study uses a quantitative approach, to examine the population or sample and analyze data and test hypotheses set. The study population was all managers and heads of state / division at PT. PLN (Persero) Region Sultrabar. The sampling technique in this research is a technique where all the population census be used as a sample. The data used is quantitative data obtained from the company in the form of figures such as number of employees, as well as other data that has to do with research and qualitative data obtained from the company through the particulars in writing, such as history or a general description of the company, organizational structure, and information about the type of training that is never implemented.

This research data is primary data obtained from the answers to the questionnaires or distributed to the respondents. And secondary data obtained from newspapers, electronic media and literature on managerial performance issues. Data were analyzed using multiple regression analysis with SPSS, after all of the data in this study collected then subsequent data analysis: descriptive analysis,
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inferential analysis (multiple regression test, test classic assumptions, hypothesis testing, test the coefficient of determination (Sugiyono, 2010),

**Result and Discussion**

**Results Analysis**

Respondents in this study is shown in Table 1 and are known as 19 (38.8%) of respondents indicating that the PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi have a high degree of decentralization. A total of 28 (57.1%) level of decentralization and 2 (4.1%) lower the decentralized level.

**Table 1.** descriptive Decentralization

<table>
<thead>
<tr>
<th>No.</th>
<th>interval</th>
<th>Criteria</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>84% &lt;DP &lt;100%</td>
<td>Very high</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>2</td>
<td>68% &lt;DP &lt;84%</td>
<td>High</td>
<td>19</td>
<td>38.8%</td>
</tr>
<tr>
<td>3</td>
<td>52% &lt;DP &lt;68%</td>
<td>moderate</td>
<td>28</td>
<td>57.1%</td>
</tr>
<tr>
<td>4</td>
<td>36% &lt;DP &lt;52%</td>
<td>Low</td>
<td>2</td>
<td>4.1%</td>
</tr>
<tr>
<td>5</td>
<td>20% &lt;DP &lt;36%</td>
<td>Low</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Table 2.** Descriptive Management Accounting System

<table>
<thead>
<tr>
<th>No.</th>
<th>interval</th>
<th>Criteria</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>84% &lt;DP &lt;100%</td>
<td>Very good</td>
<td>1</td>
<td>2.0%</td>
</tr>
<tr>
<td>2</td>
<td>68% &lt;DP &lt;84%</td>
<td>Well</td>
<td>24</td>
<td>49.0%</td>
</tr>
<tr>
<td>3</td>
<td>52% &lt;DP &lt;68%</td>
<td>Not good</td>
<td>24</td>
<td>49.0%</td>
</tr>
<tr>
<td>4</td>
<td>36% &lt;DP &lt;52%</td>
<td>Not good</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>20% &lt;DP &lt;36%</td>
<td>Very No Good</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Based on Table 3 shows that of the 49 respondents surveyed, 1 (2.0%) of respondents indicate that management accounting system is very good, 24 (49.0%) of respondents indicate good management accounting system and as many as 24 (49, 0%) of respondents indicate management accounting systems that are less good.

**Table 3.** Managerial Performance

<table>
<thead>
<tr>
<th>No.</th>
<th>interval</th>
<th>Criteria</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>84% &lt;DP &lt;100%</td>
<td>Very high</td>
<td>1</td>
<td>2.0%</td>
</tr>
<tr>
<td>2</td>
<td>68% &lt;DP &lt;84%</td>
<td>High</td>
<td>19</td>
<td>38.8%</td>
</tr>
<tr>
<td>3</td>
<td>52% &lt;DP &lt;68%</td>
<td>moderate</td>
<td>28</td>
<td>57.1%</td>
</tr>
<tr>
<td>4</td>
<td>36% &lt;DP &lt;52%</td>
<td>Low</td>
<td>2</td>
<td>4.1%</td>
</tr>
<tr>
<td>5</td>
<td>20% &lt;DP &lt;36%</td>
<td>Very No Good</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Based on Table 3 shows that of the 49 respondents surveyed, the answer to one respondent (2.0%) showed excellent managerial performance, answer 16 respondents (32.7%) showed a good performance, the answers of 30 respondents (61.2%) show poor performance and answer 2 respondents (4.1%) showed the managerial performance is not good.
Table 3. Description Managerial Performance

<table>
<thead>
<tr>
<th>No.</th>
<th>Interval</th>
<th>Criteria</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>84% &lt; DP &lt; 100%</td>
<td>Very good</td>
<td>1</td>
<td>2.0%</td>
</tr>
<tr>
<td>2</td>
<td>68% &lt; DP &lt; 84%</td>
<td>Well</td>
<td>16</td>
<td>32.7%</td>
</tr>
<tr>
<td>3</td>
<td>52% &lt; DP &lt; 68%</td>
<td>Not good</td>
<td>30</td>
<td>61.2%</td>
</tr>
<tr>
<td>4</td>
<td>36% &lt; DP &lt; 52%</td>
<td>Not good</td>
<td>2</td>
<td>4.1%</td>
</tr>
<tr>
<td>5</td>
<td>20% &lt; DP &lt; 36%</td>
<td>Very not well</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Processed Data SPSS (2017)

PP normal graph plots can be searched to determine the normality of the data study all the variables if the dots generated diagonal line approach can be concluded that the data were normally distributed. Here is a picture of a normal graph PP plot. Based on Figure 2 illustrates the data forms a straight diagonal line. Then the data is normally distributed.

![Figure 2. P-Plot Graphs Normality](image)

Table 4 shows the significant value for the variable decentralization and accounting management system is 0.689. Seeing that the significant value of these two variables is greater than 0.05, we conclude that the data the two variables are normal.

Table 4. Normality test

<table>
<thead>
<tr>
<th>Residual unstandardized</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>49</td>
</tr>
<tr>
<td>mean</td>
<td>0E-7</td>
</tr>
<tr>
<td>Normal Parameters, Std.</td>
<td>5.27011768</td>
</tr>
<tr>
<td>deviation</td>
<td></td>
</tr>
<tr>
<td>Absolute</td>
<td></td>
</tr>
<tr>
<td>positive</td>
<td>102</td>
</tr>
<tr>
<td>negative</td>
<td>102</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>713</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>689</td>
</tr>
</tbody>
</table>

Source: Processed Data SPSS (2017)

Based on table 5, the Variance Inflation Factor (VIF) value for the decentralized variable is 1.094 or smaller than 10, the tolerance value is 0.914 or greater than 0.1. The
management accounting system variable has a VIF value of 1.094 or greater than 10 and a tolerance of 0.914 or greater than 0.1. Thus the two independent variables do not occur multicollinearity.

**Table 5.** Test Results Multikolinearitas

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>10.847</td>
<td>8.464</td>
<td>1.282</td>
<td>.206</td>
<td></td>
</tr>
<tr>
<td>Decentralization, Management Accounting System</td>
<td>0.688</td>
<td>191</td>
<td>4.42</td>
<td>3.602</td>
<td>.001</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Managerial Performance

**Source:** Processed Data SPSS (2017)

Based on Figure 3, the test results show that the graph scatterplot heterokedastisitas with a pattern of dots spread around zero. So it does not happen heteroskedastisitas.

![Figure 3. The test results heterokedastisitas](image)

The result of the calculation to the value of R2 with SPSS 20.0 for Windows, in a multiple regression analysis obtained coefficient of determination or R2 of 0.367. This means that 36.7% of the variation is explained by a change in managerial performance variation changes in factors of decentralization and management accounting system. While the balance of 63.3% is explained by other factors beyond the two variables above are not participating observed.
Table 6. Simultaneous Determination coefficient (R2)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.605</td>
<td>0.367</td>
<td>0.339</td>
<td>5.383</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Management Accounting System, Decentralization

The regression equation formed from Table 8 are as follows:

$$ Y = 10.847 + 0.688 X_1 + 0.343 X_2 + e $$

The regression model in this study can be explained that if decentralization and accounting management system is equal to zero (0), then the managerial performance will be $10.847. If there is an increase by one point decentralization will be followed by an increase of 0.688 when the managerial performance of management accounting system are considered fixed. If an increase of one point of management accounting system will be followed by an increase managerial performance of 0.343 when decentralization is considered permanent. T test results can be seen in table 8. Testing this hypothesis is intended to test the significance of the effect of decentralization and management accounting systems on managerial performance ($Y$). Based on table 7, the value of decentralized $t$-test is 3.602 with a significance value of 0.001 and 1.679 of table. The significance value is less than 0.05 and $t_{count}$ is greater than $t_{table}$, then this regression model can be used to improve managerial performance. So it can be concluded that decentralization ($X_1$) has a partial effect on managerial performance ($Y$). This means H1 is RECEIVED, meaning that there is a decentralized effect on managerial performance. Based on table 8, the $t$ value of the management accounting system is obtained by 2.477 with a significance value of 0.017 and $t_{table}$ of 1.679. Because the significance value is smaller than 0.05 and $t$ is greater than $t_{table}$, H2 is ACCEPTED which means that there is an influence between the management accounting system ($X_2$) on managerial performance.

Table 7. T test (Test Partial)

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Coefficients unstandardized</th>
<th>standardized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>8.464</td>
</tr>
<tr>
<td>Decentralization</td>
<td>0.688</td>
<td>0.191</td>
</tr>
<tr>
<td>Management Accounting System</td>
<td>0.343</td>
<td>0.138</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Managerial Performance

Source: Processed Data SPSS (2017)
Discussion

Results of testing the hypothesis (H1) menmukan that decentralization partial effect on managerial performance, so that H1 is accepted. The results of this study stated that decentralization is getting better at PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi will affect managerial achieve optimal performance and vice versa. These results provide a snapshot PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi have implemented decentralization. This condition leads to lower level managers can make decisions quickly and accurately because they are in a position closer and know in detail the problems that are happening in their field organization. According to (Damayanti, Sujana, & Werastuti, 2015) implementation of decentralization can improve managerial performance due to the need for self-actualization is a sense of belonging (to feel welcome), sense of importance (to be needed) and the sense of participation (feel included) the lower level managers met by his superiors. The results are consistent with previous studies conducted by (Erna and Dwi, 2006; Inkiwang, 2013; Mulyaningtyas, 2008; Setyolaksono, 2011; Suryani, 2013; Widodo and Windi, 2011; Yazid, 2012) who found the partially positive and significant effect of decentralization on managerial performance.

The results of hypothesis testing (H2) find that management accounting information systems have a partial effect on managerial performance, so that the second hypothesis is accepted. These results state that the higher the management accounting system will affect the increase in managerial performance achieved and vice versa the lower the activities of the management accounting system will affect the lower the managerial performance achieved. The results of this study illustrate that in order to improve managerial performance an effort is needed to improve the information system so that it is better in the availability of information for decision makers. Therefore, it is expected that information systems can meet the needs of companies in supporting the use of information technology so that company managers are able to produce quality information. The results are consistent with previous studies conducted by (Erna and Dwi, 2006; Mulyaningtyas 2008; Setyolaksono 2011; Solechan and Setiawati 2009; Suryani, 2013; Widodo and Windi, 2011; Yazid, 2012) who found the partially positive and significant impact on managerial performance and management accounting.

Conclusions

The results of this study found that decentralization and management accounting systems partial effect on managerial performance at PT PLN (Persero) Makassar. The implication of this study is that decentralization, which is applied to the PT. PLN (Persero) Region South Sulawesi, Southeast Sulawesi and West Sulawesi may encourage the
manager and his team to further define creative new ideas to promote the goals of the organization and the creation of higher managerial performance. Trust given to the division manager it is possible to obtain a more accurate accounting information management, Broad Scope, Timelines, Aggregation, Integration because they most understand the solution to the problem to be solved in the field. The relationship between the variables of interaction will help managers, supervisor to identify interactions that can be a synergy to the successful achievement of organizational goals.

Reference


