Characteristics and Behavior of Managers towards Cost Consciouness  
(Empirical studies on Leadership Working Units in Southern Kalimantan Provincial Government)  

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ABSTRACT  

The research’s purpose is to test empirically examine the effect of the regional financial accounting information system characteristics and behavior of managers towards cost consciousness in the use of financial information systems area. Manager behavior is proxied by the control decision-making and cost management consciousness as practiced by Abernethy and Emidia. The study will examine whether the phenomenon occurs in Indonesia, particularly in the South Kalimantan provincial government. Concretely influences the characteristics of accounting information systems in this area of financial information systems, it is seen from the behavior of Chief SKPD in the South Kalimantan provincial government in decision-. The Result shows that Characteristics of Financial Accounting Information Systems affect the use of the local financial system to control decision-making and management. There is a significant relationship between system characteristics financial information to the control area decisions. Financial regionally accounting information system characteristics were positively associated with decision controlling policy. The use of financial information systems area for menajament decisions affect cost consciousness. The effect of control decisions the cost consciousness is significant.

Keywords : Financial Regionally Accounting Information System Characteristics, decision controlling policy, decision management policy, cost consciouness.

INTRODUCTION  

Characteristics of information in the accounting system used to control the behavior of managers and decision-making (Antony, 1965; Chenhall and Morris, 1986; Milgrom and Roberts, 1992; Bowens and Abernethy, 2000). Correspondence between the information needs of decision-making to support quality decision to be taken, which in turn can improve the performance of the company (Nedler and Tushman, 1988). Selection of information system design is also a significant impact on costs as a result of decisions made by managers. Assessment decision that comes from formal authority over the input and output effect on commitment and purpose of the system associated with cost efficiency (Steer, 1977 in Abernethy and Emidia, 2004). This study aims to empirically examine the effect of the regional financial accounting information system characteristics and behavior of managers towards cost consciousness in the use of financial information systems area. Manager behavior is proxied by the control decision-making and cost management consciousness as practiced by Abernethy and Emidia (2004). The study will examine whether the phenomenon occurs in Indonesia, particularly in the South Kalimantan provincial government. Concretely influences the characteristics of accounting information systems in this area of financial information systems, it is seen from the behavior of Chief SKPD in the South Kalimantan provincial government in decision-making. The population of this study are all leaders / heads SKPD in South
Kalimantan Provincial Government. The unit of analysis of this study is the leadership (as an individual) struktural positions and the respondent is the head of the budget users SKPD as officials with due consideration SKPD Chief has the authority in the management of revenue and expenditure budget in which they are involved from planning to execution of the budget, which allows them to influence the attitudes towards costs that may be incurred.

Based on this background, this study wanted to examine the effect of regional financial accounting information system characteristics for managerial behavior. Manager behavior is proxied by the control decision-making and cost management consciousness as practiced by Abernethy and Emidia (2004). The study will examine whether the phenomenon occurs in Indonesia, particularly in the South Kalimantan provincial government. Concretely influences the characteristics of accounting information systems in this area of financial information systems, it is seen from the behavior of the Head of Regional / Agency / Office / Department in the decision.

METHODS

This research uses explanatory methods that aim to test hypotheses about the relationship between the influence of different variables under study based on data obtained in order to get the meaning and implications of the problems to be solved in a systematic, timely and reliable (Cooper & Scindler, 2006). The population of this study are all leaders / heads SKPD in South Kalimantan Provincial Government according to the number SKPD by South Kalimantan Provincial Regulation No. 1 of 2012. The unit of analysis of this study is the leadership (individual/person) struktural positions and the respondent is the head of the budget users SKPD as officials with due consideration SKPD Chief has the authority in the management of revenue and expenditure budget in which they are involved from planning to execution of the budget, which allows them to influence the attitudes towards costs that may be incurred.

The data used in this study are all primary data. The procedure of data collection in this study using field research or survey research. The primary data from the respondents’ answers to questionnaires sent to respondents consisting of head / head SKPD directly related to the budget in South Kalimantan government. The questionnaire used is a questionnaire that has been used by previous researchers. Distribution and collection of questionnaires carried out by distributed directly to the respondents. The time is determined from the distribution of questionnaires to the return is 1 month. This time limit may be enough to do the research because domislili respondents centered on the town. Path Analysis using regression analysis was used to test the study hypotheses. Data analysis was performed using multiple regression analysis with the help of Statistical Software Program Product and Service Solution (SPSS) version 17.

RESULT

A path of model highlighting association among financial regionally accounting information system characteristics and behavior of managers toward cost consciousness and the summary of hypothesized relationship are presented in figure 1:

control
Hypothesis 1a states that the characteristics SIKD positive effect SIKD use to control decisions. The test results of the regression model indicated that the financial regionally accounting information system characteristics was positively related to decision controlling policy (p < 0,001) which provides adequate statistical support for Hypothesis 1a.

Testing Hypothesis 1a shows a significant relationship between system characteristics financial information to the control area decisions. The findings are consistent with research Milgron and Roberts (1992) also conducted by Chairina (2005) and Julita (2007). This study does not support the research and Emidia Abernethy (2004) and Syafruddin (2006) who found that there was no significant effect between the characteristics of the control SIKD decision.

Hypothesis 1b states that the characteristics SIKD positive effect
The test results of the regression model indicated that the financial regionally accounting information system characteristics was also positively related to the decision management policy (p < 0,001) which provides adequate statistical support for Hypothesis 1b. The results of the analysis suggested that financial regionally accounting information system characteristics were positively associated with decision controlling policy.

Testing the hypothesis 2b shows a significant relationship between the characteristics of financial information systems management area with the decision.

The findings are consistent with research and Emidia Abernethy (2004) and Syafruddin (2006). The results of this study do not support the results of research conducted by Chairina (2005) and Julita (2007), who found that there was no significant effect of the characteristics of financial information systems to the management area.

Testing hypotheses 2a shows that the effect of control decisions the cost consciousness is significant. The results of this study are consistent with Chairina (2005) but does not support the research conducted Julita (2007). The results of this study indicate that the lack of concern by the Head of the Regional cost or cost concerns led SKPD which is an
important first step for the creation of a local government organization accountable, transparent and clean. Care costs can be used to measure the performance of the working unit heads in the assessment of effectiveness and efficiency in the management of routine activities that should be the regional head office and working unit heads further enhance its ability in terms of cost concerns.

Testing the hypothesis 2b shows that the influence of management of decision the cost consciousness is significant. The results of this study are consistent with the research done and Emidia Abernethy (2004), Syafruddin (2006) and Julita (2007). The results of this study support the research Birnberg et. al, (1990), that the cost be an important consideration in the decision and the manager attempts to achieve cost efficiency of tighten budget. Concern for employees memotovasi costs are expected to take action to reduce long-term costs but pushing them at risk of short-term.

CONCLUSIONS

1. Characteristics of Financial Accounting Information Systems affect the use of the local financial system to control decision-making and management. There is a significant relationship between system characteristics financial information to the control area decisions. The findings are consistent with research Milgron and Roberts (1992) also conducted by Chairina (2005) and Julita (2007). Financial regionally accounting information system characteristics were positively associated with decision controlling policy. The findings are consistent with research and Emidia Abernethy (2004) and Syafruddin (2006).

2. The use of financial information systems area for menajamen decisions affect cost consciousness. The effect of control decisions the cost consciousness is significant. The results of this study are consistent with Chairina (2005) but does not support the research conducted Julita (2007), the influence of management of decision the cost consciousness is significant. The results of this study are consistent with the research done and Emidia Abernethy (2004), Syafruddin (2006) and Julita (2007).

Implications:

1. This study has broad implications in the future and expected to be useful as a material consideration in behavioral accounting in Indonesia in improving the efficiency of an organization. The results could be a contribution to the South Kalimantan provincial government as well as to be used as inputs in performing routine activities primarily related to cost efficiency improvements to decision-making so that local government performance can be improved.

2. The results of this study are expected to contribute to the development of literature in the field of behavioral accounting, in particular the behavior of cost consciousness so as to increase cost efficiency, as well as the motivation to do next research primarily related to cost consciousness.

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