

THE EFFECT OF BUSINESS STRATEGY AND DECENTRALIZATION IN THE RELATIONSHIP BETWEEN THE CHARACTERISTICS OF MANAGEMENT ACCOUNTING INFORMATION SYSTEM AND MANAGERIAL PERFORMANCE UNIT LEADER IN PT BANK BPD BALI

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ABSTRACT

This study aims to discuss and obtain evidence about business strategy and decentralization on the relationship between the characteristics of the accounting system and the leadership unit management at PT Bank BPD Bali. Place of research carried out at PT. Bank BPD Bali is domiciled in all regencies in Bali. The technique of answering data using a questionnaire. The number of samples used by 100 middle managers, each of whom used the head office, branch offices, sub-branch offices, and cash offices was selected using the nonprobability sampling method. Moderation regression analysis (MRA) is used for data analysis. The results obtained are the characteristics of SIAM collected positively and significantly on the Managerial Performance of Unit Leaders at PT BPD Bali, besides that the Defender Type Business Strategy weakens the relationship between SIAM Characteristics on Managerial Performance Unit Leaders at PT BPD Bali, and Decentralization questions the relationship between SIAM Characteristics on Managerial Performance The Unit Leader at PT BPD Bali is at the same time able to directly support the managerial performance of the Unit Leader at PT BPD Bali.

Keywords: business strategy, decentralization, management accounting information system characteristics, and managerial performance

INTRODUCTION

The economic pulse of a country is a bank. Banks have an important role in the process of depositing and sending money, trading transactions both nationally and internationally, and the existence of venture capital assistance. In recent years, many banking problems have come to the attention of many parties. This causes the public to be uneasy about the safety of the money deposited in the bank. One of them is the nominal change in several accounts from one of the state banks, which not only triggers public anxiety but also a threat to customer confidence because the stakes are not only related to loyalty but also the threat of moving to another bank. Imagine, banking services tend to be homogeneous, be it state banks or private banks so that irregularities in a banking service are very vulnerable to trust.

Although yesterday's error case was only for a moment, customers and the public became less confident in the bank's performance. It also cannot be separated from the intense competition in the banking sector. Therefore, building a digitizing system becomes very important as is the commitment to its maintenance. So, there is no reason to neglect trust assurance with online services and banking digitalization models because they are intended to improve the quality of banking services. Another case that is also rife lately is the misuse of ATMs (Automatic Teller Machines) with burglary mode at major banks in Indonesia. Banking performance was highlighted as a series of events that led to a decline in public confidence. These problems make managers work hard to restore public trust. Improving the work ethic requires information that can be useful for its users, especially in decision making. An unpredictable and uncertain future will make the planning process harder to achieve organizational goals. The coordination and planning of limited resources require tools to be able to compete in a dynamic and competitive era.

Managers need information support to help with activities. Management Accounting Information System (SIAM) is a formal system design for managers to provide information. The hope is that the existence of the system will provide positive input so that managers can produce effective decisions. The product of SIAM is to achieve organizational goals. Effective information when the information can contribute to making decisions. This picture is in line with the contingency theory (Otley, 1980), where there may be inequality in the availability of SIAM characteristics for each organization. The inequality is influenced by situational factors such as business strategy and the level of decentralization that affect the need for SIAM.

Furthermore, the business strategy variable is used to make a difference, because the difference produces different characteristics of information. The managerial performance will improve when business strategies and information are in good condition (Laksmana and Muslichah, 2002). The degree of decentralization or authorization impacts different levels of information needs. Greater role of managers in making decisions and their implementation under conditions of decentralization. Managers who get delegated authority need the right information in making decisions. Unlike the case in centralized organizations, decisions that have been made by top management just need to be carried out by managers.

Another thing that is useful for the user is the time of presentation of the right information. The managerial performance will have a positive impact if there is an interaction between the characteristics of each management accounting information system with decentralization. The improvement of SIAM characteristics under conditions of a high level of decentralization can support the role of managers. Gul and Chia (1994), Chia (1995), Nazaruddin (1998), and Wahyudin (2007) found that SIAM characteristics were not significantly related to managerial performance, involving moderating variables of decentralization level and leadership style. Other research conducted by Solechan and Setiawati (2009) shows that the

moderating role of SIAM and decentralization characteristics on managerial performance also has no positive and significant effect. This research was conducted by adding business strategy variables as moderating variables in addition to decentralization variables which are thought to influence the relationship between managerial performance and SIAM characteristics. Characteristics of a management accounting information system that consists of several indicators that can improve managerial performance (Juniarti and Evelyne, 2003). This statement corroborates the research of Chia (1994) in Ernawati, et al (2005). Targets will be more easily achieved by managers who. The hypotheses of the study are:
H1: SIAM characteristics affect the managerial performance of unit leaders.

The interaction between SIAM characteristics and business strategy can influence performance. This study uses business strategy as a moderator variable that can affect the relationship between the dependent variable and the independent variable (Sekaran, 2006). The hypothesis is as follows:
H2: The level of business strategy influences the relationship between SIAM characteristics and managerial performance of unit leaders.

The interaction between the characteristics of SIAM and decentralization affects managerial performance. Decentralization variable as a variable that influences SIAM characteristic variable with managerial performance variable. Research by Chia in Mardiyah and Gudono (2000), Nazaruddin (1998), and Deddy Santika Putra (2010) shows that SIAM characteristics depend on organizational contextual variables, decentralization. Differences in the level of decentralization will lead to differences in the requirements of the characteristics of the information needed so that there is a need for compatibility between decentralization and SIAM to improve managerial performance. The hypothesis formed from the description is:
H3: Decentralization level influences the relationship between SIAM characteristics and managerial performance of unit leaders..

LITERATURE REVIEW

Contingency Theory

The contingency theory approach identifies optimal forms of organizational control under different operating conditions and tries to explain how the operating procedures control the organization. The accounting approach to management accounting is based on the premise that no universal accounting system is always appropriate to be applied to every organization, but this depends on the conditions or situation factors in the organization. According to Otley (1980), researchers have applied contingency approaches to analyze and design control systems, particularly in the area of management accounting systems.

Management Accounting System

Management accounting is financial information that is output produced by management accounting types that are utilized primarily by the organization's internal users. According to Mulyadi (2001) management accounting can be viewed from two angles namely management accounting as one type of accounting and management accounting as one type of information. Management accounting system is an organizational control mechanism, and is an effective tool in providing useful information to predict the possible consequences of various alternative activities that can be carried out (Nazaruddin, 1998).

Review of management accounting information systems

Accounting as an information system and communicating financial information to parties who have an interest in corporate organizations such as managers, shareholders, creditors and the government so they can make economic decisions. On the other hand accounting is an important instrument for the business world and is used as a tool in business decision making.

Business strategy

Supriyono (1999) states the understanding of strategy in terms of a company, strategy is a comprehensive and integrated corporate plan that is needed to achieve company goals. According to Suwarni (1998) strategy is a unified, comprehensive and integrated plan that links the advantages of a company's strategy with environmental challenges. Suwarni (1998) explains that a business strategy is an integrated plan regarding the description of products, activities, functions, and markets currently run by the company to achieve the company's main objectives. Miles and Snow (1978) classify strategies into 4 types, namely prospectors, analyzers, defenders and reactors.

Decentralization

Miah and Mia (1996) also define decentralization as the extent to which higher managers allow lower managers to make decisions independently. Thompson (1986) asserts that decentralization is needed in response to an unpredictable environment. Govindarajan (1986) shows that high decentralization is the right form to face increasing uncertainty so as to support the achievement of better managerial performance.

Managerial Performance

Stoner (1992) defines managerial performance is how effective and efficient managers have worked to achieve organizational goals. Evaluations of performance by managers vary depending on the culture developed by each company (Ivaneevich, 1999).

Business strategies and characteristics of management accounting information systems

Companies in entering increasingly fierce competition will implement competitive strategies to stay afloat. Abernethy and Guthrie (1994) which states that accounting information has a more positive influence on the performance of companies that apply prospector strategies compared to companies that implement defender strategies. For companies that use a prospector strategy the possibility of using management accounting information characteristics will result in a more positive performance

compared to companies that use a defender strategy. This happens because companies that have a prospector strategy usually face greater environmental uncertainty than companies that have a defender strategy.

Decentralization and Characteristics of Management accounting information systems

Decentralization related to the degree of autonomy delegated to unit managers and the design of a management accounting system constitutes a significant set of controls in the organization (Otley, 1980). Waterhouse and Tiessen (1978) explain that the conformity between decentralization and aggregate information from a management accounting system occurs if it is able to improve managerial performance. They emphasize that the compatibility of the two aspects is associated with higher performance. This happens because division / unit managers prefer to be evaluated by aggregate performance measures that reflect their area of responsibility. The size of conventional accounting evaluations that do not reflect autonomy and integration with one another will result in moral decline and increased conflict in division / unit activities (Chenhall and Morris, 1986).

RESEARCH METHODS

Quantitative design with a causal approach is used to know the relationship between variables. In this study the type of quantitative data obtained from the results of the questionnaire distributed to respondents. The hypotheses formulated in the conceptual framework identified four variables used, namely business strategy variables as moderating variables in addition to decentralization variables which are thought to influence the relationship between SIAM characteristics and managerial performance.

Samples from the study population, data sources, and data collection methods are described before data analysis. Hypothesis testing uses moderation regression to test the effect of independent, bound and moderating variables. After obtaining the results of the analysis then interpreted to obtain comprehensive information.

The location of the study was conducted at PT. Bank BPD Bali domiciled in all districts in Bali by distributing questionnaires to 125 offices as a sample domiciled in all districts in Bali. In this study, the data studied were primary in the form of respondents 'identification and respondents' statements from the results of the questionnaire distribution. Also, using secondary data in the form of data about the number of banking companies, especially PT. Bank BPD Bali.

The population and respondents are middle managers (Branch Heads, Chief of Sub-Dept., Cash Heads, Division Heads, Section Heads) at PT. Bank BPD Bali domiciled in all regencies in Bali. This study sampled 100 middle managers in all BPD Bali offices. Non-probability sampling technique in the form of total sampling.

The variables that make up this research model are managerial performance (Y), business strategy (Xm1), decentralization (Xm2), and SIAM characteristics (X). Data collection through the distribution of questionnaires to determine the response of respondents about the characteristics of SIAM, business strategy, decentralization, and managerial performance. The target respondents are middle managers of banking companies in PT Bank BPD Bali because they are considered to have an important role in decision making and also have subordinates and superiors that have implications for authority and responsibility. Managers have a variety of delegations of authority and responsibility. Data analysis uses moderation regression.

Table 1: Moderation Regression Analysis Results

Model	The coefficient is not standardized		Standardized coefficient Beta	t	Sig.
	B	Std. Error			
(Constant)	4.999	1.416		3.529	.001
siam	1.446	.550	.814	2.631	.010
1 decentralization	-1.404	.485	-1.889	-2.893	.005
strategic	.150	.076	.141	1.973	.051
int_siam_strg	-.063	.028	-.716	-2.236	.014
int_siam_des	.709	.184	3.218	3.845	.000

Source: Data Processed (2019)

Following is the moderation regression model from table 1:

$$\hat{Y} = 0,499 + 1,446X1 - 1,404X2 + 0,150X3 - 0,063X1 * X2 + 0,709X1 * X3 + e$$

SIAM characteristic variable with a coefficient (b1) of 1.446 with a significance value of 0.010 less than α (0.010 < 0.05). This value indicates the SIAM characteristics significantly influence the Managerial Performance. This means that the better the SIAM characteristics the better managerial performance.

The interaction variable of SIAM characteristics to the business strategy (X1 * X2) has a coefficient value of -0.063 with a significance value of 0.014 smaller than α (0.014 > 0.05). The interaction factor of the two variables partially has a negative and significant effect on Managerial Performance. This means that Business Strategy becomes a moderator that influences the relationship between SIAM Characteristics and Managerial Performance.

The interaction variable of SIAM characteristics to decentralization ($X1 * X3$) has a coefficient value of 0.709 with a significance value of 0.000 less than α ($0,000 < 0.05$). Interaction factors between decentralization and the characteristics of SIAM affect Managerial Performance while confirming that decentralization acts as a quasi-moderation. This means that the decentralization variable can weaken the relationship between the SIAM characteristic performance variable and the managerial performance variable where the decentralization variable interacts with the SIAM characteristic variable as well as being a predictor variable.

Testing the goodness of fit model obtained a value of determination of 0.633, then the SIAM Characteristics, Business Strategy, Decentralization, and their interactions had an effect of 0.633 or 63.3%. Account value of 35,177 with a significance (p-value) of 0,000. $< \alpha$ (0.05) then H_0 is rejected and H_1 is accepted. This means that the model formed is feasible.

Based on the analysis results obtained that partially SIAM characteristics affect Managerial Performance positively and significantly. This means that the better the SIAM characteristics the better managerial performance. This relationship confirms Argyris (1952) in Fazli (2001) found under the manager's performance appraisal through the use of accounting information resulting in the emergence of a sense of tension, with, suspicion, lack of confidence. The study was supported by Otley (1978) who concluded that there is a positive impact on subordinates who use accounting information in assessing a person's performance appraisers. The interaction factor of the two variables partially has a negative and significant effect on Managerial Performance. The Business Strategy becomes a moderator that weakens the relationship between SIAM Characteristics and Managerial Performance. The parameter coefficient value which shows a negative sign indicates that one of the business strategies weakens the relationship between SIAM characteristics and Managerial Performance. This result is caused by several statements that are not in line with the objectives of the company's business strategy, where the tendency of management to choose the type of prospector that makes the company a leader in products and market share, but this does not occur due to the communication that exists between superiors and subordinates does not work with should be, where the information obtained by subordinates and superiors about external factors, non-economic, and events that occur cannot be conveyed properly so that coordination to achieve company programs is not achieved.

These results are consistent with Yulistia's Image Research (2006) which uses a degree of environmental uncertainty, decentralization, and business strategy as moderating variables in manufacturing companies, finding significant results on management performance. This result is also reinforced by Simon (1987) who looked at the prospector strategy and the defender strategy in 261 manufacturing companies which showed that the two strategies differed significantly in the accounting control system attributes. Partially the interaction factor between decentralization and SIAM characteristics significantly influences Managerial Performance where decentralization is a quasi-moderation. This means that decentralization can be a moderator of the relationship between the performance variables of the SIAM characteristics and managerial performance variables in which the decentralization variable interacts with the SIAM characteristic variables as well as being predictor variables. Chia (1995), Deddy Santika Putra (2010) showed that the characteristics of SIAM depend on the decentralization variable.

The implication in this research related to contingency theory is that the condition of business competition which results in differences from the attitude of decision making in each region having different regional characteristics needs to be considered. The situation is needed so that the preparation of the plans needed by the company is always right.

CONCLUSION

- 1) SIAM characteristics affect the Managerial Performance of Unit Managers in PT BPD Bali positively and significantly.
- 2) Defender Type Business Strategy weakens the relationship between SIAM Characteristics and Managerial Performance of Unit Managers at PT BPD Bali.
- 3) Decentralization strengthens the relationship between SIAM Characteristics on Managerial Performance of Unit Managers at PT BPD Bali while being able to directly influence the managerial performance of Unit Managers at PT BPD Bali. Based on these conclusions, the suggestion in this study is that companies can consider the choice of strategies used by company characteristics. Environmental uncertainty, leadership style, and task uncertainty can affect managerial performance.

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