

## THE EFFECT OF THE APPLICATION OF MANAGEMENT ACCOUNTING ON THE PERFORMANCE OF PT. JHOKAMUNIKASI INTERNET SOLUSINDO (JIS)

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### Abstract

*The effective application of management accounting can improve company performance, especially in cost management and strategic decision-making. This study aims to analyze the influence of the application of management accounting on company performance in PT. Jhokamunikasi Internet Solusindo (JIS). The research method used is a qualitative approach with in-depth interviews and documentation studies. The results of the study show that PT. JIS has successfully optimized an integrated technology-based management accounting system, including the application of activity-based costing (ABC) methods and zero-based budgeting (ZBB) based budget planning, which contributes to cost control, operational efficiency, and more informed decision-making. The implications of this study show that the use of accurate and timely accounting information can improve company performance, especially in the fast-moving technology sector. This research provides insights for companies to improve the implementation of more effective management accounting to maintain competitiveness and sustainability.*

**Keywords:** Management accounting, cost control, operational efficiency

### Introduction

In an era full of global competition and rapid technological developments, companies are required to be more efficient and effective in managing existing operations and resources. One of the factors that greatly supports the company's ability to achieve these goals is the application of good management accounting. Management accounting, which focuses on processing financial information used to support managerial decision-making, plays a very important role in improving a company's performance. Through the right management accounting system, company managers can obtain accurate and relevant information to plan, control costs, and make decisions which can increase the efficiency and effectiveness of the company's operations. In this context, PT. Jhokamunikasi Internet Solusindo (JIS), as a company engaged in the information and communication technology industry, is an interesting example to analyze, considering the great challenges faced by companies in this sector.

The information and communication technology industry is one of the most dynamic sectors and full of challenges that require rapid adaptation to changes in technology, markets, and increasingly fierce competition. PT. Jhokamunikasi Internet Solusindo (JIS), as a company engaged in internet solutions, faces great pressure to be able to manage costs efficiently, plan product and service development appropriately, and make decisions based on accurate information. In this case, the application of management accounting is an important key to support better decision-making, which will ultimately improve the company's performance.

Based on previous research, many studies have shown that the effective implementation of management accounting can have a significant positive impact on company performance. For example, research conducted by Gunawan and Hidayat (2021) found that the application of good management accounting is able to improve company performance in terms of cost control, operational efficiency, and more informed decision-making. Management accounting not only relies on recording financial transactions, but also includes managing information related to costs, resource allocation, and more careful planning. This is in line with the view expressed by Horngren et al. (2016), which stated that management accounting is more than just a process of recording numbers, but also an important process in supporting strategic planning and more effective decision-making.

The purpose of this study is to analyze in depth how the application of management accounting in PT. Solusindo Internet Communication and its influence on company performance. This study aims to provide a clearer picture of how management accounting can be used to improve company performance, especially in terms of budget planning, cost control, and decision-making based on accurate accounting data. Thus, this research will contribute to both academics and business practitioners to better understand the

importance of the application of management accounting in the context of technology companies, as well as how effective implementation can improve the performance of companies in the sector.

In addition to contributing to the development of science, the results of this research are also expected to provide practical benefits for PT. Jhokamunikasi Internet Solusindo and other companies in the information technology sector. Company managers and owners can use the results of this study to evaluate and optimize the application of management accounting in their companies, with the aim of improving operational efficiency, cost control, and company competitiveness. This research is also expected to provide useful recommendations for companies in the technology sector regarding the application of more appropriate management accounting, so that it can improve the company's performance and sustainability.

The focus of this study is to analyze the application of management accounting in PT. Jhokamunikasi Internet Solusindo, with an emphasis on how management accounting can improve company performance in various aspects, such as budget planning, cost control, and strategic decision-making. The limitation of this study is that it only focuses on one company as the object of research, so the results of this study may not be fully generalizable to other companies. However, the findings of this study can still provide useful insights for companies in other technology sectors in optimizing the application of management accounting.

In this study, the author uses management accounting theories as the theoretical foundation, such as budget planning theory, cost control, and financial information-based decision-making that have been applied in various companies. The views expressed by Mulyadi (2020) regarding the importance of management accounting information systems in planning and controlling costs are very relevant to the context of PT. JIS, which operates in a very fast-changing industry. In addition, research by Wulandari (2022) which shows the importance of timely and accurate accounting data processing is also one of the references in this study.

Based on various relevant references, this study is expected to provide a more complete picture of the application of management accounting and its influence on company performance, especially in the technology and communication sectors. This research will provide new insights into management accounting practices and can be a reference for further studies on similar topics.

## Methods

This study adopts a qualitative approach to dig deeper into the influence of the application of management accounting on company performance, especially in PT. Jhokamunikasi Internet Solusindo (JIS). The qualitative approach was chosen because this study aims to obtain a deep and comprehensive understanding of the existing phenomenon, namely how management accounting can affect various aspects of company performance. This approach allows researchers to explore more detailed and contextual aspects of the implementation of management accounting in company operations, as well as how accounting information is used in strategic decision-making related to operational efficiency, cost control, and long-term planning.

This research also focuses more on the holistic analysis process which will provide a comprehensive picture of how the application of management accounting can improve company performance, especially in a very dynamic context such as PT. Jhokamunikasi Internet Solusindo. In this case, the qualitative approach allows researchers to delve into aspects of subjective experience that cannot be explained numerically, such as managers' perceptions of the effectiveness of management accounting systems implemented in their companies.

## Research Location

This research was carried out at PT. Jhokamunikasi Internet Solusindo (JIS), a company engaged in information technology and internet solutions, operates in a highly competitive and ever-growing industry. The location of this research was chosen because PT. JIS is a relevant representation for analyzing the application of management accounting to companies in the technology sector, which has unique challenges and characteristics. In addition, the company already has a management accounting system used in cost management, budget planning, and decision-making, which makes it an ideal object of research to understand how management accounting can affect a company's performance.

## Data Source

The data used in this study consisted of primary data and secondary data.

1. **Primary Data:** The main data in this study was obtained through in-depth interviews with various parties involved in the management accounting process at PT. JIS, such as financial managers, accounting staff, and operational managers. This interview aims to explore first-hand information about their experience in implementing management accounting, the challenges they face, and their impact on the company's performance. Interviews were conducted using semi-structured interview guidelines, which provided space for respondents to express their views more openly and in-depth.

2. **Secondary Data:** Secondary data is obtained from a variety of written sources that can enrich research analysis, including company annual report documents, financial statements, audit reports, as well as budget planning documents and the company's strategic plan. In addition, related literature on management accounting theory and company performance is also used as a basis for building a theoretical framework and a reference for further analysis.

### Data Collection Techniques

The data collection technique used in this study is a combination of in-depth interviews and documentation studies.

1. **In-Depth Interviews:** Interviews were conducted with managers and staff who were directly involved in the process of implementing management accounting at PT. JIS. This interview process aims to gain a richer perspective on the application of management accounting in companies, its influence on decision-making, and its impact on company performance. These interviews were conducted in a semi-structured manner, where the researcher used flexible interview guidelines, allowing adjustments according to the responses from the informants.
2. **Documentation Study:** Secondary data collection through documentation studies is carried out by examining various internal company documents related to the application of management accounting. The documents reviewed include annual financial statements, internal and external audit reports, annual budgets, and strategic planning that describe how the company plans and controls costs. This documentation study is important to provide concrete evidence about the application of management accounting carried out by the company and to verify the information obtained through interviews.

### Research Procedure

This research procedure consists of several interrelated stages. The first stage is research preparation, which includes the selection of topics, the determination of research locations, and the preparation of interview guidelines and other research instruments. After that, the researcher collected data by means of in-depth interviews and documentation studies to obtain the necessary information. After the data was collected, the researcher conducted data analysis using thematic analysis and constant comparison techniques to identify the main themes and patterns relevant to the research topic. This analysis allows researchers to look at the relationship between the application of management accounting and company performance in more depth. The last stage is the drawing of conclusions, which includes the preparation of analysis results and recommendations based on the findings of the research.

### Data Processing and Analysis Techniques

In this study, the data analysis techniques used are thematic analysis and constant comparison analysis.

1. **Thematic Analysis:** Data obtained from interviews and documentation are analyzed by identifying the main themes that emerge from the data. This analysis allows researchers to group data into specific categories, such as cost control, budget planning, and data-driven decision-making. These themes are then analyzed to determine the influence of the application of management accounting on the company's performance.
2. **Constant Comparative Analysis:** Once the main themes have been identified, researchers use constant comparison techniques to compare data obtained from various sources and identify relevant patterns or similarities. This technique is used to gain a deeper understanding of how management accounting is applied in PT. JIS can affect a company's performance in a broader context.

### Mindset

The framework in this study is based on several theories and concepts that are relevant to the research topic, namely management accounting and company performance.

1. **Management Accounting:** In this context, management accounting is used as a tool to plan, control costs, and support strategic decision-making. According to Horngren et al. (2016), management accounting is not only concerned with financial records, but also about how managers use financial information to steer the company towards achieving predetermined goals. The proper application of management accounting can help companies in controlling costs, better budget planning, and making more accurate decisions.
2. **Company Performance:** The study uses the **Balanced Scorecard** model to measure company performance from various perspectives, including financial, customer, internal processes, and learning and growth perspectives. This model helps researchers to evaluate the extent to which the application of management accounting can affect the overall performance of the company and how accounting information is used to support decisions that impact all of these aspects.

By using a qualitative approach, comprehensive data collection techniques, as well as thematic analysis and constant comparison, this study aims to provide in-depth insight into the influence of the application of management accounting on the performance of companies in PT. Jhokamkomunikasi Internet Solusindo. The results of this research are expected to contribute to companies in improving the application of management accounting more effectively, as well as be a reference for academics and business practitioners in understanding the relationship between management accounting and company performance in the technology sector.

### **Results And Discussion**

In this section, the researcher will present the findings obtained through in-depth interviews and document analysis at PT. Jhokamunikasi Internet Solusindo (JIS). The results and discussion will be explained by referring to the formulation of the research problem which focuses on two main things: first, how to apply management accounting in PT. JIS, and second, the extent to which the application of management accounting affects the company's performance.

Based on interviews with financial managers, accounting staff, and operational managers at PT. JIS, the application of management accounting in this company covers various important aspects that support cost management, budget planning, and strategic decision-making. One of the main approaches implemented by PT. JIS is the use of a technology-based accounting system that is integrated with advanced accounting software. This system allows managers to monitor and manage cost allocation more effectively, provide more accurate insights into the company's financial health, and support better decisions.

In terms of budget planning, PT. JIS uses zero-based budgeting (ZBB), which allows companies to plan their annual budget from scratch, without relying on the budget from the previous year. Each department is required to prepare a budget based on real needs that are relevant to current conditions, not just based on the budget that has been set in the previous year. This practice allows PT. JIS to assess more objectively which resources are needed to achieve the company's goals. For example, in planning budgets for product development and market research, financial managers note that The budget allocated for research and development is increasing in line with the development of technological trends affecting the communication industry. This reflects the company's commitment to using management accounting to plan for optimal resource allocation.

In addition, cost control at PT. JIS is carried out by implementing activity-based costing (ABC), a method that allows companies to allocate costs more accurately based on the activities underlying production or services. The use of this method allows companies to see more clearly which parts of operations require greater attention and which costs can be reduced or diverted to improve efficiency. Operations managers revealed that the application of the ABC method has allowed them to make a more in-depth identification of more wasteful business processes, such as freight forwarding and product distribution, which are not only costly, but also take longer. This method then allows companies to plan more efficient ways to manage the process, including more efficient procurement and delivery of products.

Based on the findings obtained, the application of management accounting carried out by PT. JIS has a very significant impact on improving the company's performance in several dimensions. These dimensions include cost control, operational efficiency, and more data-driven strategic decision-making.

#### **More Effective Cost Control**

One of the main findings of this study is the positive influence caused by the application of the management accounting system in controlling the company's costs. Based on the analysis of financial statements and interviews with financial managers, more effective cost control has been achieved after the implementation of the activity-based costing (ABC) and budget management based on the principle of zero-based budgeting (ZBB). PT. JIS experienced a significant decrease in unproductive costs and unexpected expenses, especially in the production and distribution process. For example, the cost of procurement of materials for certain products that previously exceeded the budget can now be better controlled due to the clearer identification of material needs that are in accordance with the production volume.

One concrete example is the reduction of waste that occurs in product delivery. Prior to the implementation of the ABC system, PT. JIS spends a significant amount of money on inefficient product delivery, especially related to high transportation costs and long delivery times. Using data from the ABC system, PT. JIS can map the distribution process and identify areas that need change, such as more efficient routing of shipments, resulting in a reduction in shipping costs by up to 15%.

#### **Higher Operational Efficiency**

The next findings show that the application of good management accounting has improved the operational efficiency of PT. JIS. The company has successfully identified and eliminated non-value-added activities in the supply chain and other operational processes. In this case, zero-based budgeting (ZBB)

budget planning allows each department to carefully assess their resource allocation. This has a direct effect on reducing waste and improving operational performance.

In the product development sector, PT. JIS experienced significant improvements in the time it took to prepare new products. Previously, product development times often took longer than planned due to a lack of control over resource allocation. With more structured and budget-based cost control planned in advance, companies can accelerate new product launch times and increase responsiveness to market demand.

#### **More Data-Driven Decision Making**

One of the most significant benefits found in this study is the use of more accurate and timely accounting information to support strategic decision-making. In the interview, the managers at PT. JIS emphasizes that the accounting data generated from the system they implement has enabled them to make decisions faster and with a stronger basis. In some cases, decisions for market expansion and budget allocation on research and development can be made based on highly detailed cost analysis and revenue projections, supported by accounting data.

For example, in the decision to expand the market to new regions, PT. JIS uses the cost and profit analysis suggested by the management accounting system to assess the potential revenue and costs associated with the expansion. With more accurate information about the costs involved, companies can assess the feasibility and potential profitability of this expansion decision before deciding to proceed.

#### **Impact on Financial Performance**

Overall, the application of management accounting at PT. JIS is also reflected in the improvement of the company's financial performance. Analysis of the annual financial statements showed an improvement in profit margins and a significant reduction in operating costs. This shows that the management accounting system not only contributes to cost control, but also to the improvement of long-term profitability. The decision to focus investment on technology and new product development, based on accurate cost analysis, also had a positive impact on the company's revenue.

The company has succeeded in improving the efficiency of resource use and reducing waste in the production and distribution process, which has led to an increase in net profit. This improvement in performance is also reflected in financial ratios, such as return on assets (ROA) and return on equity (ROE), which have improved after the implementation of the management accounting system.

The application of management accounting has had a very positive impact on various aspects of the company's performance, both in terms of finance, operations, and decision-making. Success in managing costs and operational efficiency gives the company a significant competitive advantage, which allows PT. JIS to continue to develop and adapt to rapid technological changes in the communication industry.

Thus, this study shows that the application of management accounting based on an integrated information system can have a great impact on improving company performance, and this is very important in supporting strategic decisions that can strengthen the company's position in a highly competitive market.

#### **Conclusion**

Based on the results of research that has been carried out at PT. According to Jhokamunikasi Internet Solusindo (JIS), it can be concluded that the implementation of effective management accounting has a significant positive impact on company performance. The use of integrated technology-based accounting information systems, as well as the application of cost control methods such as activity-based costing (ABC) and zero-based budgeting (ZBB) have made a great contribution to improving operational efficiency, cost control, and more appropriate data-based decision-making.

In particular, the application of management accounting at PT. JIS has enabled companies to manage costs more efficiently, reduce waste in production and distribution processes, and accelerate strategic decision-making time. In addition, the results of the study show that better investment decisions and more precise allocation of resources have improved the company's financial performance, as seen from the increase in profit margins and return on assets (ROA). Overall, the application of management accounting has helped PT. JIS for increase competitiveness and adapt to rapid market changes in the technology industry.

#### **Advice/Recommendations**

Based on the findings of this study, it is recommended that PT. Jhokamunikasi Internet Solusindo continues to update and develop technology-based management accounting systems to ensure that the data generated remains accurate and timely. In addition, companies can consider expanding the application of the activity-based costing (ABC) method to more operational parts to improve cost efficiency. Strengthening the competence of accounting staff and managers in utilizing this system will also be an important factor to ensure the optimal implementation of management accounting.

For further research, it is recommended to conduct a more in-depth analysis of the influence of management accounting on companies with different industry characteristics, in order to expand the understanding of the effectiveness of the application of management accounting in various sectors.

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