

The Effect of Clarity on Budget Targets and Accounting Controls on Managerial Performance in Panin Sekuritas

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ABSTRACT

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This study aims to identify and understand the influence of Systems and Control Budget Goal Clarity Accounting against Managerial Performance in Panin Securities Company. The population in this study were all employees of PT. Panin Securities, Tbk branch of Iskandar Muda, Medan. Hypothesis testing using descriptive analysis method, statistical analysis method which consists of a multiple linear regression analysis, significant simultaneous testing (Test F), partial significance testing (t test) and test the coefficient of determination (R²). Results of this study indicate that the independent variable, ie a variable budget goal clarity and accounting control systems and a significant positive effect on managerial performance at PT. Panin Securities, Tbk. On testing simultaneously (Test F) note that the variable budget goal clarity and accounting control systems together positive and significant effect on managerial performance. In the partial test (t test) showed that the variables that budget goal clarity dominant influence on managerial performance at PT. Panin Securities where one unit increase in variable budget goal clarity will improve managerial performance by 0.279, while the increase in one unit of accounting control system variables (X₂) when compared with the effect of budget goal clarity variable (X₁) will only improve managerial performance by 0.199.

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1. Introduction

Panin Sekuritas is one of the leading Securities Companies present to answer the investment needs of Investors, both individuals, private companies, and government institutions (Yamaguchi, n.d.) (Rindyawati, 2013). The legal basis is Law no. 8 of 1995 concerning the Capital Market. PP No. 45 of 1995 concerning the Implementation of Activities in the Capital Market and Decree of the Chairman (Collier, 2008) (Aras & Yobaş, 2013).

Panin securities investment fund management is one of the best and recognized in several print media (White, 2010) (Schotter & Beamish, 2011) (Fuller & Jensen, 2010). This achievement can be achieved not only because Panin Sekuritas has employees who are trained in their fields, but also because they have a large enough budget for investment (Simon, n.d.) (Baridwan & Sudarma, 2009). So that Panin Securities investment employees can choose the best investments for companies and investors without having to think about the lack of budget funds they have company (Choi & Fisch, 2008) (Mulcahy et al., 2012) (Woods & Urwin, 2010) (Woods & Urwin, 2010).

The theory suggests that the budget is a plan about the activities of the company (Østergren & Stensaker, 2011) (Hansen, 2011) (Libby & Lindsay, 2010) (Verworn et al., 2008). This plan includes various operational activities that are interrelated and influence each other (Ngai et al., 2008). Companies as economic institutions generally pursue profit, and therefore use efficiency as a measuring tool (Bagnoli & Megali, 2011) (Marr, 2012). That's why companies need a profit planning and controlling tool called the company budget, Adisaputro and Asri (2003: 02). Budget is an important component in an organization, both public and private sector. According to Hansen and Mowen (2004: 01), every profit-seeking and non-profit entity can benefit from the planning and control provided by the budget. Planning is foresight to see what actions should

be taken in order to achieve certain goals. Control is looking back, deciding what actually happened and comparing it with previously planned results. According to Brownell (2004:619) budgetary participation is the level of involvement and influence of a person in the budgeting process. Participation in budgeting involves all levels of management to develop budget plans. Participation from subordinates in budgeting can improve performance because the communication between superiors and subordinates that produces relevant information in the work can allow subordinates to choose (Derfuss, 2009)(Kung et al., 2013)(Adler & Reid, 2008)(Yahya et al., 2008). Participation in budgeting is the level of involvement and influence of a person in the budgeting process. Participation in budgeting involves all levels of management to develop budget plans. Participation from subordinates in budgeting can improve performance because the communication between superiors and subordinates that produces relevant information in the work can allow subordinates to choose (Derfuss, 2009)(Adler & Reid, 2008). Participation in budgeting is the level of involvement and influence of a person in the budgeting process. Participation in budgeting involves all levels of management to develop budget plans. Participation from subordinates in budgeting can improve performance because the communication between superiors and subordinates that produces relevant information in the work can allow subordinates to choose (Yahya et al., 2008)(Jermias & Setiawan, 2008).

2. Method

This type of research uses explanatory research methods. Explanatory research is research that aims to determine the relationship between one variable and another or how one variable affects other variables. This research was conducted in June 2013. The independent variables in this study were the clarity of budget targets and accounting controls. The dependent variable in this study is managerial performance. The measurement of each variable is as follows: (1). Clarity of Budget Targets, Budget is a key element in the planning and control system. Clarity of clear and specific budget targets is one of the factors for achieving good managerial performance. This variable was measured using a Likert scale with a range of values between 1 to 5, namely: 1 = ; 2= seldom; 3= neutral; 4= often; and 5= very often. (2). Accounting Control System, Accounting Control has a general purpose, namely to control the budget and assets of the company. This variable was measured using a Likert scale with a range of values from 1 to 5, namely: 1 = never; 2= seldom; 3= neutral; 4= often; and 5= very often. (3). Managerial Performance. The performance referred to in this study is the performance of the managerial part in helping the company reach certain targets from a budget. This variable was measured using a Likert scale with a range of values from 1 to 5, namely: 1 = never; 2= seldom; 3= neutral; 4= often; and 5= very often. The type of data used in this study is primary data. Primary data is a source of research data obtained by researchers directly through the delivery of questionnaires to respondents in the PT. Panin Securities, Tbk. The method of collecting primary data from respondents was carried out by survey, namely by collecting basic data (primary data) from a sample using a questionnaire instrument by providing a list of written statements to respondents.

Validity test is to measure whether a questionnaire is valid or not. According to Imam (2005), a questionnaire is said to be valid if the statement on the questionnaire is able to reveal something that will be measured by the questionnaire. The significance test was carried out by comparing the calculated r value with the r table for the degree of freedom (df) = $n-2$. If r count is greater than r table and the value of r is positive, then the question is said to be valid. The reliability test is intended to test the consistency of the questionnaire in measuring the same construct or the stability of the questionnaire if it is used from time to time (Ghozali, 2006). The reliability test was carried out using the internal consistency method. The criteria used in this test are One Shot, it means one measurement only and then the results are compared with other questions or in other words measure the correlation between the answers to the questions. Statistical Product and Service Solution (SPSS) provides a facility to measure reliability with the Cronbach Alpha (α) statistical test. In this study, the researcher used the classical assumption testing technique. Classical assumption testing is needed to find out whether the regression estimation results are completely free from heteroscedasticity symptoms, multicollinearity symptoms, and autocorrelation symptoms. Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test, Hypothesis Testing Statistical Product and Service Solution (SPSS) provides a facility to measure reliability with the Cronbach Alpha (α) statistical test. In this study, the researcher used the classical assumption testing technique. Classical assumption testing is needed to find out whether the regression estimation results are completely free from heteroscedasticity symptoms, multicollinearity symptoms, and autocorrelation symptoms. Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test, Hypothesis Testing Statistical Product and Service Solution (SPSS) provides a facility to measure reliability with the Cronbach Alpha (α) statistical test. In this study, the

researcher used the classical assumption testing technique. Classical assumption testing is needed to find out whether the regression estimation results are completely free from heteroscedasticity symptoms, multicollinearity symptoms, and autocorrelation symptoms. Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test, Hypothesis Testing

3. Results and Discussion

Research Characteristics

From the questionnaire that was distributed to 5 managers of PT Panin Sekuritas Tbk, it was obtained some about the characteristics of the respondents, namely gender and age. Table1 will provide information about the characteristics of the respondents in this study.

Table 1. Characteristics of Research Respondents

No	Characteristics of Respondents		Frequency (Person)
1	Gender	1. Boys	80
		2. Girls	22
	Amount		102
2	Age	1. > 20 years	5
		2. 20 – 30 years	31
		3. 31 – 40 years old	63
		4. 41 years and over	3
Amount		102	
3	Education	1. S-2	9
		2. S-1	64
		3. D-3	21
		4. High School	8
Amount		102	

Source: Primary Data Processed, 2013.

Table 1 shows that the majority of respondents were 80 men, and the rest were 22 women. Thus, it can be seen that the managers of PT Panin Sekuritas Tbk are predominantly male.

Validity and Reliability Test

Table 2. Results of the Validity Analysis of Respondents' Questionnaire on Clarity of Budget Goals

Question Items	Value of Coefficient r	Table r value	Conclusion
P1	0.256	0.254	Valid
P2	0.605	0.254	Valid
P3	0.258	0.254	Valid

Source: Primary Data Processed, 2013.

Based on Table 2 above, it shows that all the questions for the respondent's answer questionnaire are known to have $r_{\text{arithmetic}} > r_{\text{table}}$ which means all questions can be declared valid. So it can be carried out to the next test.

Table 3. Results of Questionnaire Validity Analysis on Accounting Control Systems

Question Items	Value of Coefficient r	Table r value	Conclusion
P1	0.284	0.254	Valid
P2	0.614	0.254	Valid
P3	0.264	0.254	Valid
P4	0.561	0.254	Valid
P5	0.541	0.254	Valid
P6	0.464	0.254	Valid

Source: Primary Data Processed, 2013.

Based on Table 3, it shows that all the questions for the respondents' answers are known to have the value of $r_{\text{count}} > r_{\text{table}}$, which means that all questions are declared valid. So that the next test can be carried out

Results of Questionnaire Validity Analysis on Accounting Control Systems.**Table 4.** Results of Questionnaire Validity Analysis on Accounting Control Systems

Question Items	Value of Coefficient r	Table r value	Conclusion
P1	0.284	0.254	Valid
P2	0.614	0.254	Valid
P3	0.264	0.254	Valid
P4	0.561	0.254	Valid
P5	0.541	0.254	Valid
P6	0.464	0.254	Valid

Source: Primary Data Processed, 2013

Based on Table 4 shows all the questions for the respondent's answer questionnaire, it is known that the value of $r_{count} > r_{table}$ which means all questions are declared valid. So that the next test can be done.

4. Conclusion

2008 was a tough year for the global and national economy due to the ongoing global financial crisis. A number of countries began to experience a recession while other countries, including Indonesia, experienced a decline in economic growth. This condition also affects the performance of the national capital market and securities companies. Panin Bank, which was previously established as the main unit, strives to keep business activities running at a safe level while still looking at business development opportunities. In 2009 Panin Sekuritas started by opening new Branch Offices/Gallery in Puri-West Jakarta, Intiland South Jakarta, Pluit Sakti-North Jakarta, Padang, Pekanbaru, Pontianak and Surabaya-2. In 2010 Panin Sekuritas opened a Branch Office/Gallery in Gading Serpong-Tangerang, Medan, Palembang and Semarang and will continue with the opening of branches in other cities in Indonesia. Until now, Panin Sekuritas is one of the leading Securities Companies present to answer the investment needs of Investors, both individuals, private companies, and government institutions. The smart solutions provided by the company are based on deep knowledge of the investment needs of customers. Panin Sekuritas is committed to expanding its services to customers through the internet. The smart solutions provided by the company are based on deep knowledge of the investment needs of customers. Panin Sekuritas is committed to expanding its services to customers through the internet. The smart solutions provided by the company are based on deep knowledge of the investment needs of customers. Panin Sekuritas is committed to expanding its services to customers through the internet.

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