

**THE ROLE OF COST MANAGEMENT KNOWLEDGE AS MODERATION:
PARTICIPATORY BUDGETING, CLARITY OF BUDGET OBJECTIVES,
MANAGERIAL PERFORMANCE**

Fadly Aditya

Padjadjaran University, Indonesia

fadly19001@mail.unpad.ac.id

Abstract: This study aims to examine the effect of participatory budgeting and the clarity of budget targets on managerial performance with knowledge of cost management as a moderator at PT Pupuk Iskandar Muda (PT PIM). The study used data from all employees who have the positions of Assistant Vice President, Vice President, and Senior Vice President at the company PT Pupuk Iskandar Muda. The data collection technique is done by using a questionnaire. The data analysis method in this study uses Moderating Regression Analysis (MRA). Sample data collected were 52 samples from 63 or 82,5%. The results showed that participatory budgeting and clarity of budget targets had a significant effect on managerial performance and that managerial knowledge of cost management could moderate the effect of participatory budgets on managerial performance. On the other hand, this research shows that the knowledge of managerial cost management cannot moderate the effect of the clarity of budget targets on managerial performance.

Keywords: Budget, Clarity of Budget Targets, Knowledge of Cost Management, Participation, Managerial, Performance.

INTRODUCTION

Price competition for fertilizer sales in recent years has been very tight, due to the entry of imported fertilizers from abroad. This is even though that domestic fertilizer companies are still able to provide domestic fertilizer needs. To be able to compete in the market, a company must have a strategy to improve the company's performance so that threats from competitors can be minimized. In this case, the company must need tools to assist planning and control functions in every company activity. By planning and controlling, it is hoped that all company activities can be focused so that the strategic decisions taken can be carried out effectively and efficiently.

According to (Farahmita, 2013) the factor that most influences the company's performance is the performance of each member of the company itself. Performance is a description of the achievement of activities to realize the goals, vision, and mission of a company (Bastian, 2013). The better the managerial performance, the happier shareholders will be, because it means managers can manage the company well (Herciu, 2010).

One of the tools used to improve performance is a budget. A budget is a quantitative plan in a monetary and non-monetary form that is used to translate the company's goals and strategies into operating units (D. R. M. Hansen, 2013). In the budget preparation process, it must be properly focused on the goals the company wants to achieve. One

of the approaches to budgeting is participatory budgeting. According to (Brownell, 1982) participatory budgeting is a process where subordinates are given the opportunity by superiors to be involved and have influence in budgeting, with budget participation will encourage a sense of responsibility and creativity (D. R. M. Hansen, 2013).

Before planning, a company must have goals that it wants to achieve beforehand. By knowing where the company's goals are, the planning process to determine budget targets can be done optimally. With a clear budget target, it will make it easier to account for the success or failure of the implementation of company tasks to achieve the goals and objectives that have been previously set (Putra, 2013). In addition to clarity of budget objectives, in conducting budgeting, knowledge of cost management is also an important thing for managerial managers to realize the budget following with the cost structure of a company. Cost management is a form of management accounting that allows a business to predict future expenses to help reduce the possibility of exceeding the budget set by the company (M. dan G. Hansen, 2007). Cost management knowledge is considered capable of streamlining production and service costs so that the company's value to customers will increase and the profit desired by the company will be achieved. This research was conducted at one of the fertilizer companies in Indonesia, namely PT Pupuk Iskandar Muda (PT PIM), which is a manufacturing company, with a rational assumption that the cost structure that exists in manufacturing companies is more complex than the existing cost structures in other companies. Their cost structure is more complex because they have more production processes and also have a longer production cycle compared to other companies so they have a more complex budgeting process. Based on this, the writer wanted to know how the participatory budget and the clarity of budget targets at PT Pupuk Iskandar Muda influenced its managerial performance with knowledge of cost management as moderating variables.

Based on the background that has been stated above, the problem in the research is formulated as follows: Does participatory budgeting influence managerial performance? Does the clarity of budget objectives influence managerial performance? Does knowledge of cost management moderate the influence of participatory budgets on managerial performance? Does knowledge of cost management moderate the clarity of budget objectives on managerial performance?

Participatory budgeting is a combination of two budgeting approaches, namely a top-down approach and a bottom-up approach (Govindarajan, 2005). According to (Garrison, 2013) Participatory budgeting is a method of budgeting with all managerial cooperation at all levels.

While (Milani, 1975) explaining participatory budgeting is the level of involvement and influence of individuals in budget preparation. Participatory budgets have long been used and recognized as one of the effective ways to self-actualize company members. By doing a participatory budget, there will be motivation and a sense of belonging in each member of the company because they feel involved in efforts to achieve company goals. So that the company's performance will improve.

In every organization or company, a relationship will be created between individual performance and company performance. According to (Mahoney, 1963) managerial performance is based on classical management functions, namely the extent to which

managers can carry out management functions which include planning, investigation, coordination, evaluation, supervision, staff selection, negotiation, and representation. The purpose of performance appraisal according to (Mulyadi, 2003) is to motivate personal in achieving organizational goals and in complying with the standards of behavior previously set, to produce the desired actions and results from the organization wants.

According to (Munawar, Irianto, Gugus, 2006) the clarity of budget targets indicates the breadth of budget objectives which are stated specifically and clearly and are understood by whoever is responsible. According to (Kenis, 1979) the clarity of budget goals is deliberate to regulate employee behavior. (Adisaputro, 2010) stated that the clarity of specific budget objectives is far more useful than non-specific budget goals. Unclear budget targets will cause budget executors to be confused, uneasy, and dissatisfied with their work. This causes budget executors to not be motivated to achieve the expected performance.

According to (Blocher, Edward J., Stout., David E., Cokins, 2011) cost management is the development and use of cost management information. Cost management information is developed and used to implement an organizational strategy. Meanwhile (William K. Carter Dan Usri Millien, 2006) suggest that cost management analyzes costs and publishes performance reports and data for another decision-making for managers to use in control and improvement operations.

With some of the explanations above, it can be concluded that cost management is an ability that is needed by managers to report company performance which includes financial information as well as non-financial information for company decision making. According to (Gandasuli, J.R., F.E Daromes, 2009) cost management knowledge can serve as a guideline in budgeting to increase cost control to improve managerial performance.

The Relationship between Participatory Budget and Managerial Performance

One of the functions of the budget is as a control system to measure managerial performance (Schiff & Lewin, 2019). The use of managerial performance is one of the factors in improving corporate management effectively. The effect of participatory budgeting on managerial performance is an interesting topic to discuss because generally participation is considered a managerial approach that can improve employee performance.

Participatory budgeting refers to the degree of influence of the involvement of each individual in an organization in the budget design process. Participation is defined as a form of cooperation between superiors and subordinates. According to (Supomo & Indriantoro, 1998) it is explained that subordinates who feel that their aspirations are valued and have an influence on the budget prepared will have more responsibility and moral consequences to improve managerial performance as targeted in the budget.

With participatory budgeting, it is expected that managerial performance will increase because when budget objectives are designed in a participatory manner, subordinates and superiors will have personal responsibility for achieving company goals because they are involved in the preparation. From several previous researchers, the

results of the significant positive influence between participatory budgeting and managerial performance, among others (Rahman et al., 2020; Zubir, 2016). Based on this description, the writer draws a hypothesis, namely:

H1 Participatory budgets influence managerial performance

Relationship of Clarity of Budget Objectives and Managerial Performance

According to (Ehrmann Suhartono dan Mochammad Solichin, 2006) clarity of budget objectives is budget objectives that are clearly and specifically defined with budget objectives that can be understood by the person responsible for achieving these budget targets. existing resources. Due to the wide clarity of the budget, budget targets must be explained specifically and can be understood by those who are responsible.

According to (Kenis, 1979) states that setting specific goals will be more productive than not setting specific goals. Clarity of clear and specific budget goals will encourage employees to do their best and can help superiors to achieve company goals so that by achieving company goals, managerial performance will increase. Based on the description above, a hypothesis can be drawn, namely:

H2 Clarity of objectives influences managerial performance.

Relationship Knowledge Cost Management, Participatory Budgeting, and Managerial Performance

According to (Gandasuli, J.R., F.E Daromes, 2009) argues that cost management knowledge can play an important role in determining the efficacy of participatory budgets. Cost management knowledge is used for how managers think in the short and long term. Knowledge of cost management is useful as a guide in the process of budgeting and controlling costs that are less efficient and can also use goods that are not of economic value to become economically valuable (Nevita, Imaningati, 2014).

Participation with low-cost management knowledge can be detrimental because individuals with a low level of cost management knowledge can reduce the quality of budget decisions and overall performance (Scully et al., 1995). If implemented properly, cost management can streamline and streamline production costs for products and services, as well as increase the value provided to customers. That way cost management will help a manager in the budget preparation process to improve managerial performance. Based on the description above, a hypothesis can be drawn, namely:

H3 Cost management knowledge moderates the effect of participatory calling on managerial performance.

Relationship Clarity of Budget Objectives, Cost Management Knowledge, and Managerial Performance

According to (Tan & Kao, 1999) argues that knowledge, task complexity, and problem-solving abilities mediate the relationship between accountability and performance. By knowing cost management, it is hoped that managers can inform company members about the goals and objectives of the budget so that it can be understood by those who are responsible for achieving the budget.

With the clarity of clear budget targets, it will make it easier to account for the success and failure of a task that has been carried out to achieve the goals and objectives that have been previously set (Pitasari, K. K. A., Sulindawati, N. L. G. E., Atmadja, A. T., & SE, 2014). Based on the description above, it can be concluded that knowledge of cost management will help managerial managers in explaining budget targets so that with the help of cost management managers can make appropriate steps so that budget targets can be achieved. With budget targets achieved, managerial performance will also improve. Therefore, a hypothesis can be drawn :

H4 Cost management knowledge moderates the effect of clarity of budget targets on managerial performance

METHODS

According to (Sugiyono, 2007) the population is a generalization area consisting of objects/subjects that have certain quantities and characteristics that are determined by the researcher to be studied and then draw conclusions. In this study the object taken was PT. Pupuk Iskandar Muda is a manufacturing company that produces fertilizer in Indonesia. The population in this study were all employees with managerial levels, namely the Senior Vice President, Vice President, and Assistant Vice President as many as 63 employees.

In this study, researchers used primary data sources, namely data obtained from distributing questionnaires directly to respondents. Researchers in conducting this study only gave questionnaires and did not intervene in the answers of respondents.

The data collection technique used in this study was survey data collection. The survey conducted in this study used a questionnaire. The questionnaire is a list of questions given to other people (respondents) with the intention that the person given is willing to respond according to requests from users (Arikunto, 2010). The questionnaire used in this study is a questionnaire with an interval scale in the form of a Likert scale.

A dependent variable is a variable that is influenced or becomes a result, because of the independent variable (Sugiyono, 2007). The dependent variable used is managerial performance (Y). According to (Mahoney, 1963), managerial performance is the performance of individual organizations in managerial activities including planning, investigation, coordination, evaluation, supervision, staffing, negotiation, and representation. This variable uses instruments from (Mahoney, 1963) using a Likert scale of 1 to 5. The low scale (number 1) represents low participation (Strongly Disagree), while the high scale Strongly Agrees (number 5) represents high participation.

An Independent variable is a variable that affects or causes changes or the emergence of the dependent variable (Sugiyono, 2007). In this study, there are 2 (two) independent variables used, namely participatory budgeting and clarity of budget targets, and knowledge of cost management. The definition and operationalization of the variables of each moderating variable are as follows:

Participatory Budget

This participatory budgeting variable is measured using an instrument developed by (Milani, 1975) where respondents are asked to answer six questions by choosing a Likert

scale between 1 and 5. The low scale (number 1) represents low participation (Strongly Disagree), while the high scale Strongly Agree (number 5) represents high participation.

Clarity of Budget Objectives

Budgetary goal clarity shows the extent to which program and activity budget objectives are specifically stated, clearly, and understood by anyone responsible for the budget. The budget target clarity variable is measured using an instrument from (Kenis, 1979) with a Likert scale with 5 (five) alternative answers, the low scale (number 1) represents low participation (Strongly Disagree), while the high scale Strongly Agree (number 5).

The moderating variable is the independent variable that serves to strengthen or weaken the relationship between the independent variable and the dependent variable (Liana, 2009). In this study, the moderating variable used is knowledge of cost management.

Cost management is a form of management accounting that allows a business to predict future expenses to help reduce the possibility that it will exceed the budget set by the company

(M. dan G. Hansen, 2007). Cost management is required to provide accurate accounting for inventory and other assets, following with reporting requirements, for the preparation of financial statements, and use in the other three management functions.

The variables in this study were measured by a question instrument developed by (Shields, M., Young, 1994) in (Gandasuli, J.R., F.E Daromes, 2009) which explains a manager's knowledge of the scope and responsibilities of his work using an interval scale in the form of a scale. Likert with 5 (five) alternative answers. low scale (number 1) represents low participation (Strongly Disagree), while high scale Strongly Agree (point 5).

The method of data analysis in this study uses interaction regression Moderating Regression Analysis (MRA). According to (Ghozali, 2011) this moderation regression analysis aims to determine whether the moderating variable will strengthen or weaken the relationship between the independent and dependent variables. According to (Liana, 2009) the nature or direction of the relationship between the independent variables and the dependent variables may be positive or negative depending on the moderating variable. Data processing was performed using SPSS (statistical package for social science). The regression equation used in this study refers to the regression equation published by (Liana, 2009) :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 X_3 + \beta_5 X_2 X_3 + e$$

From :

Y = Managerial Performance

α = Constant

β_1, β_2 = Regression Coefficient

$\beta_3, \beta_4,$

β_5

X1 = Participatory Budgeting

- X2 = Clarity of Budget Objectives
X3 = Knowledge Management Cost
X1X3 = The Moderating variable is the relationship between X1 and Y
X2X3 = The Moderating variable is the relationship between X2 and Y
e = Estimation Errors

Before being processed and analyzed, the data will first be tested to determine the seriousness of the respondents in answering the questions. The test is a test of validity to state the data used to be valid, or valid and testing the reliability.

Classic Assumption Test

Before doing regression analysis, this classic assumption test is very necessary. Various sources classify the classical assumption test into several different experiments, namely normality testing, multicollinearity testing, and heteroscedasticity testing. The tests used in this study are normality testing, heteroscedasticity testing, while multicollinearity testing is not required in this study, because in the Moderating Regression Analysis (MRA) regression multicollinearity has occurred between the independent variables (Liana, 2009).

RESULTS AND DISCUSSION

The population in this study was 63 subjects. The author takes the entire population as a sample because the number of samples is not more than 100. The questionnaire has been distributed via email and filled out in the form of a google form for as many as 63 people. A total of 52 questionnaires were returned with complete filling and meeting the specified standards. Thus the questionnaires returned and can be used for research are 52 questionnaires or 82.5%.

Validity and Reliability Test

The validity test is carried out to determine whether the measuring instrument that has been designed in the form of a questionnaire can carry out its function. As has been explained in the research methodology that to see whether a measuring instrument is valid or not a statistical approach is used, namely through the correlation coefficient value of the statement item score with the statement item-total score, if the correlation coefficient is greater than or equal to 0.30 then the statement is declared valid (Barker, C. Pistrang, N & Elliot, 2016). In addition to being valid, the measuring instrument must also be reliable, the measuring instrument is said to be reliable if the reliability coefficient is greater than 0.70 then the overall statement is declared reliable (Barker *et al*, 2016:70). Based on the results of data processing, the results of the validity and reliability tests are as follows:

Table 1. Correlation Results of Validity and Reliability Test.

Variable	Instrument	Correlation Coefficient	Correlation Reliability
Participatory Budgeting	AP1	0,714	0,820
	AP2	0,705	
	AP3	0,543	
	AP4	0,431	
	AP5	0,605	
	AP6	0,666	
	AP7	0,426	
	KM1	0,426	
Managerial Performance	KM2	0,771	0,864
	KM3	0,490	
	KM4	0,588	
	KM5	0,672	
	KM6	0,634	
	KM7	0,701	
	KM8	0,495	
	Clarity of Budget Objectives	KSA1	
KSA2		0,824	
KSA3		0,755	
KSA4		0,848	
KSA5		0,877	
Knowledge Management Cost	PMB1	0,856	0,881
	PMB2	0,631	
	PMB3	0,581	
	PMB4	0,756	
	PMB5	0,617	
	PMB6	0,823	
	PMB7	0,735	

Source: Output SPSS Version 24

In table 1 it can be seen that the value of the correlation coefficient (r) of each statement item is greater than the critical value of 0.30. The results of this test indicate that all items of the questionnaire statement are valid and suitable for use as a measuring tool for research. then the reliability coefficient value of the four variables was also greater than 0.7 and was declared reliable so that it could be continued in the next analysis.

Data Normally Test

The normality test is used to test whether the independent variable and the dependent variable can have a normal distribution (Ghozali, 2011). The data normality test in this study used the Kolmogorov-Smirnov test sample. Data is considered to be normally distributed if the data has a value > 0.05 . The results of the normality test for this study can be seen in the following table:

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		52
Normal	Mean	,0000000
Parameters	Std Deviation	,34029840
a,b		
Most		,096
Extreme		,068
Differences		-,096
Test Statistic		,096
Asymp.Sig. (2-Tailed)		,200 ^{c,d}

- a. Test Distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is lower bound of the true significance

Source: Output SPSS Version 24

From the Kolmogorov-Smirnov sample test, the results obtained an asymptotic significance value of 0.200. Because the value of 0.200 is greater than 0.05, it can be concluded that the data is successfully distributed normally.

Heteroscedascity Test

According to (Sunyoto, 2011) This test is used to determine whether there is a variance of the residuals from one observation to another. The heteroscedasticity test used in this study uses the spearman rank (Gujarati & Porter, 2009), namely by correlating the independent variables to the absolute value of the residuals. If there is a significant correlation to the independent variable at an error level of 5%, it indicates heteroscedasticity. In table 4.8 below, it can be seen that the correlation significance value of the independent variable on the absolute value of the residuals.

Tabel 3. Rank Spearman Test

			Absolut Residual
Spearman's rho	AP	Correlation Coefficient	,008
		Sig (2-tailed)	,953
		N	52
KSA	KSA	Correlation Coefficient	,235
		Sig (2-tailed)	,093
		N	52
PMB	PMB	Correlation Coefficient	-,101
		Sig (2-tailed)	,475
		N	52
AP* PMB	AP* PMB	Correlation Coefficient	,139
		Sig (2-tailed)	,325
		N	52
KSA* PMB	KSA* PMB	Correlation Coefficient	,092
		Sig (2-tailed)	,518
		N	52

Source: Output SPSS Version 24

In the table above, it can be seen that the significance value (sig.) Of the correlation of the five independent variables with the absolute residual value is still greater than 0.05. Thus it can be concluded that the residual value that arises from the regression equation has the same variance (no heteroscedasticity symptoms occur).

Result of Multiple Linear Regression Analysis

Table 4. Estimation Results of Multiple Linear Regression Analysis

Unstandardized Coefficients			
Model	B	Std. Error	
(Constant)	1,084	,669	
AP	,301	,100	
KSA	,337	,104	
PMB	,083	,100	
AP*PMB	,104	,048	
KSA*PMB	,0003	,055	

Model	Standardized Coefficients Beta	t	Sig
(Constant)		1,621	,112
AP	,342	3,020	,004
KSA	,387	3,229	,002
PMB	,088	,826	,413
AP*PMB	,236	2,157	,036
KSA*PMB	,001	,005	,996

Source : Output SPSS Version 24

Based on unstandardized coefficients as presented in table 4, the multiple linear regression equation can be formed as follows.

$$\text{KM} = 1,084 + 0,301 \text{ AP} + 0,337 \text{ KSA} + 0,083 \text{ PMB} + 0,104 \text{ AP} * \text{PMB} + 0,0003 \text{ KSA} * \text{PMB}$$

Information :

KM = Managerial Performance

AP = Participatory Budgeting

KSA = Clarity of Budget Objectives

PMB = Knowledge Management Cost

Through the results of the regression equation, the coefficient of each independent variable can be interpreted as follows: A constant of 1.084 indicates the average value of managerial performance if participatory budgeting, clarity of budget targets, and knowledge of cost management are equal to zero. This means that when the budget is participatory, the clarity of budget targets and knowledge of cost management is the same, so the managerial performance is absent. The amount is 1.084 on a scale of 1-5. The participatory budget (AP) has a positive coefficient of 0.301 indicating that each increase in the participatory budget of 1 level is predicted to increase managerial performance by 0.301 level. Clarity of budget objectives (KSA) has a positive coefficient of 0.337 indicating that each increase in clarity of budget targets by 1 level is predicted to increase managerial performance by 0.337 levels. Knowledge management cost (PMB) has a positive coefficient of 0.083 indicating that each increase in cost management knowledge by 1 level is predicted to increase managerial performance by 0.083 level. The participatory budget that is moderated by knowledge of cost management (AP * PMB) has a positive coefficient of 0.104. This means that participatory budget interaction with knowledge of cost management tends to improve managerial performance. Clarity of budget targets moderated by knowledge of cost management (KSA * PMB) has a positive coefficient of 0.0003. This means that the interaction between clarity of budget targets and knowledge of cost management tends to improve managerial performance.

Partial Testing (t-Test)

Furthermore, to prove whether participatory budgeting and the clarity of budget targets which are moderated by knowledge of cost management affect managerial performance, a significance test was carried out with the following statistical hypothesis:

H₀: All $\beta_i = 0$:

Participatory budgeting and clarity of budget targets which are moderated simultaneously by knowledge of cost management do not affect managerial performance

H_a: there is $\beta_i \neq 0$:

Participatory budgeting and clarity of budget targets which are moderated by knowledge of cost management simultaneously affect managerial performance.

The Effect of Participatory Budgeting on Managerial Performance

The first partial hypothesis to be tested is the effect of participatory budgeting on managerial performance. A summary of the results of testing the effect of participatory budgeting on managerial performance can be seen in the following table.

Table 5. Result of t-Test (Participatory Budgeting)

Standardized Coefficient	T_{-count}	Sig.	t_{-table} (df:46)	H_a
0,342	3,020	0,004	2,013	accepted

Source: Output SPSS Version 24

In the table above, it can be seen that the t-count value of the influence of participatory budgets on managerial performance is 3.020 with a significance value of 0.004. Because t count is greater than t table ($3.020 > 2.013$), and the significance value is less than 0.05, then at an error level of 5%, it was decided to reject H₀ and accept H_a. Thus it can be concluded that the participatory budget has a significant effect on managerial performance at PT. Pupuk Iskandar Muda. The results of this study provide empirical evidence that a higher participatory budget tends to make managerial performance better.

The Effect of Clarity of Budget Objectives on Managerial Performance

The second partial hypothesis to be tested is the effect of clarity on budget targets on managerial performance. A summary of the results of testing the effect of participatory budgeting on managerial performance can be seen in the following table.

Table 6. Result of t-Test (Clarity of Budget Objectives)

Standardized Coefficient	T_{-count}	Sig.	t_{-table} (df:46)	H_a
0,387	3,229	0,002	2,013	accepted

Source: Output SPSS Version 24

In the table above, it can be seen that the t-count value of the influence of budget target clarity on managerial performance is 3.229 with a significance value of 0.002. Because t count is greater than t table ($3.229 > 2.013$), and the significance value is less than 0.05, then at an error level of 5%, it was decided to reject H₀ and accept H_a. Thus it can be concluded that the clarity of budget targets has a significant effect on managerial performance at PT. Pupuk Iskandar Muda. The results of this study provide empirical

evidence that the clearer the budget targets tend to make managerial performance better.

The Effect of Participatory Budgeting On The Moderated Managerial Performance of Cost Management Knowledge

The third partial hypothesis to be tested is the influence of participatory budgeting which is moderated by knowledge of cost management on managerial performance. A summary of the results of testing the effect of participatory budgeting which is moderated by cost management knowledge on managerial performance can be seen in the following table:

Tabel 7. Result t-Test (the influence of participatory budgeting which is moderated knowledge of cost management)

<i>Standardized Coefficient</i>	T-count	Sig.	t-table (df:46)	Ha
0,236	2,157	0,036	2,013	accepted

Source: Output SPSS Version 24

In the table above, it can be seen that the t-count value of the influence of participatory budgeting which is moderated by cost management knowledge on managerial performance is 2.156 with a significance value of 0.036. Because t count is greater than t table ($2.156 > 2.013$), and the significance value is less than 0.05, then at an error level of 5%, it was decided to reject H_0 and accept H_a . Thus it can be concluded that the participatory budget moderated knowledge of cost management has an effect on managerial performance at PT. Pupuk Iskandar Muda. High budget participation supported by a good knowledge of cost management will improve managerial performance.

The Effect of Clarity of Budget Objectives on Managerial Performance Moderated by Knowledge of Cost Management

The final partial hypothesis that will be tested is the effect of clarity of budget objectives moderated by knowledge of cost management on managerial performance. A summary of the results of testing the effect of clarity of budget objectives which is moderated by cost management knowledge on managerial performance can be seen in the following table.

Tabel 8. Result t-Test (the influence clarity of budget objectives which is moderated knowledge of cost management)

<i>Standardized Coefficient</i>	T-count	Sig.	t-table (df:46)	Ha
0,001	0,005	0,996	2,013	denied

Source: Output SPSS Version 24

In the table above, it can be seen that the t-count value of the influence of clarity of budget targets which is moderated by knowledge of cost management on managerial performance is 0.005 with a significance value of 0.996. Because t-count is smaller than the t-table ($0.005 < 2.013$), and the significance value is greater than 0.05, then at an error level of 5% it was decided to accept H_0 and reject H_a . Thus it can be concluded that the clarity of budget targets moderated knowledge of cost management does not affect managerial performance at PT. Pupuk Iskandar Muda.

CONCLUSION

Based on the results of the research that has been done, the following conclusions can be drawn: Participatory budget affects managerial performance at PT Pupuk Iskandar Muda. The higher the participatory budget, the better the managerial performance. Clarity of budget targets affects managerial performance at PT. Pupuk Iskandar Muda. The more clear and specific a budget goal tends to make managerial performance better. Knowledge of cost management can moderate the relationship between participatory budgeting and managerial performance at PT. Pupuk Iskandar Muda. High budget participation supported by a good knowledge of cost management will improve managerial performance. Knowledge of cost management is not able to moderate the relationship between clarity of budget targets and managerial performance at PT. Pupuk Iskandar Muda.

REFERENCES

- Adisaputro, G. dan Y. A. (2010). *Anggaran Bisnis: Analisis Perencanaan dan Pengendalian Laba*. UPP STIM YKPN.
- Arikunto, S. (2010). *Prosedur Penelitian*, Jakarta. *Rineka Cipta*.
- Barker, C. Pistrang, N & Elliot, R. (2016). *Research Methods in Clinical Psychology* (3rd ed.). John Wiley & Sons, LTD.
- Bastian, I. (2013). Akuntansi Sektor Publik Suatu Pengantar. In *Jakarta: Erlangga*.
- Blocher, Edward J., Stout., David E., Cokins, G. (2011). *Manajemen Biaya Penekanan Strategis* (5th ed.). Salemba Empat.
- Brownell, P. (1982). The Role of Accounting Data in Performance Evaluation, Budgetary Participation, and Organizational Effectiveness. *Journal of Accounting Research*, 20(1). <https://doi.org/10.2307/2490760>
- Ehrmann Suhartono dan Mochammad Solichin. (2006). Pengaruh Kejelasan Sasaran Anggaran Terhadap Senjangan Anggaran Instansi Pemerintah Daerah Dengan Komitmen Organisasi sebagai Pemoderasi. *Simposium Nasional Akuntansi 9*.
- Farahmita, A. (2013). Pengaruh Kepuasan Kerja dan Pengetahuan Tentang Manajemen Biaya Terhadap Hubungan Antara Partisipasi Anggaran dengan Kinerja Manajerial. In *Simposium Nasional Akuntansi XVI*. Universitas Indonesia.
- Gandasuli, J.R., F.E Daromes, S. N. (2009). Pengaruh Partisipasi Anggaran terhadap Kinerja Manajerial: Pengetahuan tentang Manajemen Biaya sebagai Variabel Pemoderasi. *Kajian Akuntansi*, 1(2), 84–99.
- Garrison, B. dan N. (2013). *Akuntansi Manajerial* (14th ed.). Salemba Empat.
- Ghozali, I. (2011). Aplikasi Analisis Multivariate Dengan Program IBM SPSS 19 (edisi

- kelima). In *Aplikasi Analisis Multivariate dengan program SPSS* (Issue 1996).
- Gujarati, D. N., & Porter, D. C. (2009). *Basic Econometrics* (5th ed.). In *Basic Econometrics*.
- Hansen, D. R. M. (2013). *Akuntansi Manajerial* (8th ed.). Salemba Empat.
- Hansen, M. dan G. (2007). *Cost Management: Accounting & Control*. South-Western Publishing.
- Herciu, M. (2010). The Relation Between Managerial Performance And Firm Performance - Several Considerations. *Revista Economica*, 49(1–2), 51–58.
- Kenis, I. (1979). Effects of Budgetary Goal Characteristics on Managerial Attitudes and Performance. *The Accounting Review*, 54(4), 707–721. <https://www.jstor.org/stable/245627?Search=yes&resultItemClick=true&searchText=Effects of Budgetary Goal Characteristics on Managerial Attitudes and Performance&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DEffects%2Bof%2BBudgetary%2BGoal%2BCharacteristic>
- Liana, L. (2009). Penggunaan MRA dengan SPSS untuk menguji pengaruh moderating terhadap hubungan antara variabel independen dan variabel dependen. *Jurnal Teknologi Informasi DINAMIK*, 14(2), 90–97.
- Mahoney, T. A. (1963). *Development of managerial performance; a research approach*. South-western Publishing Company. Monograph C-9.
- Milani, K. (1975). The Relationship of Participation in Budget-Setting to Industrial Supervisor Performance and Attitudes: A Field Study. *Accounting Review*, 50(2).
- Mulyadi. (2003). *Akuntansi Manajemen, Konsep, Manfaat dan rekayasa* (2nd ed.). Penerbit STIE YKPN.
- Munawar, Irianto, Gugus, N. (2006). Pengaruh Karakteristik Tujuan Anggaran Terhadap Perilaku, Sikap, dan Kinerja, Aparat Pemerintah provinsi di Kabupaten Kupang. *Symposium Nasional Akuntansi 9*.
- Nevita, Imaningati, & F. (2014). Pengaruh Partisipasi Anggaran terhadap Kinerja Manajerial dengan Pengetahuan Manajemen Biaya dan Budaya Organisasi sebagai Variabel Pemoderasi. *Jurnal Prestasi*, 13(1).
- Pitasari, K. K. A., Sulindawati, N. L. G. E., Atmadja, A. T., & SE, A. (2014). Pengaruh Kejelasan Sasaran Anggaran dan Keadilan Prosedural terhadap Sejangkapan Anggaran (Budgetary Slack) pada SKPD berupa Dinas di Pemerintah Kabupaten Klungkung. (*Jurnal Ilmiah Mahasiswa Akuntansi*, 2(1).
- Putra, D. (2013). *Pengaruh Akuntabilitas Publik dan Kejelasan Sasaran Anggaran Terhadap Kinerja Manajerial Satuan Kerja Perangkat Daerah Kota Padang*. Universitas Negeri Padang.
- Rahman, U., Modding, B., & Amiruddin, A. (2020). Pengaruh Partisipasi Penyusunan Anggaran Terhadap Kinerja Manajerial Dengan Job Relevant Information Sebagai Variabel Moderating. *INVOICE: JURNAL ILMU AKUNTANSI*, 2(2). <https://doi.org/10.26618/inv.v2i2.4117>
- Schiff, M., & Lewin, A. Y. (2019). The impact of people on budgets. In *Management Control Theory*.
- Scully, J. A., Kirkpatrick, S. A., & Locke, E. A. (1995). Locus of knowledge as a determinant of the effects of participation on performance, affect, and perceptions.

- Organizational Behavior and Human Decision Processes*, 61(3).
<https://doi.org/10.1006/obhd.1995.1022>
- Shields, M., Young, M. (1994). Managing Innovation Costs: A Study of Cost-Conscious Behavior by R&D Professionals. *Journal of Management Accounting Research*, 6, 175–196.
- Sugiyono. (2007). Metode Penelitian Kualitatif dan R and D. In *Bandung: Alfabeta*.
- Sunyoto, D. (2011). Analisis Regresi dan Uji Hipotesis. In *Buku seru*.
- Supomo, B., & Indriantoro, N. (1998). ... Struktur dan Kultur Organisasional terhadap Keefektifan Anggaran Partisipatif dalam Peningkatan Kinerja Manajerial: Studi Empiris pada Perusahaan Manufaktur *Kelola*.
- Tan, H.-T., & Kao, A. (1999). Accountability Effects on Auditors' Performance: The Influence of Knowledge, Problem-Solving Ability, and Task Complexity. *Journal of Accounting Research*, 37(1). <https://doi.org/10.2307/2491404>
- William K. Carter Dan Usri Millien. (2006). *Akuntansi Biaya* (13th ed.). Salemba Empat.
- Zubir, A. H. dan Y. M. B. (2016). Pengaruh Partisipasi Anggaran Terhadap Kinerja Manajerial Dengan Job Relevant Information (Jri) Dan Pengetahuan Manajemen Biaya Sebagai Variabel Moderating (Studi Empiris Pada Perusahaan Perbankan Di Pekanbaru). *JURNAL EKONOMI*, 24(3).