

Effect of Strategy Type and Deliberate Strategic on Strategic Management Accounting-Strategic Costing and Strategic Decision Making Techniques in Indonesia's Universities

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Abstract: Management accounting practice development and implementation is an application from management function so it is very important to reach university's strategy plan. Management accounting supply information that used by management as basic of decision making to application activities in order to reach university's purpose. To reach that purpose, management accounting practice which is applied on university should be refer to strategy (renstra) organization. Management accounting practice is known as Strategic Management Accounting (SMA). Deliberate factors that influence organization including contingency factor is required to SMA development can encourage the increase of organization performance. Respondents of this research are leader and manager on university. Analyse instrument show that strategy type and deliberate strategy give positive effect on SMA-strategic costing and strategic decision making in private universities in DIY Indonesia. This result show that strategy type factor and deliberate strategy being considered factors in SMA-strategic costing and strategic decision making on DIY's private universities.

Key words: Strategy type, deliberate strategy, SMA-strategic costing and strategic decision making, function, strategic, DIY

INTRODUCTION

Globalization era now a days, PTS face business environment which is more dynamic with high intensity competition. University should be understand an adjust with the condition to can be compete, survive and develop. Manager of organization need to harmonize the source with strategic organization chance to reach competitive superiority, based on information of organization's activity, competitor and market condition now a days (Dixon and Smith, 1993). The increasing of private university competition being a challenge for private university's manager to increase the efficiency and effectivity of organization. University should have right strategy so organization's strategy, purpose, vision and mission (renstra) can be reach. To reach organization's mission and purpose, structure and design of organization is required including management functions, like organizing function, applying function and jobless function, control function and evaluation also feedback (Wheelen and Hunger, 2012). Development and implementation of management accounting practice is implementation from management function being very

important. Management accounting supply information that used by management as decision making basic to continue organization's activity in order to reach organization's purpose. So, management accounting practice applied on university should refer to strategy (renstra) organization to reach organization's purpose. Management accounting practice known as Strategic Management Accounting (SMA) (Roslender and Hart, 2003; Simmonds, 1981; Simon, 2007). SMA development related with necessary of external information to face behavior uncertainty and support strategic decision also encourage increasing of organization performance. SMA information help manager to adopting and implementing organization's plans in order to response environment, and also help manager in decision making and fit company's strategy in order to reach organization's purpose (Mia and Clarke, 1999).

Based on contingency theory, organization's structure and system is an environment function, a specific factor of company (Chenhall, 2003; Chenhall *et al.*, 2011; Haldma and Laats, 2002). Thus, inside of SMA development need to consider factors that give effect on organization, including contingency

factor. Based on that background, so the problems of this research is contingency factor (strategy type and deliberate strategy) influence SMA-strategic costing and strategic decision making development on universities in Indonesia?

Literature review: SMA is general approachment to integrate management accounting knowledge and market management in order to strategic management (Roslender and Hart, 2003). SMA can be seen by two perspective that is: SMA as a set of accounting technique which is oriented strategic and accountant involved in decision making process of strategic company (Simon and Guilding, 2008). Simmonds (1981) explain that SMA is: “a form of management accounting in which emphasis is placed on information which relates to factors external to the firm as well as non-financial information and internally generated information”. SMA technique grouped into five category which are: strategic costing, strategic planning, control and performance measurement, strategic decision-making, competitor accounting, dan customer accounting (Guilding *et al.*, 2000).

SMA-strategic costing is cost determination that oriented strategy. Strategy is related with: attribute costing, system of product/service cost determination about special characteristic of superiority product/service for consumer; life-cycle costing, system of cost determination consider about cost component that outcome; quality costing an identification or control of cost related with creating, identification, improvement and prevention on unsuitable product/service based on standard of creating utilization product/service; target costing, cost determination that expected to get competitive price of product/service so the product/service get expected revenue and value chain costing, approachment of cost determination based on activity where the cost is allocated for designing, making, operational, marketing and post-service product or service on value-chain costing to reach higher efficiency with external side (Guilding *et al.*, 2000).

SMA strategic decision making related with strategic costing, cost determination of product/service that explicitly consider about way to reach continue superiority competitive and strategic pricing, strategy of price determination based on competitor information including competitor good reaction about price movement, price elasticity, thou economy scale and experience (Guilding *et al.*, 2000).

Strategy is big scale plan that future oriented to interact with competitor environment in order to reach company's target. Strategy is also way and main tactic systematically design to apply management functions,

refer to strategic purpose of organization (Nawawi, 2005). Deliberate strategy is a strategy that offered by manager as a response plus to external challenge (Haberberg and Rieple, 2008). Development and application of management accounting practice on organization should consider about organization strategy (Hoque, 2004; Langfield-Smith, 2008).

Some result of research show that company which is applied differentiate strategy more focus on budget using, output formal monitoring and estimate data, than controlling formal cost. SMA system sophisticated can't automatically correlate with superior performance but suitability about identification of contingency factor and Management Accounting System (MCS). Conservative strategies correlate with MCS design (Chenhall, 2003). Management accounting practice and market management give effect to SMA practice in Inggris (Roslender and Hart, 2003). Strategic positioning and strategic mission have correlation about SMA technique on big manufacture company in Italia (Cinquini and Tenucci, 2007). Strategic position have contingency role on SMA technique (Cinquini and Tenucci, 2007).

Prosedur strategy type give positive effect on successful of SMA application on Slovenia's big company (Simon and Guilding, 2008). Strategy of company influence SMA technique implementation on manufacture company in Bangladesh (Fowzia, 2011). Company which is focus on differentiate strategy using competitor performance and company which is competing cost effectivity strategy focus on fundamental performance size (Hyvonen, 2008). Strategy influence MCS' adoption and design.

There are relation about business strategy and system design of small medium hotel performance in Malaysia (Mohamed and Jamil, 2013). There are relation about differentiate strategy of MCS' product, innovation and design with MCS' design (Beuren and Oro, 2014). Strategy business unit and uncertainty environment influence MCS' design on manufacture company in Australia (Chong and Chong, 1997). Prospector strategy type relate with information system (SMA) (Abernethy and Guthrie, 1994). Based on that conceptual framework, hypothesis of this research are:

- H_{1a} : strategy type give positive effect on SMA-strategic costing development and implementation in Indonesia's university
- H_{1b} : deliberate strategy give positive effect on SMA-strategic costing implementation in Indonesia's university
- H_{2a} : strategy type give positive effect on SMA strategic decision making development and implementation in Indonesia's university

- H_{2b}: deliberate strategy give positive effect on SMA-strategic decision making implementation in Indonesia's university

MATERIALS AND METHODS

The main concern in this research is private university in DIY Indonesia. Selection of private universities in DIY, cause DIY as learner city being one of university barometer is expected to represent all universities in Indonesia. Sampling technique of this research is random sampling each element in population have some chance to be selected as subject in sample. Respondent of this research are leader and manager of universities. There are consideration and hope inside selection of respondent that they quite understand on strategy chosen and applied in university and understand about good management from financial and non-financial aspects that related composing and implementation of university's research program and estimation.

Strategy type measured with strategy type according to Porter such as: cost leadership strategies and differentiation strategies (David, 2011; Nimtrakoon, 2009). Deliberate strategy is a strategy offered by manager as plan response on external challenge (Simon, 2007). Deliberate strategy measured by Mintzberg instrument that is: strategic decision makers, intentos strategic and strategic action (Mintzberg and Waters, 1985). Measure of strategy type and deliberate strategy of this research is using 5 Likert scales of respondent's answer that is (1) Strongly Disagree, (2) Disagree, (3) Netral, (4) Agree, (5) Strongly agree (Mintzberg and Waters, 1985; Nimtrakoon, 2009).

Strategic management accounting is set of accountancy technique that strategic orientate and accountant involvement in strategic decision making process on companies (Simon and Guilding, 2008). Instrument used to measure is 5 Likert scales of respondent's answer that is (1) Never, (2) Seldom, (3) Sometimes, (4) Ever, (5) Always (Simon and Guilding, 2008).

RESULTS AND DISCUSSION

Test result about effect of strategy type on SMA-strategic costing and decision making show that magnitude of each significancy (p) level is 0.091 and 0.001 (Table 1). This result show that on 10% significancy, strategy type influence on SMA-strategic costing on private universities in Indonesia statistically (Hypothesis 2a is supported) and on 5% significancy strategy type onfluence SMA-strategic decision on private univiersities in Indonesia statistically (Hypothesis 2a is supported).

Table 1: Test result of the influence strategy type and deliberate strategy on SMA-strategic costing dan strategic decision making in private univiersities in Indonesia

Independent variables	Dependent variables	Standardized coefficients	Sig.	Conclusion
Type strategy	SMA-strategic	0.205	0.091	Significant**
Deliberate strategy	SMA-strategic	0.213	0.079	Significant**
Type strategy	SMA-strategic costing	0.376	0.001	Significant*
Deliberate strategy	SMA-strategic decision making	0.209	0.068	Significant**

*Significance 5%, **significance 10%

Based on the direct effect is positive effect (Table 1). Thus, organization strategy type being one of consideration factor on private universities development and implementation SMA-strategic costing and strategic decision making in Indonesia. Strategy type which is applied on mostly private universities in Indonesia is cost leadershi. It can be conclude that university which is applied strategy type-cost leadership consider to apply SMA-strategic costing and strategic decision making. This result support the research before which explain that organization strategy type is a factor that consider on SMA development and implementation (Haldma and Laats, 2002; Meznar and Johnson Jr, 2005; Mia and Clarke, 1999; Nimtrakoon, 2009; Roslender and Hart, 2003; Simon, 2007; Simon and Guilding, 2008).

Test result about influence of deliberate strategy on SMA-strategic costing and strategic decision making show that the magnitude og each significancy level is 0.079 and 0.068 (Table 1). Thus, on 10% significancy, statistically deliberate strategy influence on SMA strategic costing and strategy decision making in private universities in Indonesia (Hypothesis 1b and 2b are supported). Based on the direct effect is positive effect (Table 1). It can be conclude that strategy which develop by university's manager to response external environment challenge (deliberate strategy) being factor that consider on SMA-strategic costing and strategic decision making development and implementation in private universities in Indonesia. This result support the research before which explain that deliberate strategy is a factor that consider on SMA development and implementation (Haldma and Laats, 2002; Meznar and Johnson Jr, 2005; Mia and Clarke, 1999; Nimtrakoon, 2009; Simon, 2007; Simon and Guilding, 2008).

CONCLUSION

Based on data analyse can be conclude that strategy type and deliberate strategy give positive effect on SMA-strategic costing and strategic decision making inprivate univiersities in Indonesia. This result show that

factor of strategy type and deliberate strategy being a factor that consider on SMA-strategic costing and strategic decision making development and implementation this result also expected that SMA strategic costing and strategic decision making can encourage increasing performance of study program (university).

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