

**The Impact Of Information Technology, Management Accounting System Characteristics, and Locus Of Control To The Managerial Performance In The Telecommunication Service Companies**

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— *Review of* —  
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### ABSTRACT

Information technology has grown rapidly and currently plays an important role as a medium in a variety of human activities undertaken. According to Lakshman & Muslichah (2002) and Hastuti (2008) the higher of information technology and interdependency, it will increase the need for SAM scope of information, which can improve managerial performance. Nurpriandyni and Suwarti (2010) said there is a direct effect of information technology on managerial performance. In addition, management accounting systems are also important in managerial activities. Management accounting system produces information that management has a role in predicting the consequences that occur over a wide range of alternative actions that can be performed on a variety of activities such as planning, monitoring and decision making. Lakshman & Muslichah Research (2002), Hastuti (2008), Solechan and Setiawati (2009), as well as Nurpriandyni and Suwarti (2010) also suggests that management accounting systems have an influence on managerial performance. Locus of control reflects the belief the individual to complete a task or occupation which it is responsible (Wijayanti, 2009). By measuring and understanding the locus of control of a manager, you will know how to view and estimates of the actions of the manager. Leach-López, et al. (2008) concluded the Mexican samples contained significant main effect in the expected direction between locus of control and performance.

This research tries to examine the impact of Information Technology, Management Accounting System Characteristics, and Locus of Control on the Managerial Performance. There are technology information, Management Accounting System Characteristics, and Locus of Control as the independent variables, and Managerial Performance as the dependent variable. The samples of this research are managers from 6 telecommunication services companies listed on the Indonesian Stock Exchange. This research used primary data, gathered from 35 respondents, and the sampling technique is quota sampling. The tool for analyzing data is multiple linear regressions at significance 5%.

As a result of testing the hypothesis partially on information technology, Management Accounting System Characteristics, and Locus of Control have a significant positive impact on the Managerial Performance. Information Technology and Management Accounting System Characteristics is very helpful for all task managers especially in making the necessary decisions regarding the company's judgment as well as useful information and updates.

Respondents felt that the boss or the people in power who can assist in carrying out the plan, in this study, respondents were more directed to an external locus of control (powerful other).

**Keywords:** Information Technology, Management Accounting System Characteristics, Locus of Control, Managerial Performance.

## INTRODUCTION

A company needs well-planned management to be able to support and organize the activities that the company do. Reliable managers are needed to actualize a well-planned management. Although manager is not the highest position in a company, still the manager's ability to lead is the main thing because it takes part in the decision making for every problem that arise in a company. In performing their duty as manager, the expertise in planning, coordinating, as well as briefing for every decision is really needed. Making the wrong decision will result reduction or failure to the goal that should be achieved by the company.

The error in the decision making and managerial estimation will cause disadvantage for the company. Therefore, the role of a manager is really important for the sustainability of the company.

In execution of managerial duties, a medium which can be used for a manager to help the work is often required. The helpful medium is such an information technology. Information technology has been growing rapidly nowadays and has taken important role as the helpful tool in every activities which human do. A manager can use the information technology as a medium to support their activities. With the use of hardware, software, and other appropriate means of support which can assist the manager's duty. The availability of personal computer (pc) which is supported by many various and easy operation software allows manager to be able to access information faster and prepare many more reports (laksmana and muslichah, 2002).

Management accounting system is also important in managerial activities. Management accounting system produces management information which has roles in predicting the consequences which occurs over many alternative actions that can be done in a variety of activities like planning, monitoring and decision-making.

Information in management accounting system is needed by manager for example to trace the efficiency of a product or performance of employees. Once the problem is known, manager can take action to make improvements in the company.

Locus of control also plays a role in the managerial performance. Locus of control is an individual control over their work and their confidence in the success itself. The confidence from where the success comes out. Locus of control reflects an individual's belief to finish the task or work which becomes their responsibility (wijayanti, 2009). By measuring and understanding the locus of control of a manager, there will be known how the perspective and the estimate action from the manager himself.

## LITERATURE REVIEW

### Managerial performance

In order to actualize a well-planned management, reliable managers are necessary. Although manager is not the highest position in a company, still the manager's ability to lead is the main thing because it takes part in the decision making for every problem that arise in a company.

Aguinis (2009:2) has opinion about management performance, that is "management performance is a continuous process of identifying, measuring, and developing the

performance of individuals and teams and aligning performance with the strategic goals of the organization.”

According to sedarmayanti (2011:228) about managerial competence is, “specific competencies related to management, supervision, and human development such as motivation to empower others.”

Fahmi (2010:65) revealed that, “the assessment of job performance is an assessment done to the management company, both the employees and managers who had been doing their job.”

Mahoney et al. (1963) in supomo and indriantoro (1988) revealed dimensions to measure managerial performance assessment which includes eight (8) dimensions of activity, such as: (1) planning, the ability in the determination of policy and set of activities; (2) investigation, the ability in gathering and conveying information, job analysis; (3) coordinating, the ability in exchanging information with people in other organizations; (4) evaluation, the ability in assessing and quantifying the proposal, observed or reported performance; (5) supervision, the ability in providing direction, leading and developing subordinates; (6) setting staff (staffing), the ability to conduct the recruitment, interviewing, placement, promotion and employee mutation; (7) negotiations, the ability in making a purchase, sale or performing a contract for goods and services, bargaining; (8) representation, the ability in attending meetings with other companies, business associations, civic events, as well as the ability in promoting the company's main goal.

### **Utilization of information technology**

In kadir and triwahyuni (2005:2) according to haag and keen (1996) adduce, “information technology is a set of tools that help you work with the information and perform tasks related to information processing.”

Next, information technology according to martin (1999), “information technology is not only limited to computer technology (hardware and software) which is used to process and save information, but also includes communication technology to transmit information.”

The role of information technology in the business world is very big. As proposed by dias and shah (2009: 361) that: “information technology (it) is the name given to business technology in the 1990s. Its role became the way of doing business, rather than just using technology to help with business function”

Daft (2010: 85) argues that technology has led to great changes for companies in all industries. Dias and shah (2009:372) revealed that businesses often use and need software to: (1) writing (word processors); (2) manipulating numbers (spreadsheets); (3) filling and retrieving data (databases); (4) presenting information visually (graphics); (5) communicating (e-mail and instant messaging); (6) accounting; (7) internet or intranet use.

### **Management accounting systems**

Hansen and mowen (2009:4) revealed about management accounting information system that: management accounting information system provides the information which is needed to meet specific management goals. The essence of management accounting information system is process described by the activities, such as collecting, measuring, storing, analyzing, reporting, and managing of information. Information on economic events are processed to produce the output that meet the goals of the system. This output can include special reports, product cost, customer costs, budgets, performance reports, and even personal communication.

Nazaruddin (1998) in nurpriandyni and suwarti (2010) management accounting information defined that: a mechanism of control organization is an effective tool in

providing useful information in order to predict the possible consequences of a variety of regular activity.

In issues of management accounting information, hansen and mowen (2009:4) revealed that: management accounting information can help them identify, solve problems, and evaluate the performance. Management accounting information is used in all phases of management, including planning, controlling, and decision-making. In addition, the need for this information is not limited to manufacturing firms, but also to the trading company, services, and nonprofit.

Prawironegoro and purwanti (2009:13) revealed that: historical data is processed into relevant information as a tool for decision making. The costs must be classified into variable costs and fixed costs to ease planning and control activities. Sales volume and selling prices should be well-predicted using time series and using the connection of independent variables with the other dependent variable. The forecasting results are very useful for management to take business decisions in the future.

Chenhall dan morris (1986) in laksmana and muslichah (2002) identified four characteristics of management accounting information system, which is: (1) broadscope, the wide scope of management accounting system provides information relating to the external environment that may be economic; (2) timeliness, which includes reporting frequency and speed of reporting; (3) aggregation, which ranges from the provision of basic materials, unprocessed data, to a variety of aggregation based on the period of time or a certain area; (4) integration, which is the specification that indicates the effect of the interaction of the target segment and information about the effect of the decision on the operation of the entire subunit organization.

### **Locus of control**

Williams (1997:62) revealed that concept about locus of control, or control position, first introduced by an american psychologist, julian rotter, in 1960s. This concept refers to a belief that individual has control over various events in surrounding until a certain degree or events in surrounding have control over someone.

Mcshane and glinow (2009:33) revealed, ““locus of control is a person’s general belief about the amount of control he or she has over personal life events.”

Ivancevich, et al. (2007:97) stated that, “locus of control determines the degree to which individuals believe that their behavior affects what happens to them.”

Ivancevich, et al. (2007:97) characterize the locus of control into two, internal and external. Opinions on the classification of the locus of control is as follows:

Some people feel confident that they fully take control of themselves, that they are the determinants of their own fate and have a personal responsibility for what is against them. They are classified as internal. Others see themselves as helpless, controlled by fate, controlled by outside forces which, if any, they just have very little influence. When they perform well, they believe that it is caused by luck or because the task is an easy task. They are classified as external.

Mcshane and glinow (2009:33) also divide the locus of control in the external and internal. Here’s their opinion: individuals who think that the events in their lives caused because of fate or luck or other forces have an external locus of control. Those who feel that they can influence their own fate has an internal locus of control. People with an internal locus of control have higher self-evaluation which is more positive. They also tend to perform better in many employment situations, more successful in their careers, earn more money, and better suited for leadership positions. People with internal locus of control were also more satisfied with their jobs, cope better in stressful situations, and motivated by

performance-based reward system.

Santrock (2005: 488) argues that: a person with an internal locus of control assumes that all the consequences that occur are responsible for their own behavior and actions. Conversely, a person with an external locus of control do not pay attention to their behavior. They questioned the line of fate, luck, or other people.

Goodstadt and Hjelte (1973) in Yukl (2009: 224) states: because the internal sure that they can influence their fate, so they accept more responsibility for their actions and for the performance of their organizations. The internal has more future-oriented perspective, and will be more likely to make a proactive plan about how to achieve their goals. They take more initiative than the external in finding and solving problems. They believe in their ability to influence people and more than likely going to use the persuasion tactics instead of using forced or manipulative influence.

Williams (1997: 63) suggests the relationship between control and stressed that: individuals who considered themselves to a certain extent have control or mastery over a situation, would accept a situation not as a threat or stress maker. This definition indicates that it has a small probability that the person who has the internal controls will feel the effects of stress because because he is confident of being able to control all the events that had to face. Conversely, people who have external controls feel helpless.

Levenson (1972) in Anwar (2010: 137) divides the control center which is the attribution to the orientation of the three factors, namely: (1) internal factors, a person's belief that the events in his life is determined primarily by the ability of himself; (2) powerful other factors, a person's belief that the events in his life is determined especially by others who is more powerful. (3) chance factors, which is one's belief that the events in his life is determined primarily by fate, chance, and luck. The first factor is the internal control center, while the second and the third factor is the external control center.

## Theoretical Framework

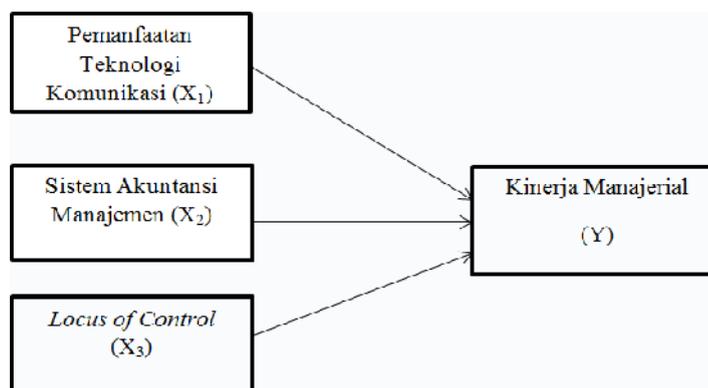


Figure 1  
Theoretical Framework

## HYPOTHESIS

H1: The use of information technology has an influence on managerial performance.

H2: Characteristics of Management Accounting System has an influence on managerial performance.

H3: *Locus of control* has an influence on managerial performance.

## RESEARCH METHOD

### Population and Sample

The population in this study were the perpetrators of managerial telecommunications services company listed on the Indonesia Stock Exchange. The reason for choosing managerial actors as the population in this study is that managers have an important role in determining the sustainability of the company. Researchers used a sample of 35 respondents, the manager of the company who is willing to fill out questionnaires provided by the researcher.

Considerations used in this study were the perpetrators of the 6 managerial telecommunications services company listed on the Indonesia Stock Exchange. The number of questionnaires which were distributed by the researchers adjusted by the number of managerial actors in each company.

### Data Quality Test

The validity of the study is determined by the accurate measurement. Therefore, this test focuses on the accuracy of the data with the Pearson Product Moment formula and reliability test of the instrument is intended to analyze the consistency and stability of a grain score (scale of measurement) that exist on the instrument.

### Assumptions Classic Test

Before conducting regression testing, data was first tested with classical assumptions. Testing classical assumptions concern four issues of normality, heteroskedatisitas, multicollinearity, and autocorrelation. Testing needs to be done to check the violation of the assumptions. For the cross section data, according to Nachrowi and Hardius (2006) include Multicollinearity, Heteroskeditas and error term of Normality Test.

The research model :

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

Y = Managerial Performance

A = Constant

$\beta_1$  = Regression coefficient for information technology

X1 = Information technology

$\beta_2$  = Regression coefficient for the management accounting system

X2 = Managerial accounting system

$\beta_3$  = Regression coefficient for locus of control

X3 = *Locus of control*

## RESULTS OF THE RESEARCH AND DISCUSSION

### The Effect of Utilization of Information Technology On Managerial Performance

The first hypothesis (H1) is accepted. This means that the independent variable utilization of information technology has an influence on managerial performance. Based on the SPSS calculation results obtained sig SPSS variable X1 of 0.000 and t-test values (6.035) > t table (2.032). This study used a significance level ( $\alpha$ ) of 5%, so the sig <  $\alpha$  (0.000 < 0.05). Therefore, it can be deduced that Ho is rejected or H1 is accepted, which means there is a

partial positive significant effect between the use of information technology (X1) on managerial performance (Y). Utilization of information technology in the managerial activities is an individual's decision of whether to use or not to use information technology in a series of duties. The diversity of the current software capabilities can be utilized as much as possible by managers to facilitate them in running out the managerial activities.

### **The Influence of Characteristic Management Accounting System On Managerial Performance**

The second hypothesis (H2) is accepted. This means that the independent variables of management accounting system characteristics have an influence on managerial performance. Based on the SPSS calculation results obtained SPSS sig X2 of 0.001 and t-test values (3.657) > t table (2.032). This study used a significance level ( $\alpha$ ) of 5%, so the sig <  $\alpha$  (0.001 < 0.05). Therefore, it can be deduced that Ho is rejected or H2 is accepted, which means there is a partial positive significant effect between management accounting system characteristics (X1) on managerial performance (Y). Telecommunications services company has a good management accounting system because it can produce information that has been processed and the availability of information on a regular basis. This is very helpful especially in the task manager to make the necessary decisions regarding corporate considerations as well as useful information and updates.

### **The Influence of *Locus of Control* On Managerial Performance**

The third hypothesis (H3) is accepted. This means that the independent variables of locus of control has an influence on managerial performance. Based on the SPSS calculation results obtained SPSS sig X3 and t-test values of 0.028 (2.311) > t table (2.032). This study used a significance level ( $\alpha$ ) of 5%, so the sig <  $\alpha$  (0.028 < 0.05). Therefore, it can be deduced that Ho is rejected or H3 is accepted, which means that there is a significant positive effect between locus of control (X3) on managerial performance (Y). Respondents believe the events in his life is determined by others who is more powerful. Respondents felt that the boss or the people in power who can assist in carrying out the plan. In this study, respondents who in fact is the manager who became a leader more inclined to external locus of control (powerful other).

## **CONCLUSIONS, IMPLICATIONS, AND SUGGESTIONS**

### **CONCLUSIONS**

1. The use of information technology has influence on managerial performance. There is a positive significant effect between the use of information technology (X1) on managerial performance (Y), which means that the higher utilization of information technology, the higher the managerial performance of a manager. The diversity of the current software capabilities can be utilized as much as possible to facilitate the managers in running out the managerial activities.
2. Management accounting systems characteristics has influence on managerial performance. There is a positive significant effect between management accounting system characteristics (X2) on managerial performance (Y), which means that the higher the management accounting system characteristics, the higher the managerial performance of a manager. Telecommunications services company has a good management accounting system because it can produce information that has been processed and the availability of information on a regular basis. This is very helpful

especially in the task manager to make the necessary decisions regarding corporate considerations as well as useful information and *updates*.

3. *Locus of Control* effect on managerial performance. There is a positive significant effect between *locus of control* (X3) on managerial performance (Y), which means that the higher internal *locus of control*, the higher the managerial performance of a manager. Managers who have a good self-control can improve the managerial performance.

## IMPLICATIONS

1. The use of information technology plays an important role in improving managerial performance of a manager. A manager can use information technology as a means to support its activities. With the use of hardware, software, and other appropriate means of support can assist managers in charge.
2. Management accounting system characteristics plays an important role in enhancing the managerial performance of a manager. Management accounting system produces information that management has a role in predicting the consequences that occur over a wide range of alternative actions that can be performed on a variety of activities such as planning, monitoring and decision-making.
3. *Locus of control* plays an important role in enhancing the managerial performance of a manager. By measuring and understanding the locus of control of a manager, there will be known how the perspectives and the estimates action of the manager.

## SUGGESTIONS

1. For further research, the sample coverage of managerial actors used as a respondent should be enlarged such as managerial actors coming from telecom services company located in Indonesia.
2. In further research, the timing of questionnaires should be done in more than one month. This is because the companies need time to make the consent judgment in conducting research, as well as managers who have a busy life in the company.
3. For companies, researchers advise to always pay attention and always rejuvenating facilities and means of information technology in the company. Starting from the hardware, software, and Internet connection within the company. Management accounting system must also be monitored and corrected the weaknesses, as well as updated. In addition, training activities or training for the use of information technology, and self-motivation training should be done. All of this to support the performance of managerial activities so managers will be better again.
4. For the perpetrators managerial, awareness needed to learn and keep up to date of the development of information technology, as it will greatly assist managers in the implementation of managerial activities.

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