

## EVALUATING COST CENTER MANAGERS THROUGH ACCOUNTABILITY ACCOUNTING AT PT MAYORA INDAH TBK

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Submitted: 12 December 2025	Revised: 28 December 2025	Accepted: 19 January 2026
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### Abstract

*This study aims to evaluate cost-center managers through the implementation of accountability accounting at PT Mayora Indah Tbk. Accountability accounting is examined as a managerial control mechanism that links cost responsibility, budgeting, cost realization, and performance evaluation within an organizational responsibility structure. This study applies a descriptive qualitative method using secondary data obtained from the company's financial statements and related financial information. The analysis focuses on the extent to which accountability accounting supports the assessment of cost-center managers by identifying controllable costs, comparing budgeted and actual costs, and evaluating cost variances. The findings indicate that accountability accounting plays an important role in strengthening cost control and managerial performance assessment. Although the company demonstrated positive revenue performance, increased operating costs affected the achievement of operating profit and net profit. This condition shows that financial performance cannot be assessed only from revenue growth, but must also consider the effectiveness of cost management. Therefore, accountability accounting provides a more objective basis for evaluating cost-center managers, particularly in monitoring cost efficiency and responsibility-based performance. The novelty of this study lies in positioning accountability accounting not merely as a financial reporting practice, but as a practical evaluation framework for cost-center managerial performance in a publicly listed manufacturing company.*

**Keywords:** *Accountability Accounting; Cost Center; Managerial Performance; Cost Control; PT Mayora Indah Tbk.*

### 1. INTRODUCTION

Every company has a target that it wants to achieve in running its business. In the face of increasingly fierce business competition, companies need to organize and manage resources in an efficient and effective way to achieve organizational goals. Fierce competition in the economy helps companies to optimize profits and ensure long-term

growth to maintain sustainability. Therefore, the implementation of effective management functions is very important in supporting an accurate and structured decision-making process.

Accountability accounting is one of the tools that can be used to support managerial functions, especially in the process of planning, controlling, and decision-making, is accountability accounting. Accountability accounting is a system used to measure various results of activities that have been achieved and carried out in a period by each accountability center based on the information required by each manager in operating the accountability center and as part of the control of a managerial system. (Aprianto Rudi et al., 2018)

According to Mulyadi, accountability accounting is a system designed to evaluate the performance of each section or unit in the organization, according to the responsibilities carried out and held by each unit. Thus, accountability accounting plays an important role in helping managers to evaluate and control the performance of each accountability center. This method is not only an assessment tool, but also a basis for more effective decision-making in achieving company goals (Favian et al., 2021).

PT. Mayora Indah Tbk is one of the companies in Indonesia engaged in the food and beverage industry with products that are widely known by the public. As a company that continues to grow, PT. Mayora Indah Tbk is committed to producing high-quality products. In facing increasingly competitive market challenges, PT. Mayora Indah Tbk needs to manage resources effectively to ensure long-term growth and strong competitiveness.

In this case, the application of accountability accounting is very important. This step allows the company to conduct a performance assessment of each unit or accountability center with precise precision. Through accountability accounting, PT. Mayora Indah Tbk can oversee the achievement of budget targets and maximize resources. In addition, this application can support more appropriate decision-making to achieve company goals, both in planning, control, and performance assessment.

So the author is interested in conducting a research with the title "Analysis of the Role of Accountability Accounting as a Tool for Assessing Manager Performance at PT. Mayora Indah Tbk", with the aim of seeing how the application of accountability accounting can play a role in improving the company's management performance.

## Theoretical Studies

### Accountability Accounting

According to Indriani, accountability accounting is a system that provides information related to revenue, costs, or assets related to a certain unit or part of a company. (Harmony, 2022) Another opinion was expressed by Hansen and Mowen regarding the definition of accountability accounting as a system that evaluates the performance of each accountability center based on the information needed by managers to run their units of responsibility effectively. (Vocasia by. Nisa Ilmia, 2022)

From some of the definitions that have been submitted, it can be concluded that accountability accounting in general is a system that presents financial information related to the revenue, costs and assets of each organizational unit, and has a role in evaluating the performance of each accountability center based on the need for managerial information for more effective management. This system separates organizational units into accountability centers and each center is responsible for specific controls. The results of the performance information are then collected and reported in accordance with the manager's area of responsibility.

### Accountability Center

According to Supriyono, the accountability center means a unit in an organizational structure managed by a manager, where an assessment of its performance is carried out based on the scope of authority and responsibilities it has (Puwaningtyas et al., 2024). In other words, each accountability center has certain limitations and scope of work that are the basis for evaluating managerial effectiveness and efficiency. The division of the organization into specific accountability centers allows the company to apply the principle of decentralization of control, so that each manager can be responsible for the operational areas he controls.

There are four ideas of accountability centers according to Kautsar based on the nature of their accountability on costs or income, namely: (Favian et al., 2021)

1. Cost Center

A cost center is a center of accountability within an organization that is solely responsible for controlling costs that arise within its work area, without considering the revenue that the unit may generate.

2. Revenue Center

The revenue center is a center of accountability whose output can be measured in the form of monetary value, but the inputs or resources used cannot be measured directly in monetary units.

3. Profit Center

The profit center is an accountability center where both the costs used and the resulting revenue can be assessed financially. The performance of this center is determined by the difference between revenue and costs that generate profit or loss.

4. Investment Centers

The investment center is the accountability center with the widest scope of responsibility. Its managers have control over expenses, revenue generated as well as investment decisions related to long-term asset and resource acquisitions.

**Managerial Performance Appraisal**

According to Sastrohadiwiryono, performance appraisal is a process carried out by management to evaluate the work results of employees by comparing their work achievements to the description of tasks that have been set, which are usually carried out at the end of a certain period, such as the end of the year (Performance et al., 2025). Based on this understanding, performance appraisal has an important role in assessing managerial performance, because through this process management can evaluate the extent to which a manager is able to carry out his duties and responsibilities effectively and efficiently. Performance appraisals not only focus on achieving results, but also include how managers manage work processes, take turns as well as lead and direct their subordinates.

**Accountability Accounting Terms**

According to Mulyadi, in order for the accountability accounting system to be implemented, there are five conditions that must be met, including: (Novria Rahma et al., 2022)

1. Organizational structure

A company's organizational structure is a system designed to functionally divide tasks and responsibilities to support the implementation of the company's core activities. The structured structure helps each member of the organization understand their respective roles and responsibilities.

2. Cost budgets prepared for each level of management

Budget preparation is carried out by each manager in a period of one year, the manager of the accountability center plays a role in preparing the budget and conducting negotiations to obtain authority in designing work programs. This is done to bring the company to its desired destination using the available resources.

3. Controlled and uncontrolled cost management

In the accountability system, costs are grouped into two, namely controlled costs and uncontrolled costs. This aims to avoid double responsibility for costs. The management of controlled and uncontrolled costs is an important aspect of management accounting. Controlled costs are costs that can be controlled by managers in an accountability center, while uncontrolled costs are costs that cannot be influenced/controlled by managers.

4. Classification of the Company's account code

The application of accountability accounting is considered adequate if the company if the company has grouped the costs and revenues that occur within the company

through a structured account code system. Account codes are usually numbers, letters, or a combination/combination of both of numbers and letters. This is done to make it easier to identify and report costs for each division.

5. Accountability fee report

An accountability cost report is a document that systematically presents cost information to managers who have the authority and responsibility for cost control. The accountability cost report provides details of the classification of controlled and uncontrolled costs, cost account codes, so that management can evaluate the manager's performance in managing resources, as well as decision-making and accountability for the budget that has been set.

## 2. RESEARCH METHOD

### Research Approach

In this study, the author used a qualitative research method. According to Pupu, qualitative research can be interpreted as an approach in social science that basically relies on observing humans in their natural context, as well as interacting with them using their own language and terms. (Syahrizal & Jailani, 2023)

The type of research used is descriptive qualitative research. Qualitative research that is descriptive has the purpose of describing in a structured, real manner in accordance with the facts, as well as the relationship between phenomena related to the implementation of accountability accounting at PT. This approach is used to understand the real situations and conditions that occur in the field through narrative data collection, resulting in a deep understanding of the research object.

### Data Types and Sources

1. Data Type

In this study, qualitative data was used as the main type of data. Cumulative research is research that aims to understand/research in depth about social, cultural, or human behavior phenomena with a focus on exploring the meaning, experience, and viewpoint of individuals or groups in a certain context. This approach does not focus on quantitative data or numbers, but rather on a deeper understanding of the situation being studied. (UNESA, 2024). According to Sugiyono, qualitative research is research that analyzes a specific case or problem based on existing facts and data, so that these facts and data are compiled, analyzed, and interpreted. (Iii & Research, 2020)

2. Data Source

The data source used in this study is secondary data. Secondary data is data obtained or obtained indirectly or data obtained through available sources. In this study, information regarding secondary data is used to support information to corroborate

the data, which includes budget accountability and cost realization of PT. Mayora Indah Tbk.

### **Data Analysis Techniques**

The data analysis method used in this study is descriptive data analysis, which aims to describe systematically, factually, and accurately

1. Data collection

Data collection is carried out by accessing information available through the company's official system. The information obtained is used in accordance with the data management method that has been determined by the researcher, in order to focus the study and deepen the understanding of the research process.

2. Data Presentation

Data presentation is the stage where information is displayed in a structured manner according to the focus of the research. From this study, the data used is sourced from secondary data. The data was then analyzed to illustrate how accountability accounting was applied as a tool in assessing the performance of cost center managers at PT. Mayora Indah Tbk.

## **3. RESULTS AND DISCUSSION**

### **General History of PT. Mayora Indah Tbk**

PT. Mayora Indah Tbk. (the Company) was established in 1977 with its first factory located in Tangerang, focusing on the market area of Jakarta and its surroundings. After successfully covering the needs of the Indonesian market, the Company conducted an initial public offering and officially became a public company in 1990, targeting consumers in the Asean region. Furthermore, the Company expanded its reach to countries in Asia. Today, the Company's products have been widely known on five continents around the world.

As one of the fast-moving consumer goods companies, PT. Mayora Indah Tbk has demonstrated high quality in food production and won many awards, including the "Top Five Best Companies in Indonesia" from Swa magazine, "Top 100 Public Companies" from Investor Indonesia magazine, "Best Producer of Halal Products" from the Indonesian Ulema Council, "Best Company" from Berita One, "Indonesian Corporate Secretary Award," and "Best Corporate Governance Issues in the Consumer Goods Sector" from Warta Ekonomi, as well as various other awards.

### **Accounting Role Analysis Accountability for the evaluation of the Performance Appraisal of the Cost Center Manager**

Accountability accounting is a system that provides financial information related to the revenue, costs, and assets of each organizational unit. This system divides the organization into accountability centers, each of which is responsible for a specific control. One of them is the performance information of each center that is collected and reported

according to the responsibility of the manager in supporting more effective management. To assess the role of accountability accounting in evaluating the performance of cost center managers, an analysis of the achievement of the company's financial targets is needed. This assessment can be done by comparing the budget that has been set with the company's financial realization in a certain period. By comparing targets and realization, management can assess the effectiveness and operational efficiency that is the responsibility of the cost center manager. This analysis can also provide an overview of the role of accountability accounting in decision-making and support the achievement of the company's overall goals.

In the company PT. Mayora Indah Tbk, the management of cost centers has an important role, because it has a direct effect on operational efficiency and profit generation. Analysis of the performance of cost center managers at PT. Mayora Indah Tbk, can be done by comparing the budget targets that have been set by the company with the realization achieved during 2024. Based on data from the annual report of PT. Mayora Indah Tbk, there is information available to conduct accountability accounting analysis using key indicators such as revenue, operating profit, and net profit. The following is the budget realization report of PT. Mayor Indah Tbk.

**Table 1.** Budget and Realization Report of PT. Mayora Indah Tbk

Budget and Realization Report of PT. Mayora Indah Tbk Year 2025				
Remarks	Target 2025	Realization 2025	Variants	Remarks
Revenue	IDR 34.29 trillion	IDR 36.07 trillion	IDR 1.78 trillion	Target achieved
Profit from business	IDR 4.35 trillion	IDR 3.92 trillion	- IDR 430 billion	Target not met
Net profit	IDR 3.48 trillion	IDR 3.07 trillion	- IDR 410 billion	Target not met

**Source:** *Data Processed, 2026*

Based on the data above, the revenue target of PT. Mayora Indah Tbk is IDR 34.29 trillion with a realization of IDR 36.07 trillion. This shows that the target on revenue has been achieved. However, the targeted operating profit of IDR 4.35 trillion was only realized at IDR 3.29 trillion, thus, it showed that it did not reach the target in operating profit. Meanwhile, net profit also did not reach the target, where the target for 2024 is IDR 3.48 trillion with a realization of IDR 3.07 trillion. So, it can be concluded that revenue reached the target, but operating profit and net profit decreased, due to the increased cost burden. This needs to be considered for cost center managers in controlling the company's operational efficiency.

The management of the cost center at PT. Mayora Indah Tbk is a very important aspect, because the cost center has an influence on operational efficiency and has an impact on the company's profit achievement rate. Therefore, the accountability accounting system plays

an important role in supervising and evaluating the expense of each responsible part, so that it can help achieve the company's overall financial goals. During 2024, according to the annual report of PT. Mayira Indah Tbk, the company does not receive financial assistance from the government in the form of subsidies, tax incentives, or other reliefs. This shows that all achievements that the company has obtained come from within the company, so that internal control systems such as accountability accounting are very important in ensuring the efficiency and accountability of managerial performance.

#### **4. CONCLUSION**

Based on the results of the research that has been carried out, it can be concluded that the application of accountability accounting at PT. Mayora Indah Tbk has been carried out quite adequately, judging from the fulfillment of important conditions in the system. A clear organizational structure, the preparation of a budget for each cost center, controlled and uncontrolled grouping, the use of account codes, and the preparation of systematic accountability reports are indicators that this system is functioning well. So this system is very important as a tool for managerial control and strategic decision-making in the company. The accountability system functions in supporting management, particularly in evaluating the performance of cost center managers. The comparison between the target and financial realization shows that revenue is achieved, a decrease in operating profit and net profit due to an increase in cost expense are concerns. With this, this system becomes important in managerial control and effective decision-making to maintain efficiency and achieve company goals.

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