

## THE ROLE OF THE OPERATIONAL COST BUDGET AS A TOOL FOR CONTROLLING MANAGERIAL PERFORMANCE

Mhd.Shafwan Aziz<sup>1\*</sup>, Henny Andriyani Wirananda<sup>2</sup>, Shita Tiara<sup>3</sup>, Sri Wardany<sup>4</sup>

Accounting, Economics and Business Study Program,  
 Muslim Nusantara Al-Washliyah University<sup>1,2,3,4</sup>

E-mail: [mshafwanaziz@gmail.com](mailto:mshafwanaziz@gmail.com)<sup>1</sup>, [hennyandriyani@umnaw.ac.id](mailto:hennyandriyani@umnaw.ac.id)<sup>2</sup>,  
[shitatiara@umnaw.ac.id](mailto:shitatiara@umnaw.ac.id)<sup>3</sup>, [sriwardany@umnaw.ac.id](mailto:sriwardany@umnaw.ac.id)<sup>4</sup>

<p>Received: 17/01/2026</p> <p>Received: 26/01/2026</p> <p>Publishing: 01/03/2026</p> <p>Correspondence*</p>  <p>This work is licensed under the <a href="https://creativecommons.org/licenses/by/4.0/">Creative Commons Attribution 4.0 International License</a>.</p>	<p><b>Abstract</b> - This study pays attention to the function of the operational cost budget as a tool to control managerial performance at PT Darmasindo, a company operating in the rubber industry sector that produces semi-finished goods in the form of rubber sap, with data obtained from the period 2022 to 2024. In the highly competitive rubber industry and requires efficient cost management, proper budget utilization is essential to achieve efficiency and effectiveness in operations. The research methodology applied is qualitative descriptive analysis, with data collection through interviews with managers and employees, as well as through analysis of budget documents and performance reports. The findings of the study show that PT. Darmasindo has successfully implemented an operational cost budget well, where this budget not only serves as a planning tool but also as a performance benchmark that assists managers in determining strategic decisions. The implementation of the budget shows a positive impact on managerial performance, including increased efficiency in resource utilization, more effective cost control, and increased overall productivity. However, this study also found several challenges faced by PT. Darmasindo, including changes in fuel prices and uncertainty in operations. This challenge requires quick adjustments and adaptations in managing the budget so that performance is maintained properly.</p> <p><b>Keywords</b> : Operating Cost Budget, Managerial Performance, Control, PT Darmasindo, Rubber</p>
---	---

### Introduction

In this day and age, companies are required to be more accurate and efficient in managing and setting the amount of their operational costs. In a highly competitive and interconnected economy, various challenges and increasingly complex financial systems are ready to await. In today's tight business world, there are unique challenges for companies to stay ahead of the competition, so they need resources, namely Natural Resources (SDA) and Human Resources (HR).

To ensure the company's progress, the steps that must be taken are to plan and control the budget to be used, as well as minimize the budget that is not really needed in operations so that the allocation of funds is effective and efficient. Therefore, companies need to have a good cost control system through planning and supervision carried out by management.

A budget is a systematic planning, covering all activities carried out by the

leadership, which is allocated in cost estimates and serves as a reference for future plans. In addition, the budget can also be used to analyze and evaluate the achievements of each manager.

In order for budget control to be carried out properly, PT Darmacindo's budget management divides the budget into two categories, namely routine budgets and non-routine budgets. Routine budget refers to the operational budget and office activities managed by the public sector and human resources that have been planned.

The budgeting process by PT Darmasindo is carefully designed by paying attention to the need to remain under control according to the objectives. The company is obliged to present complete details and reports for each existing budget use. In addition, companies must categorize by type of work in the budget usage report, this step is necessary to support budget control in company management. If all budget utilization reports are unified and managed by a single party, it will reduce oversight that can lead to ineffective and efficient budget management, especially if the company's development projects require large funds. To assess manager performance, companies need to distinguish between aspects that can be controlled and those that cannot be controlled by a manager, this step is important to evaluate the results of the manager's performance in order to be more effective.

In this study, the main focus is on assessing how the operational cost budget can function as an instrument in supervising managerial performance at PT Darmasindo. By analyzing budget data and the realization of operational costs in the period 2022 to 2024, this study aims to present a deeper understanding of how the managers of PT. Darmasindo can utilize the budget as an efficient control tool, as well as its impact on cost management, operational efficiency, and the achievement of company performance. In addition, this study seeks to describe the extent to which controlling the operating cost budget can contribute to the achievement of the company's strategic objectives, such as increasing profits, reducing operational costs, and increasing production capacity more effectively. Thus, the results of this study are expected to provide useful recommendations for the management of PT. Darmasindo in maximizing the use of the operational cost budget and cost control strategies to support the company's growth and sustainability in the future.

## Literature Review

### Operating Cost Budget

A study published by (Reza, 2023), revealed that according to Rudianto (2009) Operational cost budgeting is a cost planning related to the process of distributing goods or services and selling company products, as well as costs for the sustainability of the organization. There are 2 operational cost budgets, namely, marketing cost budgets and administrative and general cost budgets. Operating expense budgeting helps companies plan expenses and control the variance between budgeted and realized costs.

This budget not only serves as a financial projection but also as a means to monitor and evaluate the operational performance of each period. (Fitria Nur Salim et al., 2019) revealed in his research that suggested, budget is a very important need in operating a company.

There are 2 types of budgets, namely, static budgets and flexible budgets to determine a budget, it will be better to apply a flexible budget type than a static

budget. If you use a static budget to make a performance report, this is not appropriate, because the realization expenses can be different from the expense plan that has been set so that there will be a large cost difference. To analyze between the planned costs in one level of activity and the realization costs of these different levels of activity cannot inform a good control report.

### **Managerial Performance Control**

Research conducted by (Tandaju et al., 2022) states that Anwar (2017: 35) defines managerial performance as the stages of management, implementation, and supervision of the achievement of results, which are often discussed periodically between superiors and employees, as well as between employees and their superiors. The operational budget serves to plan the needs of activities to be carried out in the company, so that the company's targets can be achieved. It relates to revenue, budget, and expenses related to the company's operational activities.

### **The Role of Budget in Performance Control**

Some recent research shows that the operating cost budget serves as a controlling instrument that assists managers in assessing and making decisions. In the context of a large industry such as PT Darmacindo, the operating budget is increasingly important because it can support managers to overcome the challenges faced by the company, including changes in fuel prices and economic uncertainty. According to McNair-Connolly and Merchant (2020), budgeting provides a detailed understanding of the projected revenue, costs, and expected profits of each option taken. Quoted by (Zulfikar, S. E., M. S. SA (HumBis). et al., 2024).

### **Budget Flexibility in Cost Management**

Increasing flexibility in budgeting is becoming increasingly essential amid uncertain situations. Research by Gunawan and Suryani (2023) shows that an overly rigid budget can hinder a quick reaction to changes in the market or unexpected external factors. Therefore, companies need to consider implementing flexible budgets that allow adjustments to follow existing dynamics. In the context of PT. Darmaindo, which is engaged in the rubber sector, this is especially important given its dependence on fuel and other external factors.

### **Operational Cost Efficiency**

A study conducted by (Wahyuni, 2019), that according to Mulyadi (2014: 13), "Costs can be divided into five types of costs, namely.". Operational cost efficiency is the ratio of expenditures that have been planned and agreed upon or use lower costs to produce expenditures of the same amount or greater amounts than have been set, and which are carried out based on planned results, using resources and the establishment of communication systems, this can be used for reports with actual results control and proof of efficiency, With this, the company can plan activities or find out the realization of the company.

Operational cost optimization aims to assess how much the company can minimize the operational costs that the company will use to generate planned profits so that the company can compete with other competitors and can sustain the company's future. Therefore, the company can ask the management to minimize all

costs incurred in a certain period, and the management must also minimize the costs for each year, so that the profit obtained can be greater. If the company has made operational cost efficiency, it can be stated that the company has succeeded in minimizing costs. Therefore, operational costs can regulate the ideal cost needs in the company's activities. By using operational cost efficiency, the management can monitor operational costs so that the operational costs that are carried out do not exceed what has been set.

### Methodology

The research used is a qualitative descriptive method, which aims to describe and analyze the role of the operational cost budget in controlling managerial performance in PT. Darmasindo. The data used in this study is sourced from the operational cost budget report data of PT. Darmasindo during 2022–2024. The data analysis technique used is variance analysis, which is comparing the planned budget with the realization of costs to see the deviation that occurs. In addition, a performance control analysis is carried out to assess the extent to which budget control is successful in supporting the achievement of the company's goals.

### Results of the Discussion

Analysis of Operating Cost Budget (OPEX) and Managerial Performance. Research shows that the operational cost budget functions as a tool to monitor and control the costs incurred by PT. Darmasindo during surgery. Using an operating expense budget, managers can evaluate whether the costs incurred are in accordance with the budget plan, and take corrective action if there are any deviations. The following table presents comparative data on the operational cost budget and operational cost realization of PT. Darmasindo during the 2022-2024 period

Table 1.  
Recap of OPS Budget Realization

Yes	Year	Operating Cost Budget (Rp)	Realization of Operational Costs (Rp)	Difference (Rp)	Foodi e	Remarks
1.	2022	16.439.836.062	15.588.465.399	905.370.663	-5.49%	Operational Cost Efficiency
2.	2023	14.062.026.354	14.036.701.918	25.324.364	-0.18%	Operational Cost Efficiency
3.	2024	9.295.950	9.238.249.058	57.253.892	-0.62%	Operational Cost Efficiency

Source: Operational Budget Data of PT. Darmasindo

Analysis of Managerial Performance Control through Operating Cost Budget. Based on the data above, in 2022, 2023, and 2024, PT. Darmasindo managed to control operational costs well, as evidenced by the cost savings that year. Managerial performance in managing operational budgets is also reflected in the achievement of efficient targets. The Effect of Operating Cost Budget on Managerial Performance. Based on the results of the analysis, the operational cost budget plays an important role in controlling managerial performance. Managers can make decisions based on

information gained from comparisons between budgets and realizations, as well as formulate strategies to improve cost efficiency in the future.

### Conclusion

The conclusion of this study shows that the operational cost budget functions as an effective tool in controlling managerial performance at PT. Darmasindo Company has managed to achieve cost efficiency during the 2022–2024 period. Success in managing the operating cost budget is directly related to improved managerial performance, especially in better decision-making and planning in the future.

Based on the results of the research, some of the suggestions that can be given are PT. Darmasindo needs to improve precision in budget planning by considering more external variables that can affect operational costs, such as fluctuating fuel prices and material needs outside the plan. Additionally, the use of information technology in budget management can help improve accuracy and efficiency. Budget evaluations also need to be done more often and in a more in-depth manner to detect deviations earlier so that improvements can be made faster.

### References

- Fitria Nur Salim, D., Rahmawati, U., & Muhammadiyah Riau, U. (2019). Effect of Flexible Budget in Making Managerial Decision (Study Case: Pt. Es Tonasa) Pengaruh Anggaran Fleksibel Dalam Mengambil Keputusan Manajerial (Studi Kasus: Pt. Es Tonasa). *Research In Accounting Journal*, 1(1), 155–162. <http://journal.yrpiiku.com/index.php/rajOnline>
- Pipit Muliyah, Dyah Aminatun, Sukma Septian Nasution, Tommy Hastomo, Setiana Sri Wahyuni Sitepu, T. (2020). 濟無 No Title No Title No Title. *Journal of GEEJ*, 7(2).
- Reza, A. and L. D. J. (2023). WORKSHEET : Journal of Accounting WORKSHEET : Journal of Accounting. *WORKSHEET: Journal of Accounting*, 3(1), 27–37.
- Setiarini, E. (2021). The Company's Operational Cost Efficiency in Pt . Indotech Profile.
- Siti Nurfazila. (2023). Analysis Of Operational Cost Budget As A Management Control Tool At Pt. Pln (Persero) Nusantara Power UPDK Bakaru Parepare City. *Journal AK-99*, 3(1), 85–93. <https://doi.org/10.31850/ak99.v3i1.2276>
- Suak, L. A., Pontoh, W., Pinatik, S., Managerial, K., Pt, P., Ekapratama, D., Accounting, J., & Economics, F. (2021). The Role Of Operational Cost Budget As A Managerial Performance Control Tool At Pt . Dirgaputra Ekapratama EMBA Journal Vol . 9 No. April 2, 2021 , p. . 369-377. 9(2), 369–377.
- Tandaju, C., Saerang, D., Affandi, D., Accounting, J., Economics, F., Ratulangi, U. S., Campus, J., & Bahu, U. (2022). Budget Evaluation as a Tool for Management Control in the HR Sector of PT. PLN ( Persero ) North Sulawesi Development Main Unit Budget Evaluation as a Management Control Tool in the Human Resources Sector PT . PLN ( Persero ) North Sulawesi Development Main Unit Email: 5(2), 423– 432.
- Ulya, Z., Kuswandi, S., Triannur, I., Nopiani, L., Yasri, I., Yusran, T., Hasdiana, B., Fuad, M., Silawati, M., Isfandiari, S., Marlina, B., Abdurohim, M., Pinem, D., & Indarto, S. L. (2022). *Corporate Budgeting Theory and Practice*.

Wahyuni, R. (2019). The Effect of Operational Cost Budget on Operational Cost Efficiency at PT Pelabuhan Indonesia 1 Belayang Branch.

Zulfikar, S.E., M.SA (HumBis)., C., Dr. H. La Ode Hasiara, M.M., M.Pd., Ph.D., Akt., C., & Nyoria Anggraeni Mersa, S.E., M. S. (2024). Corporate Budgeting