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Challenges for Globalization"**

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PREFACE

The main theme of the 1st Social Science and Economics International Conference is "social science and economic challenges for a better life". The theme was chosen to prepare the ASEAN Economic Community (AEC) in 2015 which will make the trade of goods, services, investment and labor among ASEAN member countries become more open.

It is of paramount importance that Indonesian government and business people prepare and ready to seize the opportunities and overcome challenges in facing the AEC in 2015. At the end the main goal of this whole participation to contribute to the efforts in reaching the Better Life.

1st SOSEIC organized by University of Bina Darma Palembang, which will take place from 21 February to 23 February in Palembang, South Sumatera, Indonesia, is an interdisciplinary conference among social science and economics issue which bring together researchers, students, trainers, and professional in the field of social science and economics.

A hallmark of SOSEIC conference is to provide an excellent opportunity to facilitate the exchange of ideas and products of teaching and research activities across a network of individuals and institutions in South Sumatera, Indonesia and beyond.

The seminar was attended by the participants from five countries, Indonesia, Singapore, Hong Kong, Malaysia, and Nigeria. The participants attending this event were from various fields of science, namely economics, communications, psychology, language and literature, and education.

Finally, we would like to thank the entire committee, reviewers, and all parties involved who have contributed for the success in running the event as well as in the publication of the proceeding.

Warm Greetings
On Behalf of SOSEIC Committee

Dr. Emi Suwarni

**THE INFLUENCE OF PERFORMANCE MEASUREMENT SYSTEM ON
MANAGERIAL PERFORMANCE : PSYCHOLOGICAL EMPOWERMENT
AND ROLE CLARIFY AS INTERVENING VARIABLE
(EMPIRICAL STUDY OF BPR IN SEMARANG)**

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ABSTRACT

This study examines the relationship of Performance Measurement Systems to Managerial performance: Psychological Empowerment , Role Clarity as intervening Variable. Continuing research by Hall (2004), as for becoming object from this research is Bank Perkreditan Rakyat which located in Semarang Central Java of Indonesia. This research represents the empirical test which used sensus sampling technics in data collection. Data were collected using a survey of managers from Bank Perkreditan Rakyat Center of Java, Indonesia. Data analysis uses SEM Amos versi 18.0. Result of hypothesis examination indicate that from eleven hypothesis raised, only four-accepted hypothesis and four are rejected.

Keywords: Performance Measurement Systems, Managerial performance, Psychological Empowerment , Role Clarity

1. Introduction

Performance measurement system includes performance targets (plan achievement level) of each group performance indicators, each indicator of the performance targets set out in the specific work plan document (Chenhall, 2003). The importance of the benefits of performance measurement system for the company attracted the attention of researchers.

Research conducted by Malmi (2001); Chenhall (2003) and Itner et al. (2003) attempted to define the theoretical content of the performance measurement system). Other research supports the role of performance measurement system in providing the overall business performance measurement, where the manager sees a performance measurement system as something that is very important and useful for managing a business enterprise (Mallma and sellu, 2001). In the research Hall (2004) argued that the performance measurement system can increase intrinsic motivation by increasing psychological

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empowerment of managers. This indicates that the performance measurement system through its function as a motivational tool can provide feedback, which leads to increased intrinsic motivation manager.

The main reason of this study is to contribute to research in the field of management Accounting and Accounting Behavioral, especially the study of the influence of the performance measurement system to work (Work outcomes) and its influence on individual behavior in this regard is the clarity of roles and Psychological Empowerment Manager.

2. Methodology

a. Data Collection Technique

The population in this study is the managers who work in rural banks/ Bank Perkreditan Rakyat (BPR) in Semarang. The sample used was a financial manager, personnel manager, administration manager, information technology, and marketing manager.

b. Quality Test of Data

According Hair (1995) the quality of the data which is generated from the use of the instrument can be evaluated through reliability and validity test.

c. Analytical Techniques

This test of the hypothesis uses multivariate techniques Structure Equation Model (SEM). SEM in this study was analyzed using AMOS software 18.0.

3. Results and Discussion

Questionnaires were distributed by way of delivering directly to the respondents. The total of distributed questionnaires were 135 questionnaires and 112 questionnaires were returned back to the researcher.

a. Quality Test Data

Based on data quality test, known data show that the level of consistency and accuracy is quite good.

b. Hypothesis Testing

Summary comparison of models, appear in table 1 below:

Table 1. Full Model Regression Weights

			Estimate	S.E.	t-Stat.	P	Label
KP	<--	SPM	0.922	0.126	7.313	0	par-4
PP	<--	SPM	0.974	0.44	2.215	0.027	par-7
PP	<--	KP	0.0015	0.393	0.014	0.989	par-7
KM	<--	SPM	1.161	2.529	0.456	0.646	par-3
KM	<--	KP	0.592	0.533	1.11	0.267	par-5
KM	<--	PP	-1.126	2.18	0.521	0.602	par-6
x5	<--	SPM	1				
x2	<--	SPM	1				
x7	<--	PP	1				
x8	<--	PP	1				
x9	<--	PP	1				
x15	<--	KM	1				
x19	<--	KM	1.007	0.127	7.899	0	par-1
x22	<--	KM	1				
x14	<--	KP	1				
x12	<--	KP	1				
x10	<--	KP	1				

Coefficient of the output parameters explanation put forward the following hypothesis:

Hypothesis 1

The first hypothesis (H1) stated that the Performance Measurement System has positive effect on Managerial Performance is accepted. Acceptance of the hypothesis (H1), indicating that the Performance Measurement System can provide information relevant to decision making by managers for managers performance information provides more accurate predictions about the state of the work environment manager, resulting in a decision-making better alternative to the course of action effective and efficient and have an impact on improving the performance of managers. The results are consistent with

previous studies that examine the performance of managers in manufacturing companies in Australia (Hall, 2004) and Rahman (2006) in a manufacturing company in Central Java.

Hypothesis 2

The second hypothesis suggests Performance Measurement System has positive influence on Psychological Empowerment is accepted. These results different from the results of previous studies Rahman (2006). This may be caused by a performance measurement system owned manufacturing company is different from that held by banks. In the banking world proven performance measurement system is able to provide comprehensive information for managers in completing managerial tasks. Performance measurement system of the company is able to increase the motivation and competence of managers. These results support the research Kauter (1989) says that an individual requires information about where this organisasi will run in order to estimate the ability to take action and initiative.

Hypothesis 3

Hypothesis 3 states Psychological Empowerment positive effect on Managerial Performance is rejected. This is not consistent with studies conducted Hall (2004), Rahman (2004). The difference in the results is due to differences in characteristics of the type of company / industry manufacture studied between companies and banks. In fact in the banking industry, the role of psychological empowerment as a support manager managerial performance, psychological state manager is not the main thing in improving performance, there are many factors - other factors that actually support one of them is a factor information (Primasari, 2010), environmental factors (Hilendri, 2009).

Hypothesis 4

Hypothesis 4 suggested Psychological Empowerment act as intervening variables between variables Performance Measurement System for Managerial Performance is rejected. This is not in accordance with the study conducted by Hall (2004) and Rahman (2006). The difference is caused their research work environment characteristics differences between manufacturing and the banking industry, the banking industry is most needed is a variable information system. Information system is proven to influence managerial performance in

the banking industry (Primasari, 2010). This negative result showed that psychological empowerment is not proven mediating variable performance measurement systems and managerial performance.

Hypothesis 5

Hypothesis five states performance measurement system has positive influence on the Role Clarity is accepted. This result supports previous studies Hall (2004). The existence of a performance measurement system provides a variety of performance measurement information about the work area so that the company's business unit managers / employees are able to understand their role in the work to be done.

Hypothesis 6

There is positive relationship between role clarity to Psychological Empowerment. The sixth hypothesis is rejected. It supports researched by Rahman (2006).

Hypothesis 7

The seventh hypothesis states Role Clarity positive effect on Managerial Performance is rejected.

Hypothesis 8

H8 hypothesis stating Role Clarity act as intervening variables between the variables of performance measurement system for Managerial Performance accepted. The results of this study support the research by Hall (2004) and Rahman (2006) who found evidence that performance measurement system linked directly and indirectly with managerial performance through clarity of roles. The existence of a performance measurement system provides a variety of performance measurement information about the work area so that the company's business unit managers / employees are able to understand their role in the work to be done. Clear understanding of their role in the task manager will improve their performance.

4. Conclusions and Recommendations

a. Conclusion

This study showed that Performance Measurement System proved positive and significant impact on managerial performance. Performance measurement system can increase intrinsic motivation by increasing psychological empowerment of managers. This indicates that the performance measurement system through its function as a motivational tool can provide feedback, which leads to increased intrinsic motivation manager.

b. Recommendation

1. Perform additional data collection techniques such as interviews with the company with the aim of expanding the number of respondents because the more the number of samples expected to be able to generalize the problems in research.
2. It should be the development of research instruments, ie adapted to the conditions and environment of the object to be studied.

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