

## Behavioral Aspects of Operational Cost Control to Increase Profits in "X"

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### ABSTRACT

In running a business owned by an individual, it can be said to be successful if after a certain period of time the business experiences an increase in capital, profits or management in controlling costs. This research aims to find out whether controlling operational costs can increase profits at Tegoeh Djaja Konveksi Screen Printing. This research is a type of qualitative descriptive research, primary data obtained through interviews and literature review. The research method used in this research is a qualitative method, namely describing or describing the research results according to the conditions that occurred at the Tegoeh Djaja Konveksi Screen Printing. The research results obtained show that controlling operational costs cannot efficiently increase profits at Tegoeh Djaja Konveksi Screen Printing.

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## INTRODUCTION

In a business, cost control planning is needed which aims to increase the effectiveness and efficiency of a business. This is done to get maximum benefits from cost control planning. The behavioral aspect can be related to human behavior in preparing cost controls. Costs can of course influence human behavior, this can cause stress because of costs, in a business they often face problems such as cost overruns, cost deviations.

Behavioral accounting studies the relationship between human behavior and accounting systems. The accounting system implemented by the company is the key to success in achieving goals. The success of a system cannot be separated from human behavior and the development of accounting cannot be separated from behavior (Nicky, et al. 2021)

The size of the operational costs used to carry out the company's activities or activities will determine how much profit will be obtained. The more costs are reduced, the greater the impact on increasing company profits. The bigger and more developed a company is, the more activities or activities carried out by the company will increase. As the activities carried out by the company increase, the costs incurred for company operations will also increase. To avoid waste or misuse, costs must be used as efficiently and effectively as possible to reduce costs.

Having good operational cost control aspects in a company can help management control operational costs so that planned profits can be achieved. So that with maximum profits, the company is able to develop and compete and can maintain its existence in the future.

The basic profit calculation is calculated once a year at the end of each period. Profit is a measurement of the company to evaluate the performance of company management to find out whether the company has obtained the expected profits based on the assets owned (Wulandari, 2017).

Tegoeh Djaja Konveksi Screen Printing is a company operating in the screen printing and convection sector. Controlling the costs incurred by the company is a very important factor in supporting the achievement of the vision, mission and goals. Tegoeh Djaja Konveksi Screen Printing has operational cost control so that control must be effective and efficient to obtain maximum profits. In order to prevent misuse and misappropriation of costs incurred.

## LITERATURE REVIEW

### *Behavioral Aspects*

Behavioral accounting is a dimension of accounting that studies the relationship between human behavior and the design, preparation and use of accounting information systems efficiently and effectively (Supriyono, 2018: 7). Siegel, G. (1989) in (Sutrisna, 2019:2) states that behavioral accounting is a branch of accounting science that studies the relationship between human or individual behavior and accounting systems which include control systems, budgeting systems, and responsible accounting design. Meanwhile, Suartana (2010) in (Nicky, 2021) states that behavioral accounting is part of accounting science which studies the relationship between human or individual behavior and the accounting system, as well as the behavioral dimensions of the entity

where humans and the accounting system exist and whose existence is recognized.

### ***Cost Accounting***

According to Firdaus Dunia et al. (2018: 18), the definition of cost accounting costs is "The special field of accounting is mainly interrelated between accumulative and analysis in determining the cost of products obtained and making it easier for management to plan, control and make decisions". According to Mulyadi (2016:7), Cost accounting is the practice of documenting, categorizing, summarizing and presenting costs related to the production and sale of goods and services using certain methods. The focus of accounting activities is costs.

### ***Operational Costs***

Operational costs are costs that are not directly related to the company's products but are directly related to the activities carried out by the company. The size of the costs incurred by the company will have a direct influence on the calculation of profit and loss that the company will obtain at the end of each period. According to Mia Lasmi Wardiyah (2017:30) states that operational costs are costs that show the extent of business management efficiency. Selling costs and administrative costs are related to the operations performed.

### ***Cost Control***

According to Ashwoth: 1994 Cost control is one of the important and difficult things in construction companies. This is because construction projects take place over the long term and estimating and controlling future costs is very necessary in the context of project bargaining. (Ashwoth, 1994)

### ***Profit***

According to Aldila Septiana (2019:155) states that profit or profits can be interpreted as the result of reducing income and expenditure, in other words profits can be measured as input (in the form of expenditure on costs) and output (in the form of income earned). It can be concluded that the profit achieved is an important measurement of organizational efficiency and effectiveness.

The types of profit are:

1. Gross profit, namely the difference between net income and sales and the cost of goods sold.
2. Operating profit, namely the difference between gross profit and total operating expenses.
3. Net profit, namely the last figure in the profit and loss calculation where to find operating profit plus other income minus other expenses.

### ***Micro, Small and Medium Enterprises***

Micro, Small and Medium Enterprises are independent productive business units, which are carried out by individuals or business entities in all economic sectors. In principle, the distinction between micro businesses, small businesses, medium businesses and large businesses is generally based on the initial asset value (excluding land and buildings), average turnover per year, or the number of permanent workers. However, the definition of Micro, Small and Medium Enterprises based on these three measuring tools varies by country. Therefore, it is difficult to compare the importance or role of Micro, Small and Medium Enterprises between countries.

Based on Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, the definition of each business is as follows:

- a. Micro businesses are businesses with a net worth of less than 50 million rupiah or generating sales of less than 300 million rupiah for one year.
- b. Small businesses are businesses with assets between 50 and 500 million rupiah or generating sales of between 300 million and 2.5 billion rupiah for one year.
- c. Medium businesses are businesses with assets between 500 million to 10 billion rupiah or generating sales of between 2.5 to 50 billion rupiah for one year.

## **METHODOLOGY**

### ***Types of Research***

This research uses a qualitative type of research with a descriptive approach, namely by carrying out analysis with relevant theories studied at the Tegoeh Djaja Ngadiluwih Convection Screen Printing, Kediri Regency.

### ***Research Place***

The research was conducted at the Tegoeh Djaja Ngadiluwih Screen Printing Convection, Kediri Regency, whose address is Jalan Mawar no. 273 Rt. 01 Rw 04 North Kolak, Wonorejo, kec. Ngadiluwih, Kab. Kediri.

### ***Types and Techniques of Collection***

According to Herdiansyah (2010:9) qualitative research is scientific research which aims to understand a phenomenon in a natural social context by prioritizing in-depth communication interactions between researchers and those being studied. The data sources obtained in this research are primary data and secondary data carried out by direct observation in the field. The data collection method in this research is interviews. Interviews are carried out directly by interviewing the owner and employees who work, documentation is carried out by checking documents.

## **RESEARCH RESULT**

Tegoeh Djaja Convection Screen Printing Business which is located on Jalan Mawar no. 273 Rt. 01 Rw 04 North Kolak, Wonorejo, kec. Ngadiluwih, Kab. Kediri. The founder of this business was the late Mr Rofi'i, who initially only worked alone with his wife. This business was then continued by his younger brother, Mr Yahya. His interest in pursuing the convection business

and support from his family has made this business grow to this day. Now the development of this business is good, even though it is classified as medium-sized, this business can be relied on in developing the economy and also absorbing the workforce around it.

Every business has the same goal, namely to obtain the maximum possible profit in its business processes. One thing that can increase profits is operational costs. The following are the total operational costs incurred by Tegoeh Djaja Konveksi Screen Printing in 2021 and 2023:

**Table 1. Financial Report for Tegoeh Djaja Screen Printing Convection for 2021 - 2023**

| Income Year |             | Operating costs | Profit    |
|-------------|-------------|-----------------|-----------|
| 2021        | 132,575,000 | 123,000,000     | 9,575,000 |
| 2022        | 126,587,500 | 118,335,000     | 8,252,500 |
| 2023        | 154,293,800 | 144,825,000     | 9,468,800 |

Source: Tegoeh Djaja Convection Screen Printing

From table 1 above, operational costs do not significantly influence the increase in profits at Tegoeh Djaja Convection Screen Printing. Judging from the use of operational costs in 2021, it is greater than the use of operational costs in 2022, the profit obtained in 2021 is greater than in 2022, likewise in 2023 the use of operational costs is greater than in 2022 and the profit in 2022 is greater than in 2022 This is influenced by the level of screen printing and convection income.

***Analysis of Operational Cost Control in Increasing Profits at Tegoeh Djaja Convection Screen Printing***

In the analysis of operational cost control in increasing profits, the variance method is used to evaluate the control carried out by the company based on the total operational cost budget and its realization, where the total operational budget is reduced by the operational cost realization.

**Table 2. Total Budget and Realized Operational Costs for Tegoeh Djaja Convection Screen Printing Period 31 December 2021**

| Operating costs       | Budget             | Realization        | Variance         |
|-----------------------|--------------------|--------------------|------------------|
| Raw Material Costs    | 59,275,000         | 58,270,000         | 1,050,000        |
| Salary expense        | 37,000,000         | 36,000,000         | 1,000,000        |
| Electricity cost      | 3,275,000          | 3,920,000          | (645,000)        |
| Transportation costs  | 6,360,000          | 5,950,000          | 410,000          |
| Machine               | 7,500,000          | 7,925,000          | (425,000)        |
| Maintenance Costs     |                    |                    |                  |
| Miscellaneous expense | 11,265,000         | 10,935,000         | 330,000          |
| <b>Total</b>          | <b>124,675,000</b> | <b>123,000,000</b> | <b>1,675,000</b> |

Source: Tegoeh Djaja Convection Screen Printing (processed data)

Table 2 above shows a comparison between the budget and the actual operational costs of the Tegoeh Djaja Convection Screen Printing in 2021. Based on this data, it shows that the budgeted operational costs are IDR 124,675,000 and realization of Rp. 123,000,000

1) Raw Material Costs

The total operational cost budget for Raw Material Costs is IDR 59,275,000, while the actual amount is IDR 58,270,000. In this data, the difference is IDR 1,050,000. Budget costs are higher than actual costs, so we can see that these costs are under control.

2) Salary expense

Total operational cost budget for salary costs Rp. 37,000,000 with the realization amounting to Rp. 36,000,000 where operational costs for salary costs have been controlled because the budget costs are higher than the realization so the difference is Rp. 1,000,000.

3) Electricity cost

The total operational cost budget for Electricity Costs is IDR 3,275,000 with a realization of IDR 3,920,000 so the difference is IDR 645,000 where this cost is uncontrolled or *unfavorable* because the realization is higher than the budgeted costs.

4) Transportation costs

The total operational cost budget for intensive administration is IDR 6,360,000 with a realization of IDR 5,950,000, so the resulting difference is IDR 410,000. Operational costs: Transportation costs have been controlled due to higher realized budget costs.

5) Machine Maintenance Costs

The total operational cost budget for Machine Maintenance Costs is IDR 7,500,000 with a realization of IDR 7,925,000 so the difference is IDR 425,000 where this cost is not yet controllable or *unfavorable* because the realization is higher than the budgeted costs.

6) Miscellaneous expense

The total operational cost budget for Other Costs is IDR 11,265,000 with a realization of IDR 10,935,000 so the difference is IDR 330,000. Operational costs: Transportation costs have been controlled due to higher realized budget costs.

Table 2 above shows a comparison between budgeted operational costs and their realization in 2021. It can be seen from the data that the total budgeted operational costs are IDR 124,675,000 and the realization is IDR 123,000,000. From the analysis data carried out in 2021, there is a variance of IDR. 1,675,000 which is a favorable variance, where the budgeted operational costs are greater than the actual operational costs, so it can be seen from this data that operational cost control at Tegoeh Djaja Convection Screen Printing is well controlled.

**Table 3. Total Budget and Realized Operational Costs for Tegoeh Djaja Convection Screen Printing Period 31 December 2022**

| Operating costs           | Budget             | Realization        | Variance         |
|---------------------------|--------------------|--------------------|------------------|
| Raw Material Costs        | 61,250,000         | 54,250,000         | 7,000,000        |
| Salary expense            | 39,000,000         | 36,000,000         | 3,000,000        |
| Electricity cost          | 4,250,000          | 4,800,000          | (550,000)        |
| Transportation costs      | 5,250,000          | 5,050,000          | 200,000          |
| Machine Maintenance Costs | 6,500,000          | 6,235,000          | 265,000          |
| Miscellaneous expense     | 10,750,000         | 12,000,000         | (1,250,000)      |
| <b>Total</b>              | <b>127,000,000</b> | <b>118,335,000</b> | <b>8,665,000</b> |

Source: Tegoeh Djaja Convection Screen Printing (processed data)

Table 3 above shows a comparison between the budget and the actual operational costs of the Tegoeh Djaja Convection Screen Printing in 2022. Based on this data, it shows that the budgeted operational costs are IDR. 127,000,000 and realization of Rp. 118,335,000.

1) Raw Material Costs

The total operational cost budget for Raw Material Costs is IDR 61,250,000, while the actual amount is IDR 54,250,000. In this data, the difference is IDR 7,000,000.

2) Salary expense

Total operational cost budget for salary costs Rp. 39,000,000 with the realization amounting to Rp. 36,000,000 where operational costs for salary costs have been controlled because the budget costs are higher than the realization so the difference is Rp. 3,000,000.

3) Electricity cost

The total operational cost budget for Electricity Costs is IDR 4,250,000 with a realization of IDR 4,800,000 so the difference is IDR 550,000 where this cost is not yet controlled or *unfavorable* because the realization is higher than the budgeted costs.

4) Transportation costs

The total operational cost budget for intensive administration is IDR 5,250,00 with a realization of IDR 5,050,000, so the resulting difference is IDR 200,000. Operational costs: Transportation costs have been controlled due to higher realized budget costs.

5) Machine Maintenance Costs

The total operational cost budget for Machine Maintenance Costs is IDR 6,500,000 with a realization of IDR 6,235,000 so the difference is IDR 265,000 where these costs have been controlled because the budget costs are higher than the realization.

6) Miscellaneous expense

The total operational cost budget for Other Costs is IDR 10,750,000 with a realization of IDR 12,000,000, so the difference is IDR 1,250,000 where

these costs are uncontrolled or *unfavorable* because the realization is higher than the budgeted costs.

**Table 4. Total Budget and Realized Operational Costs for Tegoeh Djaja Convection Screen Printing Period 31 December 2023**

| Operating costs           | Budget             | Realization        | Variance         |
|---------------------------|--------------------|--------------------|------------------|
| Raw Material Costs        | 77,525,000         | 75,125,000         | 2,400,000        |
| Salary expense            | 39,000,000         | 38,500,000         | 500,000          |
| Electricity cost          | 5,753,000          | 5,500,000          | 253,000          |
| Transportation costs      | 6,200,000          | 5,975,000          | 225,000          |
| Machine Maintenance Costs | 7,200,000          | 7,750,000          | (550,000)        |
| Miscellaneous expense     | 12,245,000         | 11,975,000         | 270,000          |
| <b>Total</b>              | <b>147,923,000</b> | <b>144,825,000</b> | <b>3,098,000</b> |

Source: Tegoeh Djaja Convection Screen Printing (processed data)

Table 4 above shows a comparison between the budget and the actual operational costs of the Tegoeh Djaja Convection Screen Printing in 2023. Based on this data, it shows that the budgeted operational costs are IDR. 147,923,000 and realization of Rp. 144.825.00.

1) Raw Material Costs

The total operational cost budget for Raw Material Costs is IDR 77,525,000, while the actual amount is IDR 75,125,000. In this data, the difference is IDR 2,400,000.

2) Salary expense

Total operational cost budget for salary costs Rp. 39,000,000 with the realization amounting to Rp. 38,500,000 where operational costs for salary costs have been controlled because the budget costs are higher than the realization so the difference is Rp. 500,000.

3) Electricity cost

The total operational cost budget for electricity costs is IDR 5,753,000 with a realization of IDR 5,500,000 so the difference is IDR 253,000.

4) Transportation costs

The total operational cost budget for intensive administration is IDR 6,200,000 with a realization of IDR 5,975,000, so the resulting difference is IDR 225,000. Operational costs: Transportation costs have been controlled due to higher realized budget costs.

5) Machine Maintenance Costs

The total operational cost budget for Machine Maintenance Costs is IDR 7,200,000 with a realization of IDR 7,750,000 so the difference is IDR 550,000 where this cost is not yet controllable or *unfavorable* because the realization is higher than the budgeted costs.

6) Miscellaneous expense

The total operational cost budget for Other Costs is IDR 12,245,000 with a realization of IDR 11,975,000 so the difference is IDR 270,000. Operational

costs other costs have been controlled due to higher budget costs realized.

### ***Analysis of the Rate of Increase in Profits at Tegoeh Djaja Convection Screen Printing***

In the analysis of the rate of increase in profits at Tegoeh Djaja Konveksi Screen Printing using the formula. Profit increase technique is a technique or process to show the percentage increase or decrease in profit achieved by a company by comparing operational costs with operational income multiplied by one hundred percent (100%). This technique is used to measure management's ability to manage operational costs from operational income incurred by a company.

The following is the formula for measuring the level of increase in profit or operational costs for operational income (BOPO).

**Table 5. BOPO of Tegoeh Djaja Convection Screen Printing for 2019 - 2021**

|                 | 2021            | 2022            | 2023            |
|-----------------|-----------------|-----------------|-----------------|
| Operating costs | IDR 123,000,000 | IDR 118,335,000 | IDR 144,825,000 |
| Income          | IDR 132,575,000 | IDR 126,587,500 | IDR 154,293,800 |
| BOPO            | 92.77%          | 93.48%          | 93.86%          |

From the calculation above, it can be seen that the BOPO value for 2021 is at a percentage of 92.77%. Then in 2021 there was an increase of 0.71% so that the BOPO value in 2021 was at a percentage of 93.48%, which means that the use of operational costs in 2021 was more efficient than the use of operational costs in 2020. And there was a decrease in the BOPO value of 0.38% in 2021. 2023 so that it becomes 93.86%, which means that the use of operational costs in 2023 is more efficient than the use of operational costs in 2021 and 2023.

### **CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of research conducted at Tegoeh Djaja Konveksi Screen Printing regarding the analysis of operational cost control on increasing profits, it can be concluded that the operational cost control carried out by the company is good, this is because the amount of operational cost realization in 2021 to 2023 does not exceed the budget that has been set. set. However, this does not have an efficient effect in increasing the profits obtained by the company, because increasing profits at Tegoeh Djaja Konveksi Screen Printing is not only seen from the operational costs incurred by the company but also seen from the income obtained in the business.

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