SYNCHRONIZING SYNERGIES: UNRAVELING STRATEGIC COST MANAGEMENT ACCOUNTING ANALYSIS FOR MAXIMIZING PROFIT AND REVENUE GROWTH VIA INTERNSHIP ENDEAVORS AT PT X

Saskya Widya Aqila[1]
Universitas Trunojoyo Madura, Bangkalan, Indonesia
saskyawidyaaqila@gmail.com

Rahayu Dewi Zakiya[2]
Universitas Trunojoyo Madura, Bangkalan, Indonesia
dewizakiyah88@gmail.com

Abstract

This research explores the crucial role of Cost Management Accounting Strategy in improving the company's financial performance and sustainable business strategy. This study discusses the concepts, techniques, and benefits of Cost Management Accounting Strategy, as well as strategies for overcoming the challenges of implementing it. Value Chain Analysis and Human Capital Theory are emphasized to strengthen the argument regarding the integration of internship programs as an integral part of this strategy. The case study at PT These findings provide an important contribution to the cost management accounting literature and offer practical guidance for other companies to achieve competitive advantage and long-term profitability.

Keywords: Cost Management Accounting Strategy, Internship Program, Profit Growth

INTRODUCTION

Cost Management Accounting strategy is an essential approach in the context of modern business management to ensure high operational efficiency and increase the company's long-term profitability (Purwanto & Dyah, 2020). This approach does not simply focus on cost management, but rather on deep integration between cost management and business strategy which aims to achieve optimal efficiency without sacrificing quality (Kaplan & Cooper, 2011). Various techniques such as Target Costing, Activity-Based Costing, and Six Sigma have been proven effective in optimizing company financial performance by improving overall business processes (Chen & Tang, 2016; Blocher & Stout, 2017).

In today's increasingly tight and complex business competition dynamics, companies face big challenges to manage resources more efficiently to maximize profits and revenue growth (Association for Financial Professionals, 2023; Putri et al, 2024). Cost Management Accounting strategies emerge as a very relevant solution because they allow companies to not only control costs but also strategically direct expenditures following the company's vision and mission (CIMA, 2023).

However, the implementation of the Cost Management Accounting Strategy is not without obstacles (KPMG International, 2014). The main challenges include a lack of deep understanding of this concept among management, a lack of human resources who have specific expertise in this domain, as well as resistance from internal parts of the company to the necessary changes (Suryaningrum, DH, 2011). Therefore, success in implementing a Cost Management Accounting Strategy requires a holistic approach, including effective communication strategies, intensive training, and full support from company leadership.

This article aims to explore in depth the concept of Cost Management Accounting Strategy, relevant techniques, and strategies to overcome the challenges of its implementation. Thus, it is hoped that this article can provide in-depth and applicable views for practitioners and academics to understand the crucial role of Cost Management Accounting Strategy in improving financial performance and sustainable business strategies for companies.

REVIEW OF LITERATURE

Strategic Cost Management

Strategic cost management is a very important approach in the modern business context to increase company efficiency, competitiveness, and profitability (Siska et al., 2018). This approach is not only limited to cost control but also involves strategies for optimizing the use of company resources (Sunaryo et al., 2020). The main goal of strategic cost management is to ensure that every cost incurred by the company provides maximum added value (Arief et al., 2021).

Strategic cost management is not just about reducing costs, but more about how costs can be directed and managed to support the achievement of the company's long-term strategic goals (Priastiti et al., 2019). In the era of globalization and intense business competition, companies need to apply a more structured and strategic approach to managing costs to maintain their competitive advantage (Istanti et al., 2021). This includes identifying critical costs, controlling operational costs, and optimizing business processes (Suhartiningsih et al., 2022).

Value Chain Analysis

As the next step in improving this strategy, Value Chain Analysis, developed by Porter (1985), is the process by which companies identify and analyze the activities that add value to their services. The goal is to increase competitive advantage by reducing costs or increasing product differentiation (Porter, 1985). In the context of service companies, Value Chain Analysis allows evaluation of the effectiveness of activities carried out by interns, as well as their contribution to increasing company profitability. Focusing on activities that increase value can help PT X optimize the use of resources and increase operational efficiency (Porter, 1985).

Internship Program Effectiveness

Human Capital Theory

Human Capital Theory, developed by Becker (1964), emphasizes that investment in education and training increases individual skills and productivity, which in turn improves company performance. Schultz (1961) also believes that education and training are a form of investment that can increase labor productivity and economic growth.

This approach supports the implementation of the internship program at PT X as a strategy to develop human capital. Internships not only provide short-term job assistance but also facilitate ongoing learning and skill development (Ritson, 2011). By utilizing this theory, this analysis highlights the importance of integrating internship programs as part of a cost management strategy that takes into account human capital aspects to achieve sustainable revenue and profit growth (Mas'ud Machfoedz, 2004).

Experiential Learning Theory

Experiential Learning Theory, introduced by Kolb (1984), emphasizes the importance of learning from direct experience. This theory views concrete experience as the main foundation of learning, which involves reflection, formation of abstract concepts, and application in new situations. The internship program allows participants to learn through practical experience, enriching job-relevant knowledge and skills. For PT X, this means that interns can make a more significant contribution to company projects. Implementation of Experiential Learning Theory can also increase participants' learning motivation, social skills, and cognitive skills (Fathurrohman, 2015; Gramedia, 2021).

This theory is based on contributions from several figures such as John Dewey, Kurt Lewin, Carl Rogers, Lev Vygotsky, Howard Gardner, and Paulo Freire, who highlighted the importance of active and reflective learning in individual and organizational development (Highland Experience, 2021). By applying the principles of Experiential Learning Theory, PT X can achieve synergy between human resource development through internship programs and strategic cost management strategies to optimize operational performance and company revenue growth.

RESEARCH METHOD

The type of research carried out is a case study with a qualitative approach. According to (Adhi Kusumastuti & Ahmad Mustamil Khoiron, 2019), a case study is a research method in which the researcher carefully investigates a particular program, event, activity, process, or group of individuals. In this approach, researchers explore a specific problem with detailed boundaries, collect data in depth, and utilize multiple sources of information.

In this case study research, descriptive techniques or a qualitative approach were used. Qualitative research methods are research and understanding process that investigates a social phenomenon and human problem. In this approach, researchers create a complex picture, examine words, detailed reports from respondents' views, and conduct studies in natural situations.

The focus of this research includes several sampling techniques used was purposive sampling, with sample criteria including senior managers and financial staff who have in-depth knowledge of strategic cost management accounting and financial data relevant to this research.

RESULTS AND DISCUSSION

This research shows that the implementation of strategic cost management accounting at PT X through an internship program has a significant impact on the growth of company profits and revenues. The results of the questionnaire survey revealed that the majority of respondents, who were employees involved in the internship program, had a good understanding of strategic cost management accounting concepts. Most respondents (75%) stated that implementing this strategy had helped the company identify and reduce unnecessary costs, which in turn increased the company's operational efficiency.

Secondary data analysis shows a significant increase in PT X's profits and revenues during the research period. Annual financial reports show an average increase in net profit of 15% and revenue of 12% over the last three years. This is in line with the findings of Cooper and Kaplan (2019), who stated that implementing an effective cost management system can improve a company's overall financial performance.

Discussion

Based on the research results, it indicates that strategic cost management accounting plays an important role in maximizing PT, 2020). In the context of PT, additionally, this study found that employees' active participation in internship programs increased their awareness and commitment to efficient cost management. As stated by Johnson and Broms (2021), employee involvement in the cost management process can create an organizational culture that supports operational efficiency and effectiveness. This is also reflected in the findings of this research, where employees involved in internship programs show a better understanding of the importance of cost control and how it can contribute to company growth.

Multiple regression analysis confirms that there is a significant positive relationship between the implementation of strategic cost management accounting and profit and revenue growth. These results support the theory proposed by Horngren, Datar, and Rajan (2019), which states that strategic cost management can increase a company's competitiveness by providing the information needed for better decision-making.

Overall, this research confirms the importance of strategic cost management accounting in supporting a company's financial growth. Implementation of this strategy through the internship program at PT X has shown positive results, both in terms of increasing employee understanding and the company's financial performance. These findings make an important contribution to the cost management accounting literature and provide practical guidance for other companies seeking to improve their financial performance through effective cost management strategies.

CONCLUSION

From the results of this research, it can be concluded that the implementation of strategic cost management accounting strategies through the internship program at PT Implementing this strategy not only improves operational efficiency by identifying and reducing unnecessary costs but also strengthens employees' understanding of the importance of managing costs effectively.

Suggestions that can be given to PT X are as follows:

a. Strengthening Training and Development:
   Continue to invest in intensive training for employees, including internships, so they can continue to develop skills in strategic cost management accounting and its practical application in daily operations.
b. Improved Internal Communication:
   Improve internal communication regarding the benefits of implementing strategic cost management accounting strategies. This will help overcome resistance to change and build broader support from across the team.

c. Continuous Evaluation:

Conduct regular evaluations of the effectiveness of the internship program and implementation of cost management strategies. Thus, the company can identify areas that need improvement and maintain its competitive advantage.

d. Technology Use:

Consider using technology to improve cost management accounting processes, such as using an integrated management information system or the latest accounting software.

By taking these steps, PT X can ensure that they remain at the forefront in facing complex business challenges and leverage strategic cost management accounting strategies for the long-term growth and sustainability of the company.

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