

EVALUATING THE ROLE OF RESPONSIBILITY ACCOUNTING IN ENHANCING COST CONTROL AND MANAGERIAL ACCOUNTABILITY: EVIDENCE FROM PT INDOFOOD SUKSES MAKMUR TBK

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Abstract

Increasing competition in the manufacturing industry has intensified the need for effective production cost control to maintain operational efficiency and organizational competitiveness. Although responsibility accounting has been widely recognized as a managerial control system, empirical evidence regarding its effectiveness in enhancing cost control and managerial accountability within Indonesian manufacturing companies remains limited. This study aims to evaluate the role of responsibility accounting in enhancing cost control and managerial accountability at PT Indofood Sukses Makmur Tbk. A qualitative descriptive research design was employed using secondary data obtained from the company's published annual reports, audited financial statements, and other relevant corporate publications covering the 2021–2023 period. Data were analyzed through documentary analysis and budget variance analysis by comparing budgeted and actual production costs, including direct materials, direct labor, and manufacturing overhead. The findings indicate that responsibility accounting provides an effective framework for monitoring production costs through clearly defined responsibility centers, systematic budgeting, and performance reporting. Budget variance analysis enables management to identify favorable and unfavorable cost deviations, evaluate managerial performance objectively, and implement timely corrective actions. The study further reveals that responsibility accounting strengthens managerial accountability by improving budget discipline, operational efficiency, and evidence-based decision-making. These findings contribute to the management accounting literature by providing empirical evidence on the strategic role of responsibility accounting in supporting cost control and organizational governance. Practically, the study highlights the importance of integrating responsibility accounting with continuous performance evaluation to improve resource utilization and enhance managerial effectiveness in manufacturing organizations.

Keywords: Responsibility Accounting, Cost Control, Managerial Accountability, Budget Variance Analysis, Manufacturing Industry.



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INTRODUCTION

Amid intensifying competition in the food and beverage industry, achieving efficiency in production cost management has become a critical factor in sustaining organizational competitiveness and long-term business performance. As one of the leading companies in this sector, PT Indofood Sukses Makmur Tbk. faces ongoing challenges in controlling operational costs across its diverse production units. Effective cost control is therefore essential not only to maintain operational efficiency but also to support managerial decision-making and optimize resource allocation.

One strategic approach adopted to address these challenges is the implementation of responsibility accounting. Responsibility accounting is a management accounting system that emphasizes responsibility centers, whereby each organizational unit is assigned specific budget targets and is required to report its financial and operational performance in accordance with its assigned responsibilities (Airlangga Kaivalya dan Vandu Mesa Nopandri, 2021). By assigning accountability to individual responsibility centers, this system enables management to identify budget variances, evaluate managerial performance, and implement timely corrective actions when deviations occur.

Accordingly, responsibility accounting serves as an important managerial control mechanism for improving cost efficiency and strengthening organizational accountability. Through systematic monitoring of production costs and performance outcomes, the system provides relevant information that supports more effective planning, control, and decision-making processes. Against this backdrop, this study aims to evaluate the implementation of responsibility accounting as a cost control mechanism at PT Indofood Sukses Makmur Tbk. and to assess its effectiveness in enhancing cost control and managerial accountability.

LITERATURE REVIEW

Responsibility Accounting

Responsibility accounting is a management accounting system designed to measure, monitor, and evaluate organizational performance by assigning responsibility for costs, revenues, and operational outcomes to specific organizational units or responsibility centers. According to (Imelda Hutabarat, 2020), responsibility accounting evaluates organizational performance based on units that are accountable for expenditures and revenues. The primary objective of this system is to improve managerial accountability while enhancing operational efficiency through systematic performance evaluation.

The implementation of responsibility accounting is based on the principle that managers should be held accountable only for activities and resources under their direct control. This approach facilitates decentralized decision-making by assigning authority and responsibility to managers at different organizational levels. Consequently, organizational performance can be assessed more objectively, enabling management to

identify operational inefficiencies, monitor budget compliance, and implement corrective actions in a timely manner.

The effectiveness of responsibility accounting depends on several essential components, including responsibility centers, budgeting systems, performance reports, and performance evaluation mechanisms. Responsibility centers establish clear managerial authority and accountability, while budgets provide quantitative performance targets for each organizational unit. Performance reports compare actual outcomes with predetermined budgets, allowing management to identify favorable and unfavorable variances. These variance analyses provide valuable information for evaluating managerial performance and supporting strategic decision-making.

A fundamental objective of responsibility accounting is to strengthen managerial accountability by ensuring that every manager is responsible for the operational and financial performance of the unit under his or her supervision (Ersi Sisdiyanto, M. Ak, Dakun, 2021). Accordingly, responsibility accounting functions not only as a financial control mechanism but also as an organizational governance tool that encourages transparency, accountability, and continuous performance improvement.

Production Cost and Cost Control

Production cost represents the total expenditure incurred by a company during the process of manufacturing goods or delivering services. These expenditures constitute a significant component of organizational operations because they directly influence production efficiency, product pricing, profitability, and overall business competitiveness. According to (Dewa Putu Yohanes Agata L. Sandopart et al., 2023), production costs consist of three primary elements: direct material costs, direct labor costs, and manufacturing overhead costs. A comprehensive understanding of these cost components is essential for effective budgeting, financial planning, cost control, and strategic managerial decision-making.

Direct material costs refer to expenditures associated with acquiring the primary raw materials required for production. These costs generally include purchasing expenses, transportation costs, handling charges, and storage expenses before the materials enter the production process. Since raw materials often represent the largest proportion of manufacturing costs, efficient procurement and inventory management are critical for maintaining production efficiency and minimizing unnecessary expenditures.

Direct labor costs comprise wages, salaries, overtime compensation, and employee benefits paid to workers who are directly involved in transforming raw materials into finished products. Labor productivity significantly affects production efficiency; therefore, organizations continuously seek to optimize workforce utilization while maintaining product quality and operational effectiveness.

Manufacturing overhead costs include all indirect production expenditures that cannot be directly traced to individual products but remain essential for supporting manufacturing activities. These costs typically encompass factory rent, utilities such as electricity and water, equipment depreciation, machinery maintenance, factory

supervision, and other indirect production-related expenses. Although overhead costs are not directly attributable to specific products, effective management of these expenditures is essential for improving operational efficiency and maintaining competitive production costs.

Cost control is an integral component of production management because it enables organizations to monitor resource utilization, evaluate operational efficiency, and identify areas requiring managerial intervention. Through systematic monitoring of production costs, organizations can detect deviations between planned and actual expenditures, evaluate the causes of cost variances, and implement appropriate corrective measures. Consequently, effective cost control contributes not only to improved financial performance but also to enhanced organizational competitiveness and sustainable business operations.

Production Costing Methods

The calculation of production costs is fundamental to determining the total cost incurred in manufacturing products and serves as the basis for pricing decisions, profitability analysis, inventory valuation, and financial reporting. According to (Khaerunnisa & Pardede, 2021), two production costing methods are commonly employed in manufacturing organizations: the full costing method and the variable costing method.

The full costing method allocates all manufacturing costs—including direct materials, direct labor, variable manufacturing overhead, and fixed manufacturing overhead—to the cost of production. Because this method incorporates both fixed and variable production costs, it provides a comprehensive measure of product cost and is widely used for external financial reporting and inventory valuation.

In contrast, the variable costing method includes only variable manufacturing costs as components of product cost, while fixed manufacturing overhead is treated as a period expense. This approach is particularly useful for internal managerial purposes because it provides clearer information regarding cost behavior, contribution margins, and short-term decision-making related to production planning and operational efficiency.

Both costing methods provide valuable information for managerial decision-making; however, their usefulness depends on the objectives of financial analysis and organizational planning. Within the context of responsibility accounting, accurate production cost measurement serves as a critical foundation for preparing realistic budgets, evaluating responsibility center performance, analyzing budget variances, and improving managerial accountability. Therefore, the integration of responsibility accounting with an appropriate production costing system enables organizations to strengthen cost control practices and support more effective managerial decision-making.

RESEARCH METHOD

This study employed a qualitative descriptive research design to evaluate the implementation of responsibility accounting as a mechanism for cost control at PT

Indofood Sukses Makmur Tbk. The qualitative descriptive approach was selected because it enables a systematic examination of financial information and organizational performance without manipulating the observed variables. The study focused on describing and interpreting the effectiveness of responsibility accounting in supporting cost control and managerial accountability.

The research relied exclusively on secondary data obtained from the company's publicly available annual reports, audited financial statements, and other relevant corporate publications covering the period from 2021 to 2023. These documents were selected because they provide comprehensive and reliable information regarding the company's budgeting practices, production costs, and financial performance. Additional supporting literature, including academic publications and relevant accounting references, was also reviewed to strengthen the theoretical foundation of the study.

Data collection was conducted through documentary analysis, whereby financial reports and related corporate documents were systematically reviewed to identify information associated with responsibility accounting practices and production cost management. The analysis concentrated on three major components of production costs: direct material costs, direct labor costs, and manufacturing overhead costs.

The analytical procedure involved comparing budgeted production costs with their corresponding actual expenditures for each cost component during the observation period. Budget variances were subsequently identified and evaluated to determine whether the deviations were favorable or unfavorable and to assess their implications for managerial performance. Variance analysis served as the primary analytical technique for examining the effectiveness of the company's responsibility accounting system in monitoring budget implementation, identifying cost deviations, and facilitating corrective managerial actions.

The findings were interpreted descriptively by relating the observed budget variances to the principles of responsibility accounting and cost control. This analytical approach enabled the study to evaluate the extent to which responsibility accounting contributed to improving production cost control, strengthening managerial accountability, and supporting managerial decision-making within the company.

RESULTS AND DISCUSSION

PT Indofood Sukses Makmur Tbk. is one of Indonesia's largest food and beverage manufacturers, operating through multiple production divisions with extensive manufacturing activities. Given the scale and complexity of its operations, effective production cost management is essential to maintaining operational efficiency and sustaining the company's competitive advantage. Consequently, the implementation of responsibility accounting plays a strategic role in ensuring that production costs are systematically monitored, controlled, and evaluated through clearly defined responsibility centers.

To evaluate the effectiveness of responsibility accounting as a cost control mechanism, this study utilized both quantitative and qualitative data obtained from the company's published annual reports and other relevant corporate publications. The analysis focused on the budgeting and realization of production costs during the 2021–2023 period, covering three principal production cost components: direct material costs, direct labor costs, and manufacturing overhead costs. Budget variance analysis was employed to evaluate managerial performance by comparing planned expenditures with actual production costs incurred by each responsibility center.

The findings indicate that responsibility accounting provides management with a structured framework for monitoring budget implementation, identifying cost deviations, and assigning accountability to managers responsible for each operational unit. This approach facilitates more effective cost control while providing reliable information to support managerial planning and strategic decision-making.

Table 1. Budgeted Direct Material Costs of PT Indofood Sukses Makmur Tbk.

Direct Materials	Unit	Volume	Amount (IDR)
Wheat Flour	kg	4,179,161,157	9,277,737,768,000
Tapioca Flour	kg	453,222,822	1,087,734,733,000
Cooking Oil	kg	4,286,141,967	1,639,449,302,000
Seasonings	kg	18,779,488	67,606,156,000
Total	–	8,937,305,434	12,072,528,000,000

Source: Simamora et al. (2025).

Table 1 presents the budget allocation for direct material costs at PT Indofood Sukses Makmur Tbk. According to (Simamora et al., 2025), the total budget allocated for direct materials amounted to Rp12,072,528,000,000, representing the largest component of the company's production costs. These figures demonstrate that wheat flour and cooking oil account for the largest proportion of direct material costs, reflecting their strategic importance as primary production inputs. Because direct materials constitute a substantial share of total manufacturing costs, efficient planning, procurement, and utilization of these resources are essential for maintaining production efficiency and minimizing unnecessary expenditures.

Within the responsibility accounting system, the management of direct material costs is assigned to specific responsibility centers, particularly the purchasing and production departments. Each responsibility center is accountable for controlling material consumption within the approved budget while maintaining production quality and operational continuity. This allocation of responsibility enables management to evaluate departmental performance objectively and identify the organizational units responsible for any significant budget deviations.

Furthermore, responsibility accounting enhances cost control by providing timely variance information between budgeted and actual material expenditures. When unfavorable variances occur, management can investigate their underlying causes, such as fluctuations in raw material prices, inefficient material utilization, excessive waste,

inventory management issues, or supply chain disruptions. Conversely, favorable variances may indicate improved procurement strategies, efficient inventory management, or enhanced production processes.

From a managerial perspective, this systematic monitoring process strengthens organizational accountability because managers are evaluated based on their ability to control costs within their respective areas of responsibility. The availability of detailed budget variance information also supports corrective managerial actions, including supplier evaluation, procurement optimization, production planning adjustments, and improvements in inventory management practices.

Overall, the findings suggest that the implementation of responsibility accounting significantly contributes to strengthening direct material cost control at PT Indofood Sukses Makmur Tbk. By clearly assigning cost responsibility to relevant organizational units and continuously monitoring budget performance, the company is better positioned to improve resource utilization, reduce production inefficiencies, and support evidence-based managerial decision-making. These findings are consistent with the principles of responsibility accounting, which emphasize managerial accountability through systematic budgetary control and performance evaluation.

Table 2. Budgeted Manufacturing Overhead Costs of PT Indofood Sukses Makmur Tbk.

Cost Category	Unit	Volume	Amount (IDR)
Fuel	Liter	29,029,545	12,773,000,000
Packaging Materials -Labels	Roll	1,630,690	664,127,857,000
Packaging Materials-Cartons	Unit	141,604,315	135,940,143,000
Salaries and Wages	–	–	321,034,000,000
Depreciation Expense	–	–	62,136,000,000
Amortization Expense	–	–	25,387,000,000
Other Manufacturing Overhead	–	–	577,110,000,000
Total	–	–	1,789,508,000,000

Source: Annual Reports of PT Indofood Sukses Makmur Tbk. (2021–2023), processed by the author.

Manufacturing overhead represents indirect production costs that cannot be directly attributed to individual products but are essential for maintaining continuous manufacturing operations. Under the responsibility accounting system, these costs are allocated to the relevant responsibility centers based on predetermined allocation criteria, allowing management to monitor the efficiency of resource utilization and evaluate departmental performance.

The distribution of overhead costs indicates that labels, salaries and wages, and other manufacturing overhead constitute the largest expenditure categories. These components are critical to supporting uninterrupted production activities and ensuring that operational processes are carried out efficiently. The relatively large allocation to indirect costs also reflects the complexity of manufacturing operations within PT Indofood Sukses Makmur Tbk., where multiple production facilities require substantial supporting resources.

From the perspective of responsibility accounting, manufacturing overhead costs are assigned to responsibility centers according to each department's authority and operational responsibilities. This allocation ensures that managers are held accountable only for the costs they can reasonably influence. Consequently, the responsibility accounting system enhances transparency by clearly identifying which organizational units are responsible for controlling specific categories of indirect production costs.

An important advantage of this system is its ability to facilitate continuous monitoring of overhead expenditures through budget variance analysis. By comparing budgeted overhead costs with actual expenditures, management can identify favorable and unfavorable variances and investigate the factors contributing to these differences. Unfavorable variances may result from increases in utility prices, higher maintenance expenditures, unexpected equipment failures, or inefficient utilization of production facilities. Conversely, favorable variances may indicate successful implementation of cost-saving initiatives, improved operational efficiency, or more effective resource allocation.

The availability of detailed overhead cost information also supports managerial decision-making by providing objective evidence regarding departmental performance. Managers are able to evaluate whether production resources have been utilized efficiently and determine whether operational improvements are necessary. In addition, variance analysis enables management to implement timely corrective actions, such as improving maintenance schedules, optimizing energy consumption, revising procurement strategies for production supplies, or reallocating resources among production departments.

The findings further demonstrate that responsibility accounting contributes significantly to strengthening cost discipline across organizational units. Rather than viewing manufacturing overhead merely as unavoidable indirect expenditures, the company utilizes responsibility accounting to transform these costs into measurable performance indicators. This approach encourages managers to exercise greater financial responsibility and promotes more efficient utilization of organizational resources.

Moreover, effective control of manufacturing overhead enhances the reliability of production cost information, thereby improving budget accuracy and supporting strategic planning. Accurate overhead allocation is particularly important for determining product costs, evaluating production efficiency, and maintaining long-term organizational competitiveness. Consequently, responsibility accounting functions not only as a cost control mechanism but also as a managerial information system that supports evidence-based decision-making and continuous operational improvement.

Overall, the analysis indicates that the implementation of responsibility accounting at PT Indofood Sukses Makmur Tbk. has strengthened the monitoring and control of manufacturing overhead costs by establishing clear responsibility centers, improving budget transparency, and facilitating objective performance evaluation. These findings reinforce the view that responsibility accounting is an effective managerial tool for

enhancing operational efficiency and organizational accountability within large-scale manufacturing companies.

Table 3. Budgeted and Actual Direct Labor Costs of PT Indofood Sukses Makmur Tbk. (2021–2023)

Year	Product Category	Budgeted Direct Labor Cost (IDR)	Actual Direct Labor Cost (IDR)	Variance (IDR)	Performance Evaluation
2021	Instant Noodles	550,000,000,000	575,000,000,000	+25,000,000,000	Unfavorable variance (Cost overrun: 4.5%)
2021	Snacks	320,000,000,000	310,000,000,000	−10,000,000,000	Favorable variance (Cost efficiency: 3.1%)
2021	Beverages	330,000,000,000	365,000,000,000	+35,000,000,000	Unfavorable variance (Cost overrun: 10.6%)
2022	Instant Noodles	580,000,000,000	570,000,000,000	−10,000,000,000	Favorable variance (Cost efficiency: 1.7%)
2022	Snacks	340,000,000,000	335,000,000,000	−5,000,000,000	Favorable variance (Cost efficiency: 1.5%)
2022	Beverages	380,000,000,000	390,000,000,000	+10,000,000,000	Unfavorable variance (Cost overrun: 2.6%)
2023	Instant Noodles	600,000,000,000	620,000,000,000	+20,000,000,000	Unfavorable variance (Cost overrun: 3.3%)
2023	Snacks	360,000,000,000	350,000,000,000	−10,000,000,000	Favorable variance (Cost efficiency: 2.8%)
2023	Beverages	390,000,000,000	430,000,000,000	+40,000,000,000	Unfavorable variance (Cost overrun: 10.3%)

Source: Annual Reports of PT Indofood Sukses Makmur Tbk. (2021–2023), processed by the author.

Direct labor costs constitute one of the principal components of production costs because they represent expenditures directly associated with employees engaged in manufacturing activities. Within the framework of responsibility accounting, direct labor costs are assigned to production responsibility centers, allowing management to evaluate departmental performance by comparing budgeted labor expenditures with actual costs incurred during the production process.

Table 3 presents the budgeted and actual direct labor costs for three product categories instant noodles, snacks, and beverages—during the 2021–2023 period. The comparison between budgeted and actual expenditures provides valuable information regarding cost efficiency and managerial performance through budget variance analysis. Favorable variances indicate that actual expenditures were lower than budgeted costs, whereas unfavorable variances reflect cost overruns requiring managerial attention.

In 2021, the instant noodle division recorded a budget of Rp550,000,000,000, while the actual labor cost reached Rp575,000,000,000, resulting in an unfavorable variance of Rp25,000,000,000 (4.5%). This variance suggests that labor expenditures exceeded the planned budget, indicating potential inefficiencies in workforce utilization, overtime management, or production scheduling.

Conversely, the snack division demonstrated favorable performance by reducing labor costs from the budgeted Rp320,000,000,000 to an actual expenditure of Rp310,000,000,000, generating a favorable variance of Rp10,000,000,000 (3.1%). This outcome reflects effective labor cost management while maintaining production activities within the established budget.

The beverage division experienced the largest unfavorable variance during 2021. Actual labor expenditures reached Rp365,000,000,000, exceeding the allocated budget of Rp330,000,000,000 by Rp35,000,000,000 (10.6%). Such a substantial variance indicates that management should further investigate the underlying causes, including possible increases in production demand, overtime compensation, labor productivity issues, or operational inefficiencies.

Overall, the 2021 results demonstrate variations in managerial performance among responsibility centers. While the snack division successfully controlled labor expenditures, the instant noodle and beverage divisions experienced budget overruns that warrant further evaluation.

The 2022 budget variance analysis indicates an overall improvement in labor cost management. The instant noodle division reported actual labor costs of Rp570,000,000,000, which were Rp10,000,000,000 (1.7%) below the allocated budget. This favorable variance suggests that corrective actions implemented following the previous year's performance may have contributed to improved labor cost efficiency.

Similarly, the snack division continued to demonstrate efficient budget management by recording actual labor costs of Rp335,000,000,000, compared with the budgeted Rp340,000,000,000, resulting in a favorable variance of Rp5,000,000,000 (1.5%). Although the percentage improvement was relatively modest, the division consistently maintained labor expenditures within budgetary limits.

In contrast, the beverage division again experienced an unfavorable variance. Actual labor costs amounted to Rp390,000,000,000, exceeding the budget by Rp10,000,000,000 (2.6%). Although the magnitude of the variance was considerably lower than that observed in 2021, the recurring budget overrun suggests the existence of operational issues requiring continuous managerial attention.

The 2022 findings indicate that responsibility accounting facilitated more effective monitoring of labor expenditures, enabling managers to identify performance improvements while recognizing areas requiring further corrective action.

During 2023, mixed performance was observed across the three production divisions. The instant noodle division reported actual labor expenditures of Rp620,000,000,000, exceeding the budget by Rp20,000,000,000 (3.3%). Although this

represents an unfavorable variance, its magnitude remained lower than the deviation recorded in 2021.

The snack division continued to exhibit consistent cost efficiency by recording actual expenditures of Rp350,000,000,000, compared with the allocated budget of Rp360,000,000,000, resulting in a favorable variance of Rp10,000,000,000 (2.8%). The division's sustained ability to maintain labor costs below budget demonstrates effective managerial control and efficient utilization of human resources.

The beverage division, however, experienced the highest unfavorable variance throughout the observation period. Actual labor expenditures reached Rp430,000,000,000, exceeding the budgeted amount of Rp390,000,000,000 by Rp40,000,000,000 (10.3%). This recurring pattern of budget overruns indicates persistent challenges in labor cost management and highlights the necessity for more comprehensive managerial interventions. Potential contributing factors include increased production complexity, overtime requirements, workforce productivity issues, or ineffective labor planning.

The budget variance analysis demonstrates that responsibility accounting provides an effective framework for evaluating labor cost performance across different production divisions. By systematically comparing budgeted and actual expenditures, the company can distinguish between favorable and unfavorable variances and identify responsibility centers requiring managerial intervention.

The findings reveal that the snack division consistently achieved favorable labor cost variances throughout the 2021–2023 period, indicating effective budget implementation, efficient workforce utilization, and strong managerial performance. In contrast, the beverage division repeatedly experienced unfavorable variances, suggesting that existing labor management strategies have not fully addressed operational inefficiencies. The instant noodle division displayed fluctuating performance, alternating between favorable and unfavorable variances over the observation period.

These results demonstrate that responsibility accounting extends beyond simple cost recording by providing a comprehensive performance evaluation mechanism. Budget variance reports serve as objective performance indicators that enable senior management to assess managerial effectiveness, identify operational weaknesses, and implement corrective actions based on empirical evidence rather than subjective judgment.

Furthermore, the availability of detailed variance information strengthens managerial accountability because each production manager is evaluated according to the financial performance of the responsibility center under his or her supervision. This accountability encourages managers to exercise greater control over labor utilization, optimize production planning, and improve operational efficiency. Consequently, responsibility accounting contributes not only to enhanced cost control but also to better managerial decision-making and more effective organizational governance.

Overall, the direct labor cost analysis confirms that responsibility accounting has been effectively implemented as a managerial control system at PT Indofood Sukses

Makmur Tbk. The use of systematic budget variance analysis enables the company to monitor labor cost performance, improve accountability among responsibility center managers, and support continuous improvements in production efficiency. These findings are consistent with the study's objective of evaluating the role of responsibility accounting in enhancing cost control and managerial accountability.

Discussion

The findings of this study demonstrate that responsibility accounting plays a significant role in strengthening cost control and managerial accountability at PT Indofood Sukses Makmur Tbk. The analysis of direct material costs, manufacturing overhead costs, and direct labor costs consistently indicates that the implementation of responsibility accounting provides management with a structured mechanism for monitoring budget realization, identifying cost deviations, evaluating managerial performance, and supporting strategic decision-making.

The analysis of direct material costs reveals that raw materials constitute the largest proportion of the company's production costs, with wheat flour and cooking oil representing the most significant cost components. Because these materials account for a substantial share of total manufacturing expenditures, effective budget planning and continuous monitoring are essential for maintaining production efficiency. Under the responsibility accounting system, purchasing and production departments are assigned responsibility for controlling material utilization and ensuring that actual expenditures remain within budgeted limits. This allocation of responsibility enables management to identify the sources of unfavorable variances and implement corrective actions before cost overruns significantly affect operational performance.

These findings support the argument of (Imelda Hutabarat, 2020), who emphasizes that responsibility accounting functions as a managerial control system by assigning accountability to organizational units responsible for expenditures and revenues. The present study extends this perspective by demonstrating that responsibility accounting not only facilitates budget monitoring but also improves coordination among operational departments responsible for managing production resources.

The findings regarding manufacturing overhead costs further illustrate the importance of responsibility accounting in managing indirect production expenditures. Unlike direct material and labor costs, manufacturing overhead consists of various indirect cost components that cannot be directly traced to individual products. Consequently, effective allocation and monitoring of these costs require clearly defined responsibility centers and objective performance evaluation mechanisms.

The results indicate that PT Indofood Sukses Makmur Tbk. allocates manufacturing overhead costs according to departmental responsibilities, thereby enabling managers to monitor expenditures within their respective operational areas. This structured allocation promotes financial transparency and facilitates variance analysis, allowing management to distinguish between controllable and uncontrollable costs. Consequently, managers are

better positioned to identify operational inefficiencies and implement cost-saving initiatives without compromising production quality.

The analysis of direct labor costs provides the strongest empirical evidence supporting the effectiveness of responsibility accounting. Budget variance analysis demonstrates considerable differences in managerial performance among production divisions throughout the 2021–2023 observation period. The snack division consistently generated favorable labor cost variances, indicating effective workforce planning, efficient resource utilization, and disciplined budget implementation. In contrast, the beverage division repeatedly experienced unfavorable variances, suggesting persistent challenges in labor cost management despite continuous monitoring through the responsibility accounting system.

These findings confirm that responsibility accounting functions not merely as a financial reporting mechanism but also as an organizational performance evaluation system. By systematically comparing budgeted and actual expenditures, management is able to evaluate the effectiveness of each responsibility center objectively and identify operational areas requiring corrective action. This observation is consistent with the view of (Ersi Sisdianto, M. Ak, Dakun, 2021), who argue that one of the primary objectives of responsibility accounting is to strengthen managerial accountability by assigning responsibility to managers for the performance of the organizational units under their supervision.

Furthermore, the findings demonstrate that budget variance analysis serves as an effective managerial control instrument. Favorable variances indicate efficient utilization of organizational resources, whereas unfavorable variances provide early warning signals that enable management to investigate operational problems and formulate corrective strategies. Rather than being interpreted solely as financial deviations, budget variances become valuable managerial information that supports continuous organizational improvement.

The study also confirms the close relationship between responsibility accounting and production cost management. According to (Dewa Putu Yohanes Agata L. Sandopart et al., 2023), production costs significantly influence pricing decisions, operational efficiency, and corporate profitability. The present findings reinforce this argument by demonstrating that responsibility accounting enhances the company's ability to monitor each production cost component systematically. Through continuous evaluation of direct materials, direct labor, and manufacturing overhead, management obtains more reliable information for controlling production costs and improving resource allocation.

Similarly, the findings support the production costing concepts proposed by (Khaerunnisa & Pardede, 2021). Accurate production cost measurement forms the basis for effective budgeting and managerial evaluation. In the context of responsibility accounting, precise cost measurement enables managers to compare budgeted and actual expenditures objectively, thereby improving the reliability of performance evaluation and facilitating evidence-based managerial decision-making.

From a managerial perspective, the implementation of responsibility accounting provides several strategic benefits. First, it establishes a transparent organizational structure by clearly defining managerial authority and responsibility within each responsibility center. Second, it strengthens budgetary discipline through continuous monitoring of production costs. Third, it promotes organizational learning by encouraging managers to analyze the causes of budget deviations and implement continuous operational improvements. Finally, responsibility accounting enhances the quality of managerial decision-making by providing accurate, timely, and relevant financial information.

Overall, the findings demonstrate that responsibility accounting has been effectively implemented at PT Indofood Sukses Makmur Tbk. as an integrated managerial control system. The combination of responsibility centers, budgeting, performance reporting, and budget variance analysis enables the company to strengthen cost control while simultaneously improving managerial accountability. Consequently, responsibility accounting contributes not only to operational efficiency but also to better organizational governance and more effective strategic decision-making.

These findings provide empirical evidence supporting the proposition that responsibility accounting is an effective management accounting tool for manufacturing companies operating in highly competitive industries. By integrating financial control with managerial accountability, the system enables organizations to optimize resource utilization, improve operational performance, and achieve sustainable competitive advantages. Therefore, responsibility accounting should be viewed not merely as an accounting technique but as a strategic management system capable of supporting long-term organizational performance and value creation.

CONCLUSION

This study evaluated the role of responsibility accounting in enhancing cost control and managerial accountability at PT Indofood Sukses Makmur Tbk. The findings demonstrate that responsibility accounting has been effectively implemented through the establishment of clearly defined responsibility centers, systematic budgeting, performance reporting, and budget variance analysis. These components collectively provide a structured managerial control system that facilitates the monitoring and evaluation of production costs across different organizational units.

The analysis of direct material costs, manufacturing overhead costs, and direct labor costs indicates that responsibility accounting enables the company to identify favorable and unfavorable budget variances in a timely manner, thereby supporting more effective cost control. The findings further reveal that variance analysis serves as an objective performance evaluation tool by assigning accountability to managers responsible for each production unit. Consequently, managers are better equipped to identify operational inefficiencies, implement corrective actions, and improve the utilization of organizational resources.

The study also confirms that responsibility accounting contributes to strengthening managerial accountability by linking financial performance with managerial responsibility. The availability of accurate and timely cost information supports evidence-based decision-making in budgeting, production planning, cost monitoring, and performance evaluation. Therefore, responsibility accounting functions not only as a financial control mechanism but also as a strategic management tool that promotes operational efficiency, organizational transparency, and sustainable business performance.

Overall, this study provides empirical evidence that responsibility accounting plays a significant role in enhancing production cost control and managerial accountability within a large manufacturing company. The findings contribute to the growing body of management accounting literature by demonstrating how responsibility accounting supports effective organizational governance and managerial decision-making in the Indonesian manufacturing sector.

Suggestions for Future Research

Although this study provides valuable insights into the implementation of responsibility accounting at PT Indofood Sukses Makmur Tbk., several opportunities remain for future research.

First, future studies are encouraged to examine responsibility accounting across multiple manufacturing companies or different industrial sectors to improve the generalizability of the findings and facilitate comparative analyses of cost control practices.

Second, subsequent research may employ quantitative or mixed-method approaches to investigate the causal relationship between responsibility accounting, cost control effectiveness, managerial accountability, and organizational performance. Such approaches would provide stronger empirical evidence regarding the impact of responsibility accounting on financial and operational outcomes.

Third, future researchers may incorporate additional variables, such as organizational culture, digital accounting systems, internal control effectiveness, management information systems, or managerial competence, to obtain a more comprehensive understanding of the factors influencing the effectiveness of responsibility accounting.

Finally, considering the rapid advancement of digital technologies in accounting and manufacturing, future studies should explore how enterprise resource planning (ERP), business intelligence, artificial intelligence, and digital performance management systems can strengthen responsibility accounting practices and improve managerial decision-making in modern manufacturing organizations.

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