

Effect Of Environmental Impacts On Performance Of Managerial Performance Through Accounting Control As Intervening Variables

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Abstract: *Accounting study that taking settings in companies used high technology in Indonesia is still rare ly to meet. This study seeks to investigate district managers of domestic scheduled passenger airlines companies in Indonesia. The Companies engaged in industries that use high technology. The purpose of this study was to determine the influence of business environment uncertainty on managerial performance through accounting control as a mediation variable. The collecting of data used survey method by sending questionnaires to the research subject (District Managers of Scheduled Domestic Passenger Aviation Companies in Indonesia). Method of data analysis used structural equation modeling with assisted by amos program. The results of the study showed that the accounting controls can role as a mediating variable to the relationship between business environment uncertainty on managerial performance. In conditions of increasing business uncertainty, it is necessary to have more reliable accounting controls to improve managerial performance. The conclusion of the study proposed that, if district managers passenger airlines have need to improve their performance in the face of increasing business uncertainty such as to increase competitiveness, or changing in the macroeconomic conditions they must innovate to creates more reliable accounting controls to increase of performance.*

Keywords - *Environment Uncertainty, Accounting Control, Managerial Performance*

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I. Introduction

Slowing world economic growth and the global financial crisis caused turbulence in the increasingly complex business environment. This has impacted many of the major airlines of the world in 2010 to such loss ; Japanese airlines (JAL), buil out 8.7 billion US dollars. Qantas lost 93 million Australian dollars. Singapore Airlines lost 428 million Singapore dollars. China Airlines incorporated in Air China Ltd has confirmed a loss of close to one billion dollars. The trigger, miscalculated the price of fuel oil (BBM). In Indonesia, although many companies are affected by the global crisis, some airlines are performing better. Garuda Indonesia Airlines has shown improved financial performance over the past two years, Lion Air and Batavia Airline airlines are on the rise, with several emerging airlines indicating that business in the aviation sector in Indonesia is still promising.

Along with the improving Indonesian economy, since 2001 there has been an increase in the number of domestic passengers by 20.1% from the previous year. Similarly, in 2002 this number increased again by 9.6% to 12.3 million passengers. Garuda Indonesia Airlines managed to print a net profit of Rp1, 009 trillion in 2009 or up 50.8%. The achievement was triggered by an increase in the number of passengers to 10.3 million people, up 3% over the previous year (www.kompas.com).

After the monetary crisis of 1997/1998, the Indonesian government deregulated business licensing of airlines resulting in the proliferation of budget airlines (*budget airlines*) offering cheap tickets. The regulation has created a very tight competition among airlines. The price of flight tickets for various domestic routes on average drops to 35 percent of the price before deregulation.

Increasing competition for airline business in Indonesia in the last few years requires companies to improve service as much as possible in order to gain excellence in the competition. To be superior management must have the ability to see and use opportunities, identify problems, and select and implement adaptation processes to changing business environment that is happening. The main duty of management is to maintain and maintain the survival and control of the company so that the expected goals can be achieved.

Accounting information as one of the products of the accounting system plays a central role in helping to predict the possible consequences of various alternative actions that can be performed on various activities such as planning, controlling and manager decision making. The suitability of information to the needs of

decision makers will improve the quality of decisions to be taken, and ultimately can improve the performance of managers Nadler and Tushman (1988) , Mia and Chanhall (1994).

Adopting a management control system or accounting control from the beginning of establishing a company is an important stage that potentially makes the company grow in the future, (Davila and Foster: 2007). The importance of designing the internal control system is to make the company more effective in achieving its goals (Merchant and Stede, 2007: 782).

Vital role accounting controls to provide adequate systems to implement the company's internal control system. Accountants are very concerned about the understanding of the relationship design of accounting control systems with various organizational variables such as organization size, technology, and organizational environment. In the accounting literature, the accounting control system shows that the existence of a control system that exists within an organization depends on the context in which the control system is used. Studies conducted by Merchan, (1984); Macintosh (1987), (Xu and Zhou, 2015), shows the relationship between the strategic planning attribute and the accounting control system and states that each organization will modify its accounting control system design depending on the organizational context. Examples of attributes of accounting control systems are the tightness of existing targets in the budget, the use of *cost* control systems , the frequency of reporting, and the intensity of monitoring on management performance.

II. Literature Review

Contingency Theory

The central theory that dominates the study of accounting behavior, the design of organizational control systems, and managerial performance is the theory of contingencies. Contingency theory suggests that the effectiveness of group performance in organizations is influenced by leadership styles with the degree or degree of favorable situations for managers (Robbins and Judge 2009: 426). This was later developed by Otley (1980) in the field of management accounting by asking the premise that many Atakan that there are no suitable accounting system are universally applicable to all organizations in all conditions. Simons (1987), suggests that the negative relationship between cost control and firm performance, for companies that implement prospective strategies on the grounds that companies are trying to control other aspects of cost. This implies that cost is not the only aspect to be controlled when the company wants to improve its performance.

Contingency-based enelitian P has a long tradition in literature accounting controls, continuing part of empirical research that suggests important and this field of research fitalnya (Gerdin and Greve, 2004). Mia and Chanhall (1994) confirm the relationship between environmental uncertainty and management accounting information systems or accounting control systems to performance, the use of management accounting systems as mediation to link between environmental uncertainty and managerial performance. When managers feel increased environmental uncertainty, they need better management accounting information systems to control organizational activities.

Abernethy and Stoelwinder (1991), empirically tested the relation of contextual variables in contingency theory such as organizational structure and control over organizational performance effectiveness. In conclusion, it is important to emphasize the design of organizational structures and control systems to find the most appropriate organizational context.

Gul and Chia, (1994), and Chia (1995), in his research argued that the characteristics of the management accounting system or accounting control system depends on the organizational contextual variable, the decentralized structure, the two *control* sub-systems will have a significant effect on the manager's performance. Further said, if the decision makers feel greater environmental uncertainty, they tend to seek non-financial information and future-oriented information as additional information. When environmental uncertainty is low, management is able to make accurate predictions about the market. However, when high-level environmental uncertainty, management requires additional information to address a complex business environment .

Accounting control systems are useful for improving performance achievement (Miah and Mia, 1996). The effectiveness of the design of the accounting control system depends on the context of its use in each organization. Achieving increased performance due to the use of accounting control systems will show how much financial performance, operational and managerial performance in an organization (Darma, 2004). Based on the contingency theory, Otley (1980) argues that there is a need for conformity between the structure and information of management accounting system or accounting control in order to improve performance. Conformity is meant that if the organization has a higher level of decentralization, the better accounting control system will have a positive effect on managerial performance (Gul and Chia, 1994), (Chia, 1995).

Environmental Uncertainty

According to Hakonsson (2006) the environmental uncertainty is defined as a lack of information and the reason that task uncertainty increases where a person is responsible for performing tasks in a situation of lack of information. A person experiences uncertainty because he / she feels he / she does not have enough information to predict accurately, or because he / she feels unable to distinguish between relevant data and irrelevant data. The environment will affect the life of the organization, because in a stable organizational environment the planning and control process does not face much of a problem, but under uncertain conditions the planning and control process will become more difficult and face more problems as future events are difficult to estimate. According to Ferris (1977) environmental uncertainty is a *perceptual phenomenon*, the consequence if the environment itself is the perception of events, the logic is to follow the conditions in the environment that is uncertainty. The actual physical environment is uncertain, as in the statement "the environment is uncertain" it is intended that the individual's perception of the environment means uncertain as well. The concept of uncertainty, unrelated to the physical environment itself, but with individual knowledge and perceptions of the environment. The environmental uncertainty felt by a leader (manager) according to Miliken (1987) is if the manager is in an environmental uncertainty in his organization or especially the components in his environment that are unpredictable, and they feel uncertain about the relevant actions taken with regard to the parties. the *constituencies* such as *suppliers, competitors, consumers, stakeholders*. Further, Miliken (1987) identifies three types of environmental uncertainties: *state uncertainty*, *influence uncertainty*, and *response uncertainty*.

State uncertainty (*state uncertainty*), if one feels that the organizational environment is unpredictable, meaning that he does not understand how the environmental component will change. A manager may feel uncertain about what actions to take in the face of the dynamics of suppliers, competitors, customers, consumers and others, or managers feel uncertain about the possibility of relevant environmental changes, such as technological, economic, political, cultural, demographic changes, competitors and so on.

Uncertainty of influence (*effect uncertainty*) relates to a person's inability to predict the environmental influence of the organization. The uncertainties of this influence include nature, depth, and time. A manager is in the uncertainty of influence, if he feels uncertain about how an event affects the organization (nature), how far the event affects (depth) and when it will reach the organization (time). Uncertainty of influence over future events will become more prominent if the uncertainty of environmental conditions is very high in the future.

Uncertainty response (*response uncertainty*) is an attempt to understand what response options are available to the organization and the benefits of each response. Thus, response uncertainty is defined as the lack of knowledge about response options and the inability to predict the possible consequences of response choices. Of the three types of environmental uncertainty mentioned above, state uncertainty (*state uncertainty*) is the type that is conceptually most appropriate to describe the environmental uncertainty. This concept has been used by many previous researchers, among others (Duncan, 1972); (Gordon and Narayanan, 1984); (Mardiyah and Gudono, 2001).

According to Gul and Chia (1994) the environmental faults can be measured using items such as technology used by companies, competitors' actions, market demand, product design attributes, product prices, government regulations, and trade union actions. According to Hoque (2004) the environmental uncertainty can be measured using the following indicators; suppliers actions, customer preferences and preferences, market competitor activities, information technology and production, government policies and regulations, economic environment, and industrial relations.

Accounting Control Systems

Control systems that use accounting information are referred to as accounting-based control systems or accounting control systems. Accounting control system is a formal accounting based control system used by the organization to perform aktivitas in order to achieve organizational goals. According to Widener and Selto, (1999), Control accounting is designed with the intent to assist managers in planning and controlling activities and personal organizations.

Hansen and Mowen (2003: 333) state that control is the standard setting process, by receiving feedback in the form of actual performance, and taking the necessary action if actual performance differs significantly from what has been planned previously. Effective control can improve performance, by which the manager needs more information in order to be able to control better.

Control is required within a company to reduce waste. In a wasting company is the subject of various thefts that can affect the operations of the company and will threaten the life of the company concerned (Bodnar and Hopwood, 2004: 102). According to Anthony and Govindarajan (2004: 7) management control is a process by which managers influence members of the organization to implement organizational strategy. Thus the control is located or located within an organization which is a set of actions to achieve organizational goals. Control system is the total system covering all aspects of the operation of the company.

The definition of control in terms of management accounting and control systems according to Sollenberger and Anderson (1992: 5) refers to a set of procedures, tools, performance measurement, and systems used by the organization as guidance and motivation of employees to achieve organizational goals.

Managerial Performance

Managers are people who hold positions in organizational units to carry out management functions in achieving organizational goals. Achievement of success or achievement in performing basic tasks and management functions in an organization performed by a manager is called managerial performance. Management functions generally include planning, organizing, mobilizing, coordinating and monitoring activities. These five functions are an integral whole in order to achieve organizational goals. The success of a manager is measured from the extent to which he is able to perform the main tasks and management functions that are embedded within the organization. According to Prawirosentono in Widodo (2001: 206) performance means " *thing done* " (something that has been done). Performance is a work that can be achieved by a person or group of people within an organization, in accordance with the authority and responsibility of each, in order to achieve the objectives of the organization concerned legally, not violating the law and in accordance with the moral and ethical.

As'ad (1998: 47) managerial performance is the extent to which or how much a person's success in carrying out the work within the organizational unit he leads. This means that performance has an understanding as a result of work that has been and can be achieved by a manager in carrying out the work assigned to him. According to Mahoney, *et al* (1965) managerial performance is the performance of individual members of the organization in the managerial activities of implementing management functions that include: planning, investigation, coordination, evaluation, supervision, staff selection, negotiation, representation (*representing*).

Environmental Uncertainty Relation to Control Accounting

Environmental uncertainty is often a factor that causes the organization to make adjustments to the conditions of the organization with the environment. Individuals will experience high environmental uncertainty if they feel the environment is unpredictable and unable to understand how environmental components will change (Milliken, 1987). In dynamic environmental conditions, such as fluctuating government regulations, the emergence of many new competitors, it is difficult to predict the external environment. Conditions such as these result in the control process becoming more difficult and facing many problems as future events are increasingly difficult to estimate (Duncan, 1972). Difficulties caused by the environmental uncertainty felt by managers in terms of planning and control activities can be reduced by delegation of authority (decentralization) and providing broad and timely scope of information. If environmental uncertainty increases, managers will consider using external, non-financial, and *ex ante information* in decision making (Chenhall and Morris, 1986). Because the information is future-oriented information.

The purpose of management accounting information is to make planning, controlling, evaluating, continuous improvement, and decision making (Hansen and Mowen, 2003: 4). Thus it can be said that the main purpose of management accounting information is to make planning and control within the company. The detailed formulation of activities to achieve a particular goal is a management activity called planning. Planning is half of the battle. Once a plan has been drawn up, the plan must be implemented and the manager must monitor its implementation to ensure that the plan runs on target. Managerial activity in monitoring the implementation of the plan and taking necessary corrective actions is called control. Control is usually achieved using a *feedback* . Feedback is an important part of the control function. Management requires more reliable accounting information to perform the control process. Planning and control within the organization which is a managerial function uses more accounting information hence the need for the use of accounting control system is an important element in reducing the environmental uncertainty in the organization. If the company faces high environmental uncertainty, the most likely thing to do is to make the structure more flexible in following the changes, as a consequence the company improves more adequate controls so that the company can improve its performance.

A control system that uses accounting information is referred to as an accounting-based control system or accounting control system (Simons, 1987). Accounting control system is a formal accounting based control system used by the organization to perform activities in order to achieve organizational performance. The use of accounting control systems can facilitate planning and control over organizational activities and performance (Mia and Miah, 1996). Furthermore it is said that the accounting information system is faced with increasing pressure on the use of accounting information to improve the accuracy of decision making within the organization, also used as consideration in decision making by information users. The accounting system is an important part of the spectrum of control mechanisms used to motivate, measure, and penalize the behavior of managers and employees within the organization.

Relationship of Accounting Control to Managerial Performance

Simons (1987) conducted research by investigating the relationship between business strategy with accounting control system. Based on the contingency theory in the organizational theory literature, an important point for understanding the relationship between strategy and control systems as a prerequisite for developing a general theory that emphasizes the system of accounting control in complex organizations. The samples used were 32 companies with prospective strategy, and companies using 44 defender strategies.

In conclusion, two forms of corporate strategy identified in the research are prospector and defender strategies. The research results considers different control attributes among firms using prospector and defender strategies. It also provides key evidence that emphasizes the importance of control systems for companies that embrace these two forms of strategy. Increased performance in firms with prospective strategies is seen to magnify important importance for estimation data in control systems, determining target budget difficulties, closely monitoring outputs. For the company the cost control prospector is reduced, for large companies raises the impact on the frequency of reporting and the use of a uniform control system which can be updated when needed.

Large companies that use defender strategies seem less intensive to use control systems. In fact there is a negative relationship between performance with tight budget objectives and monitoring output. Defenders are influenced by the basis of bonus remuneration towards the achievement of budget targets and only slightly changed in the control systems they use. This study is consistent with the results of other studies which say that organizations facing high uncertainty will use high control systems (more reliable controls).

Accounting control systems are useful for improving performance achievement (Miah and Mia, 1996). The effectiveness of the design of the accounting control system depends on the context of its use in each organization. Achieving increased performance due to the use of accounting control systems will show how much financial performance, operational and managerial performance in an organization (Darma, 2004).

Fisher (1996) examines the influence of contextual factors and accounting control systems. Contingency theory states that the design and use of an accounting control system is a dependent or dependent on *the* organizational *setting* context . A better *match* between the accounting control system with variable contingency produce improved organizational performance.

Chia's research, (1995) on s management accounting system (SAM) as contextual variables in analyzing and designing organizational control systems has attracted many researchers to research. The study tested the effect of the interaction of the control subsystem (management accounting system characteristics and decentralization) to managerial performance. The results show that decentralization significantly positively interacts with the characteristics of the management accounting system to improve performance. In organizations where high degree of authorization has a positive effect on the characteristics of the accounting system on managerial performance. In contrast to organizations where the degree of authorization is low, the characteristics of the management accounting system have a negative effect on managerial performance. This means that if the level of authority is high then the manager feels motivated to excel, and preferably if the level of delegation of authority is low then he feels not empowered.

Furthermore, this statement is supported by empirical data some previous research concludes that accounting control system positively affects the improvement of organizational performance. This means that the better the accounting control performed within an organization, the more it will improve the performance of managers in the organization, as proposed (Mia and Miah, 1996) , (Xu and Zhou, 2015) .

III. Research Method

Research design

Research design or *research design* is a *Frame work* of a scientific research. Good research design will determine the success and quality of a scientific research. Research design is essentially a guide for researchers in performing certain procedures required in relation to the object or subject to be investigated (Efferin 2004: 34). Data collection using direct survey and instrument used is questionnaire (questionnaire) sent by post to respondent. The paradigm used to explain the thinking flow of research is in the form of path paradigm (*path diagram*).

Population

Population is the boundary of a research object and also a limit for generalization of research results (Efferin, 2004: 57). In this study the research population is all middle level managers or district managers . The manager referred to are those who have leadership positions at the district or branch head 8 domestic airline passenger b erjadwal in Indonesia, namely: Lion Air, Sriwijaya Air, Mandala Airline , Air Asia, Express Air service, Citilink, Wings Air , Kalstar Air.

Sample

To be able to take samples appropriately, must know the unit of analysis of the research (Arikunto, 2005: 89). The sample is a part of a particular population of concern (Suharyadi and Purwanto, 2004: 323). The sample size guidelines in the study using path analysis according to Ferdinand (2005: 75) the sample size is 100 - 200, or depending on the number of indicators estimated. The guidelines are 5 - 10 times the estimated number of indicators. In this study the sample used as many as 150 participating managers but complete the questionnaire and can be used to analyze as many as 112 managers from 10 domestic passenger airlines escorted in Indonesia.

Sampling technique

Sampling technique in this research is by using sample random sampling method that is sampling from the population by doing simple random and then each population is taken random sample in order to have the same opportunity to be used as sample Suharyadi, (2004: 236).

The operational definition of variables and their measurements

A. Environmental uncertainty

The environmental uncertainty referred to in this study is the perception of the external environmental uncertainty felt by the manager because he can not predict the future state of the organization. The indicator variables are: economic and political uncertainty, changes in product quality (passenger service), product demand (airline tickets), legal and regulatory faults, uncertainty over competitors, uncertainty over union action, uncertainty in predicting information needs. This indicator is developed from indicators already used by Gordon and Narayanan (1984). To measure the indicator used question instrument by using five (5) Likert scale. The items of this question have been developed from the research of Gordon and Narayanan (1984).

B. Accounting control

Variable Control System Accounting referred to in this study is a control process that uses accounting data. This indicator is developed from research (Miah and Mia, 1996), variable indicators include: operational quality control, internal examination, systematic evaluation, targeting of operations, and budgeting , overhead cost control . To measure the indicators are made in the form of five questions asked to managers. Each question is measured on a Likert scale with a score of one (1) to five (5).

C. Managerial Performance

The definition of managerial performance in this study is the performance of managers who are given the responsibility to lead a particular unit or part within the organization. To measure managerial performance used indicator that related to task or function of manager that is : Planning ; determining objectives, policies and actions / implementation, budgeting, designing procedures for an activity; Investigation , investment determination, representation. The above indicator is developed from research conducted by Mahoney (1965), and has been widely used by Gul and Chia (1994); Chia (1995); Miah and Mia (1996) .

IV. Result And Discussion

Validity test using *pearson correlation* on indicators of the three variables that have been prepared has shown significance at less than 0.05 means it is right or the variable has measured what should be measured. Similarly, the measurement of the reliability of the questionnaire is measured by the internal consistency reliability measurement technique by calculating the *Cronbach Alpha* coefficient (α). Test results show *cronbach alpha* is greater than r table then the items statement in the questionnaire is reliable. The r value of the table for n = 112 with $\alpha = 5\%$ is 0.186. More details like the following table:

Table 1 Test Reliability variable

Variables	<i>Cronbach's Alpha</i>	Critical value	Information
TOS	0.584	0.186	Reliable
KM	0.799	0.186	Reliable
PA	0.642	0.186	Reliable

Convergent validity test

Convergent validity test is used to determine whether each estimate indicator is validly measuring the dimensions of the concept it tests. When each *standardized* indicator is *loading* > 0.3, then this indicates that the indicator is validly measuring what is actually measured in the model presented. After invalid indicators are released, the following is a research model to be analyzed using valid indicators.

After three trials, the KL1b, KL5, and KL4 indicator is not eligible and must be removed from the model to continue the next analysis. Indikator that have qualified for *the standardized loading* > 0.3, spserti Table 2, see attached:

It can be seen that the *standardized loading* value of all indicators has been > 0.3 so it can be said all indicators are valid. Here is a picture of the structural equation model generated by the AMOS output using valid indicators .

Equation of Structural Model

Before estimating the influence between latent variables, the above structural equation model must first meet several assumptions. Such assumptions include the reliability of the constants, the normality, the absence of *outliers* , and the suitability of the model. See attachment Table 4. Modification Indication

Based on the indication table above modifications, then the model will be added as many as seven additional lines that connect between variant errors. This is done because the modification of the model treats the variant error as an independent parameter. Here is a picture of structural model after modification:

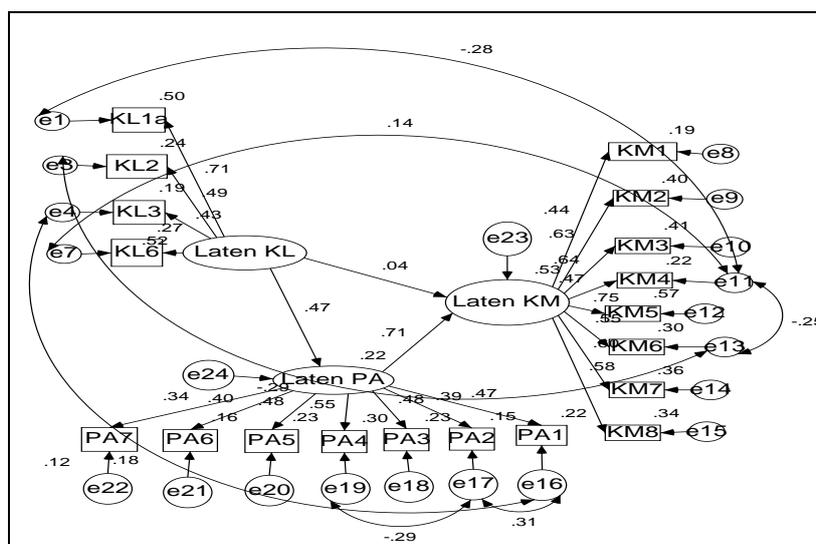


Figure 1 Structural Model of Final Results

Here are the results of *goodness of fit* testing on structural models that have been modified:

Table 5. Testing the *Goodness of Fit* Model Modified Results

Goodness Of Fit Index	Cut-off value	Model results	Information
Chi-Square (df = 142)	<170,809	148,097	Good
Probability of Chi-Square	> 0.05	0.346	Good
Cmin / DF	≤ 2.00	1.043	Good
RMSEA	≤ 0.08	0.020	Good
GFI	≥ 0.90	0.889	Marginal
AGFI	≥ 0.90	0.852	Marginal
CFI	≥ 0.95	0.984	Good
TLI	≥ 0.95	0.981	Good

Based on the above table, it can be seen that the values of *goodness of fit* modified model has been better than the previous model. Almost all the criteria of the model have met the *cut-off value* so that it can be concluded that the resulting hypothetical model has been in accordance with the data.

Hypothesis testing

Parameter whether there is partial influence between latent variables Environmental Uncertainty, Managerial Performance, and Accounting Control can be known based on CR significance value (*Critical Ratio*). A latent variable is said to have significant influence on other latent variables if the CR significance value is less than 0.05. Here are the CR estimates of the three variables:

Table 6. Significance of Influence between Latent Variables

Influence	CR	Significance	Information
KL → PA	2,240	0.025	Significant
KL → KM	0.275	0.784	Not significant
PA → KM	2,839	0.005	Significant

Based on the table above, it can be seen that the relationship between Environmental Uncertainty to Accounting Control is significant due to CR significance value less than 0.05. Thus this result supports hypothesis 2 which states that environmental uncertainty has significant effect on accounting control.

Gordon and Narayanan (1984), said that administrators designed the organizational structure to facilitate organizational control to be more efficient in responding to environmental uncertainty. Williams and Seaman (2002), stated that the management accounting system in this context of accounting control system plays a role in mediating the relationship of task uncertainty with departmental performance. Through accounting information that relefan managers can perform more effective control to improve the performance department or business unit he leads.

Fisher (1996) examines the influence of contextual factors and accounting control systems. Contingency theory states that the design and use of an accounting control system is a dependent or dependent on the organizational setting context. Match better between accounting control system with variable contingency produce improved organizational performance.

To prove the hypothesis 3 that there is a statistically significant relationship between Accounting Control of managerial performance. As per CR value of 0.005 or less than 0.05. These results support hypothesis 3. Thus the hypothesis is proven. Accounting controls play an important role to mediate the relationship of environmental uncertainty to managerial performance. Because the manager can use accounting information systems as tools or tools to control the activities of the organization. Information generated by the management accounting system can be used as a control tool for operational activities by managers. Adopting management control systems or accounting controls from the beginning of establishing a company is an important stage that is potentially capable of increasing company growth (Davila and Foster,2007).

The relationship between Environmental Uncertainty to Managerial Performance is not significant due to its CR significance value of 0.784 or greater than 0.05. Hypothesis 1 is not proven that environmental uncertainty has significant effect on managerial performance. This result is supported by previous research by Simon (1987) which states that there is a negative relationship between cost control and firm performance using prospector strategy. This is because company managers focus their control on other control measures rather than cost control. Another reason that if managers perceive environmental uncertainty increases then they focus more on the company's main concern to support production activities. So the company's attention is focused on internal stability (Simon,1987). Managers pay less attention to controls related to financial aspects such as budget, cost control variables and other operational costs .

Direct, Indirect, and total influences

The magnitude of direct, indirect and total influence between variables can be seen based on the value of *standardized estimates* generated from the AMOS output. Direct influence is the influence between latent variables without going through latent intermediate variables, indirect influence is the influence between latent variables through other variables first, while the total effect is the sum of the direct and indirect effects. Here are the results of the analysis of the direct, indirect and total effects generated through the AMOS:

Table 7 . Direct, Indirect and Total Influence Analysis

Influence	Directly	Indirect	Total
KL → PA	0.471	-	0.471
KL → KM	0.041	0.333	0.374
PA → KM	0.708	-	0.708

Based on the above table it can be seen the total environmental uncertainty contaminants to accounting control of 0.471, the total influence of Environmental Uncertainty on Managerial Performance of 0.374, and the total effect of Accounting Control on Managerial Performance is 0.708. Based on the above table it can also be seen that the indirect effect of Environmental Uncertainty on Managerial Performance is greater than its direct influence, it indicates that Environmental Uncertainty has indirect influence on Managerial Performance through Accounting Control as the variable mediating the relationship. The results also support previous studies that suggest accounting controls as a factor mediating the relationship between decentralization ie empowerment with improved performance of managers (Miah and Mia, 1995). If a person is given authority then he will be more responsible for feeling that he is valued.The consequences of these responsibilities require managers of accounting information to exercise control over the organization's activities to be more effective. The

effectiveness of the design of the accounting control system depends on the context of its use in each organization. Achieving increased performance due to the use of accounting control systems will show how much financial performance, operational and managerial performance in an organization (Darma, 2004).

Mia and Chenhall's research (1994) found that information on *broadscope* management accounting systems acts as a mediator on the relationship between environmental uncertainty and performance. The conclusion obtained that when the environmental uncertainty increases, the use of accounting information systems or accounting control systems will also increase. It is based on the argument that when environmental uncertainty is high, the use of accounting control system can be instrumental in helping managers to improve performance pe mbuat 's decision.

Gul and Chia (1994) found that there was a positive relationship between environmental uncertainty and accounting information systems or accounting controls to managerial performance. This means that when managers perceive environmental uncertainty increases, managers desperately need reliable accounting information to make decisions to improve performance. It is important to design the effectiveness of decision-making procedures in increasing environmental uncertainty (Lin, 2006).

V. Conclusion

From the results of the analysis it can be concluded several things as follows:

The first hypothesis that states the environmental absence of a significant effect on managerial performance can be ol a k . This is evident from the value of *standardized estimates* produced by 0.041 very weak influence. When viewed the value of significance CR (*Critical Ratio*) of 0.784. A latent variable is said to have significant influence when its CR value is less than 0.05.

The second hypothesis is that the lack of environmental evidence has a significant effect on accounting controls. The resulting *standardized estimates* value is 0.471 so it can be said to be proven hypothesis. While the value of CR (*Critical Ratio*) of 0.025 l e b i h small from 0.05, so it can be stated significant influence or acceptable hyposis.

The third hypothesis states that accounting control has significant effect on managerial performance. The resulting *standardized estimates* are 0.708. While the value of Critical Ratio of 0.005 or more kesi l from niali required is 0.05. Thus it can be said that the hypothesis is accepted.

It can be concluded that accounting control can act as a variable mediating the business environment uncertainty relationship to managerial performance. The value of *standardized estimates* resulting from the indirect effect of environmental dissonance on accounting controls of 0.374 hyposes is proven or accepted..

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