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The Role of Management Accounting Information in Short-Term and Long-Term Managerial Decision-Making at Xavier Marks Tjandra East

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Abstract: This study analyzes the role of management accounting information in supporting short-term and long-term managerial decisions at Xavier Marks Tjandra East. Using a descriptive qualitative approach, data were obtained through observation, documentation, and interviews with the Principal, Legality division, and Finance division. The findings show that management accounting, especially cost and differential accounting, is essential for various decisions. Short-term uses include determining commissions, evaluating property legality, and selecting property types. Long-term uses involve fixed asset investment, branch and human resource expansion, and planning independent property development. The study concludes that integrating management accounting information strengthens business strategies and supports company sustainability. The researcher recommends enhancing this function with integrated systems, improved SOPs, and continuous management training.

Keywords: Key words: Management Accounting, Decision-Making, Short-Term Decisions, Long-Term Decisions, Property Agent

Introduction

The property industry in Indonesia continues to grow, particularly the real estate agency sector which serves as a bridge between sellers and buyers as well as tenants and property owners. Property agency companies such as Xavier Marks Tjandra East face various strategic decisions that can be categorized into two time horizons: short-term and long-term decisions.

The urgency of researching the role of management accounting in decision-making is increasingly relevant because today's business environment is no longer focused solely on short-term profit. Managerial decisions must also consider aspects of sustainability, risk, and long-term competitiveness. By understanding how management accounting can support the decision-making process, companies can minimize risks, increase efficiency, and strengthen their competitive position in the market.

One of the tools that plays a central role in supporting these needs is management accounting. Unlike financial accounting, which focuses on preparing reports for external stakeholders, management accounting functions to provide internal information that is relevant, accurate, and timely to support decision-making. According to Hansen and Mowen (2009), management accounting is the process of identifying, measuring, accumulating, analyzing, preparing, interpreting, and communicating financial and non-financial information used by managers in planning, controlling, and decision-making within an organization.

The relevance of management accounting is even greater in the era of modern competition. For example, in the manufacturing industry which is one of the pillars of Indonesia's economy. Data from the Central Bureau of Statistics in 2022 shows that the non-oil and gas processing industry contributed more than 19% to Indonesia's Gross Domestic Product (GDP). However, this sector faces challenges such as rising energy prices, fluctuating raw material costs, and tight competition from imported products. In such conditions, strategic decisions related to cost efficiency, product pricing, and supply chain management become crucial. Without the support of accurate management accounting information, companies risk making incorrect and harmful decisions.

In addition, at Xavier Marks Tjandra East, management accounting also plays a significant role in investment decisions. For instance, when the company plans to purchase new production machinery to increase capacity. Management accounting information in this context helps ensure that every rupiah spent provides optimal benefit for the company.

Based on this explanation, it is clear that management accounting is one of the essential foundations in supporting corporate management. Its role in providing relevant, accurate, and timely information makes it a strategic instrument in the decision-making process.

Research Method

Research Design

This study uses a qualitative approach with a descriptive research design. The qualitative approach was selected because the study aims to gain an in-depth understanding of the role of management accounting in short-term and long-term decision-making within the company. This design allows the researcher to explore managerial perceptions and the use of management accounting information in a natural setting.

Population, Sample, Sampling

The population in this study consists of individuals within the company who are directly involved in the decision-making process. The sample was selected purposively based on relevance to the research subject. Key informants include the Principal, as well as personnel from the Legality and Finance divisions. These individuals were chosen because they possess direct knowledge and responsibility related to the use of management accounting information. The selection process focused on ensuring that participants met the criteria of having experience and involvement in strategic and operational decision-making.

Intervention Procedure

This study does not involve experimental intervention. Data were collected naturally through interviews, observations, and documentation without manipulating any variables or administering treatment to participants.

Instrument

The instruments used in this study include semi-structured interview guides, observation checklists, and documentation review formats. These instruments were developed to capture how management accounting information is utilized in managerial decision-making. The validity and trustworthiness of the instruments were ensured through triangulation of data sources and member checking. Each instrument was designed to gather accurate, relevant, and timely information regarding processes, practices, and managerial perspectives.

Result and Discussion

1. The Role of Management Accounting Information in Short-Term Decision-Making

Xavier Marks Tjandra East, as a property marketing service company, uses management accounting information to support various short-term operational decisions. The findings indicate that the company applies cost accounting and differential accounting analyses when making decisions such as determining commission rates, selecting properties to be marketed, and identifying the appropriate property types to focus on.

a. Determination of Sales Commissions

The company uses cost information to determine appropriate commission rates for property agents without reducing overall profitability. Based on interview results, Xavier Marks Tjandra East refers to the standard set by the Indonesian Real Estate Broker Association under Xavier Marks Indonesia. Properties priced below IDR 1.5 billion receive a 3% commission, those priced between IDR 1.5 billion and IDR 5 billion receive 2.5%, and properties above IDR 5 billion receive 2%.

"Xavier Marks Tjandra East mengikuti standar dari asosiasi Real Estate Broker Indonesia dan di bawah naungan Xavier Marks Indonesia. Properti dengan harga di bawah 1,5 miliar mendapat komisi 3%, antara 1,5–5 miliar mendapat 2,5%, dan di atas 5 miliar mendapat 2%."

"Xavier Marks Tjandra East follows the standard set by the Indonesian Real Estate Broker Association under Xavier Marks Indonesia. Properties below IDR 1.5 billion receive 3%, between IDR 1.5–5 billion receive 2.5%, and above IDR 5 billion receive 2%."

This practice ensures fairness and competitiveness while maintaining profit margins. It reflects *Hansen and Mowen (2009)* who emphasize that management accounting provides the financial framework for operational decisions like pricing and commission structures. Similarly, *Rachmawati & Maqsudi (2022)* highlight that transparent accounting data allows organizations to motivate employees effectively while safeguarding financial stability.

b. Selection of Properties to be Marketed

When deciding whether to accept or reject a property listing, management evaluates cost implications to ensure that marketing and operational expenses do not exceed expected commission revenue. The company only markets properties with complete legal documentation and clear ownership.

"Kadang kami menolak menjualkan properti karena pemilik tidak transparan atau surat-suratnya bermasalah, seperti kepemilikan dan legalitas yang tidak jelas."

"Sometimes we refuse to market a property because the owner is not transparent, or there are issues with ownership and legality documents."

This decision process aligns with *Ramadhan (2019)* who found that managerial decisions grounded in relevant accounting information minimize uncertainty and reduce risk exposure. The company's emphasis on legality and cost relevance indicates a data-driven approach to evaluating short-term operational feasibility.

c. Determination of Property Types

Decisions regarding the types of properties to prioritize—sale, rental, or both—are based on contribution margin analysis and projected market demand. Besides residential properties, the company also handles industrial land, warehouses, apartments, and commercial spaces. To broaden client reach, Xavier Marks Tjandra East collaborates with contractors and interior designers.

"Kami bekerja sama dengan kontraktor dan desainer interior supaya bisa menjangkau lebih banyak klien dan memenuhi permintaan desain sesuai keinginan mereka."

"We collaborate with contractors and interior designers to reach more clients and meet specific design requests."

This aligns with *Mulyadi (2001)*, who stated that cost accounting assists in choosing the most profitable product or service mix. It also reinforces *Suryani (2023)* who observed that flexible decision-making based on management accounting enables businesses to adapt quickly to shifting market demands.

2. The Role of Management Accounting Information in Long-Term Decision-Making

For long-term decisions, Xavier Marks Tjandra East uses cost and differential cost information in more strategic contexts, particularly related to fixed asset investment, business expansion, and independent property development planning.

a. Fixed Asset Investment Decisions

When deciding whether to purchase or lease assets such as office equipment or technology, the company applies differential accounting analysis by comparing ownership and leasing costs.

"Kami dulu sempat dihadapkan pada keputusan membeli atau menyewa mesin fotokopi. Akhirnya diputuskan untuk menyewa karena pemakaiannya tidak terlalu sering dan harga beli awalnya terlalu besar."

"We once faced a decision between purchasing or leasing a photocopy machine. Eventually, we decided to lease it because it wasn't used frequently, and the purchase cost was too high."

This reflects *Ramadhan (2019)* who emphasized that differential accounting helps managers identify cost differences among alternatives to make financially sound decisions. The company's approach also aligns with *Garrison et al. (2018)* who state that rational investment evaluation is key to resource efficiency and sustainability.

b. Business Expansion

Financial projections and feasibility analyses are used to evaluate opportunities for opening new branches or expanding services. Xavier Marks Tjandra East plans to open new branches and reach a target of 100 managers and 1,000 agents in the future.

"Kami berharap Xavier Marks Tjandra East bisa punya cabang di berbagai kota dengan 100 manajer dan 1.000 agen aktif."

"We hope that Xavier Marks Tjandra East will have branches in several cities with 100 managers and 1,000 active agents."

This aligns with *Sudarjat (2018)* who argues that long-term investment decisions must integrate predictive data and sustainability analysis. It also resonates with *Khan, Sophia, & Shetty (2025)* who emphasized that strategic decision-making, supported by management accounting information, fosters growth and competitive advantage in dynamic industries.

c. Plans for Independent Property Development

The company considers developing its own properties through collaborative investment among agents who will build and market their projects independently.

"Ketika penjualan para agen sudah stabil, kami mendorong mereka untuk berinvestasi bersama membeli tanah dan membangun properti sendiri yang akan dijual oleh mereka sendiri."

"When the agents' sales become stable, we encourage them to invest together, purchase land, and build their own properties to sell independently."

This approach supports *Riana (2025)* who explains that management accounting helps identify investment opportunities through predictive data analysis. Similarly, *Hariani et al. (2021)* confirmed that management accounting significantly influences long-term investment effectiveness by providing structured cost evaluations.

Discussion

The overall findings indicate that management accounting information serves as an essential foundation for both short-term and long-term managerial decision-making at Xavier Marks Tjandra East. In short-term contexts, management accounting provides the necessary data for tactical decisions—such as commission determination, property selection, and product focus—ensuring efficiency and fairness. This supports *Hansen & Mowen (2009)* who describe management accounting as a decision-support system integrating financial data into everyday operations. The company's implementation also aligns with *Mustikowati (2015)* who views managerial accounting as a critical tool for reducing uncertainty and enhancing internal control in decision-making.

From a practical perspective, the findings show that the use of accounting information in daily decisions—such as rejecting non-legal properties or calculating commission margins—helps maintain operational transparency and profitability. This confirms *Usman et al. (2022)* who assert that good governance in managerial processes depends on relevant, timely accounting data.

In long-term strategic contexts, management accounting plays a role in investment appraisal, expansion strategy, and financial sustainability. Decisions such as leasing instead of purchasing assets demonstrate how the company applies cost-benefit principles to preserve liquidity while optimizing capital use. These actions are consistent with *Sudarjat (2018)* and *Rangkuti (2024)* who emphasize integrating predictive financial analysis with sustainability considerations for strategic investment.

Furthermore, the company's plan to expand branches and develop its own property projects reflects the transformative use of management accounting for strategic foresight. *Khan, Sophia, & Shetty (2025)* highlight that organizations integrating management accounting into strategic planning can better anticipate market trends and allocate resources efficiently.

Academically, this study reinforces the idea that management accounting is not merely a reporting function but a strategic decision-making instrument that bridges quantitative data and managerial judgment. The findings enrich the literature by demonstrating how accounting tools like cost and differential analysis are applied in the property service industry, a sector that often relies on intuition and market experience rather than structured financial data.

Practically, for companies such as Xavier Marks Tjandra East, adopting an integrated management accounting system could further improve data accuracy, speed of decision-making, and cross-departmental coordination. Digitalizing accounting information—as recommended by *Garrison et al. (2018)*—would enable real-time evaluation of operational and strategic performance, providing a sustainable competitive edge.

Conclusion

This study concludes that management accounting information, particularly cost accounting, plays a crucial role in supporting managerial decision-making at Xavier Marks Tjandra East across both short-term and long-term horizons. The findings demonstrate that such information strengthens operational decisions—including property selection, commission determination, and marketing strategies—while differential accounting provides a solid analytical foundation for long-term investment evaluation and business development. These results advance current knowledge by highlighting how the integration of short- and long-term decision frameworks creates strategic synergy that enhances business sustainability in the property agency sector. Despite the effective use of management accounting practices, the study identifies opportunities for improvement through digitalization of information systems, formalization of decision-making procedures, and development of human resource competencies. Future research may explore the implementation of integrated management accounting systems or assess the impact of specialized managerial accounting units on decision-making effectiveness.

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