

# ANALYSIS OF BUDGET EFFECTIVENESS AND REALIZATION OF OPERATIONAL COSTS AS A COST CONTROL TOOL AT PT. RST MANADO

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**Abstract:** The aim of this research is to analyze the effectiveness of the budget and the realization of operational costs as a control tool at PT. RST Manado. The research method used is descriptive qualitative, where this research aims to understand and explain phenomena in depth, explore the meaning and interpretation of the data obtained, and describe the characteristics of a situation or event. The data sources obtained from this research are: Primary and Secondary Data. Data collection techniques, observation, interviews and literature study. The data analysis technique used in this research is qualitative descriptive analysis. Data analysis used in this research uses Variance Analysis. Variance analysis is used to compare the plans set with the results achieved. Cost control can be responsible for controlling the use of operational costs for each department/outlet and the company always strives to evaluate deviations that occur, both profitable deviations and unprofitable deviations. The level of effectiveness of planning and cost control can be said to be effective.

**Keywords:** Effectiveness, Budget, Realization, Costs, Operations

## I. INTRODUCTION

Advances in technology and information have had a major impact on economic growth in Indonesia, both in the industrial, trade and service sectors. In the face of increasingly fierce competition, every company is competing to create quality products and services to achieve company goals, namely generating maximum profits because the success of a company can be seen from the level of profits/profits obtained by the company. Therefore, it is important for management to be able to manage the company appropriately so that the company can compete with other companies operating in the same business field. Cost accounting is an important element for company management and is a source of information for management for decision making. Efforts that can be made to manage a company are by planning and controlling costs.

One form of control is by setting a cost budget. A cost budget is an expenditure plan made by company management that describes the estimated expenditure that will occur in a certain time period. Having good budget planning allows companies to manage finances more efficiently

"By paying attention to hotel development, it is necessary to carry out appropriate supervision so that operational costs incurred do not exceed the set budget so that costs can be used as efficiently and effectively as possible. The effectiveness of budget use can be measured and analyzed using variance analysis, where in this method a comparison is made between the actual use of costs and the set budget. Then the results or differences can be favorable or unfavorable for the company. A favorable difference occurs if the actual use of costs does not exceed the set budget, while an unfavorable difference occurs if the actual use of costs exceeds the set budget. Without measuring and evaluating the hotel operational costs incurred, management cannot know the condition of the company. Based on the background of the problem described above, the author is interested in conducting research with the title "Analysis of Budget Effectiveness and Realization of Operational Costs as a Cost Control Tool at PT. RST Manado"

## II. RESEARCH METHODS

This research uses a qualitative descriptive research method where this research aims to understand and explain phenomena in depth, explore the meaning and interpretation of the data obtained, and describe the characteristics of a situation or event. The data sources obtained from this research are: Primary and Secondary Data. Data collection techniques, observation, interviews and literature study. The data analysis technique used in this research is qualitative descriptive analysis. The descriptive method is a method used to clearly describe the problem or phenomenon being studied. Meanwhile, qualitative, namely a data analysis method where the data obtained is in the form of interviews, direct observation, documentation to explore meaning and in-depth understanding of the problems studied. Analysis of the data used in this research uses Difference Analysis (Variance). Variance analysis is used to compare the plans set with the results achieved. The differences or differences that exist can be profitable or unprofitable for the company. So that the results obtained can be analyzed and become a basis for the company to carry out evaluations or improvements.

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### III. DISCUSSION

#### **Budget, Realization and Supervision of Operational Costs at PT. RST Manado**

##### **a. Operational Cost Budget**

The main thing that a company does in carrying out operational activities is making plans for each activity that will be carried out. Based on the results of interviews conducted with Mrs. Myke as Cost Control PT. RST Manado, the following results were obtained

According to Mrs. Myke, the operational cost budget is made directly by each section head based on needs for the next period. After being analyzed and approved by the hotel leadership, it is then ratified and implemented by every department and outlet in the company. The hotel operational cost budget is prepared based on data or information and the actual results of using the cost budget in previous years

According to Mrs. Myke, there are almost no obstacles in preparing the budget. It's just that there is a difference of opinion between the HOD and the head of the field in considering the budget that will be proposed. c). What steps were taken to overcome these obstacles? According to Mrs. Myke, the steps taken if these obstacles occur are to talk or discuss the problems faced and find solutions together.

##### **b. Realization of Operational Costs**

After planning operational costs, each division immediately implemented the budget set and based on the results of interviews conducted with Mrs. Myke as Cost Control, PT. RST Manado obtained the following results: According to Mrs. Myke, in general the problem that is often faced in budget implementation is unexpected expenditure that is not budgeted for, so this can result in instability between the budget and the realization that occurs. According to Mrs. Myke, in facing this situation, the company management immediately took action and determined a strategy so that this would not affect the quality of the services provided. One of the efforts made is to determine the priority of operational cost expenditure based on the urgency and impact on hotel operations.

##### **c. Supervision of Operational Costs**

After planning and implementing operational costs, the company must monitor the operational costs incurred. Based on the results of interviews conducted with Mrs. Myke as Cost Control, PT. RST Manado obtained the following results: According to Mrs. Myke, monitoring of operational costs is carried out by cost control. Where every time there is a request for goods from departments and outlets, it must go through approval from cost control. Mrs. Myke as cost control must carry out checks on goods requested or ordered by departments and outlets. Inspections are carried out to minimize expenditure increases and are carried out based on standards set by the company. Furthermore, according to Mrs. Myke, in monitoring costs related to inventory in the warehouse, the company sets maximum and minimum limits for inventory in the warehouse for purchasing or re-procuring inventory so that inventory purchases are in accordance with the hotel's needs. This is also done in order to minimize excess or shortage of inventory in the warehouse. Then, if there is a purchase request to replace damaged goods, cost control must check directly whether the goods are no longer suitable for use or can still be repaired. In this case, cost control has the right to reject or postpone the proposed purchase request if there is an increase in operational costs. In carrying out supervision over operational cost expenditures, cost control refers to the operational cost budget and procedures that have been established by the company. At the end of the month, cost control makes an adjustment report for the use of operational costs for each department and outlet. Then the report will be submitted to the leadership for evaluation and used as a basis for making management decisions. According to Mrs. Myke, there are almost no obstacles in monitoring operational costs. Supervision of operational costs runs well in accordance with specified procedures and standards.

##### **d. Effectiveness of Operational Cost Control**

After the planning and monitoring process, an evaluation of the use of operational costs is carried out. The evaluation was carried out to assess the effectiveness of operational cost control that occurs at PT RST Manado. Based on interviews conducted, the author obtained the following results: According to Mrs. Myke, the standard for assessing the effectiveness of operational costs at PT. RST Manado only compares the budget and the realization that occurs every month. If an unfavorable deviation occurs in that month, what is done is to check and find out what is the cause of the deviation so that this can be used as evaluation material for the next period. According to Mrs. Myke, it has been effective, because if there are obstacles in planning and supervision, the company can overcome them by finding the best solution to deal with the problems that arise.

Based on the results of observations and interviews, the author tries to analyze in depth the control of operational costs at PT. RST Manado.

#### **A. Budget Analysis, Realization and Monitoring of Operational Costs at PT. RST Manado**

##### **a. Operational Cost Budget Analysis**

Based on the results of interviews that have been conducted, operational cost planning at PT. RST Manado is carried out by preparing an operational cost budget. Budget preparation is carried out using the Bottom Up method where the operational cost budget is prepared by each section head and then submitted to the leadership for approval. Then after being approved and ratified, the budget can be realized. PT. RST Manado is quite good in terms of planning, this can be seen from teamwork starting from the budget preparation process where each section/division head prepares their own budget based on their needs. If during the process of preparing the company's operational cost budget there are obstacles or problems, the company can immediately overcome these obstacles so that it will not affect the process of preparing the operational cost budget at PT. RST Manado.

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**b. Analysis of Operational Cost Realization**

Based on the results of interviews that have been conducted, the implementation of operational costs at PT. RST Manado often experiences unexpected expenses caused by things beyond expectations. This can damage the financial plans that have been established so that the company experiences difficulty in allocating funds for other operational activities. In this case, PT. RST Manado is good enough to face and overcome the bad possibilities that will occur from the impact of unexpected expenses.

**c. Operational Cost Monitoring Analysis**

Having good planning without good supervision will certainly not be successful. From the results of interviews that have been conducted, the role of cost control in monitoring operational costs at PT. RST Manado runs in accordance with established standards and procedures. Where cost control carries out supervision to ensure operational costs remain within controlled limits and in accordance with the plans set to achieve the company's desired targets. Supervision is carried out by continuously monitoring the use of operational costs for each department or outlet at PT. RST Manado where if there is a request for goods, cost control must carry out a direct inspection, both physically and systemically, and all use of operational costs must be approved by cost control. This is done so that there is no increase in expenses which could be detrimental to the company. Supervision of operational costs at PT. RST Manado has been running well so that almost no problems are encountered because supervision is carried out in accordance with the plans and procedures that have been established by the company. Furthermore, from the results of the operational cost budget realization report, a comparison can be made with the established budget to determine any deviations that have occurred. Deviations that are profitable or unprofitable. If an unfavorable deviation occurs, with supervision the company can immediately take corrective action so that operational costs can be controlled.

**B. Analysis of the Effectiveness of Operational Cost Control at RST Manado**

The following is a table of budget and actual operational costs for 2021-2022 based on divisions and outlets at PT. RST Manado.

**Table 3. 1 Budget and Realized Operational Costs of PT. RST Manado 2021-2022**

| Dept/Outlet              | 2021                |                     |                  | 2022               |                   |                    |
|--------------------------|---------------------|---------------------|------------------|--------------------|-------------------|--------------------|
|                          | Actual              | Budget              | Variance         | Actual             | Budget            | Variance           |
| Cafe                     | 1.174.878.686       | 1.623.367.444       | 448.488.758      | 1.771.537.105      | 1.595.430.804     | (176.106.301)      |
| Banquet                  | 1.887.074.345       | 2.797.290.698       | 910.216.353      | 2.956.755.602      | 2.537.932.190     | (418.823.412)      |
| B-ONE                    | 1.648.791.603       | 2.615.140.241       | 966.348.638      | 2.181.843.641      | 2.411.365.718     | 229.522.077        |
| The Hill                 | 288.119.605         | 578.739.994         | 290.620.389      | 437.108.814        | 558.856.023       | 121.747.209        |
| Minahasa Lounge          | 847.958.570         | 1.335.988.306       | 488.029.736      | 1.650.180.102      | 1.442.527.141     | (207.652.961)      |
| dept. HK                 | 3.887.679.713       | 5.876.955.058       | 1.989.275.345    | 6.191.411.576      | 5.593.120.337     | (598.291.239)      |
| dept F&B Product         | 1.508.470.180       | 2.883.156.336       | 1.374.686.156    | 3.076.170.548      | 2.757.807.807     | (318.362.741)      |
| Administration & General | 5.029.343.768       | 5.415.336.778       | 385.993.010      | 5.202.627.798      | 5.415.336.778     | 212.708.980        |
| Finance                  | 1.801.529.078       | 2.099.440.041       | 297.910.963      | 1.995.411.493      | 2.137.160.066     | 141.748.573        |
| HRD & Security           | 2.302.243.703       | 2.031.757.056       | (270.486.647)    | 1.938.812.622      | 2.092.524.017     | 153.711.395        |
| Sales & Marketing        | 1.064.890.693       | 1.526.825.275       | 461.934.582      | 1.297.063.670      | 1.504.168.268     | 207.104.598        |
| Engineering              | 2.926.027.617       | 2.153.938.612       | (772.089.005)    | 2.125.717.010      | 2.227.602.671     | 101.885.661        |
| Utilities                | 2.135.872.596       | 4.381.588.350       | 2.245.715.754    | 3.998.315.975      | 4.381.588.350     | 383.272.375        |
| <b>TOTAL</b>             | <b>26.502.880.1</b> | <b>35.319.524.1</b> | <b>8.816.644</b> | <b>33.410.955.</b> | <b>35.495.667</b> | <b>2.084.711.2</b> |

|  |           |           |             |            |             |           |
|--|-----------|-----------|-------------|------------|-------------|-----------|
|  | <b>57</b> | <b>89</b> | <b>.032</b> | <b>956</b> | <b>.202</b> | <b>46</b> |
|--|-----------|-----------|-------------|------------|-------------|-----------|

Source: PT. RST Manado, 2023

Based on table 3.1 above, an in-depth analysis was carried out regarding the cost budget variances for each department and outlet at PT. RST Manado to measure the effectiveness of operational cost control using the following formula:

$$\% = \frac{\text{Realized Operational Costs}}{\text{Operating Cost Budget}} \times 100\%$$

**a. Café**

Based on table 3.1, at the Outlet Café it is known that the operational cost budget in 2021 is IDR 1,623,367,444 and the realization is IDR 1,174,878,686, so the variance obtained is IDR 548,488,758 so that the deviation in operational costs that occurs at the outlet café in 2021 is profitable. . With the percentage level of use of operational costs as follows:

$$\text{Year 2021} = \frac{1.174.878.686}{1.623.367.444} \times 100\% = 72\%$$

From the results of these calculations, it can be said that control over the realization of operational costs at café outlets in 2021 is very effective where operational costs are used, namely 72% of the set budget. However, the variance or deviation that occurred can be said to be quite large, namely IDR 448,488,758. Based on interviews conducted, the cause of the positive deviation is quite large because in 2021 we are still in a Covid-19 pandemic situation which requires everyone to work from home or stay at home, resulting in a lack of visitors or guests coming. This is what causes the set budget not to be realized in accordance with the company's targets and plans. Meanwhile, in 2022, the budget for operating costs at the café outlet is IDR 1,595,430,804, while the actual costs incurred are IDR 1,771,537,105 with a difference of IDR 176,106,301. So that deviations that occur are unprofitable. With the percentage level of operational cost realization as follows:

$$\text{Year 2022} = \frac{2.071.537.105}{2.295.430.804} \times 100\% = 111\%$$

From the results of the calculations above, it can be said that control over the use of operational costs at café outlets in 2022 is not effective with the results obtained being 111% where the actual costs are greater than the set budget. In 2022, there will be an unfavorable deviation, namely Rp. 176,106,301 because based on interviews conducted in 2022, after activities have returned to normal after the Covid-19 pandemic, demand has increased so that the realization of operational costs has exceeded the set budget.

**b. Banquet**

In table 3.1, it is known that the budget for Banquet operational costs in 2021 is IDR 2,797,290,698 and the actual operational costs are IDR 1,887,074,345 with a difference of IDR 910,216,353 so that in 2021 at banquet outlets there will be a profitable deviation in the percentage of cost use operational.

$$\text{Year 2021} = \frac{1.887.074.345}{2.797.290.698} \times 100\% = 67\%$$

Based on the calculation results obtained above, it can be said that control over the realization of operational costs at banquet outlets is very effective because the realization of operational costs that occur does not exceed the set budget with the results obtained being 67%. The favorable deviation that occurred can be said to be quite large, namely IDR 910,216,353. and companies need to identify in depth the causes of these deviations and based on interviews conducted, the causes of favorable deviations are quite large because in 2021 we are still in the Covid-19 pandemic situation. Where there are several companies that have canceled events that will be held at RST Manado so that the set budget is not realized according to the set budget. Meanwhile, in 2022 the operational cost budget is IDR 2,537,932,190 and the actual costs incurred are IDR 2,956,755,602 with a difference of IDR 481,823,412. then deviations that occur in 2022 at banquet outlets are unfavorable. The following is a calculation of the percentage level of effectiveness of the realization of operational costs at banquet outlets:

$$\text{Year 2022} = \frac{2.956.755.602}{2.537.932.190} \times 100\% = 117\%$$

From the calculation results obtained, it can be said that control over the realization of operational costs for banquet outlets in 2022 is not effective, where the realization of costs exceeds the set budget, namely 117%. Based on interviews related to the causes of unfavorable deviations at banquet outlets with a difference of IDR 481,823,412, in 2022 after activities have returned to normal after the Covid-19 pandemic, the company will experience operational improvements, where many events and companies will hold work meetings. at RST Manado, causing operational costs to also increase

**c. B-One**

In table 3.1 above, it is known that the operational cost budget for the B-One outlet in 2021 is IDR 2,615,140,241 and the actual operational costs incurred are IDR 1,648,791,603 with the difference obtained being IDR 966,348,638 so that in 2021 at the b-one outlet There is a favorable deviation with the percentage of use of operational costs as follows:

$$\text{Year 2021} = \frac{1.648.791.603}{2.615.140.241} \times 100\% = 63\%$$

Based on the calculation results obtained above, it can be said that control over the realization of operational costs at b-one outlets is effective because the realization of operational costs that occur does not exceed the set budget with the percentage result obtained being 86%. Based on interviews conducted regarding the causes of favorable deviations at b-one outlets, namely in 2021 during the

Covid-19 pandemic where the government implemented Community Service and appealed to stop the operation of night entertainment venues for a certain time limit based on a circular from the government. So the company had to stop operations at b-one within a few months while the community service was taking place. This is what causes quite large favorable deviations in the operational cost budget for b-one outlets. Meanwhile, in 2022 the budget for operational costs for b-one outlets is IDR 2,411,365,718 and the actual costs incurred are IDR 2,181,843,641 with a difference of IDR 229,522,077. then the deviation that occurs in 2022 at the b-one outlet is profitable. The following is a calculation of the percentage level of effectiveness of operational cost realization at b-one outlets:

$$\text{Year 2022} = \frac{2.411.365.718}{2.181.843.641} \times 100\% = 78\%$$

From the calculation results obtained, it can be said that control over the realization of b-one outlet operational costs in 2022 is quite effective, namely 78%, where the realization of costs does not exceed the set budget. Based on interviews conducted, favorable deviations occurred because the company reduced operational costs at b-one outlets to increase the company's financial stability and to balance operational costs for future business continuity.

**d. The Hill**

Based on the calculation results obtained above, if we look at the indicators measuring the effectiveness of controlling operational costs, deviations that occur can be said to be very effective because the realization of operational costs that occur does not exceed the budget set by the percentage results obtained, namely 50%. The favorable deviation that occurs at the Hill outlet can be said to be quite large, namely IDR 290,620,389. Based on interviews conducted, the cause of this deviation was because in 2021, during the Covid-19 pandemic, the government implemented Community Service and issued a circular to completely close nightlife venues and massage parlors during Community Service, thus requiring companies to completely close The Hill. during the time limit specified in the circular letter. This is what causes the realization of operational costs at the Hill outlet to experience quite large favorable deviations. Meanwhile, in 2022 the budget for operational costs at the Hill outlet is IDR 558,856,023 and the actual costs incurred are IDR 437,108,814 with a difference of IDR 121,747,209 so that deviations that occur in 2022 at the Hill outlet are favorable. With the calculation of the percentage of operational costs realized at the hill outlet as follows

$$\text{Year 2022} = \frac{437.108.814}{558.856.203} \times 100\% = 78\%$$

From the calculation results obtained, it can be said that control over the realization of operational costs for The Hill outlets in 2022 is quite effective, where the actual costs incurred are 78% of the set budget. In this case, favorable deviations occur because the company is trying to increase the effectiveness of cost control by reducing the company's operational costs to maintain the company's financial stability.

**e. Minahasa Lounge**

From table 3.1 above, it is known that the operational cost budget for the Minahasa Lounge outlet in 2021 is IDR 1,335,988,306, while the actual operational costs incurred are IDR 847,958,570 with a difference of IDR 448,029,736 so that in 2021 the Minahasa Lounge outlet There is a favorable deviation with the percentage of use of operational costs as follows:

$$\text{Year 2021} = \frac{847.958.570}{1.335.988.306} \times 100\% = 63\%$$

Based on the calculation results above, control over the realization of operational costs at the Minahasa Lounge outlet can be said to be effective because the realization of operational costs that occur does not exceed the set budget with the percentage obtained being 63%. From the variance results obtained, the favorable deviation that occurred can be said to be quite large. This occurred because in 2021 during the Covid-19 pandemic.

19 there was a decline in demand, resulting in quite large deviations in favorability. Meanwhile, in 2022 the budget for operational costs at the Minahasa Lounge outlet is IDR 1,442,527,141 and the actual costs incurred are IDR 1,650,180,102 with a difference of -Rp 207,652,961 so that deviations that occur in 2022 at the Minahasa Lounge outlet are unprofitable. With the calculation of the percentage of operational costs realized at the Minahasa Lounge outlet as follows:

$$\text{Year 2022} = \frac{1.650.180.102}{1.442.527.141} \times 100\% = 114\%$$

From the calculation results obtained, it can be said that control over the realization of operational costs for the Minahasa Lounge outlet in 2022 is not effective where the actual costs incurred are 114% of the set budget. In this case, unfavorable deviations occurred because in facing and adapting to changing conditions after the Covid-19 pandemic, operational costs also increased, where unexpected expenses occurred. This results in unfavorable deviations.

**f. House Keeping Department**

From table 3.1 it is known that the operational cost budget for the Dept. House Keeping in 2021 is IDR 5,876,955,058 while the actual costs incurred are IDR 3,887,679,713, so in 2021 in the house keeping department there will be a profitable deviation with a difference of IDR 1,989,275,345. To calculate the percentage level of cost realization as follows:

$$\text{Year 2021} = \frac{3.887.679.713}{5.876.955.058} \times 100\% = 66\%$$

The results of this percentage, if seen from the indicators measuring the level of effectiveness of budget use in the house keeping department, can be said to be very effective in controlling operational costs, namely 66%. However, the variance or deviation that occurred can be said to be quite large, namely IDR 1,989,275,345. Based on interviews conducted, the reason for the fairly large favorable deviation occurred because in 2021 we were still in a Covid-19 pandemic situation which required everyone to stay at home, so RST Manado experienced a drastic decline in guest demand and required hotels to operate only in part of the building

because lack of visitors or guests coming. This is what causes the set budget not to be realized in accordance with the company's plans. Meanwhile, in 2022, the operational cost budget for the house keeping department is IDR 5,593,120,337 and the realization is IDR 6,191,411,576. In 2022, an unprofitable deviation will occur in the house keeping department, where the difference is IDR 598,291,239 with the percentage level of cost realization as follows:

$$\text{Year 2022} = \frac{6.091.411.576}{5.593.120.337} \times 100\% = 111\%$$

Based on the calculation results obtained, namely 111%, if seen from the indicators measuring the level of effectiveness of the realization of operational costs in the house keeping department it can be said to be ineffective because the realization of operational costs is greater than the predetermined budget. In 2022 there will be an unfavorable deviation, namely -Rp. 598,291,239 because based on interviews conducted in 2022, after activities have returned to normal after the Covid-19 pandemic, demand has increased so that PT. RST Manado, requires more costs to fulfill this request. This is what causes the realization of operational costs to exceed the set budget

**g. Dept. F&B Product**

From table 3.1 above, it is known that the operational cost budget for the f&b product department in 2021 is IDR 2,883,156,336, while the actual operational costs incurred are IDR 1,508,470,180 with a difference of IDR 1,374,686,156 so that in 2021 there will be deviations in the f&b product department. profitable with the following percentage of operational costs:

$$\text{Year 2021} = \frac{2.883.156.336}{1.508.470.180} \times 100\% = 52\%$$

Based on the calculation results above, control over the realization of operational costs in the F&B product department can be said to be very effective because the realization of operational costs that occur does not exceed the budget set with the percentage results obtained, namely 52%. Based on interviews conducted, the reason for the large positive deviations is because in 2021 we are still in a Covid-19 pandemic situation which requires everyone to carry out activities at home, resulting in a lack of visitors or guests coming. This is what causes quite large favorable deviations where the set budget is not realized in accordance with the company's plans. Meanwhile, in 2022 the budget for operational costs in the f&b product department is IDR 2,757,807,807 and the actual costs incurred are IDR 3,076,170,548 with a difference of IDR 318,362,741, so that deviations that occur in 2022 in the f&b product department are unprofitable (unfavorable). With the calculation of the percentage of operational cost realization in the F&B product department as follows:

$$\text{Year 2022} = \frac{3.076.170.548}{2.757.807.807} \times 100\% = 112\%$$

Dari hasil perhitungan yang diperoleh, maka dapat dikatakan pengendalian terhadap realisasi biaya operasional departemen f&b product pada tahun 2022 tidak efektif dimana realisasi biaya yang terjadi yaitu 112% dari anggaran yang ditetapkan yang artinya realisasi biaya yang terjadi lebih besar dari pada anggaran yang ditetapkan. Berdasarkan wawancara yang dilakukan, penyebab penyimpangan yang tidak menguntungkan tersebut karena padatahun 2022 setelah pandemi covid-19 mereda dan aktivitas sudah mulai kembali normal membuat permintaan semakin meningkatsehingga membutuhkan biaya operasional yang lebih untuk memenuhi permintaan tersebut.

**h. Administration and General**

In table 3.1, it is known that the administrative and general operational costs budget in 2021 is IDR 5,451,336,778 and the actual operational costs are IDR 5,029,343,768 with a difference of IDR 385,993,010 so that in 2021 there will be a favorable deviation in the administration and general budget (favorable) with the percentage of use of operational costs as follows: 5,451,336,778 and the realization of operational costs is IDR 5,029,343,768 with the difference obtained being IDR 385,993,010 so that in 2021 in the administration and general budget there will be a favorable deviation with the percentage of use of operational costs as following:

$$\text{Year 2021} = \frac{5.029.343.768}{5.451.336.778} \times 100\% = 93\%$$

Based on the calculation results obtained, it can be said that control over the realization of operational costs in administration and general is quite effective because the realization of operational costs that occur does not exceed the budget set with the results obtained, namely 93%. Meanwhile, in 2022 the operational cost budget is IDR 5,451,336,778 and the actual costs incurred are IDR 5,202,627,798 with a difference of IDR 212,708,980. then the deviations that occur in 2022 in administration and general are favorable. The following is a calculation of the percentage level of effectiveness of the realization of operational costs at banquet outlets:

$$\text{Year 2022} = \frac{5.202.627.798}{5.452.336.778} \times 100\% = 96\%$$

From the calculation results obtained, it can be said that control over the realization of administration and general operational costs in 2022 is effective, namely 96% where the realization of costs does not exceed the set budget. Based on interviews conducted by favorable deviations that occurred in 2021 and 2022, due to the favorable events that occurred in 2021 and 2022, the company is trying to increase operational efficiency by implementing strict management of operational costs, to increase the company's financial

stability and balance operational costs, for future business continuity.

**i. Finance Department**

From table 3.1, it is known that the budget for operational costs in the Finance Department in 2021 is IDR 2,099,440,041, while the actual costs incurred are IDR 1,801,529,078, so in 2021 in the finance department there will be a profitable deviation with a difference of IDR 297,910,963. To calculate the percentage level of cost realization as follows:

$$\text{Year 2021} = \frac{1.801.529.078}{2.099.440.041} \times 100\% = 86\%$$

The results of this percentage, if seen from the indicators measuring the level of effectiveness of budget use in the finance department, can be said to be that operational cost control has been effective, namely 86%. Meanwhile, in 2022, the budget for operational costs in the finance department is IDR 2,137,160,066 and the realization is IDR 1,995,411,493. In 2022 in the finance department there will be a favorable deviation where the difference is IDR 141,748,573 with the percentage level of cost realization as follows:

$$\text{Year 2022} = \frac{1.995.411.493}{2.137.160.066} \times 100\% = 93\%$$

Based on the calculation results obtained, namely 93%, if seen from the indicators measuring the level of effectiveness of the realization of operational costs in finance, it can be said to be quite effective because the realization of operational costs is greater than the predetermined budget. Based on interviews conducted, favorable deviations that occurred in the finance department in 2021 and 2022 were caused by the company trying to increase operational efficiency by implementing strict management of operational costs to increase the company's financial stability, and to balance operational costs for future business continuity.

**j. HRD & Security Department**

From table 3.1, the operational cost budget for the Department is known. HRD & Security in 2021 amounted to IDR 2,031,757,056, while the actual costs incurred amounted to IDR 2,302,243,703, so in 2021 in the HRD & Security department there was an unfavorable deviation with a difference of IDR 270,486,647. To calculate the percentage level of cost realization as follows:

$$\text{Year 2021} = \frac{2.202.243.703}{2.031.757.056} \times 100\% = 113\%$$

The results of this percentage, if seen from the indicators measuring the level of effectiveness of budget use in the HRD and Security departments, can be said to be controlling operational costs ineffective, namely 113%. Based on interviews conducted, the cause of this unprofitable deviation is because in 2021, during the Covid-19 pandemic, companies must maintain and prioritize health. PT. RST Manado must ensure that the facilities used are safe and clean, so it requires more costs to maintain the health and cleanliness of the hotel as well as employees and guests. So companies have to buy personal protective equipment, hand sanitizer, carry out more frequent cleaning so that operational activities can run in accordance with safety guidelines at that time. Meanwhile, in 2022, the operational cost budget for the HRD and Security department is IDR 2,092,524,017, and the realization is IDR 1,938,812,622. In 2022 in the HR and Security department there will be a favorable deviation where the difference is IDR 153,711,395 with the percentage level of cost realization as follows:

$$\text{Year 2022} = \frac{1.938.812.622}{2.092.524.017} \times 100\% = 93\%$$

Based on the calculation results obtained, namely 93%, if seen from the indicators measuring the level of effectiveness of the realization of operational costs in the HRD and Security department, it can be said to be effective because the realization of operational costs is smaller than the predetermined budget. Based on interviews conducted, favorable deviations that occurred in the HR and Security department in 2022 were due to the company's efforts to increase operational efficiency by implementing strict management of operational costs to increase the company's financial stability and to balance operational costs for future business continuity.

**k. Sales and Marketing Department**

From table 3.1 above, it is known that the operational costs budget for the sales and marketing department in 2021 is IDR 1,526,825,275, while the actual operational costs incurred are IDR 1,064,890,693 with a difference of IDR 461,934,582 so that in 2021 for the sales department, and marketing there is a profitable deviation with the percentage of operational costs used as follows:

$$\text{Year 2021} = \frac{1.064.890.693}{1.526.825.275} \times 100\% = 70\%$$

Based on the results of the calculations above, control over the realization of operational costs in the sales and marketing department can be said to be effective because the realization of operational costs exceeds the budget set with the percentage obtained, namely 70%. Based on interviews conducted, irregularities occurred because in 2021, during the Covid-19 period, not many activities were carried out due to a decrease in direct marketing activities, where social restrictions meant that direct marketing activities, such as exhibitions, were limited at that time, so the company had to switch to an on-call work model. distance or technology upgrades to keep operations running. Meanwhile, in 2022 the budget for operational costs in the sales and marketing department is IDR 1,504,168,268 and the actual costs incurred are IDR 1,297,063,670 with a difference of IDR 207,104,598 so that deviations that occur in 2022 in the sales and marketing department are profitable. (favourable). With the calculation of the percentage of operational costs realized in the sales and marketing department as follows:

$$\text{Year 2022} = \frac{1.497.063.670}{1.504.168.268} \times 100\% = 86\%$$

From the calculation results obtained, it can be said that control over the realization of operational costs for the sales and marketing department in 2022 is quite effective, where the actual costs incurred are 96% of the set budget. Based on interviews conducted, favorable deviations that occurred in the sales and marketing department in 2022 were due to the company trying to increase operational efficiency by implementing strict management of operational costs to increase the company's financial stability and to balance operational costs for future business continuity..

### **l. Engineering Department**

From table 3.1 above, it is known that the operational costs budget for the engineering department in 2021 is IDR 2,153,938,612, while the actual operational costs incurred are IDR 2,926,027,617 with a difference of IDR 772,089,005 so that in 2021 there will be deviations in the engineering department. which is unprofitable with the following percentage of operational costs:

$$\text{Year 2021} = \frac{2.926.027.617}{2.926.027.617} \times 100\% = 136\%$$

Based on the calculation results above, control over the realization of operational costs in the engineering department can be said to be ineffective because the realization of operational costs that occur exceeds the budget set with the percentage results obtained, namely 136%. Based on interviews conducted, unprofitable deviations occurred due to expenses incurred for hotel repairs and maintenance related to cleanliness and safety during the Covid-19 pandemic, for example, such as installing hand washing stations and developing open areas in hotels. This is done to maintain the quality of hotel facilities and services. Meanwhile, in 2022 the budget for operational costs in the engineering department is IDR 2,227,602,671, and the actual costs incurred are IDR 2,125,717,010 with a difference of IDR 101,885,661, so that the deviations that occur in 2022 in the engineering department are profitable. With the calculation of the percentage of operational cost realization as follows:

$$\text{Year 2022} = \frac{2.125.717.010}{2.227.602.671} \times 100\% = 95\%$$

From the calculation results obtained, it can be said that control over the realization of operational costs for the engineering department in 2022 is effective, where the actual costs incurred are 95% of the set budget. Based on interviews conducted, in this case the deviation that occurred was a normal deviation, where the company succeeded in maximizing control of operational costs in the engineering department, so that it could balance the costs incurred for the sake of the company's economic continuity.

### **m. Utilities**

From table 3.1 above, it is known that the utilities operational cost budget in 2021 is IDR 4,381,588,350, while the actual operational costs incurred are IDR 2,135,872,596 with a difference of IDR 145,715,754 so that in 2021 there will be a favorable deviation in the utilities budget. (favorable) with the following percentage of operational cost usage:

$$\text{Year 2021} = \frac{2.125.717.010}{2.227.602.671} \times 100\% = 49\%$$

Based on the results of the calculations above, if assessed based on measuring the effectiveness of control over the realization of operational costs in utilities, it can be said to be very effective because the realization of operational costs that occur does not exceed the set budget with the percentage obtained being 49%. However, deviations or differences in budget realization that occur are quite large. Based on interviews conducted, the reason for the quite large favorable deviation occurred because in 2021, there was still a pandemic situation which resulted in a lack of guests or visitors coming, which required the company to save energy and operate only in some hotel buildings. This is what causes the set budget not to be realized in accordance with the company's plans. Meanwhile, in 2022 the budget for operational costs for utilities is IDR 4,381,588,350 and the actual costs incurred are IDR 3,998,315,975 with a difference of IDR 383,272,375 so that deviations that occur in 2022 for utilities are profitable. With the calculation of the percentage of operational cost realization as follows:

$$\text{Year 2022} = \frac{3.986.315.975}{4.381.588.650} \times 100\% = 91\%$$

From the calculation results obtained, it can be said that control over the realization of operational costs for utilities in 2022 is quite effective, where the actual costs incurred are 91% of the set budget. In this case, the deviation that occurred was a normal deviation, where the company succeeded in maximizing control of operational costs in the engineering department so that it could balance the costs incurred for the sake of the company's economic continuity. Based on the results of the description above and also the results of interviews conducted, planning and monitoring operational costs at PT. RST Manado can be said to be running effectively but not optimally. In 2021, most departments or outlets experienced quite large deviations in favorability because they were caused by a number of factors related to changes in economic, social and business conditions caused by the Covid-19 pandemic. Where the Covid-19 pandemic has had a significant impact on the hotel industry in Indonesia and throughout the world. So it requires PT. RST Manado to close several outlets, and also limit hotel operational activities and only operate in some buildings due to a drastic decline in demand for hotel accommodation. But in this case, the company can control and try to balance operational costs with hotel income at that time. Meanwhile, in 2022, the opposite will happen where most outlets or departments will experience unfavorable deviations. This happens because 2022 is a transition year from the pandemic to the Covid-19 endemic, where activities have returned to normal, resulting in quite large demand, requiring more operational costs. However, based on the description above and interviews conducted, in dealing with this situation the company is trying to maximize expenses by prioritizing expenses that have a direct impact on the quality of service that will be provided to guests, and reducing operational



costs. In this case, it can still be considered to be postponed so that the company does not have to reduce the quality of its services. In controlling and managing the cost realization budget, PT. RST Manado continues to monitor and identify deviations, both positive and negative, to take appropriate action to anticipate impacts that could be detrimental to the company.

#### IV. Conclusion

Based on the results of the research that has been carried out, it can be concluded:

1. PT. RST Manado in preparing the operational cost budget uses the Bottom Up method, which involves all departments responsible for their respective sections, so that operational costs are budgeted based on the needs of each section.
2. Implementation of operational costs at PT. RST Manado is quite good, where the company always carries out in-depth identification in considering and determining hotel spending priorities in order to maintain maximum service quality.
3. Supervision of operational costs at PT. RST is also quite good, where cost control can be responsible for controlling the use of operational costs for each department/outlet, and also the company always tries to evaluate deviations that occur, both profitable deviations and unprofitable deviations to identify and determine strategies that will be taken in the future. for the continuity of the company.
4. Level of effectiveness of planning and monitoring operational costs at PT. RST Manado can be said to be effective but not optimal because there are still deviations, both small and large, but in this case the company can control these deviations.

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