TECHNIUM
SOCIAL SCIENCES JOURNAL

Vol. 22, 2021

A new decade for social changes

ISSN 2668-7798

9 772668 779000

www.techniumscience.com

Technium Social Sciences Journal
Vol. 22, 334-349, August, 2021
ISSN: 2668-7798
www.techniumscience.com

Modelling of beyond budgeting, competitor accounting, transparency, competitive advantage, and organizational performance: The case of Indonesia SMEs

Riyan Harbi Valdiansyah

Faculty of Economics and Business, Trisakti University, Indonesia
ryanharbi89@gmail.com

Yvonne Augustine

Faculty of Economics and Business, Trisakti University, Indonesia
Yvonne.augustine@trisakti.ac.id

Abstract. SMEs are the backbone in driving the Indonesian economy and play an essential role in creating jobs throughout Indonesia. Indonesian SMEs are the key to designing inclusive development through the merger of large & small businesses so that economic equity can touch all levels of society. This study examines several factors of Indonesian SMEs' organizational performance, such as beyond budgeting, competitor accounting, and transparency through competitive advantage. This research was conducted by distributing online questionnaires to business owners, financial managers, or financial supervisors of SMEs in Indonesia spread across six islands. A total of 155 questionnaires were obtained in this study and analysed by SMART PLS 3.2.9. The results show that beyond budgeting and transparency influence competitive advantage, while competitor accounting does not. Other results show that competitor accounting, transparency, and competitive advantage influence business performance, while beyond budgeting does not. Path analysis in this study shows that competitive advantage mediates beyond budgeting and transparency, while competitor accounting is not mediated. Researchers are aware that this study has limitations in data dissemination and was distributed during the COVID-19 pandemic conditions, which allowed for differences in results with other similar studies. Hopefully, with this research that practitioners will be able to provide other views beyond budgeting, competitor analysis, and the side of transparency for Small and Medium Enterprises in Indonesia. Policymakers can encourage SMEs to be more innovative and responsive to science through programs to increase business scale, considering the contribution of SMEs to Indonesia's gross domestic product. Further research is expected to analyze more deeply what factors affect the competitive advantage and organizational performance of small and medium enterprises, such as the availability of working capital, SME access to banks, how digitalization plays a role, etc.

Keywords. Beyond Budgeting, Competitor Accounting, Transparency, Competitive Advantage, Organizational Performance, SMEs, Small-Medium Enterprise, Indonesia

1. Introduction

The role of SMEs in a country's economic growth is considered essential. SMEs are the backbone in driving the economy in Indonesia and play an essential role in creating jobs throughout Indonesia. On the other hand, SMEs in Indonesia are the key to designing inclusive development through the merger of large & small businesses so that economic equity can touch all levels of society. Based on the economic census data from the Ministry of Cooperatives and SMEs [1], the contribution of MSMEs to the Indonesian economy absorbs up to 89.2% of the total workforce, provides almost 99% of total employment, contributes 60.34% of National GDP, 14, 17% of national exports, and 58.18% of total Indonesian investment. Based on these data, SMEs should develop and increase their level; as proclaimed by the Central bank of the Republic of Indonesia, there are many things that SMEs must pay attention to improve their business performance. In this study, several factors are analyzed to see the influence on the competitive advantage that will affect the organizational performance of Indonesian SMEs.

The first factor that researchers want to examine is related to organizational performance is beyond budgeting. Budgeting is considered an essential instrument for implementing corporate strategy and fulfilling various further tasks [2] [3]. Although budgeting is widely used, some managers and business practitioners have expressed their disclosures about budgeting. Many have criticized this as causing budget games and quickly becoming obsolete, time-consuming, expensive, and inflexible [3]. The most radical solution to overcome this weakness is the "Beyond Budgeting" approach [4]. The main element of this approach is the ongoing business and all the fixed targets that come with it [3], which will ultimately positively impact organizational performance.

In addition, in the application of management accounting, the performance of SMEs has repeatedly been claimed to be related to their inability to exploit the appropriate application of management accounting [5] [6] as the ability of management accounting to reduce business failures by providing information that can increase organizational competitive advantage. To achieve competitiveness and stay afloat, companies need to apply different strategies compared to competitors. The application of management accounting should be used as one of the central support systems to implement the plan.

Competitor accounting in organizations is essential to create vital basic information to make the right strategic decisions and achieve good performance [7]. To make the right strategic decisions and gain a competitive advantage, companies must obtain important information about competitors and use that information to predict the behavior of their competitors and improve business operations within the organization [7]. Competitor-focused accounting is the basis for pursuing a competitive advantage. Competitive advantage is at the heart of organizational performance [7]. Competitor orientation is significant to help companies identify their current and potential competitors, understand, integrate, and overcome these competitors' strengths, weaknesses, capabilities, and strategies, and continuously collect competitor information from the market [8].

Transparency and information, considered essential elements of corporate governance, can also affect competitive advantage [9] [10]. Transparency requires companies to apply accurate accounting methods, provide complete organizational information and promptly disclose any conflicts of interest held by directors or controlling holders. In addition, [11] considers voluntary awareness one of the transparencies that can improve operating performance. [9] also found that transparency and performance have a positive and significant effect on financial performance.

In addition to the factors previously described, competitive advantage refers to the result of an organization developing attributes that allow it to outperform its competitors in difficult or impossible ways for competitors to imitate [12]. Competitive advantage and organizational performance are often used interchangeably [13]. Ultimately, excellence is often perceived to be facilitated by superior value creation [14], thus leading to improved performance [15].

The researcher raises this issue on the SMEs scale because the current phenomenon is that SMEs' performance plays an essential role in improving the Indonesian economy to alleviate poverty. After all, the employment rate of SMEs is relatively high. SMEs are also predicted to be contributors to the country's foreign exchange because the SME market does reach national and overseas.

Overall, this study will investigate how beyond budgeting, competitor accounting and transparency in Indonesian SMEs through competitive advantage are perceived as lacking and fragmented for two reasons. First, most previous studies were conducted in developed countries, while only a few were conducted in developing countries such as Indonesia. Second, this study provides empirical evidence on the perception and application of beyond budgeting, competitor accounting, and transparency on organizational performance through competitive advantage in the context of Small and Medium Enterprises (SMEs) in Indonesia. In the end, this study will show how the successful implementation of management accounting practices is described in applying beyond budgeting, competitor accounting strategies, and transparency with their relationship to organizational performance through competitive advantage by marking SMEs as key players in the broader economy.

2. Literature Review and Hypothesis Development

2.1 Literature review

Beyond Budgeting

Beyond budgeting, concepts stem from the belief that budgeting is too rigid and unresponsive for an organization competing in a rapidly changing environment [16]. The principle of Beyond Budgeting stems from the idea of business agility. The original idea beyond budgeting was many discoveries about agile companies, especially among software development companies. Such companies form agile business techniques to quickly adapt and adapt to ever-changing goals and requirements in a highly competitive environment. Today, businesses across various industries are actively applying agile methods to comply with demanding megatrends such as digitization, globalization, and mobility.

Previous budget concepts (traditional) have been criticized for being time-consuming and expensive to prepare, do not create value, encourage deviant and unethical play and behavior, disconnect from strategy, and reinforce silos within organizations [3] [17]. The rationale behind budgeting is to address these issues and improve the organization's ability to manage environmental uncertainty [18]. For companies to compete effectively in an uncertain environment, they need practices that enable them to respond when conditions change quickly [4]. The essence of the outside budgeting approach [19] is summarized in 12 off-budgeting principles listed in table 1 below. Six leadership principles focus on the composition of organizational management, while the other six process principles focus on the technical aspects of the management process [19].

Table 1. 12 Principles of Beyond Budgeting

Leadership Principles		Management Process	
1	**Goal** → Engage and inspire those around the goal boldly and nobly; not just fixated on the short-term financial targets of the organization.	**7**	**Rhythm** - Organizes management processes dynamically (not rigidly) around organizational rhythms and events.
2	**Beliefs** → Organize through shared values and exercise good judgement, not through detailed rules and regulations.	**8**	**Targets** - Set purposeful, ambitious, and relative goals; avoid fixed and graded marks.

3	**Transparency** → Making information open to self-regulation, innovation to change, learning, and control	9	**Plans and forecasts** - Create a lean and unbiased planning and forecasting process, not rigid and political training.
4	**Organization** → Provides a strong sense of belonging and manages a responsible team.	10	**Resources allocation** - Cultivating a cost-conscious mindset and providing resources according to the needs of the organization; not through detailed annual budget allocations
5	**Autonomy** → Trusting the team to act freely; do not punish everyone if someone abuses that trust.	11	**Performance evaluation** - Overall performance evaluation and solicit peer feedback for learning media and organizational development; not based on measurement alone and only on reward factors.
6	**Customers** → Always linking teamwork to customer needs; avoid conflicts of interest between individuals.	12	**Rewards** - Rewards for mutual success against competition; do not conflict with the established performance contract.

Source: Beyond Budgeting Round Table, 2016

Competitor Accounting

Competitor accounting is the analysis of accounting information relating to competitors. The use of competitor accounting should provide detailed insight into the financial situation, determine own competitive position and predict future strategic competitive behavior [20]. Based on the analysis of application factors in strategic management accounting, [21] states that competitor accounting has three dimensions: competitive position monitoring, competitor cost assessment, and competitor performance appraisal.

Transparency

Transparency is a crucial mechanism for reducing information asymmetry and agency costs [22]. Organizational transparency can be further explained through stakeholder theory. The theory of business ethics and corporate management defines values and morals in managing organizations [23]. In this theory, a stakeholder includes any individual or group affected, either directly or indirectly, by the company's actions.

Competitive Advantage

Competitive advantage is an organization's ability to perform in one or more ways that are difficult for competitors to imitate now and in the future [24]. In other words, the resulting product or service cannot be replicated by any entrepreneur. The dimensions of competitive advantage are cost, quality, time, flexibility, innovation, and responsiveness [24].

Organizational Performance

Understanding the meaning of business performance is a prerequisite for measuring and managing organizational performance. Corporate performance involves the effectiveness and efficiency of the business in achieving the goals set and the extent to which the executive can excel in meeting the needs of all its stakeholders [25].

Organizational performance refers to aggregate technology that enables performance impact across all company activities, such as cost reduction, revenue increase, and competitiveness [26]. Organizational performance refers to how well the business meets the needs of its employees, customers, and other stakeholders and its ability to achieve its planned business objectives [27]. Organizational financial performance indicators include sales growth, operating profit, and cash flow growth rate [28].

2.2 Hypothesis Development

Many companies are afraid of the change but knowing that its possible effect can give the company a competitive advantage can help it get closer to Beyond Budgeting which is treated as a strategic change. Budget, as discussed earlier, is a management control tool through which management can influence organizational performance. By having a more regular performance through the development of beyond budgeting, business actors must maintain business sustainability for their contribution to competitive advantage [29].

H1: Beyond Budgeting positively affects competitive advantage.

In applying strategic management accounting in organizations, the relevance of information related to competitors is highlighted in the literature. Obtaining and processing competitor information allows an organization to assess its strengths and weaknesses [20]. If a company performs strategically relevant activities more efficiently than other suppliers, a competitive advantage emerges and can be used strategically.

H2: Competitor accounting positively affects competitive advantage.

Transparency, i.e., company-based information, refers to its visibility or accessibility outside the company by removing or reducing barriers that may influence stakeholder decision-making [30]. To compete and win in today's competitive global economy, innovation-driven organizations must step outside of their production cycles and become much more open. As a result, transparency becomes a significant competitive advantage [31].

H3: Transparency positively affects competitive advantage.

Regarding organizational performance measurement, Melangen & Sofo [32] suggest that organizations adopting the Beyond Budgeting budgeting model can evaluate performance holistically. Based on the principle of performance evaluation, performance measurement cannot be based on the measurement and not just to get rewards. While these measures form the basis for the provision of incentives and commissions, the purpose of these measures does not depend solely on them.

H4: Beyond Budgeting positively affects organizational performance.

The analysis of competitors' annual financial statements affects the competitive advantage of the organization. This happens because, through the analysis process, competitors' weaknesses are revealed to become an opportunity for the organization. A previous study found that competitor accounting positively affects company profitability in the manufacturing industry [33].

H5: Competitor Accounting positively affects organizational performance.

When an organization provides transparency to external and internal parties, they can see through this organization, creating trust. This can imply that organizations become predictable, reliable, and trustworthy when they are more transparent and adhere to their explicit values [34].

H6: Transparency positively affects organizational performance.

The results of previous studies indicate that competitive advantage affects organizational performance compared to other factors [35]. The existence of competitive advantage in the company makes the performance better than the existing competitors. Management accounting strategy has a positive influence on firm performance [36]. Competitor-focused accounting is the essential ability to gain a competitive advantage, and competitive advantage is a vital organ of organizational performance [7]. In addition, in another study, Majeed [37] supports a positive influence between competitive advantage and organizational performance.

H7: Competitive advantage positively affects organizational performance.

The literature related to Beyond Budgeting suggests that traditional budgeting models are not dynamic for a fast-moving economy, and budgeting should focus on empowering organizational performance [38] [4]. Performance management frameworks must be integrated, so the organization's strategy must relate to related parties, including the financial and HR departments of the organization [38]. Organizations need to see if this budgeting goes beyond its measurement, even though it is integral to performance management. It is vital for companies to use available information in decision making and control, to manage overall performance, and get good performance results for the company [32] [38]

H8: Beyond budgeting affects business performance through competitive advantage

Information about competitors is critical in the strategic decision-making process. Knowing this information is a reliable indicator of success and for achieving better performance than other competitors. In other words, it can be concluded that competitor accounting is a fundamental way to gain a competitive advantage that can impact organizational performance [7].

H9: Competitor accounting affects business performance through competitive advantage

Transparency is a form of coordination of private and public interests. A successful performance measurement system can visualize effectiveness and efficiency, which results in transparency [46]. Companies that are more open and transparent are the main competitive advantages of companies that can encourage companies to have better financial / non-financial performance. [31].

H10: Transparency affects business performance through competitive advantage.

3. Research Methodology

In this study, researchers used primary data through questionnaires in data analysis. The first independent variable in this research is beyond budgeting. In this study, the measurement of Beyond Budgeting uses a structured questionnaire that contains two dimensions with a total of twelve questions containing information about how to implement beyond budgeting in the company by looking at it from two sides: leadership principles and management processes [16][47]. The second independent variable is competitor accounting that measured using a structured questionnaire containing three indicators with a total of ten questions containing information about the application of competitive accounting dimensions (competitor cost assessment, position monitoring, and competitor performance appraisal [21][48]. Furthermore, transparency contains two indicators for a total of four questions containing information about internal transparency and external transparency [49]. Competitive advantage as a mediating variable is measured using a structured questionnaire containing one indicator with a total of six questions containing information about cost leadership and product differentiation [7][36].

Finally, the measurement of organizational performance, which is the dependent variable in this study, contains two indicators with a total of eight questions containing information about financial and non-financial performance [26][27][28]. The sampling procedure in this study used disproportionate stratified sampling using an online questionnaire distributed via google form to owners, managers, and financial supervisors of SME businesses

Technium Social Sciences Journal
Vol. 22, 334-349, August, 2021
ISSN: 2668-7798
www.techniumscience.com

in Indonesia and analyzed using SMART PLS 3.2.9 software.

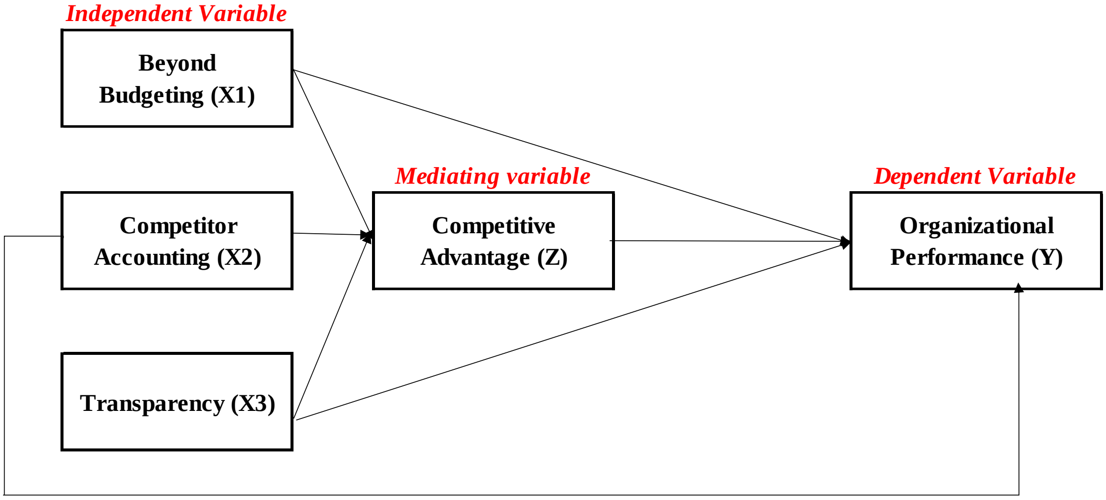

Figure 1. Research Framework

4. Results & Discussions

The research data was collected by distributing questionnaires to business owners, financial managers, or financial supervisors of SMEs in Indonesia spread across six islands. The questionnaires are distributed for one month starting from January 1 – 31, 2021, through electronic media in the form of a google form. This is done to save time in filling out and returning the questionnaire. The number of questionnaires that were sampled in this study amounted to 155 questionnaires. Table 2 shows the characteristics of the 155 respondents who participated in this study.

We can see that the highest position for filling out this questionnaire is business owners, with eighty-six respondents (55%). For the highest number of employees in businesses of less than five respondents (33%) in line with the highest business scale who filled out this questionnaire, eighty-six respondents (55%) came from small businesses. This follows the Ministry of Cooperatives and SMEs census data, which states that the number of small businesses is more than medium enterprises [1]. The respondent domicile in this study is spread throughout the six large islands in Indonesia, with the most respondents coming from the Java islands, namely 130 respondents (84%).

Table 2. Respondent Profile

Position	***Total***	***%***	***Business Domicile***	***Total***	***%***
Finance Manager	34	22%	Bali & Nusa Tenggara	3	2%
Business Owner	86	55%	Java	130	84%
Finance Supervisor	35	23%	Kalimantan	6	4%
Total	**155**	**100%**	Maluku & Papua	3	2%
Total Employee	***Total***	***%***	Sulawesi	6	4%
< 5 persons	51	33%	Sumatera	7	5%
> 25 persons	47	30%	**Total**	**155**	**100%**
10-25 persons	22	14%	***Business Scale***	***Total***	***%***
5-10 persons	35	23%	Small	86	55%
Total	**155**	**100%**	Medium	69	45%
			Total	**155**	**100%**

Source: questionnaires processed by researchers

Technium Social Sciences Journal
Vol. 22, 334-349, August, 2021
ISSN: 2668-7798
www.techniumscience.com

Table 3. Descriptive Statistics

Variable (Indicator)	Mean	Median	Min	Max	Deviation Std	Respondent
Beyond Budgeting	**5.02**	**5.00**	**1.40**	**6.00**	**0.92**	**155**
(Leadership Principles)	5.05	5.00	1.20	6.00	0.93	155
(Management Process)	5.00	5.00	1.60	6.00	0.92	155
Competitor Accounting	**4.57**	**5.00**	**1.00**	**6.00**	**1.16**	**155**
(Cost Assessment)	4.33	5.00	1.00	6.00	1.26	155
(Performance Appraisal)	4.48	5.00	1.00	6.00	1.20	155
(Position Monitoring)	4.82	5.00	1.00	6.00	1.05	155
Transparency	**4.99**	**5.00**	**1.25**	**6.00**	**0.98**	**155**
(Internal Transparency)	5.05	5.00	1.50	6.00	0.91	155
(External Transparency)	4.94	5.00	1.00	6.00	1.04	155
Competitive Advantage	**4.75**	**5.00**	**1.33**	**6.00**	**1.10**	**155**
(Competitive Advantage)	4.75	5.00	1.33	6.00	1.10	155
Business Performance	**5.02**	**5.13**	**1.50**	**6.00**	**0.88**	**155**
(Financial Performance)	4.91	5.00	1.67	6.00	0.91	155
(Non-Financial Performance)	5.09	5.20	1.40	6.00	0.87	155

Source: Output SmartPLS 3.2.9

From descriptive table statistics (table 3), the average respondent score for the beyond budgeting variable is 5.02 out of a total of 6 scales with a minimum (maximum) score is 1.4 (6.0). The results show us that the principal leadership indicator has a higher average (5.02) than the management process (5.00). Other results also show that on competitor accounting variables, the average score of respondents is 4.57 out of a total of 6 scales with a minimum (maximum) score is 1.0 (6.0). From these results, the position monitoring indicator has a higher average (4.82) compared to performance appraisal (4.48) and cost assessment (4.33). Next, the transparency variable average score is 4.99 out of a total of 6 scales, with a minimum (maximum) score is 1.25 (6.0). The statistic results show that the internal transparency indicator has a higher average (5.05) than external transparency (4.94). In the mediation variable in this study (competitive advantage) has the average value of the respondents was 4.75 out of a total of 6 scales with a minimum (maximum) score is 1.33 (6.0). Finally, on the dependent variable (organizational performance), the average respondent's score was 5.02 out of 6 scales. A minimum (maximum) score is 1.5 (6.0). These results also show that non-financial indicators have a higher average (5.09) than financial indicators (4.91).

The analysis of the outer model used in this study is the Average Variance Extracted (AVE) to assess the validity of the variables in this study, Cronbach Alpha and Composite Reliability to assess whether the variables in this study are reliable. The research can be valid if the Average Variance Extracted (AVE) value exceeds 0.50 and is reliable if the Cronbach's alpha and composite reliability values exceed 0.70.

Table 4. Construct Reliability and Validity

	CA	rho_A	CR	AVE
Beyond Budgeting	0.896	0.905	0.915	0.522
Business Performance	0.866	0.879	0.896	0.524
Competitive Advantage	0.789	0.791	0.877	0.704

Competitor Accounting	0.940	0.942	0.949	0.651
Transparency	0.906	0.912	0.935	0.781

Source: Output SmartPLS 3.2.9

From table 4 above, the AVE value of each variable exceeds 0.50, which states that these variables are valid, and the value of Cronbach's alpha and composite reliability values exceeding 0.70 indicates that the variable is reliable. Therefore, the study can be continued for hypothesis testing.

The Adjusted R-Square value in table five generated for the business performance variable (Y) is 0.708, which means the influence of variables outside of budgeting (X1), competitor accounting (X2), and transparency (X3) on business performance (Y) through competitive advantage (Z) of 70.8% and other variables outside the research model affect 29.20%. In addition, the Adjusted R-Square value for the competitive advantage variable (Z) was obtained at 0.514, which means that the influence of the beyond budgeting (X1), competitor accounting (X2), and transparency (X3) variables was 51.40%, and other variables outside the model. This study affects the remaining 48.20%.

Table 5. R Square & Adjusted R Square

	R Square	Adj. R Square
Business Performance	0.716	0.708
Competitive Advantage	0.523	0.514

Source: Output SmartPLS 3.2.9

In testing the hypothesis, this research tries to discover the best research model related to all the independent variables tested on organizational performance. Modelling is a form of multivariable in the processing and analysis of research data. Theoretically, several goals might be achieved in modelling research: increasing validity, increasing precision, and detecting interactions between variables [39].

First, the researcher examines the variables in the moderating models. The researcher wants to see the moderating effect of transparency on beyond budgeting, competitor accounting, and competitive advantage on organizational performance because, in theory, transparency is part of governance that can reduce information asymmetry and provide employees with the information needed to improve organizational performance.

Table 6. Hypothesis Test – Transparency as Moderator

	Coefficients	T-Stat	P -Values	Remarks
Beyond Budgeting -> Business Performance	0.147	1.696	0.045	Accepted
Competitive advantage -> Business Performance	0.194	2.537	0.006	Accepted
Competitor Accounting -> Business Performance	0.175	2.404	0.008	Accepted
Transparency -> Business Performance	0.561	5.511	0.000	Accepted
Transparency*Beyond Budgeting -> Business Performance	0.008	0.701	0.242	Rejected
Transparency*Competitor Accounting -> Business Performance	-0.197	1.439	0.075	Rejected

Transparency* Competitive Advantage -> Business Performance	0.099	0.676	0.250	Rejected

Source: Output SmartPLS 3.2.9

However, if viewed from statistical tests, transparency cannot moderate all independent variables, and transparency can only act as an independent variable that has a significant positive effect (p-value: 0.000) as an independent variable on organizational performance. Later, the researcher tries to test the second theory, which states that competitive advantage can mediate the independent variables in this study on organizational performance [7].

From the results of the path coefficients above, several hypotheses have a significant effect because the p-value <0.05, and some hypotheses have no significance (p-value >0.05). The first hypothesis for the effect of beyond budgeting on competitive advantage, coefficient value is 0.263 (p-value 0.001), which means that beyond budgeting positively affects competitive advantage. Different and innovative management control functions show the effect of implementing beyond budgeting in organizations. Having a more controlled performance through development beyond budgeting, business actors must maintain business continuity to contribute to competitive advantage. This result is in line with the research of Pontjoharyo [29], which states that beyond budgeting positively affects competitive advantage.

The coefficient (P-value) for the second hypothesis is -0.043 (0.232). It is stated that competitor accounting does not affect competitive advantage (hypothesis rejected). Small and medium enterprises (SMEs) in Indonesia are minimal in using managerial decisions based on accounting information, especially management accounting, so that competitive advantage in the SME world is not limited to the accounting competitors themselves. In Indonesia, many SME players only run a business based on the bandwagon without seeing their potential and looking at their competitors in terms of strategy, production costs, and results. It is not surprising that few local SME products have penetrated the international market due to a lack of competitor analysis. The results of this study are inconsistent with the previous study [40] [7].

Table 7. Hypothesis Test – Competitive Advantage as Mediator

	Coefficients	T-Stat	P-Values	Remarks
Beyond Budgeting → Competitive Advantage	0.263	3.105	0.001*	Accepted
Competitor Accounting → Competitive Advantage	-0.043	0.732	0.232	Rejected
Transparency → Competitive Advantage	0.516	5.597	0.000*	Accepted
Beyond Budgeting → Org. Performance	0.119	1.180	0.119	Rejected
Competitor Accounting → Org. Performance	0.141	2.100	0.018*	Accepted
Transparency → Org. Performance	0.501	5.927	0.000*	Accepted
Competitive Advantage → Org. Performance	0.208	3.353	0.000*	Accepted
Beyond Budgeting → Competitive Advantage → Org. Performance	0.056	2.024	0.020*	Accepted
Competitor Accounting → Competitive Advantage → Org. Performance	-0.009	0.733	0.232	Rejected
Transparency → Competitive Advantage → Org. Performance	0.109	3.115	0.001*	Accepted

Source: Output SmartPLS 3.2.9

Technium Social Sciences Journal
Vol. 22, 334-349, August, 2021
ISSN: 2668-7798
www.techniumscience.com

The third hypothesis stated the transparency has a positive effect on competitive advantage. The results show the coefficient (P-value) 0.516 (0.000), which means that transparency has a positive effect on organizational competitive advantage (hypothesis 3 accepted). When a business has transparency, it creates an environment where employees feel safe collaborating instead of being on guard and worrying about political attitudes. Furthermore, high-level collaboration results in greater creativity that drives innovation to develop new products, services, and market opportunities, strengthening their competitive advantage. The results of this study are consistent with the previous study [31].

The fourth hypothesis stated the effect of beyond budgeting on organizational performance. The coefficient (p-value) is 0.119 (0.119). It is stated that beyond budgeting has no significant effect on business performance. So, it can be concluded that the fourth hypothesis is rejected. One of the challenges in implementing beyond budgeting is related to target setting. Targets are relatively used but mostly centered around financial factors. The incentive system as a reflection of the financial factors used does not follow the principles of the Beyond Budgeting model because incentives are to some extent used as a compensation method. However, the company does not appreciate the existence of successful performance against the competition. Previous research of beyond budgeting [32] stated that managers prefer to use traditional budgeting when the business runs in a stable corporate environment with high task confidence [41]. Furthermore, Otley also realizes that the challenges of implementing beyond budgeting in complex organizations must require good planning and coordination [42].

The fifth hypothesis affirmed the competitor accounting effect on organizational performance. The coefficient (p-value) is 0.141(0.018). So, this statistic result can be concluded that the fifth hypothesis is accepted. The practice of competitor-focused accounting in organizations is essential to create robust data support in making the right strategic decisions and can achieve excellent organizational performance [7]. The results of this study confirm that organizations that have up-to-date systems to monitor the activities of their competitors show greater profitability [43]. The results of this study are in line with previous studies [7][20] [43], which state that competitor accounting has a positive effect on business performance.

The sixth hypothesis affirmed the transparency effect on organizational performance. The coefficient (p-value) is 0.501 (0.000). So, it can be concluded that the sixth hypothesis is accepted. When the organization provides transparency, all participants can look at this business which desires later establish trust. This can imply that organizations develop reliable, inevitable, and trustworthy when they follow specific values [34]. These results are consistent, including the previous research [34].

The seventh hypothesis stated that the competitive advantage positively affects business performance. The coefficient (p-value) is 0.208 (0.000), So, it can be concluded that the seventh hypothesis is accepted. SMEs improve the lives of individuals by hiring employees who will assist SMEs in making a profit. SMEs' organizational performance (financial and non-financial aspects) is measured through the Balanced Scorecard (BSC). The financial perspective shows that income is significantly increased while costs are well controlled, thereby providing sufficient savings for SMEs. The performance of SMEs is quite good because efforts to increase revenue and reduce costs contribute to their performance. The customer perspective shows that customer satisfaction, profitability, and the number of customers are significantly increasing. This perspective will significantly affect the performance of SMEs. The results of this study are consistent with the prior research [44] [45].

The eighth hypothesis stated the effect of beyond budgeting on organizational performance over competitive advantage, the coefficient (p-value) is 0.056 (0.020). On the other hand, it is not meaningful if we look at the straight effect of beyond budgeting on organizational performance. The indirect effect of beyond budgeting on organizational performance over competitive advantage has a significant positive value. So, it can be concluded that the eighth hypothesis is accepted and is fully mediated. Implementing beyond budgeting is one of the company's strategies in responding to market competition to gain a competitive advantage. The previous information on Beyond Budgeting shows that the traditional budget management model is not dynamic, and the focus is always on empowering performance within an organization [38] [4].

Meanwhile, the current implementation management framework must be cohesive, indicating that the strategy must relate to stakeholders, including the company's finance and HR departments [38]. Organizations need to see if this budgeting has gone beyond magnitude, even though it is an essential piece of an organization's performance management. It is essential to utilize the available data in every determination making and performance control to manage overall performance and get the best performance results for the company [32] [38].

The ninth hypothesis stated the competitor accounting has no effect on organizational performance over competitive advantage. The coefficient (p-value) is -0.009 (0.232). On the other hand, it is significant if we look at the straight effect of competitor accounting on organizational performance. The indirect effect of competitor accounting on organizational performance over competitive advantage is insignificant. So, it can be concluded that the ninth hypothesis is rejected and is not mediating. Indonesian Small and medium enterprises (SMEs) are minimal in using managerial decisions based on accounting information, especially management accounting. The competitive advantage in the SME world is not confined to the accounting competitors themselves, and the results cannot influence business performance. In Indonesia, many SME players only run a business based on the bandwagon without seeing their potential and looking at their competitors in terms of strategy, production costs, and results. It is not surprising that few local SME products have penetrated the international market due to a lack of competitor analysis. The results of this study are inconsistent with previous research [7].

The last hypothesis affirmed the transparency effect on organizational performance over competitive advantage, the coefficient (p-value) is 0.109 (0.001). Besides that, if we consider the direct and the indirect effect of transparency on organizational performance, it has a positive value. So, it can be concluded that the tenth hypothesis is accepted and is partially mediated. Transparency is a form of coordination of private and public interests. A successful performance measurement system can visualize effectiveness and efficiency, which results in transparency [46]. Companies that are more open and transparent are the main competitive advantages of companies that can encourage companies to have better financial and non-financial performance [31].

5. Conclusions

This study was conducted to obtain empirical evidence of the influence of independent variables beyond budgeting, competitor accounting, and transparency on the dependent variable, namely business performance with a competitive advantage as a mediating variable on Small and Medium Enterprises in Indonesia 2021. In terms of its effect on competitive advantage, competitors' accounting does not extend beyond budgeting and transparency. Other results inform that competitor accounting, transparency, and competitive advantage influence business performance while beyond budgeting does not. In the mediation test, beyond budgeting and transparency are mediated by competitive advantage on organizational performance, while competitor accounting is not.

This research has several limitations. First, this research was conducted for national Small and Medium enterprises. However, in practice, the distribution of the questionnaires is still unequal from the number of respondents. This study takes more respondents from the Java Islands because the researchers are domiciled and can distribute the questionnaires. Most of them are in the Java archipelago. Second, this study only looked at the quantitative side with the questionnaire results obtained through the google form but could not directly confirm the exact reason for not conducting interview sessions with respondents to get a more comprehensive argumentation of research results. Third, this research was conducted during the Covid-19 pandemic that hit Indonesia, which may provide another view from previous similar studies.

Hopefully, with this research that practitioners will be able to provide other views beyond budgeting, competitor analysis, and the side of transparency for Indonesian Small-Medium Enterprises. Indonesian SMEs stay to develop due to a lack of adaptive nature to changes in technology, consumer behavior, and scientific developments, which should if this can be overcome. Indonesian SMEs have a competitive advantage in the national and even international arena, which impacts sustainable business performance. For decision Makers, with this research, policymakers can encourage SMEs to be more innovative and responsive for science through programs to increase business scale considering the contribution of SMEs to Indonesia's gross domestic product.

Further research is expected to analyze more deeply what factors influence SMEs' competitive advantage and organizational performance, such as the availability of working capital, SME access to banks, how digitalization plays a role, etc. In addition, further researchers are expected to be able to use mixed research methods to confirm the respondents' answers and provide more comprehensive and genuine insight into the results of their research.

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Technium Social Sciences Journal
Vol. 22, 334-349, August, 2021
ISSN: 2668-7798
www.techniumscience.com

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