JURNAL CINTA NUSANTARA
Volume 04 Nomor 02 2026
E-ISSN: 3025-4469
https://jurnalbundaratu.org/journal/index.php/cintanusantarajournal

ANALYSIS OF RAW MATERIAL COST VARIANCES AS AN INSTRUMENT FOR MANAGEMENT CONTROL AND A DETERMINANT OF FINANCIAL INFORMATION QUALITY

Ardiansyah[1]*, Kalsum Lussy[2] , Barus Umarella[3] , Abdulharis Tamalene[4]

[1,2,3,4] *Politeknik Negeri Ambon, Maluku, Indonesia.*
**Corresponding author: ardi4n.1410@gmail.com*

Abstract

Background: This study aims to identify deviations between actual food cost and standard food cost within the integration of cost accounting and financial accounting, as well as to evaluate their implications for financial reporting quality. Method: This study employed a mixed-methods approach with an explanatory design. Quantitative descriptive analysis was conducted using revenue reports and records of food and packaging material usage over a 30-month period through cost variance analysis. Qualitative data were collected through interviews with internal company personnel regarding raw material control practices. Findings: The results indicate that actual food costs consistently exceeded standard costs, reflecting inefficiencies in raw material management. Cost variances contributed to higher cost of goods sold and lower earnings information quality. Qualitative findings reveal that the main causes of variance include suboptimal supplier selection, fluctuations in raw material quality, inappropriate storage methods, and weak inventory control. Conclusion: The study confirms that effective raw material control is essential for improving operational efficiency and the reliability of financial information. Novelty/Originality: This study highlights that cost variance functions not only as a cost control instrument in cost accounting but also as a determinant of information quality in financial accounting.

Keywords: *Cost efficiency, food cost, raw material control, cost variance, quality of financial information.*

INTRODUCTION

Costs are a fundamental element in accounting that plays an important role in economic decision-making and the assessment of company performance. From a financial accounting perspective, costs are reflected in income statements as a key component in determining profitability, particularly through the measurement of cost of goods sold. Meanwhile, from a cost accounting perspective, costs are used as a tool for controlling, planning, and evaluating operational performance through various techniques such as standard costing and variant analysis. Thus, cost management not only has an impact on financial performance reporting, but also on the effectiveness of internal controls and the company's operational efficiency. In the context of the food and beverage industry, food cost is the dominant component that directly affects the cost structure and profit margin. Raw material costs include all expenses related to the main material costs and supporting materials such as packaging (indirect material costs) used in the product presentation process.

From a financial accounting perspective, accurate measurement of raw material costs will determine the accuracy of the company's expense and profit recognition, while from a cost accounting perspective, raw material cost control is a strategic instrument in maintaining efficiency and stability of operational performance. Therefore, companies need to implement an effective cost control system to ensure that actual costs remain within the standard limits that have been set. One of the commonly used approaches in cost control is the application of standard costing, which is a predetermined cost estimate as a benchmark in assessing the efficiency of resource use.

The comparison between the actual cost and the standard cost will result in a variance that can be classified as favorable or unfavorable. Within the framework of cost accounting, variance analysis serves not only as a tool for evaluating cost performance, but also as a basis for managerial decision-making in identifying sources of inefficiencies and formulating corrective actions. Meanwhile, in financial accounting, the cost deviation will ultimately be reflected in a decrease in profit margins if not controlled effectively.

Cost is something that needs to be considered in a business because in making its products, the company needs materials and other expenses. In manufacturing products, it requires the cost of materials and labor to produce (Amelya et al., 2021). Material cost is the amount of costs incurred for raw materials or raw materials required in the production process of finished goods. In an effort to obtain more production profits, companies need to control food costs so that the revenue obtained is greater than the operating costs (Putra et al., 2022). Before food cost control is carried out, it is necessary to evaluate the use of costs first by analyzing the use of costs. Cost analysis is the process of evaluating all cost elements embraced in production activities to determine the cost structure, identify waste, and determine cost control measures (Trisnadewi, 2022).

In assessing business efficiency and the ability to make a profit, management can compare the actual cost with the budget plan or cost that has been set (Sarwono et al., 2022). One of the benchmarks for comparing the supposed cost with the actual cost is the standard cost. Standard costs are estimates of the total costs required to produce goods or services and have been predetermined. From the cost comparison, the difference between the standard costs will be obtained which can show how much profit the company gets for the goods or products (Oktaviana & Dewi, 2024). With the standard costs set, it is hoped that the expenditure of food and beverage costs will occur in accordance with the standards that have been set by the management.

In an effort to get more profits and cost management, the company carries out raw material control. Cost control is an effort to avoid irregularities in operational activities to maintain applicable regulations and regulations (Wijaya & Widhiastuty, 2021). In this cost control effort, the supervision of a cost controller and the role of managers are important in maintaining the use of costs so that they remain stable (Putra et al., 2022).

Although food cost control has become an important concern in culinary and food service business operations, in practice there are still many inefficiencies that have an impact on the company's cost structure. Various studies show that efforts to control food costs often do not run optimally. Findings from (Putra et al., 2022) shows that food cost control at the Vila Lumbung Bali Hotel has not been implemented effectively. (Wijaya & Widhiastuty, 2021) also found that food cost control at Papillon Echo Beach has not reached maximum efficiency.

Similar findings were presented by (Magdalena & Zulia Rifda Daulay, 2024) which examined Avos Coffee and Resto Medan, where there were adverse irregularities in the cost of raw materials due to the increase in material prices, even though direct labor costs and overhead were relatively optimal.

Research results (Evadine et al., 2023) states that the cost efficiency of raw materials has a positive and significant influence on the profit margin ratio, making it a crucial factor in controlling production costs. Although the efficiency of direct labor costs and factory overhead has no partial effect, the three cost components simultaneously contribute to the increase in the company's profitability.

Findings (Evadine et al., 2023) It was strengthened by the results of the determination test which showed that the 20.7% variation in profit margin could be explained by the efficiency of raw material costs, direct labor costs, and factory overhead costs, thus confirming the importance of integrating cost control in the company's financial strategy.

This shows that there are limitations in linking the results of cost performance measurement (financial accounting) with the operational control mechanism (cost accounting) comprehensively.

In the context of manufacturing production, research by (Putri & Kusumastuti, 2022) on Javasublim shows that production cost efficiency has been achieved up to 69%, but it is still found *Unfavorable variance* significant in the components of overhead costs that are not fully recorded, such as auxiliary material costs and fixed asset depreciation. In the order-based food service sector, (Rachim & Affan, 2022) highlighted that Sharie Catering has not fully implemented the *Full costing* because it does not include overhead and indirect labor costs in the calculation of the cost of order. Meanwhile, (D. Hidayat et al., 2020) found that the cost efficiency of production in CV. Kurnia Whosing was achieved by 114.8% thanks to good raw material control, even though the company experienced a decrease in production due to the pandemic. Research (Niam, 2023) on CV. Anara uses a differential accounting approach to assess production cost efficiency, and concludes that producing raw materials in-house is more profitable than buying them from a third party.

In addition to the manufacturing and culinary sectors, the implementation of standard cost policies was also discussed by (Vista & Sabandi, 2020) in the context of basic education units. Findings (Vista & Sabandi, 2020) emphasizing the importance of implementing technical guidelines in managing education operational costs to be efficient and on target, although in practice technical guidance is still needed for better implementation.

From all these findings, it can be concluded that there is a gap phenomenon that the control of material costs in various sectors that should be the center of operational efficiency is still not optimal. Furthermore, there is a gap in findings, namely the majority of studies only explain that inefficiencies occur, but do not systematically relate them to the actual-standard difference and do not explore in depth the causative factors. On the other hand, there is a method gap, because most of the research is still dominated by qualitative or quantitative descriptive approaches, which have not integrated a mixed methods approach that can provide a more comprehensive and comprehensive picture of cost efficiency, variants that occur, and control constraints in the field.

In addition, in previous research, controlling food costs is still a challenge in various types of businesses. However, there has not been much research that focuses on operational standards, procedures, and human resources for food cost variants in the fast food restaurant sector. Therefore, this research was carried out at Rocket Chicken Bangunjiwo Branch (RCCB) which is one of the local fast food restaurant businesses with a middle to lower market in Kajen Hamlet, Bangunjiwo, Kasihan, Bantul, DIY. Through this study, an analysis of the causes of food cost differences, and efforts to control raw material costs in controlling food costs in RCCB will be presented by focusing on the discussion on Operational Standards, Procedures, and Human Resources.

Along with the development of the company's business, the competition in the culinary sector is getting tighter. The increasingly fierce business competition, especially in fast food restaurants, requires companies to be able to maintain their business with the best quality but competitive prices. One of the factors to consider in determining prices is direct and indirect material costs. The following is in table 1. key fluctuation of food cost.

Table 1. Key Fluctuation of Food Cost

Period	Month	Cost (IDR)	Fluctuation (%)	Description
2023	March	78,840,700	42.90%	Significant spike
2023	April	62,728,316	-20.40%	Sharp decline
2024	March	78,238,863	39.90%	Repeated spike
2024	April	62,832,184	-19.70%	Repeated drop
2025	March	83,790,857	43.90%	Highest increase
2025	April	57,898,163	-30.90%	Extreme decline

Source: Data processed from RCCB (2026)

Based on the data in Table 1, it shows that the cost of raw materials (food cost) has experienced extreme and repeated fluctuations during the 2023-2025 period, marked by a significant surge in March which was consistently in the range of 39.9% to 43.9%, followed by a sharp decline in April which reached up to -30.9%. This pattern of repetitive and cyclical fluctuations indicates an ineffectiveness in the cost control mechanism, where high cost increases are not followed by stability in the following period. This phenomenon reflects the potential for significant operational inefficiencies and indicates the existence of repeated unfavorable variances, making it an important basis for evaluating the effectiveness of raw material control in supporting the company's cost efficiency. From a financial accounting perspective, this condition has direct implications for the quality of profit information presented in the income statement, especially in the cost of goods sold component which is the main determinant of profitability. Meanwhile, in the framework of cost accounting, this phenomenon reflects the weak function of cost planning and control, especially in the management of direct material costs which should be controlled through cost standards and systematic variance analysis.

The following in Table 2 presents the revenue achieved in the same period as a comparison to the fluctuations in material costs in Table 1. This comparison is important to evaluate the relationship between cost dynamics and revenue performance in identifying potential operational inefficiencies.

Table 2. Key Fluctuation of Revenue

Period	Month	Revenue (IDR)	Fluctuation (%)	Description
2023	March	120,367,483	38.30%	Significant spike
2023	April	98,629,429	-18.10%	Sharp decline
2024	March	120,367,483	38.80%	Repeated spike
2024	April	98,637,428	-18.10%	Repeated drop
2025	March	130,515,357	46.80%	Highest increase
2025	April	90,948,809	-30.30%	Extreme decline

Source: Data processed from RCCB (2026)

Based on the data in table 2, it shows that the company's revenue also experienced significant fluctuations and repeated patterns during the 2023–2025 period, with the highest spike occurring in March reaching up to 46.8%, followed by a sharp decline in April to -30.3%. This pattern is consistent with the phenomenon of food costs in Table 1, which both show cycles of extreme increases and decreases in adjacent periods. This condition indicates an insynchronization between revenue increase and cost control, so it has the potential to reduce the company's profit margin. From the perspective of financial accounting, these fluctuations have a direct impact on the stability of profit performance, while in cost accounting it reflects the lack of optimal performance planning and control functions based on the relationship between revenue and cost (cost-revenue alignment).

In general, revenues showed a relatively volatile pattern throughout the year, with a pattern of significant spikes in March followed by sharp declines in April consistently in each period, reflecting the dynamics in line with the fluctuations in raw material costs in Table 1. After peaking in March, revenue declined and moved in the range of IDR 90 million and below for most of the following months. This indicates the existence of unstable consumer demand dynamics or the possible influence of seasonal and operational factors that have not been identified in detail in this data. When associated with Table 1 which shows the fluctuation of direct and indirect material costs, the similarity of the extreme pattern of increase and decrease between costs and revenues is an early indication of an imoptimal relationship between cost expenditure and results obtained. The comparison between Table 1 and Table 2 is an important foundation for evaluating the level of cost efficiency in generating revenue. The asynchrony between increased costs and revenue growth that is not always comparable indicates potential operational inefficiencies, waste of raw materials, and weak cost controls.

Thus, the simultaneous analysis of the two tables becomes an important basis for evaluating the efficiency of the use of materials in relation to the achievement of the company's revenue. The misalignment between the trend of material costs and recurring revenues indicates a structural problem in the cost control system, so an evaluation of the management of raw materials and auxiliary materials is needed so that the allocation of material costs is truly proportional to the output produced. In addition, from a methodological perspective, previous research generally used a single approach, both quantitative and qualitative, so it has not been able to capture the causal relationship between cost deviation and operational practices in depth. In fact, from a cost accounting perspective, the integration between cost variance analysis (actual vs standard cost) and operational process evaluation is the key to comprehensively identifying the sources of inefficiency. Thus, there are significant methodological gaps in the literature that need to be filled through a more comprehensive approach.

Based on the research gap, this study adopts a mixed methods approach to integrate quantitative analysis of cost variants with qualitative exploration of raw material control practices at the operational level. This research was conducted on RCCB as a representation of fast food restaurant businesses that face the dynamics of raw material costs and operational efficiency pressures. The main contribution of this research lies in the integration of financial accounting and cost accounting perspectives, where financial accounting plays a role in assessing the impact of cost fluctuations on profit performance, while cost accounting focuses on cost control and efficiency through variance analysis and operational practices.

This study aims to (1) identify whether the actual food cost exceeds the standard food cost, (2) calculate the unfavorable variance, and (3) evaluate the control of raw materials as an effort to save the company's costs. The results of this study are expected to make a theoretical contribution to the development of the financial accounting literature in terms of strengthening the accuracy of cost measurement and its implications on the quality of financial performance reporting, as well as cost accounting in terms of the development of a cost control model based on variance analysis that is integrated with operational factors and human resource capabilities, as well as making a practical contribution to management in designing a cost control system that is more effective and data-driven

RESEARCH METHOD

This study uses mixed methods (Creswell & Creswell, 2018; Judijanto et al., 2024; Sakir, 2024) It is an approach that combines quantitative and qualitative methods in a research framework to obtain a more comprehensive understanding of a problem. Quantitative methods are used to analyze numerical data through objective calculations.

Specifically, this approach is used to measure cost performance through a comparison between actual costs and standard costs (variance analysis). Meanwhile, qualitative methods play a role in delving deeply into the context, process, and meaning behind the data obtained through interviews. In this approach, researchers not only rely on numbers, but also understand the reasons, experiences, and perceptions underlying the phenomenon being studied. The integration of these two approaches reflects the interconnectedness between the perspectives of financial accounting (the measurement of costs and their implications on profit performance) and cost accounting (cost control and operational evaluation). By combining these two approaches, mixed methods provide strength to the validity of the data, complement the results, and enrich the interpretation of the resulting findings, especially in complex social and managerial studies.

As for this study, it is with a descriptive quantitative analysis of secondary data in the form of monthly reports on the use of foodstuffs (food) or called direct material costs, packaging materials (paper) or indirect material costs, and company revenue data. The data was analyzed in the period from 2023 to 2025 for 30 months by considering the completeness and consistency of the data, so that it was able to represent fluctuation patterns and cost trends more accurately. The calculation is carried out to obtain total usage, standard food costs, and unfavorable variants. In addition, this study also uses descriptive qualitative analysis to evaluate raw material control practices based on primary data obtained through interviews with internal company parties. This approach aims to identify operational factors that cause cost variances, including supplier aspects, raw material quality, implementation of SOPs, and human resource management. There are two informants in this study, one of whom is a supervisor. This research was conducted in a company engaged in the fast food restaurant sector, namely RCCB

RESULT AND ANALYSIS

Quantitative Results Financial Accounting Perspective

Direct Material Cost Variance Analysis

RCCB applies the concept of food cost as the main instrument in the cost control system. In practice, food costs not only include foodstuffs as direct material costs used in the production process, but also include supporting materials in the form of packaging such as boxes, wrappers, and disposable cutlery which are classified as indirect material costs. The two components are treated as one unit because they are directly related to the presentation of products to consumers.

Thus, total food cost is an aggregation between the cost of groceries and packaging costs. This value is then compared to income to produce a percentage of food costs each period. This approach allows companies to evaluate the efficiency of material use, maintain consistency of cost standards, and systematically control profit margins.

Table 3 presents the data on the consumption of foodstuffs that the company classifies as food cost, which conceptually represents the direct material costs component in the cost structure.

Table 3. Direct Material Costs

No	Year	Month	IDR	Fluctuation	%
1	2023	January	53,040,539	-	-
2		February	50,127,777	- 2,912,762	-5.5%
3		March	71,257,549	21,129,772	42.2%
4		April	56,810,551	- 14,446,998	-20.3%
5		May	51,497,486	- 5,313,065	-9.4%
6		June	48,272,538	- 3,224,948	-6.3%

No	Year	Month	IDR	Fluctuation	%
7		July	47,892,747	- 379,791	-0.8%
8		August	49,389,058	1,496,311	3.1%
9		September	53,210,652	3,821,594	7.7%
10		October	53,242,304	31,652	0.1%
11		November	49,725,292	- 3,517,012	-6.6%
12		December	51,271,527	1,546,235	3.1%
13	2024	January	50,334,057	- 937,470	-1.8%
14		February	50,891,522	557,465	1.1%
15		March	70,053,875	19,162,353	37.7%
16		April	57,111,201	- 12,942,674	-18.5%
17		May	54,603,915	- 2,507,286	-4.4%
18		June	52,772,748	- 1,831,167	-3.4%
19		July	53,352,473	579,725	1.1%
20		August	52,389,602	- 962,871	-1.8%
21		September	46,279,090	- 6,110,512	-11.7%
22		October	47,911,560	1,632,470	3.5%
23		November	51,307,656	3,396,096	7.1%
24		December	53,941,678	2,634,022	5.1%
25	2025	January	57,830,179	3,888,501	7.2%
26		February	51,691,653	- 6,138,525	-10.6%
27		March	76,351,483	24,659,830	47.7%
28		April	51,728,282	- 24,623,201	-32.2%
29		May	49,188,343	- 2,539,939	-4.9%
30		June	47,894,800	- 1,293,543	-2.6%

Source: Data processed from RCCB (2026)

Based on Table 3, the use of foodstuffs as a component of direct material costs shows a significant pattern of fluctuations between months in the period March 2024 to December 2024. The highest value occurred in March 2024 of IDR 70,053,875 with an increase of 37.7% from the previous month, indicating a considerable surge in the use of materials. On the other hand, the lowest value was recorded in September 2024 at IDR 46,279,090 with a decrease of 11.7%. From a financial accounting perspective, these fluctuations directly reflect the instability of raw material costs that affect the formation of cost of goods sold in the income statement.At the beginning of the period, the use of materials in January 2024 and February 2024 was relatively stable at IDR 50,334,057 and IDR 50,891,522, respectively. After a surge in March 2024, there was a sharp decline in April 2024 of 18.5% which was then followed by a moderate downward trend until June 2024. The period from July 2024 to August 2024 showed relatively stable movements with limited fluctuations, before experiencing a significant decline again in September 2024. From a financial accounting perspective, this pattern shows the existence of cost variability that has the potential to affect the consistency of expense recognition and the stability of profit performance between periods. Furthermore, in the period October 2024 to December 2024, there was a gradual recovery marked by a consistent increase in the use of foodstuffs until it reached IDR 53,941,678 in December 2024.

Overall, this pattern shows fluctuations that are cyclical in nature, where a spike in a given period is followed by a downward correction. From a financial accounting perspective, this condition indicates the risk of cost deviation from standards that can reduce the accuracy of the measurement of cost of goods sold and the reliability of company profitability information.

Indirect Material Cost Variance Analysis

In addition to the food cost component presented in Table 3, the company also identifies other cost components in the form of paper usage which is classified as indirect

material costs. This component includes packaging materials such as food boxes, paper wrappers, and disposable equipment used in the process of presenting products to consumers. Although indirect in the production process, these costs still contribute to the total operating costs and the formation of the cost of goods sold. Therefore, the use of the paper is presented separately to allow for more accurate analysis of the variants, as shown in Table 4.

Table 4. Indirect Material Cost

No	Year	Month	IDR	Fluctuation	%
1	2023	January	5,540,193	-	-
2		February	5,047,588	- 492,605	-8.9%
3		March	7,583,151	2,535,563	50.2%
4		April	5,917,765	- 1,665,386	-22.0%
5		May	4,384,594	- 1,533,171	-25.9%
6		June	4,504,303	119,709	2.7%
7		July	5,255,487	751,184	16.7%
8		August	5,478,011	222,524	4.2%
9		September	4,804,368	- 673,643	-12.3%
10		October	4,518,065	- 286,303	-6.0%
11		November	4,972,529	454,464	10.1%
12		December	5,118,477	145,948	2.9%
13	2024	January	5,252,250	133,773	2.6%
14		February	5,028,464	- 223,786	-4.3%
15		March	8,184,988	3,156,524	62.8%
16		April	5,720,983	- 2,464,005	-30.1%
17		May	5,642,085	- 78,898	-1.4%
18		June	5,379,307	- 262,778	-4.7%
19		July	5,813,342	434,035	8.1%
20		August	5,720,181	- 93,161	-1.6%
21		September	5,097,868	- 622,313	-10.9%
22		October	5,314,422	216,554	4.2%
23		November	5,595,633	281,211	5.3%
24		December	6,293,196	697,563	12.5%
25	2025	January	6,305,163	11,967	0.2%
26		February	6,551,853	246,690	3.9%
27		March	7,439,374	887,520	13.5%
28		April	6,169,881	- 1,269,493	-17.1%
29		May	6,143,265	- 26,616	-0.4%
30		June	5,471,212	- 672,053	-10.9%

Source: Data processed from RCCB (2026)

Based on Table 4, the use of packaging materials (paper) as part of indirect material costs shows a significant fluctuation pattern between months in the period March 2024 to December 2024. The highest value occurred in March 2024 of IDR 8,184,988 with an increase of 62.8% from the previous month, which reflects a fairly extreme surge in the use of packaging materials. On the other hand, the lowest value was recorded in February 2024 of IDR 5,028,464 with a decrease of 4.3%. From a financial accounting perspective, these fluctuations directly reflect the instability of the indirect cost component that affects the formation of the cost of goods sold in the income statement.

At the beginning of the period, paper usage in January 2024 and February 2024 was in a relatively stable range, then experienced a sharp spike in March 2024 which was followed by a significant decline in April 2024 of 30.1%. After that, usage tends to fluctuate with

relatively moderate changes in May 2024 to August 2024. The decline occurred again in September 2024 by 10.9%, before experiencing a gradual recovery until it reached IDR 6,293,196 in December 2024. From a financial accounting perspective, this pattern shows the existence of cost variability that has the potential to affect the consistency of expense recognition and the stability of profit performance between periods.

Overall, the use of indirect material costs during this period was in the range of IDR 5,028,464 to IDR 8,184,988 per month with fluctuating patterns that tend to be repeated. From a financial accounting perspective, this condition indicates a potential cost deviation from the standard that can have an impact on the accuracy of the measurement of cost of goods sold and the reliability of the company's profitability information.

Analysis of Food Cost and Sales Relationship

Based on the data in Table 5, from a financial accounting perspective, RCCB recorded food cost as the total cost of materials consisting of direct material costs and indirect material costs during the period January 2023 to June 2025. This measurement is used to represent the total cost of raw materials that directly affects the formation of the cost of goods sold in the income statement. The highest food cost value occurred in March 2025 of IDR 83,790,857 which coincided with the highest income of IDR 130,515,357. Meanwhile, the lowest value was recorded in September 2024 at IDR 51,376,958 with revenue of IDR 79,654,200. Overall, food costs moved in the range of IDR 51,376,958 to IDR 83,790,857, while revenue was in the range of IDR 79,654,200 to IDR 130,515,357.

From a financial accounting perspective, this condition shows a direct relationship between changes in raw material expenses and revenue variations that have an impact on the stability of the company's reported profit.

Table 5. Food Cost and Revenue Performance

No	Year	Month	Food Cost (IDR)	Sales (IDR)	Ratio
1	2023	January	58,580,732	90,822,842	64%
2		February	55,175,365	87,027,392	63%
3		March	78,840,700	120,367,483	65%
4		April	62,728,316	98,629,429	64%
5		May	55,882,080	85,972,432	65%
6		June	52,776,841	84,986,864	62%
7		July	53,148,234	84,765,924	63%
8		August	54,867,069	86,952,568	63%
9		September	58,015,020	90,648,471	64%
10		October	57,760,369	88,589,525	65%
11		November	54,697,821	82,875,487	66%
12		December	56,390,004	86,753,854	65%
13	2024	January	55,586,307	87,537,492	63%
14		February	55,919,986	86,697,653	64%
15		March	78,238,863	120,367,483	65%
16		April	62,832,184	98,637,428	64%
17		May	60,246,000	95,628,574	63%
18		June	58,152,055	92,746,692	63%
19		July	59,165,815	93,763,574	63%
20		August	58,109,783	90,796,537	64%
21		September	51,376,958	79,654,200	64%
22		October	53,225,982	81,760,342	65%

No	Year	Month	Food Cost (IDR)	Sales (IDR)	Ratio
23		November	56,903,289	86,086,672	66%
24		December	60,234,874	89,902,798	67%
25	2025	January	64,135,342	98,518,193	65%
26		February	58,243,507	88,914,449	66%
27		March	83,790,857	130,515,357	64%
28		April	57,898,163	90,948,809	64%
29		May	55,331,608	89,553,195	62%
30		June	53,366,012	86,384,750	62%

Source: Data processed from RCCB (2026)
Ket: The food cost referred to by the company is the total direct and indirect material costs

The data in Table 5 shows that from a financial accounting perspective, there is a relatively uniform relationship pattern between food costs and sales during the period January 2023 to June 2025. Increases in food costs in several periods, such as March 2023, March 2024, and March 2025, are generally followed by significant increases in sales, reflecting a correlation between raw material cost intensity and revenue performance. On the other hand, in periods with lower food costs, such as June 2025 of IDR 53,366,012, sales are also at a relatively lower level of IDR 86,384,750. In the perspective of financial accounting, this pattern indicates that fluctuations in raw material costs have direct implications for revenue generation and indirectly affect a company's profitability.

Furthermore, the ratio of food cost to sales which is in the range of 62% to 67% shows that the portion of raw material costs to sales is relatively high. From a financial accounting perspective, this condition reflects pressure on profit margins and shows the importance of controlling raw material costs in order to maintain the accuracy of measuring the company's financial performance, especially in the cost of goods sold.

Qualitative Data Analysis Results Cost Accounting Perspective
Determination of Standard Food Cost

The RCCB sets the standard food cost at 62% which is determined directly by the central management. However, the company provides leniency up to a maximum limit of 65% as a tolerance. This stipulation is consistent with the concept of standard costing which is used as a basis for comparison in the analysis of cost variance (actual vs standard cost) in cost accounting. This stipulation is the main reference in controlling the cost efficiency of raw materials in all branches, including in RCCB. Informant 1 stated that, "In Rocket Chicken, the standard food cost is usually given to the same management, for the amount is 62%. But the management still gives leeway at 65%" (originally in Indonesian, translated by the researcher). The statement shows that the company has established standard costs as a control reference in cost accounting, with tolerance limits indicating flexibility in dealing with actual cost fluctuations as well as a basis for identifying cost variances.

Deviation of Actual Food Cost from Standard

Despite the food cost standard, practice on the ground shows that RCCB has not been able to fully meet these standards throughout 2024. One of the most striking moments occurred in December, when the actual cost of food exceeded the relaxation limit, reaching 67%. Informant 1 explained, "In 2024 it is not in accordance with you, there will be a significant increase in December" (originally in Indonesian, translated by the researcher).

This reflects a significant deviation from the cost efficiency target expected by central management.

Operational Drivers of Food Cost Increase

The increase in food costs, especially in December, was caused by two main factors, namely the increase in the price of raw materials and the number of left over (LO) products. LO refers to materials or products that are no longer usable, because they are damaged, expired, or not sold within a predetermined shelf life. Informant 1 explained, "Product LO or left over can occur due to damaged, expired, and products that are not sold on that day. In each product, there is a holding time or good period for each kak" (originally in Indonesian, translated by the researcher). The statement shows that the increase in food costs is influenced by operational factors, especially fluctuations in raw material prices and high left over (LO), which from a cost accounting perspective is an indication of the cause of unfavorable variance in actual costs.

Cost Control Strategies and Managerial Response

In the face of food costs that exceed standards, branch management has implemented a number of cost control strategies. These strategies include finding alternative suppliers at more affordable prices without sacrificing quality, as well as conducting more effective sales planning to reduce LO. Informant 1 said, "Yes, we look for suppliers such as vegetables that are relatively cheaper, but still ensure the quality... tried to make products not left or sold at all" (originally in Indonesian, translated by the researcher). The statement shows that management is taking corrective actions in cost control by reducing raw material costs and minimizing left overs, which in the perspective of cost accounting aims to reduce unfavorable variance and improve operational cost efficiency

Implementation of Standard Recipes and SOP

The calculation of food cost at RCCB in principle refers to the product recipe that has been set in the company's SOPs. All raw materials used in production have been calculated based on standard measurements and procedures. Thus, cost control is highly dependent on the consistency of the implementation of SOPs at the kitchen level, as explained by Informant 1, that in practice, "the calculation of raw material costs is guided by product recipes according to the company's SOP" (originally in Indonesian, translated by the researcher). The statement shows that the company already has a clear standard cost basis through SOPs, but the effectiveness of cost control in the perspective of cost accounting is largely determined by the consistency of implementation at the operational level.

Production and Food Preparation Process

In the RCCB kitchen, the production process is carried out through a prepare and order-based system. Some types of food such as chicken and steak are cooked by the par-fry method, which is partially prepared in advance and completed when there is an order. This system allows for efficient service time, even though during crowded conditions, SOPs cannot be fully implemented. Informant 2 said, "When conditions are crowded, we have not been able to maximize in implementing SOPs, especially coupled with many orders, and the staff is practically limited" (originally in Indonesian, translated by the researcher). The statement shows that limited resources and high operational expenses cause inconsistencies in the implementation of SOPs, which in the perspective of cost accounting has the potential to cause deviations in the use of raw materials and trigger unfavorable variance.

Production Administration MCC and LO

One of the important components in food cost control is the recording of kitchen administration, such as the Master Cooking Card (MCC) and the LO report. MCC serves to record all cooked products in a single shift, which is critical for stock control and ingredient accountability. However, there are still negligence in its implementation. Informant 2 stated, "Yes, maybe the ones who often forget to do it are the MCC and LO admins" (originally in Indonesian, translated by the researcher). The statement shows that negligence in administrative records such as MCC and LO reduces the accuracy of cost control, which in the perspective of cost accounting has the potential to lead to inaccuracies in the actual cost measurement and trigger unfavorable variance.

Daily Inventory Control through Random Product Check

As a form of supervision over the use of ingredients, kitchen staff routinely conduct random checks on product stock at the end of each shift. This procedure is part of a control system that has been running quite well and consistently. Informant 2 explained, "Randomly at the end of every shift we always do" (originally in Indonesian, translated by the researcher). This shows that daily evaluation of product availability has become a standard practice in RCCB kitchen operations. The statement shows that inventory control through random checks has been running routinely, but from a cost accounting perspective, it needs to be supported by accurate recording to be effective in reducing cost deviations and controlling unfavorable variance.

DISCUSSIONS

The findings of this study indicate that the existence of cost standards does not automatically guarantee the effectiveness of control if it is not supported by consistent operational implementation. In the integrative perspective of cost accounting and financial accounting, this condition shows that standard costing has not fully functioned as an effective control tool, but is still administrative. On the contrary, the findings (C. Y. Hidayat, 2026) It shows that standard costing can have a significant effect on the effectiveness of cost management when supported by systematic variance analysis, thus confirming that the weakness lies not in the concept, but in its implementation.

The findings of this study are in line with the findings of the (Anggiria & Trisnaningsih, 2024) which states that management accounting systems and cost control must consider behavioral factors, decision-making, and human resource management to be effective. The findings were reinforced (Ferdiyanto & Trisnaningsih, 2024), which indicates that the effectiveness of cost management is determined not only by technical mechanisms, but also by behavioral factors such as adherence to operational standards, work attitudes, and a supportive organizational culture. Therefore, traditional cost systems tend to lose their effectiveness when they are not integrated with adaptive and behavior-based operational practices of the organization. In the findings (Syarkani, 2024) Affirm that the effectiveness of budget control is determined not only by technical mechanisms, but also by behavioral factors such as cognitive bias, leadership style, motivation, and communication dynamics within the organization. This condition is also reinforced by the findings (Lory & Murni, 2025) which indicates that without continuous evaluation and control based on variance analysis, the application of standard costs has the potential to result in inefficiencies, particularly in the raw material and overhead components.

The findings of this study confirm that the quality of information in financial accounting is largely determined by the effectiveness of control in cost accounting. When raw material control does not run optimally, the information on the cost of goods sold has the potential to be distorted, which has an impact on reducing the reliability of profits. This is

supported by the findings (Nguyen et al., 2024) which suggests that the quality of good corporate governance limits profit management practices, so that inefficiencies in controlling production costs directly affect the quality of financial reporting, particularly in terms of the accuracy of profitability measurements. In addition, the findings (Alsharari, 2019) emphasizing that changes in the accounting system are influenced by organizational dynamics, both internal and external factors, as well as interactions with broader socio-economic processes, so that ineffective cost control can have a significant impact on the quality of accounting information. In line with that, (Dahal, 2019) emphasizing that management accounting continues to undergo transformation due to advances in information technology and modern organizational demands for fast, accurate, and relevant information, so that weak cost control can reduce the effectiveness of the management accounting function in supporting strategic decision-making.

From a conceptual perspective, this research also strengthens the view that cost variance is a reflection of the interaction between systems and operational behavior. Findings (Berg et al., 2024) support this study by showing that cost variance is not just a deviation of numbers, but a reflection of cost stickiness/anti-stickiness behavior influenced by the level of aggressiveness of working capital management (WCM), which in turn determines the degree of adjustment of operating costs and cost of goods sold. Therefore, the findings (Berg et al., 2024) consistent with the findings of this study which indicates that operational factors such as compliance with SOPs, limited human resources, and quality of recording are the main determinants of the emergence of cost deviations. Meanwhile, the findings (Zuraida et al., 2025) stated that failure to control costs, which is reflected in cost variances that are not within budget, is more caused by weak implementation and intensity of monitoring than by errors in setting cost standards.

However, the findings (Prameswari & Trisnaningsih, 2024) show findings that are in contrast to this study, because operational cost control does not efficiently increase profits, thus confirming that operational behavior factors such as compliance with SOPs, HR competence, and the quality of the recording system are the main determinants of cost deviation outside the formal control mechanism. Although there is a difference in the findings with (Prameswari & Trisnaningsih, 2024), so the differences in findings do not weaken the results of this study, but rather confirm that the effectiveness of cost control is very contextual and depends on the integration between system design, implementation quality, and operational behavior in organizations.

In addition, this study is in line with the findings (Costa & Habib, 2023) which shows that inflexible cost behavior (cost stickiness) negatively impacts the company's value, thus indicating the importance of more adaptive cost control and evaluation in the performance management system. In addition, the findings (Elkemali, 2024) It shows that investing in intangible assets increases future earnings volatility, while capitalization policies can reduce such uncertainty, thus underscoring the importance of cost management and investment decisions in maintaining the stability of financial performance. In line with these findings, (Pangaribuan et al., 2024) emphasized that cost variance analysis is an important instrument in measuring the effectiveness of operational cost control, through the identification of deviations between budget and realization that require continuous monitoring and evaluation.

In the perspective of cost accounting, variance provides an early indication of inefficiencies that occur, while in financial accounting, variance has implications for profit volatility and a decline in the quality of financial information. Therefore, the organization's ability to respond quickly to variance is a key factor in maintaining operational efficiency and financial performance stability. The findings of this study confirm that the effectiveness of cost control systems is not solely determined by the precision of technical design, but is significantly influenced by organizational factors, such as work culture, operational

discipline, and human resource capacity. The absence of support of such factors causes the cost control system to lose its functional power, even though it has been conceptually adequately designed. Thus, cost control cannot be understood as a purely technical mechanism, but as a holistic system that is inherent in the dynamics of organizational behavior.

The empirical implications of these findings reinforce the urgency of integration between cost accounting and financial accounting as a prerequisite for improving information quality and operational efficiency. Business organizations that are able to synergize cost control systems with financial reporting show better performance stability and higher levels of efficiency. Therefore, strengthening internal controls, consistency in SOP implementation, and improving the quality of the recording system are inseparable strategic steps in ensuring that the cost information generated truly reflects operational conditions accurately.

Theoretically, this study emphasizes that cost variance is not simply positioned as a numerical difference, but as a substantive indicator that represents the quality of the control system and operational effectiveness. Within this framework, the integration between cost accounting and financial accounting should be seen as a single system that complements each other in producing relevant, reliable, and highly useful information in supporting strategic decision-making

CONCLUSION

The results of this study show that there is a strong relationship between quantitative and qualitative findings in explaining the occurrence of unfavorable variance in food cost. Quantitatively, the analysis in Table 3, Table 4, and Table 5 indicates significant fluctuations in direct material costs and indirect material costs that contribute to the food cost ratio which is in the range of 62% to 67%, even exceeding the standard tolerance limit in certain periods, such as December 2024. From a financial accounting perspective, this condition has a direct impact on increasing the cost of goods sold and suppressing the stability of profit margins.

This finding was strengthened qualitatively, where the results of the interview revealed that the cost variance was triggered by operational factors such as suboptimal supplier selection, high left over (LO), inconsistency in the implementation of SOPs, and weaknesses in administrative records such as MCC and LO. Thus, it can be concluded that unfavorable variance is not only a numerical phenomenon in cost accounting analysis, but also reflects an ineffectiveness in operational control in the field. The integration of these two approaches confirms that the improvement of the accuracy of cost measurement in financial accounting is highly dependent on the effectiveness of cost control systems in cost accounting, so improvements must be made simultaneously to the technical aspects of cost calculation and the company's operational practices.

At the conceptual level, this study affirms that cost variance serves as a diagnostic mechanism in assessing the alignment between planning and operational realization, making it relevant to be placed as part of an evidence-based performance evaluation system. Thus, the main contribution of this research lies in the affirmation that the quality of cost information does not stand alone, but is the result of the integration between systems, processes, and organizational behavior. Therefore, the future development direction needs to be focused on strengthening cross-functional integration, improving the quality of cost governance, and utilizing variance information more strategically to support adaptive decision-making and oriented towards sustainable efficiency.

The recommendations for the company's management emphasize the need to strengthen cost control in an integrated manner through the implementation of routine variance analysis as the basis for performance evaluation, accompanied by the improvement of key operational processes that include supplier selection, standardization of raw material

quality, storage systems, and disciplined inventory recording and monitoring. In addition, companies need to increase human resource capacity through continuous training and ensure consistency in SOP implementation, so that cost variances can be reduced and operational efficiency increased. The integration between cost accounting and financial accounting is also a strategic step to produce more accurate and relevant information to support decision-making.

Recommendations for further research are directed at the use of a quantitative approach with empirical model testing that incorporates organizational variables such as HR quality, compliance with SOPs, and internal control systems as determinants of cost variance. This approach is expected to strengthen the generalization of findings and emphasize the causal relationship between cost control and operational efficiency.

REFERENCE

Alsharari, N. M. (2019). Management accounting and organizational change: alternative perspectives. *International Journal of Organizational Analysis*, *27*(4), 1124–1147. https://doi.org/10.1108/IJOA-03-2018-1394

Amelya, D., Sutrisna, A., & Rahwana, K. A. (2021). Analisis Biaya Produksi Berdasarkan Biaya Bahan Baku Dan Biaya Tenaga Kerja Langsung. *JURNAL EKONOMI PERJUANGAN*, *3*(1), 11–17. https://doi.org/10.36423/jumper.v3i1.827

Anggiria, K. S., & Trisnaningsih, S. (2024). The Role of Behavioral Accounting Aspects in Organization Decentralization and Performance Evaluation in Companies in Indonesia. *Asian Journal of Management Analytics*, *3*(2), 429–438. https://doi.org/10.55927/ajma.v3i2.8601

Berg, T., Gustafsson, E., & Wahlstrøm, R. R. (2024). Cost management and working capital management: ebony and ivory in perfect harmony? *Journal of Management Control*, *35*(2), 207–233. https://doi.org/10.1007/s00187-024-00368-3

Costa, M. D., & Habib, A. (2023). Cost stickiness and firm value. *Journal of Management Control*, *34*(2), 235–273. https://doi.org/10.1007/s00187-023-00356-z

Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches (5th ed.)*. SAGE Publications.

Dahal, R. K. (2019). Changing Role of Management Accounting in 21st Century. *Review of Public Administration and Management*, *7*(3), 264. https://doi.org/https://doi.org/10.24105/2315-7844.7.264

Elkemali, T. (2024). Intangible and Tangible Investments and Future Earnings Volatility. *Economies*, *12*(6), 132. https://doi.org/10.3390/economies12060132

Evadine, R., Silalahi, H., Silalahi, D., & Barus, B. (2023). Pengaruh Efisiensi Biaya Bahan Baku, Efisiensi Biaya Tenaga Kerja Langsung, Dan Efisiensi Biaya Overhead Pabrik Terhadap Rasio Profit Marjin Pada Pt Cipta Karya Utama Medan. *Journal of Economic, Bussines and Accounting (COSTING)*, *6*(2), 2465–2472. https://doi.org/10.31539/costing.v7i1.7155

Ferdiyanto, J., & Trisnaningsih, S. (2024). Analysis of the Influence of Behavioral Aspects on Cost Control (Case Study at PT Ceweng Connection Dander Bojonegoro). *Formosa Journal of Applied Sciences*, *3*(4), 2007–2018. https://doi.org/10.55927/fjas.v3i4.8743

Hidayat, C. Y. (2026). Pengaruh Standard Costing terhadap Efektivitas Pengelolaan Biaya dengan Budgetary Control sebagai Variabel Pembanding pada Perusahaan Manufaktur dan Jasa di Indonesia. *Journal of Economics and Business*, *4*(1), 45–53. https://doi.org/10.61994/econis.v4i1.1617

Hidayat, D., Darsawati, E., & Sofiani, V. (2020). Pengendalian Persediaan Bahan Baku dalam Efisiensi Biaya Produksi. *BUDGETING : Journal of Business, Management and Accounting*, *2*(1), 230–241. https://doi.org/10.31539/budgeting.v2i1.1621

Judijanto, L., Wibowo, G. A., Karimuddin, Samsuddin, H., Patahuddin, A., Anggraeni, A. F., Raharjo, & Simorangkir, F. M. A. (2024). *Research design: Pendekatan kualitatif dan kuantitatif*. Jambi: PT. Sonepedia Publishing Indonesia.

Lory, M., & Murni, S. (2025). Analisis Biaya Standar Sebagai Alat Pengendalian Biaya Pada Pabrik Pigura "PFM" Di Surabaya. *Jurnal Ekonomi, Manajemen, Bisnis Dan Akuntansi Review*, *5*(2), 14. https://doi.org/10.53697/emba.v5i2.3694

Magdalena, & Zulia Rifda Daulay. (2024). Penetapan Biaya Standar Sebagai Pengendalian Biaya Produksi Pada Avos Coffee And Resto Medan. *Cemara Education and Science*, *2*(1), 60–68. https://doi.org/10.62145/ces.v2i1.69

Nguyen, Q., Kim, M. H., & Ali, S. (2024). Corporate governance and earnings management: Evidence from Vietnamese listed firms. *International Review of Economics & Finance*, *89*, 775–801. https://doi.org/10.1016/j.iref.2023.07.084

Niam, M. A. (2023). Penggunaan Informasi Akuntansi Diferensial dalam Pengambilan Keputusan Harga Perolehan Bahan Baku Guna Efisiensi Biaya Produksi di CV. Anara Kota Kediri. *JMK (Jurnal Manajemen Dan Kewirausahaan)*, *8*(1), 18. https://doi.org/10.32503/jmk.v8i1.3165

Oktaviana, H., & Dewi, S. R. (2024). Analisis Biaya Standar Sebagai Alat Pengendalian Biaya Produksi pada CV. Cahaya Gemilang Utama di Pandaan, Pasuruan. *Innovative Technologica: Methodical Research Journal*. https://doi.org/10.47134/innovative.v2i1.42

Pangaribuan, B. K., Tirayoh, V. Z., & Mintalangi, S. S. E. (2024). Analisis varians biaya dalam mengukur efektivitas pengendalian biaya operasional pada Usaha Fellow Coffee Manado. *Manajemen Bisnis Dan Keuangan Korporat*, *2*(2), 316–326. https://doi.org/10.58784/mbkk.233

Prameswari, S., & Trisnaningsih, S. (2024). Behavioral Aspects of Operational Cost Control to Increase Profits in "X." *Formosa Journal of Multidisciplinary Research*, *3*(4), 97–106. https://doi.org/10.55927/fjmr.v3i4.8989

Putra, D. U., Lukitasari, R., Mulia, V. B., & Wibawa, I. K. (2022). Analisis Pengendalian Food Cost Di Hotel Vila Lumbung - Bali. *Journey : Journal of Tourismpreneurship, Culinary, Hospitality, Convention and Event Management*, *5*(2), 165–176. https://doi.org/10.46837/journey.v5i2.118

Putri, A. G., & Kusumastuti, E. D. (2022). Analisis Penerapan Biaya Standar terhadap Pengendalian Biaya Produksi pada Javasublim. *Indonesian Accounting Literacy Journal*. https://doi.org/10.35313/ialj.v2i2.3162

Rachim, K., & Affan, N. (2022). Analisis Harga Pokok Pesanan Dengan Metode Full Costing. *KINERJA*, *18*(4), 634–639. https://doi.org/10.30872/jkin.v18i4.10537

Sakir, I. M. (2024). *Metode Penelitian Kuantitatif, Kualitatif, Mixed Method*. Yogyakarta: Filosofis Indonesia Press.

Sarwono, E., Shofa, M. J., & Kusumawati, A. (2022). Analisis Perencanaan & Pengendalian Persediaan Bahan Baku Roti Pada UKM Produksi Roti. *Jurnal Teknologi Dan Manajemen Industri Terapan*. https://doi.org/10.55826/tmit.v1i4.60

Syarkani, Y. (2024). THE ROLE OF BEHAVIORAL ACCOUNTING IN BUDGETARY CONTROL OF PUBLIC CORPORATIONS IN INDONESIA. *PAPATUNG: Jurnal Ilmu Administrasi Publik, Pemerintahan Dan Politik*, *7*(3), 47–61. https://doi.org/10.54783/japp.v7i3.1390

Trisnadewi, N. K. A. (2022). Pengaruh Efesiensi Biaya Bahan Baku Dan Biaya Tenaga Kerja Terhadap Volume Produksi Pada CV. JATI JAYA Singaraja. *Jurnal Artha Satya Dharma*, *14*(2), 67–72. https://doi.org/10.55822/asd.v14i2.229

Vista, A., & Sabandi, A. (2020). Analisis Kebijakan terkait Standar Pembiayaan pada Pendidikan Dasar. *EDUKATIF : JURNAL ILMU PENDIDIKAN*, *2*(2), 170–175.

https://doi.org/10.31004/edukatif.v2i2.126
Wijaya, I. M. K., & Widhiastuty, N. L. P. S. (2021). PENGENDALIAN FOOD COST OLEH COST CONTROLLER PADA PAPILLON ECHO BEACH CANGGU. *Journal of Tourism and Interdiciplinary Studies*, *1*(2), 82–92. https://doi.org/10.51713/jotis.v1i2.58
Zuraida, R., Safrina, N., Amelia, R., Hikmahwati, Julkawait, & Aguilar, M. G. W. (2025). Production Cost Control Through Variance Analysis: Evidence from PT Kalimantan Concrete Engineering Indonesia. *Indonesian Journal of Applied Accounting and Finance*, *5*(2), 313–327. https://doi.org/10.31961/ijaaf.v5i2.15531