

UTILIZATION OF ACCOUNTING INFORMATION TO AVOID ESCALATION OF COMMITMENTS ON DECISION MAKING LEVELS WITH LOCUS OF CONTROL AS A MODERATING VARIABLE

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ABSTRACT

The utilization of information helps an individual accounting for escalation could reduce commitment with the locus of control on which to base these individuals in taking a decision. However, current circumstance when information accounting received unprofitable, then these individuals can do cheating namely escalation commitment. Research aims to scrutinize utilization of information accounting to avoid escalation commitment in levels of decision making with locus of control as moderating variable.

Escalation commitment at decision making represented on a scenario cases related to the nature of individual internal locus of control and external locus of control. The experiment was done using by design 2x2x2 between within subjects namely by test student scholarship for Magister Management Catholic Widya Mandala University through instrument cases related to decision making is usually done by manager in companies, by the number of participants 33 people. Experiment is done in class and supervised by researchers. Data from the end of it will analyzed by a statistical means ANOVA.

Experimental results show that individual nature locus of external control escalation will hold the act of individual internal commitment than the locus of control. But the nature of individual internal locus of control can reduce the act of escalation commitment if having alternative investment favorable when come using the strategies future benefit in levels of decision making investment.

INTRODUCTION

In this case, the company manager has the same interests as the company in decision making. There is a conflict that may arise, namely when the manager's motivation maximizes personal benefits with its benefits (Effriyanti, 2005). With managers enforcing these particular interests, they can trigger managers to do irrational actions when making decisions.

There is a view of rational decision making based on the agency theory

framework. Agency theory states that there is encouragement that managers can ignore the interests of the company because managers have the opportunity (Effriyanti, 2005), thereby causing adverse selection problems. Adverse selection is a condition where the company cannot know whether the manager is showing his ability to the maximum in carrying out his duties (Harrison and Harrell, 1993; Eisendhardt, 1989). Managers tend to ignore the interests of the company and put personal interests

first. And this condition makes managers feel that what is done can continue the company's projects even though it does not benefit the company (Effriyanti, 2005).

The decision to continue a project, even when a prospect of unexpected economic conditions indicates that the project must be terminated, is called escalation (Ruchala, 1999). Different views expressed by Kanodia et al. (1989) about the rise of commitment, which is an irrational manager's decision because even though they are not aware directly or indirectly, managers tend to ignore the interests of the company and be more concerned with personal attention. There is information asymmetry between managers with the company resulting in managers who have the initiative to continue the project, even though the project is not profitable.

In this case, the failure of a project can be related to the receipt of accounting information received by the manager. Managers can use this information to be able to help make decisions on projects that are running. When the data has an error and does not meet the target, it will spend time and money carrying out operational plans that are being run. Thus, the manager still decides to continue the project so that it can be operationalized by ignoring the cost and time considerations that still need to be done (Nulden, 1996a, 1996b). However, on the contrary, when the information received is correct and does not experience errors, managers can reason to make project decisions and consider all aspects that can help launch the project so that managers do not escalate commitments.

In another view, when the manager decides to continue the project, the manager may be able to carry out an act of escalating commitments when deciding to keep the plan. There is a theory about commitment escalation carried out by Staw (1981), which reveals that the phenomenon of commitment escalation can be explained by

the self-justification theory. According to Brockner (1992), the self-justification theory explains the event of commitment escalation.

Of the various researchers described earlier, most focus on conditions that can influence the escalation of commitment to individuals, groups, or organizations. However, there are still not many who focus on individual character or personality (Staw and Ross, 1978). This disclosure is because the cause of the escalation of commitment is to focus on personality factors and still show inconsistent evidence.

Commitment escalation also depicts an individual believing that his efforts and abilities can achieve the expected results and hold on to his beliefs; such personal traits are called an internal locus of control. On the other hand, individuals with a low locus of control believe that the expected results occur due to a fortune, fate, a power beyond their ability or the power of God (Rotter, 1966). The manager in making a decision must be genuinely independent without being affected by the locus of control that has a relationship with the escalation of commitments that can be done by the manager.

This study replicates the research conducted by Effriyanti (2005). Effriyanti's analysis refers to the Suartana study, which had done a similar study. This research was made to re-examine the linkage of locus of control, which is a moderating variable related to the escalation of commitment—retesting the locus of control by escalating this commitment. There is inconsistent evidence and focusing on personality factors. With this, it can provide an overview for managers to make decisions in the company to see the company's interests, not with personal attention.

LITERATURE REVIEW

Self-Justification

There is a research approach to the commitment escalation behavior that supports an individual or group, namely the self-justification theory approach (Brockner, 1992). Self-justification theory is someone who tends to decide to allocate resources to investment projects even though, in this case, the performance has been decreased because someone is forced to justify the decision that has been taken. The actions that have been taken are rational. Decisions to discontinue investment indicate that the decisions made are irrational. Therefore they tend to improve their decisions and allocate resources (Brockner, 1992).

Self-justification theory explains that a manager has responsibility for a project, which in this case tends to continue the project even though the conditions on the prospect of the project should be stopped (Brockner, 1992). Brody and Kaplan (1996) revealed that individuals involved in the initial decision were a factor triggering a higher allocation of resources in the next stage of an investment than individuals who were not included in the initial decision. Based on self-justification theory, it occurs because individuals involved in the initial decision will have greater responsibility, thus increase its commitment to continue investing in the next stage, in this case, to improve the initial decision in the upcoming period so that the initial decision can be justified (Suwarni et al., 2011).

Brockner's (1992) self-justification theory is an individual who tends to make decisions to allocate resources to an investment project even though the performance of the project has decreased because the individual is forced to justify himself that the behavior carried out before is rational. The act of not continuing investment means that the decisions made previously are irrational. Therefore they

will tend to increase their commitment to allocating resources (Brockner, 1992).

Agency Theory

The escalation of commitment can use an approach with agency theory. This theory assumes individuals are motivated to make decisions that can maximize their economic interests. Some conditions can encourage managers to escalate commitments: The incentive to shirk conditions. Occurs happens the benefits of managers differ from the company, and the results were being compelled to ignore the importance of the company. Asymmetry information condition. This condition occurs when there is asymmetrical information. In this case, the manager has private information. Agency theory assumes the manager's urge to ignore the company's interests because it has the opportunity to overlook the company's benefits (opportunity to shirk). In this case, there is information that is a media to take advantage of a chance (Effriyanti, 2005).

Investment Decisions

Investment decisions are funding and asset management decisions when a company wants to add value—starting from determining the total amount of assets that need to be owned by the company (Horne and Wachowicz, 2005). The difference between an investment decision and a funding decision is that a funding decision is related to the business by meeting the need for increased funds through loans, equity, or both. While the investment decision is a choice whether to buy an asset to carry out a project when making a product and others related to operational activities. In business investment, there are characteristics. Namely, the investment includes assets that can be depreciated and are expected to provide results in the long term. There are alternative decisions, namely screening decisions or preference

decisions. Screening Decisions is a decision relating to whether a proposed project can meet the existing standard of acceptance. (Yuliusman, 2013)

Escalation of Commitments

Escalation of commitment can also be called non-rational growth of commitment (Bazerman, 1994). Someone also tends to be biased in the approach to decisions made sequentially, namely trends. Nonrational escalation of commitment is used to show individuals can make irrational decisions based on past rational choices. Commitment escalation is a series of actions or behaviors of individuals, groups or organizations that tend to decide to allocate a more significant source of funds to a subsequent investment project, even though there is information on declining investment performance (Staw, 1976 and Ross, 1978; Staw, 1981; Ross and Staw, 1986).

In previous studies, a commitment was more emphasized at the level of individual attachment to a project. When an individual decides to be involved in a project, the project's success will indirectly become the individual's responsibility. A commitment will lead individuals to perform dysfunctional actions or lead to acts of escalation of commitments (Effriyanti, 2005)

There is another view of commitment escalation, namely commitment escalation is an increase in the previous decision, although there is evidence that the decision may be in error (Tapifrios, 2009). In escalating commitments, managers often make commitments that are too large for decisions made.

Escalation of commitment can be explained by using a theoretical approach called Prospect Theory. In this case, the growth of commitment occurs because an individual is responsible for the initial

decision on an investment, with evidence of declining investment. The individual is likely to take risks on an investment decision hoping that subsequent investments can be profitable and offset the decline in performance on previous investments (Brockner, 1992).

Yasin (2008) argues that escalation is an increase in the number, volume, and increase. In this case, the growth of commitments can be concluded to improve the seriousness or loyalty of the promises made (Yuliusman, 2013). Commitment escalation is also an improvement to the previous decision even though there is evidence that it was in error (Tapifrios, 2009). Managers often commit too much to the decisions that have been made. Decisions made will be difficult to withdraw. In Yuliusman's research (2013), commitment, in this case, is more emphasized at the level of individual attachment to a project. When individuals decide to be involved in a project, the success of the project will be the responsibility of the manager.

Staw and Ross (1978), provide an overview of individual cases in an investment project for the construction of a hydro-electric dam in Nigeria. Brockner et al. (1986) prove that commitment escalation can occur to individuals responsible for the ineffectiveness of past investment performance.

Suartana (2010: 108) states that the escalation of commitment is an individual commitment to deciding to continue and expand the initial commitment to the implementation of an investment in a project or business that is already unprofitable or provides negative feedback. While the encyclopedia, the free dictionary (2009) states the escalation of commitment is an individual phenomenon that decides to increase or increase its investment, even though new evidence explains that the decision made was a mistake. The

conclusion of the above view is the escalation of commitment is an act of increasing or expanding the initial commitment to a particular investment project even though the investment project has given negative or unprofitable feedback. In this case, responsibility is emphasized at the level of individual attachment to a project. Escalation of commitments is done by decision-makers, namely managers of a company (Tanjung, R, 2012).

Strategies to Reduce Escalation

According to Harrison and Harrel (1993), to reduce the commitment escalation action, some strategies can be done, namely by developing a sound information system. This information development can be used by the company to verify the manager's actions to limit the manager's efforts to be able to commit negligence (shirking) in which the manager realizes that he cannot cheat the company (Eisendhardt, 1989).

In Ghosh's (1997) research, there are procedures for providing accounting information, namely: a) providing unambiguous feedback. Ambiguous Feedback is a failure that is not well defined and encourages us to look for strategies that are not ambiguous. There is evidence that states that decision-makers tend to see initial decision information and will be committed to the initial decision (Effriyanti, 2005)

Review the project progress (progress report). In the progress report, behavioral research provides evidence that individuals do not evaluate all information obtained before making a decision. According to Suartana (2003), this behavior reflects that a manager will tend to revalue the initial decision. c) evaluating the impact of any changes in initial planning on project results, including assessing future profits and additional future cash outflows. According to Staw (1976), decision making

is not being well informed of the benefits that could be in future investment increases and can make a mistake when continuing with that investment. With this, future profits are a proper procedure for reducing commitment escalation.

Locus of Control

Locus of control is internal and external control that leads to a person's level of expectation regarding reinforcement behavior or outcome as behavior in getting something or individual characteristics compared to one's level of expectation regarding reinforcement or issue in the form of changes in function, profit, fate under robust control (Rotter, 1990). Locus of control is based on social learning theory (Reiss and Mitra, 1998). In this case, there is a relationship with the manager of a company in making a project investment decision. Locus of control theory: The manager's decision-making behavior will be influenced by his locus of control. Internal locus of control believes an event is within its power and takes roles and responsibilities in determining the right or wrong decision. Whereas individuals with an external locus of control believe events in their lives are out of their control and believe that their lives are influenced by destiny, luck, and opportunity and trust more power outside of themselves (Irfan. A, 2010).

In the study of Singer and Singer (2001) revealed that commitment escalation has differences in each individual. Some individuals are sensitizers and repressors, and individuals who are the internal locus of control and external locus of control. The study results revealed that individuals who were repressors tended to experience more significant escalation than individuals who were sensitizers. Hence, individuals who managed internal locus of control experienced more substantial growth than

individuals who had tendencies of external locus of control.

According to Zimbardo, (1985), locus of control is a belief about the results of actions that have been taken are dependent on what has been done (internal control orientation) or events outside our control (external control orientation). Locus of power developed by Rotter (1966) identifies the individual character of an internal locus of control is an individual who has higher confidence to achieve success, does not easily give up in the circumstances, and is very firm in his beliefs that have become his decision. In the escalation of commitments in the case of investment, someone who has an internal locus of control will tend to hold on to the position he has to continue investing despite the initial decline in investment performance. However, on the contrary, individuals who are the external locus of control tend to believe that failure/decline in initial investment performance is out of his power, and this individual will manage to change his position.

In the case of investment, decision making is oriented to the future. Still, if the current information is adapted to the past, which is bad news, then it is natural that commitment escalation occurs (Ghost, 1997). Data in the past is not relevant for consideration in decision making. Relevant information is information that is oriented towards the future. In every investment decision making, it must require information on the benefits of the investment to be made (Garrison and Noreen, 2003). Thus in making investment decisions must be oriented to information that is profitable in the future.

According to Ghost (1997), there is a strategy to reduce the escalation of commitments, which proves that information on future benefits from investment can reduce the growth of obligations. By providing information on

more profitable investment alternatives will be in decision making, it will allocate funds for alternative investments that are more profitable. Therefore, the reduction in commitment escalation in this study is made by providing alternative investment information beneficial to subjects who have an internal locus of the control character – attachment to the initial decision, so that the escalation of commitment can be reduced.

Hypothesis Development

Locus of Control

The view of locus of control developed by Rotter (1996) is that the behavior of the locus of control is influenced by reward and punishment. In this case, the individual will tend to believe what causes the actions taken. Zimbardo (1985) suggested that locus of control is a belief about the results of actions taken that depend on what is done, which in this case is the nature of the internal locus of control. Whereas the actions of individuals who believe in events beyond our control are the nature of external locus of control.

The internal locus of control has the following characteristics: 1) high confidence to succeed, 2) not giving up quickly; 3) hold firm / hold on to his beliefs (Rotter, 1966). In this case, the connection with the escalation of commitment to investment decisions is if the individual with the character of the internal locus of control will persist in his stance to continue investing at a later stage even though the initial investment performance decreases. However, individual traits that are characterized by an external locus of control will believe in a decline in investment performance. The beginning is beyond his ability and will change his mind.

H1a: Individuals who have an internal locus of control character will have a higher level of commitment escalation than individuals who have an external locus of control

character if they obtain negative past information.

In investment decision making, it has its problems when decision making refers to the past. Because in making a decision, pay attention to information received, and the data must refer to the future not referring to the past (Suwarni et al., 2011). In making investment decisions, information on investment benefits will be made (Garrison and Noreen, 2003). Commitment escalation will be possible if the investment has only one alternative about profits with the relation of the previous investment. With this, it is unlikely to reduce the escalation of commitments without the existence of alternative information that is more profitable (Suwarni et al., 2011).

In Ghost's (1997) study, information on future profits from investments will reduce commitment escalation. Information on profitable investment alternatives can help make decisions to allocate more funds to more profitable alternative investments. With this, reduction of commitment escalation

In the research of Suwarni et al. (2011) by providing alternative investment information that is beneficial to individuals who have an internal locus of control character can transfer the attachment to the initial decision to reduce the escalation of commitment.

H1b: Individuals with an internal locus of control can reduce the escalation of commitments with more profitable alternative investments.

Future Benefit

There is a reaction to an increase in commitment to the historical cost that can indicate the absence of information about the benefits that will come from the additional cash outflow Effriyanti (2005). Decision making that is not informed about the benefits that have the potential in the

future tends to follow the wrong pattern of investment continuation. Future benefits are an excellent strategy to reduce commitment escalation (Simonson and Staw, 1992).

In research, Nulden (1996) states that the escalation of commitment can be avoided through the supervision of individuals and groups' decisions. However, according to Isenberg (1986), there are changes in the results of individual choices with groups. When individuals are joined in a group, the decisions made by that individual will change. A group can cause individuals in the group to change their choices in the same direction because the discussion leads to group members with supportive opinions.

H2: Providing adequate accounting information using a future benefits strategy for increased investment can reduce the escalation of commitments at the decision-making level.

METHODOLOGY

Measurement of Variable

a. The independent variable is the Utilization of Accounting Information (Future Benefit). There is a reaction to an increase in commitment to the historical cost that can indicate the absence of information about the benefits that will come from the additional cash outflow Effriyanti (2005). Decision making that is not informed about the benefits that have the potential in the future tends to follow the wrong pattern of investment continuation. Future benefits are an excellent strategy to reduce commitment escalation (Simonson and Staw, 1992).

b. Alternative Investment Information, which is information on future profits from investments that will reduce the commitment escalation. Information on profitable investment alternatives can help make decisions to allocate more funds for more profitable alternative investments

(Ghost, 1997). With this, the reduction in commitment escalation in the research of Suwarni et al. (2011) by providing alternative investment information beneficial to individuals who have an internal locus of control character can shift attachment to the initial decision to reduce the escalation of commitment.

c. Locus of Control, namely Locus of control is internal and external control that leads to a person's level of expectation regarding reinforcement or outcome behavior as behavior in obtaining something or individual characteristics compared to one's level of expectation regarding reinforcement or outcome in the form of changes in function, profit, fate under control strong (Rotter, 1990) Perceptual ethics can be measured by one statement that participants must fill in a scenario with a 5-point Likert scale, ranging from strongly disagreeing to strongly agreeing, whether the story in the situation involves ethical issues or not.

d. The dependent variable is Commitment Escalation. Commitment escalation is a series of actions or behaviors of individuals, groups or organizations that tend to decide to allocate a more significant source of funds to a subsequent investment project, even though there is information on declining investment performance (Staw, 1976 and Ross, 1978; Staw, 1981; Ross and Staw, 1986). Behavioral intentions are also measured by questionnaires containing scenarios with one statement. Participants must fill in the statements contained in the situation by filling in form 0-10 (from very not doing until it is possible to do). The report in the scenario aims to determine whether the participant will take the same action as the actor in the situation or not if the participant experiences the same thing as experienced by the actor.

Measurement of variables in this study using a Likert scale. Likert scale is used to give a score in each scenario. Each

scenario is given a score of 1-5, and the choice of answers is from strongly disagree to agree strongly.

Types and Data Sources

The type of data used in this research is quantitative data in the form of each instrument scenario score. The data source in this study uses primary data sources obtained directly from the implementation of the experiment to the Masters of Management Masters in Widya Mandala Catholic University Surabaya (UKWMS).

Data Collection Methods

In this study, data collection methods use scenarios prepared by researchers; these scenarios serve to see the response of the variables studied. The experiment was carried out in a classroom with a capacity of 30 people.

Data collection was carried out in two stages: the first stage on Monday, April 7, 2014, at 19:00 WIB; the second phase was on Thursday, April 10, 2014, at 19:00 WIB. With the stipulation, how many respondents will fill each case within 20 minutes?

The analysis used to test hypotheses is a two-way analysis of variance (ANOVA). ANOVA is used to determine whether the primary influence and interaction of the independent variables on the dependent variable (Ghozali, 2013: 68).

RESULT

Hypothesis Testing 1a

Hypothesis 1a states that individuals who have an internal locus of control character will have higher levels of commitment escalation than individuals who have an external locus of control character if they obtain negative past information. Testing is done by one way ANOVA that compares the role of internal and external locus of control when getting

negative prior information. ANOVA test results can be seen in the following table

Table 1: Hypothesis Testing 1a

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	2.002 ^a	1	2.002	.004	.947
Intercept	118472.590	1	118472.590	261.971	.000
Exin	2.002	1	2.002	.004	.007
Error	14471.528	32	452.235		
Total	133300.000	34			
Corrected Total	14473.529	33			

This study uses ANOVA statistical test equipment. Before testing using ANOVA, testing of ANOVA assumptions is carried out. Examining these assumptions is carried out using the Levene's Test of Homogeneity of Variance (Ghozali, 2013: 74). Levene's Test of Homogeneity of Variance is calculated using SPSS to test one of the

ANOVA assumptions, i.e., each group of independent variables has the same variance (Ghozali, 2013: 74). If the statistic Levene results are significant at 0.05, then hypothesis 1, which means that it meets the ANOVA requirements. Here are the SPSS outputs related to the Levene test:

Tabel 2: Levene's Test of Equality of Error Variances

Dependent Variable : Eskkom

F	df1	df2	Sig.
1.102	1	32	.302

Levene test results show that the significant value reaches 0.302, which is not meaningful at 0.05 ($p > 0.05$), which means that hypothesis 1 stating that the variance is equal is rejected. In this case, it means that there is no significant difference between

internal groups and external groups. The results of this test also showed an F value of 1.102. This test supports the assumptions that must be fulfilled in the ANOVA test

Hypothesis 1 b

Tabel 3: Hypotheses Testing Two (Analyze Anova Internal)

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	134.127 ^a	1	134.127	1.054	.313
Intercept	384.127	1	384.127	3.020	.093
INVALTER1	134.127	1	134.127	1.054	.313
Error	3815.873	30	127.196		
Total	4400.000	32			
Corrected Total	3950.000	31			

a. R Squared = .034 (Adjusted R Squared = .002)

Table 4: Hypotheses Testing Two (Analyze Anova External)

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	94.338 ^a	1	94.338	.318	.577
Intercept	348.884	1	348.884	1.175	.287
INVALTER	94.338	1	94.338	.318	.577
Error	9202.632	31	296.859		
Total	9600.000	33			
Corrected Total	9296.970	32			

a. R Squared = .010 (Adjusted R Squared = -.022)

ANOVA test results showed no significant between internal and external. Internally it shows an F value of 1.054 and is significant at 0.313. This means there are differences in the mean and significance. The differences come from an individual with an internal locus of the control character. This can reduce the escalation of commitment by the existence of profitable alternative investments in the future.

Whereas the external individual shows an F value of 0.318 and is significant at 0.577, this means that there are differences in the mean with the significance that individuals with an internal locus of control character can reduce the escalation of commitment with investment profitable alternative in the future. So it can be concluded that individuals who have an internal locus of control character do not have a significant

level with individuals who have an external locus of control.

This study uses ANOVA statistical test equipment. Before testing using ANOVA, testing of ANOVA assumptions is carried out. Examination of these assumptions is carried out using the Levene's Test of Homogeneity of Variance (Ghozali, 2013: 74). Levene's Test of Homogeneity of Variance is calculated

using SPSS to test one of the ANOVA assumptions, i.e., each group of independent variables has the same variance (Ghozali, 2013: 74). If the results of the statistical Levene are significant at 0.05, then hypothesis 1, which shows that the group has the same variance, can be rejected. Following are the SPSS outputs related to internal and external test Levene:

Tabel 5 Internal Levene's Test of Equality of Error Variances
Dependent Variable : Seleskom 1

F	df1	df2	Sig.
.247	1	30	.623

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + INVALIDTER1

Levene test results showed that the significant value reached 0.623, which was not significant at 0.05 ($p > 0.05$), which means that hypothesis 1, which states that the variance is the same, cannot be rejected. The results of this test also showed an F value of 0.247. This test supports the assumptions that must be fulfilled in the ANOVA test. There are additional tests on the internal group hypothesis stating that there is data insignificance, then testing the outside group is done by considering the

results on the assumption 1. The following table is the external group

Hypothesis 2

The test results state that there is significant where adequate accounting information can reduce the escalation of commitments by using a future benefits strategy with an F value of 2.279 at a significant 0.036. So, it can be concluded that this future benefits strategy is suitable for reducing the escalation of commitments to increase investment.

Tabel 6: Hypoteses Testing Three- Analyze Anova

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	1767.569 ^a	1	1767.569	2.279	.136
Intercept	198549.108	1	198549.108	256.024	.000
Futureben	1767.569	1	1767.569	2.279	.036
Error	48857.046	63	775.509		

Total	247800.000	65			
Corrected Total	50624.615	64			

a. R Squared = .035 (Adjusted R Squared = .020)

This study uses ANOVA statistical test equipment. Before testing using ANOVA, testing of ANOVA assumptions is carried out. Examination of these assumptions is carried out using the Levene's Test of Homogeneity of Variance (Ghozali, 2013: 74). Levene's Test of Homogeneity of Variance is calculated using SPSS to test one of the ANOVA assumptions, i.e., each group of

independent variables has the same variance (Ghozali, 2013: 74). If the results of the statistical Levene are significant at 0.05, then hypothesis 1, which shows that the group has the same variance, can be rejected. Here are the SPSS outputs related to the Levene test:

Tabel 7: Levene's Test of Equality of Error Variances
Dependent Variable : Seleskom 1

F	df1	df2	Sig.
2.484	1	63	.120

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

Levene test results show that the significant value reaches 0.120, which is not meaningful at 0.05 ($p > 0.05$), which means that hypothesis 1, which states that the variance is equal, is rejected. The results of this test also showed an F value of 2.484.

This test supports the assumptions that must be met in the ANOVA test. Then there is a table of results from the average data

Tabel 8: Average Group External/ Internal

Futureben	Mean	Std. Deviation	N
1	50.5405	30.81720	37
2	61.0714	23.30781	28
Total	55.0769	28.12489	65

In the mean table, there is a difference from the average internal group of 50.5405 with the external group of 61.0714.

Discussion

Hypothesis 1a testing that is by providing negative past information will be able to make individuals who have an

internal locus of control character will have higher levels of commitment escalation compared to individuals who have an external character locus of control.

The test results show that the inverse nature is that those who receive negative past information are found in individuals with an external locus of control rather than an internal locus of control. This can happen, many individuals today are resigned to the situation, without first thinking about the risks to be taken, therefore more individuals who have an external locus of control character escalate the commitment with negative past information. According to research Zimbardo, (1985), in the escalation of commitment in the case of investment, someone who has an internal locus of control will tend to hold on to the position that has been held to continue to make investments even though the initial investment performance has decreased. On the other hand, individuals who are an external locus of control tend to believe that failure/decline in initial investment performance is beyond their control, and this individual will manage to change their position.

An individual who has the nature of an external locus of control in the present situation has done a lot. Because current individuals when given negative information in the past about declining initial investment, they will tend to make decisions that do not pay attention to the interests of the company and will be able to escalate commitments to decision making. And individuals today also prefer certain investment information.

Hypothesis 1b testing, namely, individuals with an internal locus of control character, can reduce the escalation of commitment by the existence of alternative investments that are more profitable in the future. However, the results of existing data, there are internal and external data

that can be concluded that the existence of alternative investments that are more profitable in the future will make the individual can reduce the escalation of commitment because to get more profit. Despite the results that is not significant, and it does not mean the data is not confirmed. The information is verified according to the individual nature of each.

According to Ghost (1997) research, information on future profits from investments will reduce commitment escalation. Information on profitable investment alternatives can help make decisions to allocate more funds to more profitable alternative investments. And according to Suwarni et al. (2011), the reduction of commitment escalation in research by providing alternative investment information that is beneficial to individuals who have an internal locus of control character can shift attachment to initial decisions to reduce commitment escalation.

An individual who has the nature of internal locus of control in the present situation has done a lot. Not only that, individuals who have the external environment of locus of control have also done a lot. Because individuals now, when informed about alternative investments, they will tend to use each other's traits to make a profit. With the nature of their possessions, they will have the possibility of making a decision using their personal choices for benefit. So it is possible that they made a commitment exclusion.

Hypothesis 2 testing, namely providing adequate accounting information using a future benefits strategy for increased investment, can reduce the escalation of commitment at the decision making level. The results of existing data show that the future benefits strategy is a suitable strategy to reduce the commitment escalation. The data results show that they

can be used as a reference for individuals to minimize commitment escalation.

There is a reaction to an increase in commitment to the historical cost that can indicate the absence of information about the benefits that will come from the additional cash outflow Effriyanti (2005). Decision making that is not informed about the benefits that have the potential in the future tends to follow the wrong pattern of investment continuation. Future benefits are an excellent strategy to reduce commitment escalation (Simonson and Staw, 1992).

At present, when an individual is given accounting information on the incremental investment that can be profitable in the future, they will perform well to get a high profit. So the possibility of escalating commitments can be reduced.

CONCLUSION

Conclusion

This study provides evidence that individuals who have an external locus of control character will be more able to escalate commitments in the presence of negative past information, not to individuals who have an internal locus of control character. Individuals who have an internal locus of control character will be able to reduce the escalation of commitments with more profitable alternative investments in the future. But the results of individuals who have an external character locus of control also show the same thing.

Adequate accounting information using a future benefits strategy will reduce commitment escalation at a decision making level. In this case, the next benefit strategy is very suitable to be used as a reference for an individual to reduce the escalation of commitment in decision making.

Limitation

Based on the results of the research conclusions, there are limitations of the study as follows:

1. Cases in the instruments presented by researchers focus only on investment decision cases.
2. The number of participants the researcher has can be added to increase trust even though the number of participants in this study has fulfilled the ANOVA requirements

Suggestions

Based on the results of the conclusions and limitations of the study, there are suggestions as follows:

1. Cases on instruments presented by researchers must be more comprehensive
2. The number of participants owned by researchers can be added again to get more data results. Even though the number of participants is sufficient, obtaining more participants will get more data.

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