

The Influence of Management Control Systems on Employee Performance from an Islamic Perspective (Study at PT United Tractors Tbk Lampung Branch)

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Abstract

Received: 3 January 2024

Revised: 9 February 2024

Accepted: 30 March 2024

The management control system is important to support the optimal performance of a company. This is because the management control system plays a role in controlling individual behavior in the company. There are several factors that influence the management control system, namely external and internal factors. The research method used in this research is quantitative research with the research object being 33 employees of PT United Tractors Tbk Lampung branch. The type of data used is primary data obtained from distributing questionnaires to 28 research samples using purposive sampling technique. The data analysis used is simple linear regression analysis using the SPSS 25 program. The research results show that the management control system has a positive and significant effect on employee performance. Whereas in the Islamic perspective, it encourages a person to pay attention to what he is doing as stated in surah Al-Hasyr verse 18.

Keywords: *Management Control System, Employee Performance*

INTRODUCTION

One of the reasons for establishing a company is to get the maximum profit and as much as possible to reduce business expenses. Increasing profits and reducing expenses is not as simple as imagined, and this does not always refer to increasing production or sales. (Hutapea & Malau, 2022) An organization that carries out a number of activities begins its activities by carrying out a planning process. Planning is implemented in activities involving individuals. These individual activities are directed to achieve organizational goals. What is often forgotten is that individuals as creatures also have personal desires and goals. Personal goals may or may not be aligned with organizational goals. Misalignment of goals results in organizational goals or individual goals not being achieved. For this reason, work control is needed so that individual goals can be aligned with organizational goals. (Ratnasari, 2018)

Management control is an important function in organizations. Failure in management control will bring large financial losses, damage to reputation, and may even bring failure to the organization. (A. Merchant & A. Van der Stede, 2020) Management control is also more proactive than reactive because it is designed to prevent problems that arise. have a negative effect on the organization. Therefore, management control must be supported by an appropriate organizational structure, human resource management, and a conducive environment. (Management Control, n.d.)

The management control system greatly influences performance. Because the company's management control system is related to human resource management issues which focus on employee performance. (Ratnasari, 2018) The high and low performance of workers is closely related to the reward system implemented by the institution/organization where they work. Giving inappropriate rewards can affect a person's performance improvement. Apart from that, there are two factors that influence work performance, namely individual and environmental factors. (Sutrisno, 2011)

The problems that arise in the business world today related to the implementation of management control systems are efforts to improve control systems that do not run automatically. (Galvaro, 2007) This means that management control systems require several supporting factors, especially from the company's internal environment, namely employees as executors and capital base to create optimal performance. This research will be carried out at one of the heavy equipment and transportation equipment distributor companies with branches spread throughout Indonesia, currently PT United Tractors Tbk has 20 branch offices. One of them opened a branch office in Bandar Lampung which is located on Jl. ZA. Natural Fence No. 79, Gedong Meneng, District. Rajabasa, Bandar Lampung City. PT United Tractors Tbk Lampung branch, is a subsidiary of PT. Astra International Tbk ("Astra").

Table 1
Employee Performance Appraisal Standards
PT. United Tractors Tbk Lampung Branch

No	Division	Performance Area	S T D	Target	Average 2019	Average 2020	Average 2021
1	Administration	Mastery of administrative systems and procedures	3	5	3,13	2,78	3,05
		Management of remaining products/services	3	5	3,15	2,89	2,98
2	<i>Sparepart</i>	Mastery of product information	3	5	3,53	3,33	3,50

		Maintenance of company property	3	5	3,00	2,87	3,04
3	<i>Service</i>	Responsibility for errors	3	5	3,24	3,00	3,20
		Punctuality of work time	3	5	3,32	3,02	3,29
4	<i>Business Consultant</i>	Negotiation ability	3	5	3,34	3,04	3,27
		Work program planning	3	5	3,44	3,00	3,39

Source: Primary Data, 2021

Table 1 above shows that the performance of PT employees. United Tractors Tbk Lampung Branch in 2019, 2020 and 2021 has achieved several targets, but in 2020 and 2021 there has been a decline from the previous year. There are even those who have not reached the standard by having a scale value below 3 with information below the standard. The performance assessment from 2019 has decreased in 2020 and 2021 and has not even reached the company's expected targets. A decrease in achieving this performance target could also have a negative impact on PT United Tractors Tbk Lampung Branch. In table 1 regarding the Processing of Leftover Products/Services at PT United Tractors Tbk Lampung Branch, it has the lowest average value in the period 2020 and 2021, this shows that employee performance in Processing Leftover Products/Services does not achieve good results and does not meet standards set.

Previous research regarding the Effect of Management Control Systems on Employee Performance has had different results. Based on this background description, the author is interested in conducting research with the title "The Influence of Management Control Systems on Employee Performance (Study at PT United Tractors Tbk Lampung Branch)".

METHODS

This study uses a quantitative approach. Quantitative research emphasizes analysis on numerical data (numbers) which are processed using statistical methods. (Sugiyono, 2013) With quantitative methods, significant group differences or significant relationships between the variables studied will be obtained. The type of research used in this research is field research. Field research is data collection carried out directly on research objects or by going directly into the field using techniques, namely questionnaires. The data source used is primary data. The primary data

used by researchers is the result of filling out questionnaires by respondents, namely employees of United Tractors Tbk Lampung branch with a sample size of 28 employees.

The data analysis technique used in this research is quantitative data analysis. By using the help of SPSS (Statistical Package For Social Science) version 25 software.

$$Y = \alpha + bX$$

Information :

Y = Dependent Variable (Employee Performance)

α = Constant

b = Regression Coefficient Magnitude

X = Independent Variable (Management Control System)

RESULT AND DISCUSSIONS

Validity and Reliability Test

Validity Test Results

The program used to test the validity of the instrument is the Computer Statistical Program For Social Science (SPSS) version 25. The validity test uses the Pearson product moment correlation test approach. Validity test is used to test whether the data is valid/invalid. If the correlation score between each statement item and the total score has a significance value below 0.05, then it can be said that the statement item is valid, and vice versa.

The following are the results of the validity test of the management control system instrument on 28 respondents.

Table 2

Management Control System Instrument Validity Test Results

Statement	<i>Pearson Correlation</i>	<i>Sig. (2-tailed)</i>	Information
X1	0.913	.000	Valid
X2	0.949	.000	Valid
X3	0.911	.000	Valid
X4	0.825	.000	Valid
X5	0.721	.000	Valid
X6	0.792	.000	Valid
X7	0.721	.000	Valid
X8	0.733	.000	Valid

Source: SPSS output, processed 2023

Based on the data from table 2 above, it can be seen that all statement items for variables that have a management control system sub-variable (X) are at a significance level below 0.05 so it can be concluded that the statements in this research questionnaire are valid in measuring management control system variables.

Meanwhile, the results of the validity test of employee performance instruments on 28 respondents are shown in the table below:

Table 3
Employee Performance Instrument Validity Test Results

Statement	<i>Pearson Correlation</i>	<i>Sig. (2-tailed)</i>	Information
Y1	0.776	.000	Valid
Y2	0.758	.000	Valid
Y3	0.814	.000	Valid
Y4	0.704	.000	Valid
Y5	0.797	.000	Valid
Y6	0.797	.000	Valid
Y7	0.795	.000	Valid
Y8	0.800	.000	Valid
Y9	0.889	.000	Valid
Y10	0.795	.000	Valid

Source: SPSS output, processed 2023

Based on table 3 above, it can be seen that all statement items for variables that have employee performance sub-variables (Y) are at a significance level below 0.05 so it can be concluded that the statements in this research questionnaire are valid in measuring employee performance variables.

Reliability Test Results

Reliability testing is carried out to assess whether the measuring instruments used in a study can be said to be reliable or not. An instrument can be said to be reliable if it has a Croanbach Alpa value greater than 0.6. The results of the reliability tests carried out in this research are as follows:

Table 4
Reliability Test Results

Variable	Cronbach Alpha	of Item	Information
Management Control System	0.929		Reliabel
Employee performance	0.932	0	Reliabel

Source: SPSS output, processed 2023

Based on table 4 above, the results of the reliability test of the research instrument in the form of a questionnaire were distributed to 28 respondents who were employees at PT United Tractors Tbk Lampung branch. An instrument can be said to be reliable if it has a Cronbach Alpha value of more than 0.6, and vice versa, a research instrument is said to be unreliable if it has a Cronbach Alpha value of less than 0.6. So based on the results of the reliability test shown in table 4 above, it shows that the management control system statement has a Cronbach Alpha value of $0.929 > 0.6$. Meanwhile, employee performance statements have a Cronbach Alpha value of $0.932 > 0.6$. So this shows that each statement item used in this research questionnaire is reliable so that it will be able to obtain consistent data if the statement is submitted again.

Descriptive Statistical Analysis

Descriptive statistics is a method used to collect and present data so that it is easy to understand. The following are the results of descriptive statistical tests from the results of questionnaire data that have been distributed by researchers.

Table 5
Descriptive Statistics Test Results

		Mini mum	Maksi mum	Mean	Std. Deviation
Management Control System	8	31	40	7.07	3.230
Employee performance	8	40	50	6.21	4.021
Valid N (listwise)	8				

Source: SPSS output, processed 2023

Based on the data presented in table 5 above, it can be seen that the total sample used in this research was 28 respondents from the total population who were employees of PT United Tractors Tbk Lampung Branch.

a. Management Control System

Based on the data in table 5, it can be seen that the management control system variable has a minimum score range of 31 to a maximum score of 40, so that an average value of 37.07 can be obtained which, if divided by the number of statement instruments on the management control system variable, totaling 8 items, then an average score can be obtained for the management control system statement instrument of 4.43. This shows that overall many respondents gave a score of 4 to each statement item. Meanwhile, if we compare the average value of the overall score on the management control system statement item of 37.07, it has a value greater than the standard deviation which is 3,230. This shows that there is low variation in the data, thus meaning that the influence of the management control system from one respondent to another is almost the same.

b. Employee performance

It is known that the employee performance variable has a minimum score of 40 and a maximum score of 50, so that an average score of 46.21 can be obtained which, if divided by the number of statement instruments for the employee performance variable, which is 10, an average score of 4.50 can be obtained. This shows that respondents gave a score of 4 to each employee performance variable statement instrument. Apart from that, it is also known that the standard deviation value on the employee performance instrument has a smaller value, namely 4.021, than the overall average value, namely 46.21. This illustrates that there is low variation in the data which shows that the influence of employee performance from one respondent to another respondent is almost the same.

Classic assumption test

Normality Test Results

Data normality testing is carried out to see whether in the regression model the dependent and independent variables have a normal distribution or not.

The results of normality testing using the One-Sample Kolmogorov-Smirnov Test are as follows:

If the calculated probability > probability is set at 0.05 at the Kolmogorov-Smirnov value (Asymp. Sig. (2-tailed) > 0.05) then the data is normal, and if the calculated probability < probability is set at 0.05 at the Kolmogorov value -Smirnov (Asymp. Sig. (2-tailed) < 0.05) then the data is not normal.

Table 6

Normality Test Results *One-Sample Kolmogorov-Smirnov*

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		28
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.82656936
Most Extreme Differences	Absolute	.159
	Positive	.112
	Negative	-.159
Test Statistic		.159
Asymp. Sig. (2-tailed)		.068 ^c

- a. Test distribution is Normal.
- b. Calculated from data.

Source: SPSS output, processed 2023

Based on the results above, it shows that the data is normally distributed. This is shown by the results of the One-Sample Kolmogorov-Smirnov Test. Where the significance is $0.068 > 0.05$ significant level (α) so it can be concluded that the data is normally distributed.

Simple Linear Regression Analysis

Simple linear regression is an equation model that describes the relationship between one independent variable (X) and one dependent variable (Y).

Tabel 7

Hasil Uji Regresi Linier Sederhana

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	5.103	4.125		1.237	.227
	Management Control System	1.109	.111	.891	10.002	.000

a. Dependent Variable: Employee performance

Source: SPSS output, processed 2023

Based on table 7 above, the following results are obtained:

$$\alpha = 5.103$$

$$bX = 1.109$$

The regression equation model is:

$$Y = \alpha + bX$$

$$Y = 5.103 + 1.109$$

Information:

Y = Employee Performance Variables

α = Constant

bX = Management Control System Variables

Based on the results of the regression equation above:

1. The constant value α is 5.103. This means that if the management control system variable has a value of 0 (zero), then employee performance will be the same as its constant value, namely 5.103.
2. The management control system coefficient value is 1.109. If there is an increase of one unit in the management control system, then the employee's performance value will increase by one unit.

Partial Test Results (t)

Based on the results of the t test, a discussion of the results of the t test can be carried out, namely the influence of the management control system on employee performance. Based on the significance value of the management control system variable, the value of 0.000 is smaller than 0.05, which indicates that the management control system variable has a significant and influential effect on employee performance.

Coefficient of Determination Test Results

The value of Adjusted R Square is known to be 0.786 or 78.6%. This shows that 78.6% of the employee performance variables used in this research are influenced by the management control system. Meanwhile, the remainder, namely 21.4%, was influenced by other factors not examined in this research.

DISCUSSIONS

The Influence of Management Control Systems on Employee Performance

Based on the results of the hypothesis test which can be seen through the t table, the management control system variable (X) is 10.002 with a significance value of 0.000. Based on

this, it can be seen that the calculated t value is $10.002 > t$ table 1.706, and the significance value is $0.000 < \text{significant probability value}$ is 0.05, so it can be concluded that H_0 is rejected and H_1 is accepted. Therefore, it can be said that the management control system has a positive and significant effect on employee performance. Contingency theory supports that management control systems can be used to provide information that is used to achieve company goals. This theory greatly influences the continuity of the company and is related to interactions for adjustment and control of the environment to produce increasing company or individual performance and of course makes it easier to achieve company goals. Contingency theory states that the design and use of a control system depends on the corporate setting in which the control is operated. An appropriate mix and match between control systems and contextual contingency variables is predicted to result in increased company or individual performance. So it can be concluded that the better the management control system implemented by the company, the better employee performance will be because the better employee performance will benefit the company.

Management Control System on Employee Performance from an Islamic Perspective

Management control in Islam is known as supervision, namely the implementation of procedures that have been determined and regulated according to the plans and performance of the roles that have been determined by the organization. Which means carrying out the plan ensuring that the results will confirm the actual plan with the principle of unity. Working is a very noble act in Islamic teachings. Islamic teachings convey the message that work and religion itself are great sources of motivation for Muslims. Therefore, working in Islam occupies a very noble position and is even categorized as *jihad fi sabilillah*. Performance that is in accordance with Islamic teachings must be honest, have good morals, and support each other among colleagues. So it can be seen that Islam has ordered a Muslim to carry out his duties and be responsible in his work as recommended in Islam. So it can be concluded that employee performance is in accordance with Islamic teachings, including making clear rules, appropriate division of tasks and a performance assessment to determine the results of the performance that has been carried out.

CONCLUSION

Based on the results of the data processing that has been carried out, the following conclusions are obtained:

The results of this research indicate that the management control system has a positive and significant effect on employee performance. So it can be concluded that the better the management

control system implemented by the company, the better employee performance will be because the better employee performance will benefit the company.

From an Islamic perspective, the management control system, namely supervision and performance, is very important in life, because it supports the implementation of worship to Allah SWT. As in the word of Allah QS. Al-Hasyr verse 18.

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