EFFECT OF MANAGEMENT CONTROL SYSTEM ON EMPLOYEE PERFORMANCE
(Case Study of PT. Charoen Pokphand Indonesia)

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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh sistem pengendalian manajemen terhadap kinerja karyawan pada PT. Charoen Pokphand Indonesia. Jenis penelitian ini adalah penelitian kuantitatif dan sumber datanya adalah data primer dengan kuesioner. Sampel dalam penelitian ini adalah karyawan pada PT. Charoen Pokphand Indonesia. Metode analisis data dalam penelitian ini adalah statistik deskriptif, data karakteristik, validasi sederhana dan analisis regresi dengan taraf signifikansi 5%, serta diuji dengan analisis jalur. Metode pengolahan data menggunakan bantuan software SPSS 23. Berdasarkan hasil analisis diketahui bahwa sistem manajemen berpengaruh positif dan signifikan terhadap kinerja karyawan pada PT. Charoen Pokphand Indonesia.

Kata kunci: sistem pengendalian manajemen, kinerja pegawai

Abstract

The aim of this research is analyze the effect of management control systems on employee performance at PT. Charoen Pokphand Indonesia. This type of research is quantitative research and the data source is primary data with a questionnaire. The sample in this study were employees at PT. Charoen Pokphand Indonesia. The data analysis method in this research is descriptive statistics, characteristic data, simple validation and regression analysis with a significance level of 5%, and tested by path analysis. Data processing methods use the help of SPSS 23.0 For Windows Software. Based on the results of the analysis, it is known that the management system has a positive and significant effect on employee performance at PT. Charoen Pokphand Indonesia.

Keyword: management control systems, employee performance

INTRODUCTION

In broad terms, any management control system is designed and used with the aim of determining, assessing and reducing the gap between what is desired, what is possible and what has actually been achieved. Management control systems are designed to create conditions that will increase the likelihood that the desired results will be achieved by directing attention to the goals to be achieved by the organization and to the desired behaviour of the participant. (Porporato, 2006).

Management control system is important to be implemented by every company with all types of business management control system can assist management in realizing the company's vision, mission, strategy, and goals. In addition, the management control system is a management tool to be able to influence employees to act positively in order to achieve company goals. Employees will be cooperative if management can develop and manage employees appropriately, so that management control can run according to management's expectations.

Management control systems are also designed for the formulation and implementation of strategies, for competitive advantage and performance advantages, management control systems are a critical function in organizations, management control systems are used to manage the pressure between creating innovation and achieving predictable goals and balancing the basic organizational dilemma between control and flexibility and the last management control system needs to be considered to maintain flexibility and support organizational change, innovation and organizational learning (Ratnasari, 2018).

Management control system is very influential on performance. Because the company's management control system deals with human resource management issues that focus on employee performance. Employee performance is obtained from a series of activities carried out by the management control system. Activities in managemént control in the form of scheduled activities and unscheduled activities. Every action in the process of carrying out the task should allow the implementation of controls to evaluate the performance of

the task. Task control may be in the form of adherence to a planned or scheduled schedule or in the form of efficiency in carrying out tasks or in the form of quality performance. Management control over performance is able to align organizational goals with team and individual goals, improve performance, motivate employees, increase commitment, support core values.

Based on the above background, the formulation of the problem in this study is about the effect of the management control system on employee performance.

THEORETICAL BASIS AND LITERATURE REVIEW

Management Control System

According to Anthony and Govindarajan (2011:20) which is translated by F.X Kurniawan defines a management control system is a system used by management to control the activities of an organization. Management control system is one of the important organizational tools to support optimal performance of a company (Porporato, 2006). In determining success and sustainable development, the company must have a good system and quality workforce, one of which is an optimal management control system.

The main purpose of the management control system is to harmonize these goals, namely the system must be designed in such a way that the actions of each member of the company to achieve their own interests can be in line with the interests of the company. In line with the opinion expressed (Ilyas, 2009) that performance is the appearance of the work of all members of an organization. According to (Govindarajan, 2011), there are six characteristics of management control, including:

a. Centred on programs and responsibility centres.
b. Information is processed from two types of planned data in the form of programs, budgets or standards and actual data inside and outside the organization.
c. Comprehensive system, which includes all aspects of the organization.
d. Related to the financial structure.
e. The planning aspect follows a certain pattern and schedule, in this case budgeting is an important activity in the control process.
f. Coordinated and unified system, data is collected, combined and compared at any time in every organizational unit

Although in a lot of literature the management control system used uses governance mechanisms, contextually the management control system in this study is also viewed from an accounting perspective by looking at the management accounting system mechanism (Porporato, 2006), namely:

a. Budgeting and planning
b. Cost allocation
c. Transfer prices
d. Performance measurement

Employee Performance

One of the vehicles for achieving goals is performance, when there is no performance in the body of the organization, the goals will not be achieved (Saputro & Pujiono, 2018). Hasibuan (2013:105) states that performance is the result achieved by a person in carrying out the tasks assigned to him based on skills, experience and sincerity and time. Performance is an indicator in determining how the effort to achieve a high level of productivity in an organization or agency.

Factors that affect performance include; First, internal factors (dispositional) are factors related to a person's characteristics. For example, a person's performance is good because he has high abilities and someone is a hard worker type, while someone has poor performance because the person has low abilities and the person does not have efforts to improve his abilities. Second, external factors are factors that affect a person's performance from the environment. Such as the behaviour, attitudes, and actions of co-workers, subordinates or leaders, work facilities, and organizational climate (Ratnasari, 2018).

As in previous research proposed by Sabeni and Wiyantoro (2007) in research (Anjumi & Yaya, 2018) showed that MSS related to organizational culture implies employees in making better performance.

RESEARCH METHODS

This research uses quantitative methods, according to Sugiyono (2015:13) stating "Research based on the philosophy of positivism, is used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative / statistics with the aim of testing the established hypothesis. This study aims to determine the effect or relationship between two or more variables.

This research was conducted on employees of PT. Charoen Pokphand Indonesia. The current number of respondents is 38 respondents using convenience sampling technique. The basis for consideration is that it represents the population in addition to the analysis tool used is the analysis tool used by the SPSS path analysis tool (path analysis).

The method used in data collection: questionnaire, is data collection by asking a list of questions as a measurement scale. The measurement scale used is a Likert Scale from 1 (strongly disagree) to 5 (strongly agree). The seriousness of the respondents in answering the questions is important, considering that this data collection was carried out using a questionnaire and it is hoped that the data obtained can be analysed and interpreted to draw conclusions.

Hypothesis

The management control system is basically one of the methods used by managers in ensuring that all employees can carry out their duties according to the path to achieve company goals, so the hypothesis in this study is as follows:

H1: management control system has a positive effect on employee performance

DISCUSSION

1.1 Characteristics of Respondents

Characteristics of Respondents by Gender

Category	Frequency	Percentage (%)
Male	14	36. 80
Female	24	63.20
Total	38	100

It is known that most of the respondents are male, namely as many as 14 respondents or 36.8%, then there are female respondents, namely as many as 24 respondents or 63.2%. The results of this study indicate that employees are dominated by female.

Characteristics of Respondents Based on Age

Category	Frequency	Percentage (%)
≤ 25 years	28	73.7
26 – 30 years	7	18.4
31 – 35 years	2	5.3
36 – 40 years	1	2.6
Total	38	100

It is known that most of the respondents aged ≤ 25 years were 28 respondents or 73.7%, respondents aged 26 – 30 years were 7 respondents or 18.4%, respondents aged 31 – 35 years were 2 respondents or 5.3%, and respondents who aged 36 – 40 years as many as 28 respondents or 2.6%.

1.2 Descriptive Analysis Results

Criteria for Average Interval of Respondents Answers

Average Answer Interval	Category
1.00 – 1.80	Strongly Disagree
1.81 – 2.60	Disagree
2.61 – 3.40	Just Agree

3.41 – 4.20	Agree
4.21 – 5.00	Strongly Agree

Percentage of Respondents Answers to Variables
Management Control System (X)

Items	Distribution of Respondents Answers										Mean
	SD		D		JA		A		SA		
	f	%	f	%	f	%	f	%	f	%	
X1.1	0	0	0	0	4	10.5	19	50.0	15	39.5	4.29
X1.2	0	0	0	0	2	5.3	23	60.5	13	34.2	4.29
Average Management Control System Variable (X)											4.29

The management control system variable consists of one variable, namely the average control system on employee performance. Based on the questions posed, the majority of respondents answered agree that is equal to 60.5%. This shows that most of the respondents feel that the control system has an effect on employee performance.

Percentage of Respondents Answers to Employee Performance Variables (Y)

8	Distribution of Respondents Answers										Mean
	SD		TS		SD		S		SD		
	f	%	f	%	f	%	f	%	f	%	
Y1.1	0	0	0	0	2	5.3	25	65.8	11	28.9	4.24
Y1.2	0	0	0	0	2	2.5	26	68.4	11	28.9	4.26
Y1.3	0	0	0	0	5	13.2	21	55.3	12	31.6	4.18
Y1.4	0	0	0	0	2	5.3	23	60.5	13	34.2	4.29
Average Employee Performance Variable (Y)											4.24

Employee Performance Variable (Y) consists of four indicators, namely work quality (Y1.1), productivity (Y1.2), knowledge (Y1.3), and trust (Y1.4).

The first indicator is the quality of work (Y1.1) the majority of respondents answered agree that is as much as 65.8%. The second indicator is productivity (Y1.2) the majority of respondents answered agree that as much as 68.4%. The third indicator is knowledge (Y1.3) the majority of respondents answered agree that is as much as 55.3%. The first indicator is trust (Y1.4) the majority of respondents answered agree that is as much as 60.5%. This shows that most of the respondents agree that the management control system affects employee performance.

1.3 Validation and Reliability Test

Validity and Reliability Test of Research Instruments

Variable	Indiator	Validity (correlation coefficient = r)	Reliability (Alpha Cronbach)
X1	X1.1	0,8499 (Valid)	0,8212 (Valid)
	X1.2	0,7926 (Valid)	
Y1	Y1.1	0,9166 (Valid)	0,7965 (Valid)
	Y1.2	0,691 (Valid)	
	Y1.3	0,83 (Valid)	
	Y1.4	0,7482 (Valid)	

Based on the table data above, the reliability test shows that all question items for all variables have a value of more than 0.5. This shows that the question items for all variables are reliable.

1.4 Hypothesis Testing with Path Analysis

Path analysis is used to test or check a predetermined relationship model, not to determine the cause. In other words, path analysis can be done to estimate the magnitude of the causal relationship between a number of variables and the hierarchical position of each variable in a series of causal

pathways, either directly or indirectly. The results of hypothesis testing for the regression equation can be seen in the following table:

Equation Test Table

Model	Independent Variable	Dependent Variable	Path Coefficient	t-value	Sig.	F-Value	Sig.	R Square
Reg. Eq. 1	Management Control System	Employee Performance	0.789	7.945	0.000	638.1825	0.000	0.637

Path Analysis Image

Based on these equations and figures, it can be seen that the influence of the management control system on employee performance has a probability value of 0.000, it can be seen that the probability value is in accordance with the testing standard, namely $p < 0.05$.

CONCLUSION

From the results of the analysis and discussion that have been described, it can be concluded that the management control system has a significant positive effect on employee performance. This can be seen in the path analysis image, there is a path coefficient value of 0.789 and $p = 0.000$, because the profitability value is smaller than 0.05 ($p < 0.05$) it can be said to have a significant positive effect on employee performance. Thus hypothesis 1, the management control system has a positive influence on employee performance can be accepted.

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