Impact of Management Control Systems, Organizational Capability, and Culture on Performance at PT. HZ Tourism Indonesia

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Abstract

This research aims to empirically test the influence of management control systems, organizational capabilities and organizational culture on organizational performance at PT. HZ Indonesian Tourism. This research uses a quantitative descriptive approach. Data collection used a questionnaire with a sample size of 117 respondents. The data analysis that the author uses is multiple linear regression analysis. Based on the results of this research, it can be concluded that management control has a positive and significant effect on organizational performance at PT. HZ Wisata Indonesia, organizational capabilities have a positive and significant effect on organizational performance at PT. HZ Wisata Indonesia, organizational culture has a positive and significant effect on organizational performance at PT. HZ Wisata Indonesia and there is a joint influence of the management control system, organizational capabilities and organizational culture on organizational performance at PT. HZ Indonesian Tourism.

Keywords: management control, capabilities, culture, performance.

Introduction

The travel agent industry is a vital component of the tourism sector, acting as intermediaries between tourists and various travel services such as flight tickets, accommodations, tours, and transportation (Deng, 2021). The success of travel agents in this competitive and dynamic market is largely determined by their organizational performance in managing various aspects of their business (Barusman et al., 2019). Key factors influencing this performance include management control systems, organizational capabilities, and organizational culture (Chan & Denizci Guillet, 2016).

Management control systems are essential for directing and coordinating organizational activities to achieve predetermined goals. In a travel agency, these systems help monitor and manage business processes such as ticket sales, accommodation inventory, and service bookings (Dirisu et al., 2018). Effective management control systems enable rapid identification of operational issues, optimal resource utilization, and adaptive responses to market changes. Investigating how these systems are implemented in travel agencies in Makassar can provide valuable insights into their contribution to organizational performance (Al-Kwifi et al., 2020). Organizational capability refers to an organization's capacity to manage, integrate, and optimize its resources and competencies in response to market challenges and opportunities (Chan & Denizci Guillet, 2016). For travel agents, this includes designing innovative travel packages, building strong partnerships with service providers, and adapting to changing regulations and market trends(Chan & Denizci Guillet, 2016). Researching the factors that influence organizational capabilities in Makassar's travel agents can deepen our understanding of their impact on performance (Noor et al., 2019).

Organizational culture encompasses the values, norms, and beliefs held by organizational members, influencing how teams interact, collaborate, and make decisions (Saleh, 2022). In the travel agency industry, a culture that fosters

collaboration, innovation, and superior customer service can provide a competitive advantage (Pawirosumarto et al., 2017). Conversely, a culture that does not support these values can hinder growth and development. Studying the impact of organizational culture on the performance of travel agents in Makassar can highlight the importance of managing culture to achieve organizational success (Azeem et al., 2021). There is a significant gap in the literature regarding the combined influence of management control systems, organizational capabilities, and organizational culture on organizational performance, particularly in the context of travel agents in Makassar (Barusman, 2019). This study aims to address this gap by providing empirical evidence and valuable insights for decision-makers and practitioners to enhance the competitive advantage of travel agents (Saleh, 2022).

This research seeks to answer the following questions: How do management control systems affect the organizational performance of travel agents? What is the influence of organizational capabilities on the performance of travel agents? In what ways does organizational culture impact the performance of travel agents? How do management control systems, organizational capabilities, and organizational culture together affect organizational performance? The objectives of this study are to examine the relationship between management control systems and organizational performance in travel agencies, to analyze how organizational capabilities influence the performance of travel agents, to investigate the impact of organizational culture on the performance of travel agents, and to assess the combined effect of management control systems, organizational capabilities, and organizational culture on organizational performance.

While previous studies have explored various aspects of management control systems, organizational capabilities, and organizational culture, there is a lack of comprehensive research examining their combined impact on organizational performance in the travel agency sector, particularly in the context of Makassar. This research seeks to fill this gap and provide a holistic understanding of how these factors interact to influence performance. By addressing this gap, the study aims to offer valuable insights for improving the management and competitive strategies of travel agencies, ultimately contributing to the overall growth and success of the industry in Makassar.

Methodology

This study employs descriptive and associative research methods to investigate the relationship between management control systems, organizational capabilities, organizational culture, and organizational performance (Fernandes & Adji Achmad Rinaldo, 2018). Descriptive research aims to describe, explain, and answer questions about current phenomena and events, providing a detailed understanding of the subject matter. Associative research, on the other hand, tests theories using hypotheses, involving statistical calculations to examine the relationships between independent and dependent variables (Faryadi, 2018). The population for this study comprises employees working at PT. HZ Indonesian Tourism. A sample of 117 respondents was selected for the study. Data collection was conducted using a closed questionnaire, ensuring consistency and ease of analysis. Data analysis involved several steps. First, classical assumption tests were performed to validate the assumptions required for regression analysis. This was followed by multiple linear regression tests to assess the impact of the independent variables (management control systems, organizational capabilities, and organizational culture) on the dependent variable (organizational performance) (Mishra & Datta-Gupta, 2018). Hypothesis testing was conducted to determine the significance of

these relationships. All statistical analyses were performed using SPSS software to ensure accuracy and reliability.

By using these methods, the study aims to provide a comprehensive understanding of the factors influencing organizational performance at PT. HZ Indonesian Tourism, offering valuable insights for improving management practices and strategic decision-making.

Results

The study comprised 117 employees from PT. HZ Wisata Indonesia, with a notable distribution of 58% in marketing roles and 62% being female. To ensure the accuracy of the research findings, the validity and reliability of the questionnaire were rigorously tested. Validity was determined by comparing the calculated (r_{count}) against the (r_{table}), where items were classified as valid if ($r_{count} > r_{table}$) and invalid otherwise. Reliability was assessed using Cronbach's alpha, with a coefficient greater than 0.5 indicating reliability. The Cronbach alpha value for the study was 0.933, demonstrating high reliability of the questionnaire.

The data normality was verified through the Kolmogorov-Smirnov and Shapiro-Wilk tests. The Kolmogorov-Smirnov test yielded a p-value of 0.200, and the Shapiro-Wilk test had a p-value of 0.297, both exceeding the alpha level of 0.05, which confirms that the data followed a normal distribution.

Multicollinearity was examined to ensure that the predictors were not excessively correlated. The results indicated no multicollinearity issues, as evidenced by tolerance values exceeding 0.05 and VIF values remaining below 10. Additionally, the heteroscedasticity test showed no signs of heteroscedasticity, with all relevant p-values for the management control systems, organizational capability, and organizational culture variables surpassing 0.05.

The regression analysis yielded the following model:
$[Y = 2.050 + 0.664X1 + 0.175X2 + 0.247X3]$

Here, the constant term of 2.050 suggests that if all independent variables—management control system, organizational capabilities, and organizational culture—were zero, organizational performance would be 2.050. The regression coefficients indicated a positive relationship between the predictors and organizational performance: the management control system (X1) had a coefficient of 0.664, organizational capability (X2) had a coefficient of 0.175, and organizational culture (X3) had a coefficient of 0.247. Each coefficient reflects the positive influence of these variables on organizational performance.

Partial tests revealed that each predictor—management control systems, organizational capabilities, and organizational culture—had a significant effect on organizational performance, with p-values of 0.000, 0.049, and 0.003, respectively. The simultaneous test confirmed that the combined influence of management control systems, organizational capabilities, and organizational culture was statistically significant, with a p-value of 0.000, indicating a robust relationship between these factors and organizational performance.

Discussion

The results of the study reveal that management control systems, organizational capabilities, and organizational culture each positively influence organizational performance at PT. HZ Wisata Indonesia. The significant positive coefficient of 0.664 for management control systems highlights their substantial impact on performance. This finding is consistent with the research by Dirisu et al. (2018), who stress the importance of management control systems in effectively monitoring

and managing business processes. Such systems facilitate optimal resource utilization and enable adaptive responses to market fluctuations, reinforcing the critical role of these controls in enhancing organizational performance as noted by Al-Kwifi et al. (2020) in the travel agency sector.

The coefficient of 0.175 for organizational capabilities also underscores their positive effect on performance. This aligns with Chan and Denizci Guillet's (2016) assertion that organizational capability—encompassing the design of innovative travel packages and the establishment of robust partnerships—is essential for navigating market challenges and seizing opportunities. The findings further support Noor et al. (2019), who argue that strengthening organizational capabilities can lead to significant performance improvements through effective resource management and integration.

Organizational culture, with a coefficient of 0.247, similarly exerts a positive influence on performance. This result reflects Saleh's (2022) view that a culture fostering collaboration, innovation, and superior customer service offers a competitive edge. Additionally, the results corroborate Pawirosumarto et al. (2017), who emphasize that a supportive organizational culture is crucial for achieving outstanding performance and fostering growth within the travel agency industry.

The simultaneous test results, which yielded a p-value of 0.000, confirm the significant combined effect of management control systems, organizational capabilities, and organizational culture on organizational performance. This comprehensive insight supports Barusman et al. (2019), who highlight a notable gap in understanding how these factors interact to impact performance in travel agencies. The study's findings contribute valuable insights that can aid in refining management and competitive strategies within the travel industry, particularly in Makassar. Overall, this research enhances our understanding of the interplay between management control systems, organizational capabilities, and organizational culture, addressing a critical gap identified in the literature (Barusman, 2019). These insights are instrumental for guiding decision-makers and practitioners in improving strategies and achieving better performance outcomes in the travel agency sector.

Conclusion

Based on the description of the discussion and analysis results presented, it can be concluded as follows: (a) There is a positive and significant influence of the management control system on organizational performance, (b) there is a positive and significant influence of organizational capabilities on organizational performance, (c) there is a positive influence and significant organizational culture on organizational performance and (d) there is a simultaneous influence of management control systems, organizational capabilities, and organizational culture on organizational performance

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