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

Saifur Rahman[1], Bima Bagus Triadi[2], Dahlia Dahlia[3], Defrizal Defrizal[4], Malik Malik[5]
malik@ubl.ac.id

[12345]Universitas Bandar Lampung

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 and Discussion

The study involved 117 employees from PT. HZ Wisata Indonesia. Among them, 58% were engaged in marketing roles, and 62% were female.

Validity and Reliability Testing

To ensure the reliability and validity of the questionnaire, validity and reliability tests were conducted. An item is valid if rcount > rtable and invalid if rcount < rtable. The reliability was tested using Cronbach's alpha in SPSS Version 24.0, where a variable is reliable if the alpha coefficient is greater than 0.5. The results showed that all items were valid and reliable with a Cronbach alpha value greater than 0.5. Specifically, the Cronbach alpha value was 0.933, indicating high reliability.

Data Normality Test

The data normality test showed that all points were around the linear line, meeting the normality assumption. The Kolmogorov-Smirnov test had a p-value of 0.200, and the Shapiro-Wilk test had a p-value of 0.297, both greater than the alpha value of 0.05, indicating normal distribution.

Multicollinearity Test

The multicollinearity test indicated no multicollinearity symptoms, as all tolerance values were greater than 0.05, and all VIF values were less than 10.

Heteroscedasticity Test

The heteroscedasticity test showed no symptoms of heteroscedasticity, as the p-values for the management control system, organizational capability, and organizational culture variables were more than 0.05.

Regression Model

The regression model obtained was:

$$ Y = 2.050 + 0.664X1 + 0.175X2 + 0.247X3 $$

The constant value of Y is 2.050, indicating that if all independent variables (management control system, organizational capabilities, and organizational culture) have a value of 0, the organizational performance will increase by 2.050.

Regression Coefficients

a. The management control system (X1) has a coefficient of 0.664, indicating a positive influence on organizational performance.
b. he organizational capability (X2) has a coefficient of 0.175, indicating a positive influence on organizational performance.
c. The organizational culture (X3) has a coefficient of 0.247, indicating a positive influence on organizational performance.

Partial Test Results

The partial test showed that the management control system, organizational capabilities, and organizational culture variables significantly influenced organizational performance with p-values of 0.000, 0.049, and 0.003, respectively.

Simultaneous Test Results

The simultaneous test indicated that the management control system, organizational capabilities, and organizational culture significantly influenced organizational performance with a p-value of 0.000.

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

References

Al-Kwifi, O. S., Frankwick, G. L., & Ahmed, Z. U. (2020). Achieving rapid internationalization of sub-Saharan African firms: Ethiopian Airlines' operations under challenging conditions. *Journal of Business Research*, *119*, 663–673. https://doi.org/10.1016/j.jbusres.2019.02.027

Azeem, M., Ahmed, M., Haider, S., & Sajjad, M. (2021). Expanding competitive advantage through organizational culture, knowledge sharing and organizational innovation. *Technology in Society*, *66*, 1–10. https://doi.org/https://doi.org/10.1016/j.techsoc.2021.101635

Barusman, A. R. P. (2019). Supply Chain Strategy and Service Recovery as an Antecedent of Customer Loyalty for Insurance Company. *International Journal of Supply Chain Management* , *8*(5), 285–293. http://excelingtech.co.uk/

Barusman, M. Y. S., Waskito, B., Gultom, I. A., Puspa, A. K., & Redaputri, A. P. (2019). Decision Making Model For Shrimp Farming Sustainability In Indonesia. *International Journal off Scienttific & Technology Research* , *8*(10), 675–681. www.ijstr.org

Chan, G., & Denizci Guillet, B. (2016). Revenue Management: Profit Optimisation for Hong Kong Travel Agencies. In *Tourism and Hospitality Management* (Vol. 12, pp. 95–111). Emerald Group Publishing Limited. https://doi.org/10.1108/S1871-317320160000012008

Deng, X. (2021). *Research on Tourism Driving the Development of the Tertiary Industry*.

Dirisu, J., Worlu, R., Osibanjo, A., Salau, O., Borishade, T., Meninwa, S., & Atolagbe, T. (2018). An integrated dataset on organisational culture, job satisfaction and

performance in the hospitality industry. *Data in Brief*, *19*, 317–321. https://doi.org/10.1016/j.dib.2018.04.137

Faryadi, Q. (2018). PhD Thesis Writing Process: A Systematic Approach—How to Write Your Introduction. *Creative Education*, *09*(15), 2534–2545. https://doi.org/10.4236/ce.2018.915192

Fernandes, S., & Adji Achmad Rinaldo, A. A. R. (2018). The mediating effect of service quality and organizational commitment on the effect of management process alignment on higher education performance in Makassar, Indonesia. *Journal of Organizational Change Management*, *31*(2), 410–425. https://doi.org/10.1108/JOCM-11-2016-0247

Mishra, S., & Datta-Gupta, A. (2018). Chapter 4 - Regression Modeling and Analysis. In S. Mishra & A. Datta-Gupta (Eds.), *Applied Statistical Modeling and Data Analytics* (pp. 69–96). Elsevier. https://doi.org/https://doi.org/10.1016/B978-0-12-803279-4.00004-3

Noor, A., Suryana, M., & Amalia, S. (2019). *E-Business Readiness in Indonesian Small Medium Size Travel Agencies*.

Pawirosumarto, S., Setyadi, A., & Khumaedi, E. (2017). The influence of organizational culture on the performance of employees at University of Mercu Buana. *International Journal of Law and Management*, *59*(6), 950–963. https://doi.org/10.1108/IJLMA-03-2016-0030

Saleh, M. (2022). The Influence of Organizational Culture On Employee Performance In Sukabumi City. *Journal of Governance*, *7*(4). https://doi.org/10.31506/jog.v7i4.18133