



ROLE OF THE INTERNAL CONTROL SYSTEM ON THE MANAGEMENT PERFORMANCE OF BATARA GURU HOSPITAL BELOPA CITY, LUWU REGENCY

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ABSTRACT

Purpose: This study aims to examine the role of the internal control system in influencing the management performance of Batara Guru Hospital. **Methodology:** A quantitative research design was applied, with data collected through questionnaires distributed to 127 hospital employees. Using a full sampling method, 70 respondents provided complete data. The data were analyzed using simple linear regression with SPSS version 21. **Results:** The internal control system was found to have a significant positive effect on management performance. **Findings:** The results highlight the strategic importance of a strong internal control system in achieving organizational goals and improving the quality of hospital services. **Novelty:** This study is among the first to focus on internal control within a regional healthcare institution using a quantitative, data-driven approach. **Originality:** It offers original empirical evidence drawn directly from hospital employees, applying a relevant and rigorous quantitative analysis method. **Conclusions:** An effective internal control system is critical for enhancing management performance. Strengthening internal control practices is recommended to support better hospital service delivery. **Type of Paper:** Quantitative Empirical Research.

INTRODUCTION

An internal control system is a very crucial element in a company, because with this system, the company can achieve the desired goals, such as building an optimal control environment, through the implementation of an effective internal control system. The organization is able to maintain its existence and carry out every activity efficiently and effectively, so that the mutually agreed goals can be achieved in a sustainable manner (Sukmawati and Susilo, 2023).

Internal control refers to the use of all company resources to improve, direct, organize and monitor various activities to ensure the achievement of organizational or company goals. (Sukmawati and Susilo, 2023) noted that effective management practices are inseparable from the existence of an internal control system in a company. A company's goals can be achieved if it is supported by effective internal control, because internal control functions as a tool that helps the company in ensuring that the goals and objectives set are achieved. Internal control structures are

an important form of oversight because of the need to delegate authority and responsibility within an organization (Sukmawati and Susilo, 2023).

The implementation of an internal control system in each installation is one of the crucial aspects to achieve improvements in management performance. The success of the organization in establishing managerial policies requires the support of internal control, because without proper internal control, the organization can lose progress and not function properly. Based on the audit report conducted by the Audit Board of the Republic of Indonesia (BPK), it was revealed that there were 14,501 issues with a total value of Rp8.37 trillion during the audit in the first semester of 2021. This figure consists of 6,617 issues of weaknesses in the internal control system (SPI) and 7,512 issues of non-compliance with regulations worth Rp8.26 trillion, as well as 372 issues related to inefficiency, inefficiency, and ineffectiveness worth Rp113.13 billion.

The most decisive aspect or that can be considered the most important component in achieving the success of an organization is the internal control system that plays an important role in ensuring the smooth operation of the organization. Individuals involved in the implementation of internal control systems in a company need to be able to work together efficiently and function optimally so that the results of management work can take place properly. An efficient internal control system will improve the performance of management (Purwaningsih and Amalia, 2021).

A successful control system can provide the right data to decision-makers or boards to formulate policies and decisions that allow the company to better achieve its goals (Harahap, 2020). An effective internal control system is an important aspect of management and is the basis for stable and safe operations for the company. An efficient internal control system can support management in protecting the company's assets, ensuring the reliability of financial and management reports, improving the company's compliance with applicable regulations, and reducing the possibility of losses, irregularities, and violations in accordance with the principle of prudence (Phapros, 2021).

The internal control system according to ((COSO), 2023) The Committee of Sponsoring Organization (COSO) is a driver given to both individuals and organizations as a whole to ensure that they are moving towards their set goals. According to ((COSO), 2023) The objectives of internal control include operational, reporting, and compliance aspects. The Company implements internal control with several objectives: (1) to ensure that all activities are carried out in accordance with the policies or regulations that are pretend. (2) to protect the company's assets or finances. (3) to achieve the goals set by the company. (4) to present accurate and timely financial statements . (5) to avoid losing the company's resources . (6) to verify that the policies that have been set by the company have been followed. (7) to improve the efficiency and effectiveness of the company's operational activities.

Management performance is the result of work achieved by managers in carrying out management functions, such as planning, organizing, directing, and supervising in an organization. According to (Beno, Silen and Yanti, 2022), management performance can be measured from the manager's effectiveness and efficiency in managing resources to achieve organizational goals. Good performance reflects the manager's ability to make strategic decisions, manage risks, and direct the work team productively (Pusparani, 2021).

According to (Fauziah and Amalia, 2024), managerial performance can be assessed based on the extent to which managers are able to align organizational strategies with operational execution optimally. Factors such as leadership, competence, internal control systems, and organizational culture greatly affect the quality of management performance. Meanwhile, according to (Candra Wijaya and Rifa'i, 2016), management performance assessment is not only seen from the final results (output), but also from the work process undergone, including the ability to prepare work programs, budget management, and coordination between work units. Therefore, measurements that often use success indicators for hospitals can be used as a basis for assessing management performance, namely readiness to survive, development, and productivity.

METHOD

Method of Analysis

This type of research applies a quantitative approach, namely collecting, organizing data, and describing various specific documents, information, and data. By (Sugiyono, 2019), the quantitative method is a research approach based on the philosophy of positivism, used to explore a specific population or sample, data collection is carried out using research tools, data analysis is carried out quantitatively or statistically with the aim of testing a predetermined hypothesis.

The population in this study is 127 employees of the Batara Guru Regional General Hospital (RSUD) located in Belopa City, Luwu Regency, according to the opinion (Sugiyono, 2019). This study uses a full sampling technique, namely a sampling method. Thus, the number of samples in this study is as many as 70 employees of Batara Guru Hospital Belopa City, Luwu Regency as seen from the following table:

Table 1. Sample Selection Criteria

Official	Sum
Finance	1
Administrative Field	6
HR Development and Record Field	4
Medical	41
Field of Nursing	12
Facilities and Infrastructure Supervision Field	4
Supervision and Control Section	2
Service	70
Planning and Reporting Section	
Total	

Source : Data Processed, 2025

The sources of information applied in this study include primary data and secondary data. Primary data is data obtained directly from the original source or collected directly from individuals or groups being studied. On the other hand, secondary data comes from other sources such as scientific articles, books, company information, and explanations related to company structures. The data collection method is carried out by distributing questionnaires containing several statements designed to assess the variables studied, with each variable measured using a five-point Likert scale that includes answers from "strongly disagree" to "strongly agree". The selection of this scale is intended so that researchers can understand variations in respondents' attitudes and perceptions of the problems being reviewed, in line with the objectives of the study. The questionnaire was distributed in an open format, namely a questionnaire that gives respondents the freedom to answer questions or statements proposed by the researcher directly. This aims to be collected and analyzed using the SPSS version 21 application, which includes validity, reliability testing, and simple linear regression testing for hypothesis testing purposes. With this approach, the purpose of the study is to assess the extent to which the development of the internal control system affects the management performance of Batara Guru Hospital, Belopa City, Luwu Regency, with the hope of creating a more effective internal control system for hospital management performance in the future.

RESULTS AND DISCUSSION

RESULTS

Validity Test

Validity testing is a method used to evaluate a questionnaire. A questionnaire is considered valid if the statements represent the concept to be measured. Therefore, in this study, validity was tested by calculating the relationship between the score of each statement item and the total score. The calculation process is carried out with the help of the SPSS (*Statistical Package for Social Science*)

program. The validity test criteria states that if the r count exceeds the value of the r -table, then the questionnaire can be considered valid and vice versa.

The r -value of the table is obtained through the analysis of the degree of freedom (df), calculated using the formula $df=n-k-1$, where n is the total number of respondents and k is the total of the independent variables applied. An instrument is considered valid if the correlation value r is greater than r of the table, while r is calculated less than r of the table, then the instrument is declared invalid. Thus, the value $df=70$ ($n-k-1=70-1-1$)=0.235.

Table 2. Validity Test Results

Variable	Items	Calculation	R table
Control System Internal	X.1	0,680	0,235
	X.2	0,599	0,235
	X.3	0,716	0,235
	X.4	0,684	0,235
	X.5	0,639	0,235
	X.6	0,716	0,235
	X.7	0,684	0,235
	X.8	0,781	0,235
	X.9	0,714	0,235
	X.10	0,742	0,235
Management Performance	Y.1	0,755	0,235
	Y.2	0,709	0,235
	Y.3	0,793	0,235
	Y.4	0,790	0,235
	Y.5	0,753	0,235
	Y.6	0,691	0,235
	Y.7	0,745	0,235
	Y.8	0,840	0,235
	Y.9	0,862	0,235
	Y.10	0,839	0,235

Source : Data processed SPSS21, 2025

Table 2 above shows that it is known that the variables of the Internal Control System (X), and Management Performance (Y) that all statement items for each variable are considered valid. This can be seen from the significance value for each variable of 0.05, so that the statement can be declared valid.

Reliability Test

Reliability testing is a technique used to evaluate a questionnaire that acts as a sign of certain variables. A questionnaire can be stated to be consistent or reliable if a person's response to the statement remains stable over time. Therefore, in reliability testing Cronbach's alpha statistical analysis is used more than 0.60, so the statements in the questionnaire can be considered to have a good level of reliability and vice versa.

Table 3. Reliability Test Results

Variable	Cronbach Alpha	Information
Control System Internal (X)	0,882	Reliable
Management Performance (Y)	0,927	Reliable

Source : Data processed SPSS21

In table 3 above, it can be concluded that the Internal Control System and Management Performance show a level of reliability. This is due to the Cronbach alpha values for these variables exceeding 0.60, which indicates that these variables are worth using in subsequent analysis.

Simple Linear Regression Test

Table 4. Simple Linear Regression Test Results

Variable	coefficient	t-statistic	Sig*
Constant	-1.386	-.362	0,719
Internal control system	1.022	11.544	0,000

N = 70

R² = 0,662

Adj. R² = 0,657

F-Statistic = 133,258 Sig. = 0,000^b

Dependent Variables are management performance while Independent Variables are internal control systems.

*signifikansi pada $\alpha = 0.05$

X is an internal control system; Y management performance; α is a constant, β regression coefficients for independent variable items

In this result, the values of the parameters contained in the simple linear regression equation are displayed. In this context, the simple linear regression equation that has been defined is as follows:

$$Y = a + bX$$

$$Y = -1.386 + 1.022X$$

Where:

X = Internal Control System

Y = Management Performance

From the above information, an equation model of simple linear regression is obtained: A constant value of -1.386 indicates that the fixed value for the management performance variable is -1.386. Meanwhile, the X regression coefficient of 1.022 shows that for every unit increase in the internal control system, the management performance value increases by 1.022 or 10.22%. Because the regression coefficient has a value that indicates a positive, it can be concluded that the influence of variable X on variable Y is beneficial.

To ensure that the results of this method can really be accounted for, this method is equipped with several techniques to test hypotheses, including partial tests (t test), simultaneous tests (F tests), and determination tests (R² test).

Partial Test (t-test)

The hypothesis testing process is carried out a t-test and the results can be seen in the table of coefficients in the t column and the significance column. The t-value of the table is set at 1.667 (df=70(n-k-1)). Based on the significance level of 5% of the t-test results can be found in table 4. The explanation of the significance test is as follows: the significance value of the internal control system on the performance of hospital management is 0.000, which means significant if it is below 0.05. The t-value of the calculation is 11.544 > 1.667 t table, so H_0 is accepted which means that the variables of the internal control system have an effect and are significant on the performance of hospital management.

Simultaneous Test (F Test)

From the results of table 4, it can be seen that the calculated F value is recorded as 133.258. Furthermore, the calculated F value will be compared with the F value of the table, this indicates that the internal control system has an impact of $\alpha=0.05$ and the degree of freedom of the numerator/df (k)=1 (number of independent variables) and the degree of freedom of denominator (n-k-1)=68, obtained the value of the F of the table of 3.13. Thus, the F-value of the calculation of 133.258 is

greater than the 3.13 F-values of the table and sig. (.000) is smaller (0.05). Therefore, it can be concluded that the internal control system has a positive and significant influence on hospital performance at the same time.

Determination Coefficient Test (R^2)

In table 4, the value of R Square shows a figure of around 0.662 or 66.2%. These findings show that the management performance of Batara Guru Hospital Belopa City, Luwu Regency can be described by an independent variable, namely the internal control system of 66.2%, while 33.8% was obtained by factors outside this study.

DISCUSSION

The Influence of Internal Control Systems on Management Performance

The results of the linear regression analysis showed that the coefficient for the internal control system variable was 1.022 with a significance value of 0.000. With these results, it can be concluded that the significance number obtained is more than 0.05, indicating that the implementation of the internal control system is very influential or can be interpreted that the internal control system has an impact on the management performance of the Batara Guru Hospital Belopa City, Luwu Regency. This research is in line with the results revealed by (Nur, 2022), which confirms that the better the internal control system is implemented, the better the management performance will be and the more efficient it will be. This result can be proven through the analysis carried out with the significance of the simple linear regression coefficient on the internal control system variable.

The results of this study are in line with the research conducted by (Purwaningsih and Amalia, 2021), which indicates that the internal control system has a positive and significant influence on the company's performance. Furthermore, In a study conducted by (Sukmawati and Susilo, 2023), it was revealed that the results of this regression analysis show support for the hypothesis put forward in this study. First, related to the Management Control System (X1), an alternative hypothesis (H1) that implies a significant relationship between the Management Control System and the Financial Performance of Jombang Hospital is accepted.

The findings of this study are in line with the agency's theory that increased participation in internal control systems is associated with improved performance (Aspati, 2023). The existence of an internal control system in the hospital will ensure that the institution will implement measures to monitor the progress and sustainability of performance and confirm that performance remains in accordance with the expected quality standards in order to produce accurate and valuable information (Atikah, 2021).

CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that the internal control system plays an important role in improving the management performance of Batara Guru Hospital in Belopa City, Luwu Regency. The implementation of an internal control system that includes the dimensions of the control environment, risk evaluation, communication and information, and supervision activities has been proven to have a positive impact on the effectiveness of hospital management. These four dimensions support each other in creating a more organized and accountable management system, thereby encouraging the achievement of more optimal performance. Although the results of the study show a strong tendency towards the positive influence of the internal control system, this study has limitations in the scope of respondents which only includes internal employees of the Batara Guru Hospital, as well as the use of quantitative approaches that have not delved deeper into other contextual factors. Therefore, further research is expected to expand the objects and methods of research to gain a more comprehensive understanding of the role of internal control systems in the health service sector.

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