FINANCIAL REPORT QUALITY, ACCOUNTING INFORMATION SYSTEMS, INTERNAL CONTROL SYSTEMS, AND LABOR EFFICIENCY’S EFFECT ON MANAGERIAL PERFORMANCE AT PT. KAHATEX

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Abstract
This research was conducted at PT. Kahatex. The purpose of this study is to analyze the effect of the quality of financial reports, the role of accounting information systems, internal control systems, and workforce efficiency on the managerial performance of PT. Kahatex. The population and sample in this study are 45 financial employees of PT. Kahatex. The sampling technique used is a census sampling. The data collection techniques used are questionnaires, interviews, and documentation studies. The type of data used is quantitative data. Data analysis uses multiple linear regression analysis. The conclusion of the study is that simultaneously and partially, the quality of financial reports, the role of accounting information systems, internal control systems, and workforce efficiency have a positive and significant effect on the managerial performance of PT. Kahatex.

Keyword: Quality of Financial Reports, Role of Accounting Information Systems, Internal Control Systems, Workforce Efficiency, Managerial Performance

INTRODUCTION
Managerial performance is one of the factors that can improve organizational effectiveness. By measuring performance, it can ensure that decision-making is done correctly and objectively. Managerial performance is the result of a company's operational activities for decision-making that will be used for the future after the company's activities in the past, which aims to measure how effective and efficient managers have worked to achieve organizational goals. Every organization is run by people, so an assessment of human behavior in performing their roles in the organization needs to be conducted. In this current era, only companies that are able to achieve efficiency, quality improvement, and improved company performance can maintain the survival of the company and be able to advance and continue to develop. This
condition demands business actors to improve performance that cannot be separated from the ability to plan, coordinate, and control various activities and resources owned.

Financial reporting is an integral part of a company. Financial reporting provides various information related to the company, such as the financial position and performance of the company. Financial reporting comes from the accounting process which includes identification, measurement, recording and means of economic communication. The results of research conducted by Nurhasanah (2017) showed that the quality of financial reporting affects managerial performance. Financial reporting is very useful for both internal and external parties. Internal parties such as directors and managers require financial reporting to make decisions regarding the company’s short and long-term strategies, as well as a tool for controlling and evaluating managerial and operational performance.

Information systems have a significant impact on decision-making within a company. Managers require information in order to make decisions, which can include financial or non-financial data. The results of a study conducted by Elfaba (2016) showed that the role of accounting information systems has an impact on managerial performance. A reliable accounting information system also influences managerial performance. An accounting information system is designed to produce financial information that is used by its users to make decisions and determine the steps that must be taken to support operational activities and develop the company.

To maximize managerial performance, control is certainly needed. Control is carried out by a leader called a manager. The internal control system includes organizational structure, methods, and measures that are coordinated to maintain the organization’s assets, check the accuracy and reliability of accounting data, promote efficiency, and encourage compliance with management policies. A good manager is one who understands the concept of managerial performance and can communicate it well and be accountable for it. The results of research conducted by Sopiyatna (2017) found that the internal control system has an impact on managerial performance. Therefore, it is expected that effective internal control will have an impact on performance.

Efficiency is one of the ways for a company to effectively manage its financial resources, materials, processes, equipment, workforce, and costs. Companies with efficient operations do not waste resources. The research conducted by Kurniawati (2018) found that labor efficiency has an impact on managerial performance. An operation is considered inefficient if a company spends more resources than necessary.

PT. Kahatex is a company engaged in the palm oil industry. The company has experienced a decline in managerial performance, reflected by a decrease in the company’s revenue, which
was caused by a decrease in the quality of financial reports. This can be seen from the lack of understanding of accounting standards, poor financial management systems, lack of accounting staff competence, slow, difficult, and inaccurate information, as well as a decrease in labor efficiency, which is reflected in the poor quality of work with low levels of accuracy.

The declining quality of PT. Kahatex's financial statements can be seen from the information contained in the financial reports that are less relevant in helping evaluations, lack of understanding of accounting standards which triggers an increase in errors in recording financial statements, poor financial management systems, and lack of competent accounting staff to support it.

The role of accounting information systems is a system designed to process data related to a company's accounting and is expected to produce relevant outputs for decision-making. The role of PT. Kahatex's accounting information system in inaccurate decision-making is due to slow information caused by a lack of user expertise in the accounting information system, incomplete and inaccurate information attached to the accounting information system, where data is only updated periodically according to the company's needs.

Internal control also includes encouragement given to individuals or specific employees in certain parts of the organization or the organization as a whole to run according to the goals. With the presence of internal control, all processes of audit, review, evaluation, monitoring, and other supervision activities towards the organization in order to provide adequate confidence that activities have been carried out in accordance with effectively and efficiently established benchmarks. The internal control system of PT. Kahatex is less than optimal due to the management's lack of commitment to supporting the internal control system activities in PT. Kahatex, as well as several guidelines that have not been running effectively.

Workforce efficiency is the optimal comparison between a job performed and the results achieved by that job, in accordance with the targeted quality and outcomes. Process efficiency generally concerns the effective utilization of work hours in producing a product. Efficiency of working capital generally concerns the effective utilization of working capital in the manufacturing process. Decreased workforce efficiency is evident in jobs that are not completed efficiently, where many employees do not finish their work on time, resulting in delays in financial reporting.

Quality of Financial Statements

According to Nasution et al., (2019), financial statements are considered relevant if the information presented is relevant to users’ needs and can influence their decisions by helping them evaluate past or current events, predict the future, and correct their past evaluations. Information is considered relevant if it meets certain criteria, such as feedback value, predictive
value, timeliness, and completeness. For information to be considered relevant, for example in financial statements, it must be timely, that is no later than 2 (two) months after the end of the fiscal year.

**Internal Control System**

According to Septiani (2018), internal control is a set of policies and procedures to safeguard the wealth of the organization, ensure the availability of accurate accounting information, promote efficiency, encourage compliance with management policies, and ensure that they are properly implemented by all members of the organization/company's employees.

**Efficiency of Workforce**

According to Rahman (2017), work efficiency is one of the objectives of collaboration to carry out activities in an organization with the hope of obtaining desired results with as minimal effort as possible in accordance with existing standards. The minimal effort is associated with the use of physical energy, mental, time, space, objects, and money. In other words, work efficiency is the implementation of certain ways without reducing its goals and is the easiest way to work, the cheapest cost, the shortest time, the lightest burden, and the shortest distance.

**Managerial Performance**

According to Tambun (2021), managerial performance is the achievement of a company/organization through a series of processes or frameworks, which involve a group of people as a business unit to achieve goals during a certain period. To determine the managerial performance achieved, performance measurement needs to be conducted.

**Framework of Thinking**

Based on the above explanation, the conceptual framework in this study can be depicted as follows:

*Figure 1. Framework of Thinking*
METHOD

The population of this study is 45 finance employees, and the sample consists of 45 finance employees in PT. Kahatex. The type of data used in this study is quantitative data. Data collection related to the research problem is done by using a questionnaire, interview, and documentation. The data analysis technique used in this study is multiple linear regression analysis.

RESULTS AND DISCUSSION
Normality Test

The results of the normality test can be seen in the following:

Table 1. Normality Test Results

<table>
<thead>
<tr>
<th>Source: Research Results, 2021 (processed data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Kolmogorov Smirnov normality test yielded a significance value of 0.200 &gt; 0.05, indicating that the data is normally distributed. In addition to normality testing using the Kolmogorov-Smirnov test, graphical analysis using a histogram and normal probability plot can also be used. The following are the results of normality testing using a histogram and normal probability plot analysis.</td>
</tr>
</tbody>
</table>
Figure 2. Normality Test Histogram

The figure shows that the actual data forms a curve that tends to be symmetrical (U-shaped) and does not skew to the left or right, thus it can be concluded that the data is normally distributed.

Multicollinearity

The following multicollinearity test results:

Table 2. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients $^a$</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Coefficients</td>
<td>Standardized Coefficients</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.01</td>
<td>1.237</td>
</tr>
<tr>
<td>KualitasLaporanKepang</td>
<td>2.14</td>
<td>0.695</td>
</tr>
<tr>
<td>PerananSistemInformasiAsAkuntansi</td>
<td>2.56</td>
<td>0.799</td>
</tr>
<tr>
<td>SistemPengendalianNasional</td>
<td>2.94</td>
<td>0.120</td>
</tr>
<tr>
<td>EfisiensiKerja</td>
<td>3.23</td>
<td>0.134</td>
</tr>
</tbody>
</table>

$^a$ Dependent Variable: KinerjaManajerial

Source: Research Results, 2021 (processed data)

Table 2 above shows tolerance values > 0.1 and VIF values < 10. Therefore, in the multicollinearity test, there is no correlation between independent variables.
Heteroscedasticity Test

Heteroscedasticity test aims to test the difference in residual variance from one observation period to another. The results of the heteroscedasticity test can be seen in the following figure:

![Figure 3. Heteroscedasticity Test](image)

*Source: Research Results, 2021 (processed data)*

Figure 2 shows that the data points are scattered with an unclear pattern both above and below zero (0) on the Y-axis and are not clustered in one place. Therefore, it can be concluded that there is no heteroskedasticity in the regression model.

Table 3. Glesjer Test

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.984</td>
<td>1.265</td>
</tr>
<tr>
<td>KualitasLaporanKeangan</td>
<td>0.014</td>
<td>0.051</td>
</tr>
<tr>
<td>PerananSistemInformasiAkuntansi</td>
<td>-0.077</td>
<td>0.053</td>
</tr>
<tr>
<td>SistemPengendaliannInternal</td>
<td>0.037</td>
<td>0.064</td>
</tr>
<tr>
<td>EfiensiKerja</td>
<td>0.032</td>
<td>0.071</td>
</tr>
</tbody>
</table>

*Source: Research Results, 2021 (processed data)*

Table 3 above shows the significant value of financial statement quality ($X_1$) at $0.791 > 0.05$, the significant value of the role of accounting information systems ($X_2$) at $0.149 > 0.05$, the significant value of internal control ($X_3$) at $0.568 > 0.05$, and the significant value of workforce efficiency ($X_4$) at $0.654 > 0.05$. It can be concluded that there is no heteroskedasticity in this study.
Result of Multiple Linear Regression Analysis

The multiple linear regression analysis model can be seen in the table below, which is:

**Table 4. Result of Multiple Linear Regression Analysis**

| Source: Research Results, 2021 (processed data) |

Managerial Performance = 2.011 + 0.214 Financial Statement Quality + 0.260 Role of Accounting Information Systems + 0.254 Internal Control System + 0.323 Workforce Efficiency + e

1. **Constant = 2.011**

   If the financial statement quality, role of accounting information systems, internal control system, and workforce efficiency do not increase or remain constant, then the managerial performance is 2.011.

2. **The Regression Coefficient for Financial Statement Quality = 0.214**

   The regression coefficient for financial statement quality is 0.214 and has a positive value. This means that every increase of one unit in the financial statement quality will increase the managerial performance by 0.214 units, assuming that the other variables remain constant.

3. **The Regression Coefficient for Role of Accounting Information Systems = 0.260**

   The coefficient of regression for the role of accounting information system is 0.260 and is positive, which means that every increase in the amount of accounting information system role by one unit will increase managerial performance by 0.260 units, assuming that the other variables remain constant.

4. **The Regression Coefficient for Internal Control System = 0.254**

   The coefficient of regression for internal control system is 0.254 and is positive, which means that every one unit increase in the internal control system will increase the managerial performance by 0.254 units, assuming that other variables remain constant.

5. **The Regression Coefficient for Workforce Efficiency = 0.323**
The regression coefficient of workforce efficiency is 0.323 and positive, which means that every increase of one unit in workforce efficiency will increase managerial performance by 0.323 units with the assumption that other variables remain constant.

**Coefficient of Determination**

Result of the coefficient of determination test can be seen in the table below:

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.840*</td>
<td>.705</td>
<td>.674</td>
<td>4.68514</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), EfisiensiKerja, SistemPengendalianInternal, KualitasLaporanKeuangan, PerananSistemInformasiAkuntansi*  
*b. Dependent Variable: KinerjaManajerial*

*Source: Research Results, 2021 (processed data)*

The value of adjusted R Square is 0.674, which means that the financial statement quality, the role of accounting information systems, internal control systems, and workforce efficiency can explain managerial performance by 67.4%, while the remaining 32.6% is influenced by other unexamined variables such as competency, information quality, frequency of use, and so on.

**Simultaneous Hypothesis Testing (F-Test)**

Here are the results of the simultaneous hypothesis test in the table below:

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>4</td>
<td>493.440</td>
<td>22.708</td>
<td>.000*</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>36</td>
<td>21.951</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. Dependent Variable: KinerjaManajerial*  
*b. Predictors: (Constant), EfisiensiKerja, SistemPengendalianInternal, KualitasLaporanKeuangan, PerananSistemInformasiAkuntansi*  

*Source: Research Results, 2021 (processed data)*

Therefore, the calculated F value (22.708) > the tabled F value (2.62) with a significance value of 0.000 < 0.05. Thus, Ho is rejected and Ha is accepted, indicating that the quality of financial reports, the role of accounting information systems, internal control systems, and workforce efficiency have a positive and significant effect on the managerial performance of PT. Kahatex.
Partial Hypothesis Testing (t-test)

The following is the table of partial hypothesis testing results:

Table 7. Partial Hypothesis Testing (t-test)

| Source: Research Results, 2021 (processed data) |

Thus, the variable of financial statement quality obtains the value of t count (2.250) > t table (2.024) and the significance value is 0.030 < 0.05. This means that Ho is rejected and Ha is accepted, which means that financial statement quality has a positive and significant effect on the managerial performance of PT. Kahatex. The variable of the role of accounting information system obtains the value of t count (2.629) > t table (2.024) and the significance value is 0.012 < 0.05. This means that Ho is rejected and Ha is accepted, which means that the role of accounting information system has a positive and significant effect on the managerial performance of PT. Kahatex. The variable of internal control system obtains the value of t count (2.126) > t table (2.024) and the significance value is 0.040 < 0.05. This means that Ho is rejected and Ha is accepted, which means that the internal control system has a positive and significant effect on the managerial performance of PT. Kahatex. The variable of workforce efficiency obtains the value of t count (2.411) > t table (2.024) and the significance value is 0.021 < 0.05. This means that Ho is rejected and Ha is accepted, which means that workforce efficiency has a positive and significant effect on the managerial performance of PT. Kahatex.

The Influence of Financial Report Quality on Managerial Performance of PT PT. Kahatex

The results of the partial hypothesis testing using t-test, for the variable of financial report quality obtained a t-value of (2.250) > t-table (2.024) and a significance value of 0.030 < 0.05, which means that Ho is rejected and Ha is accepted, namely that financial report quality has a positive and significant effect on managerial performance of PT. Kahatex. These results are in line with research conducted by Nurhasana (2017) which found that financial report quality has an effect on managerial performance. Financial reporting is very useful for both internal and
external parties of the company. Internal parties such as directors and managers require financial reporting to make decisions regarding short and long-term strategies of the company, as well as a tool for controlling and evaluating managerial and operational performance. The decline in the financial report quality of PT. Kahatex can be seen from the information contained in the financial report that is less relevant in assisting evaluation, lack of understanding of accounting standards which triggers an increase in errors in recording financial reports, poor financial management systems, and lack of competence of accounting staff. The decrease in financial report quality that is reflected in the level of errors such as income statement or profit and loss statement and balance sheet often has to be revised due to data discrepancies such as bank loans, building rents, and employee salaries that often need to be revised.

**The Influence of the Role of Accounting Information System on Managerial Performance of PT. Kahatex**

The partial hypothesis testing using t-test for the variable of accounting information system role obtained a t-value of (2.629) > t-table (2.024) and a significant value of 0.012 < 0.05, which means that Ho is rejected and Ha is accepted, indicating that the role of accounting information system has a positive and significant influence on the managerial performance of PT PT. Kahatex. This result is in line with the research conducted by Elfaba (2016) which found that the role of accounting information system has an effect on managerial performance. According to Krismiaji (2017:4), 'Accounting information system is a system that processes data and transactions to generate useful information for planning, controlling, and operating a business.' The role of accounting information system is designed to process company accounting data and is expected to produce relevant outputs for decision making. The role of accounting information system is a more effective and efficient data processing process, with ease of data processing and high-quality outputs that are useful for the company. The resulting information is financial reports that are used as a source of decision making by various parties. The role of accounting information system in PT. Kahatex that leads to inaccurate decision-making is due to the slow information due to lack of expertise in using the accounting information system, incomplete and inaccurate information in the accounting information system, and data that are only periodically updated according to the company's needs. When using the system for the first time, the accounting department employees are required to memorize many accounts. The obstacle often encountered by the company is related to the human resource expertise that is still not supporting in the accounting information system.
The Influence of Internal Control System on Managerial Performance of PT. Kahatex

The results of the partial hypothesis testing using t-test for the internal control system variable obtained the t-value (2.126) > t-table (2.024) and a significant value of 0.040 < 0.05, meaning that Ho is rejected and Ha is accepted, indicating that the internal control system has a positive and significant influence on the managerial performance of PT. Kahatex. These results are consistent with the research conducted by Sopiyatna (2018) which found that the internal control system has an influence on managerial performance.

Internal control also includes the encouragement given to individuals or specific employees in the organization or the organization as a whole to run in accordance with objectives. With the presence of internal control, all audit, review, evaluation, monitoring, and other supervision activities against the organization can be carried out effectively and efficiently in order to provide adequate confidence that the activities have been carried out in accordance with established benchmarks. However, the internal control system of PT. Kahatex is less than optimal due to the lack of management commitment that supports the implementation of internal control activities in the company, as well as several guidelines that have not been effectively implemented. This is reflected in the performance evaluation, as there are many instances where procedures established by PT. Kahatex are not followed.

The Influence of Labor Efficiency on Managerial Performance of PT. Kahatex

The results of partial hypothesis testing using the t-test, for the variable of work efficiency, obtained a t-value (2.411) > t-table (2.024) and a significant value of 0.021 < 0.05, which means that Ho is rejected and Ha is accepted, namely that work efficiency has a positive and significant influence on the managerial performance of PT Kahatex. This result is in line with the research conducted by Kurniawati (2018), which found that work efficiency has an influence on managerial performance. Martono (2019:101) defines efficiency as minimizing costs as low as possible to increase profits. Broadly speaking, efficiency is the best comparison between inputs and outputs between profits and resources used, as well as the maximum results achieved using limited resources.

Efficiency is one way for companies to effectively manage financial resources, materials, processes, equipment, labor, and costs. Companies with efficient operations will not waste resources. Work efficiency is the best comparison between a job done and the results achieved by that job in accordance with the targets, both in terms of quality and results. Process efficiency, in general, discusses the effective use of working hours in producing products. Efficiency, in general, discusses the effective use of working capital in the manufacturing process. The decreased work efficiency at PT Kahatex is evident in the quality of work that has not reached
good levels of accuracy. This is reflected in the level of completion of work that is not timely and work results that often experience errors in inputting financial data.


The results of the hypothesis testing simultaneously using the F test, obtained the calculated F value (22.533) > F table (2.62) with a significance value of 0.000 < 0.05, then Ho is rejected and Ha is accepted, which means that the quality of financial reports, the role of accounting information systems, internal control systems, and labor efficiency have a positive and significant influence on the managerial performance of PT. Kahatex. These results are in line with the research conducted by Elfaba (2016) and Kurniawati (2018) which found that the quality of financial reports, the role of accounting information systems, internal control systems, and labor efficiency have an influence on managerial performance. These companies experienced a decline in managerial performance reflected in the decrease in the company's revenue of PT. Kahatex which was caused by the decreasing quality of financial reports seen from the lack of understanding of accounting standards, poor financial management systems, lack of accounting staff competence, slow and inaccurate information, and decreased labor efficiency seen from the quality of work results that are not accurate.

**CONCLUSION**

Based on the discussion, it is found that the quality of financial reports has a positive and significant influence on the managerial performance of PT. Kahatex. The role of accounting information system has a positive and significant influence on the managerial performance of PT. Kahatex. The internal control system has a positive and significant influence on the managerial performance of PT. Kahatex. The efficiency of workforce has a positive and significant influence on the managerial performance of PT. Kahatex. The quality of financial reports, the role of accounting information system, the internal control system, and the efficiency of workforce have a positive and significant influence on the managerial performance of PT. Kahatex.

The recommendations of this study are to improve the quality of financial reports by improving the financial system that is more easily understood, clear and well-implemented budgeting procedures, and innovative information technology support. Improve the role of accounting information systems by designing formulas and documents or displays of accounting information systems that are easy to fill in and accurately analyzed, implementing process methods or equipment installations that are smoothly and quickly connected for each financial
employee, and monitoring damage to accounting information systems, which needs to be done once a week to ensure that the entire system runs well.

REFERENCES


