

Research Article

The Influence of Management Control Systems on the Financial Performance of Hospitals

Masagus Asaari^{1*}, Suhirman Madjid²

^{1,2} Faculty of Economics and Business, YARSI University, Jakarta

Corresponding author: Masagus Asaari (masagus.asaari@yarsi.ac.id)

Received: 08-06-2023; Accepted: 17-10-2023;

Abstract

The financial performance of a hospital largely determines the service quality of a hospital. The hospital's financial performance requires a hospital management control system consisting of structures and processes. This study aims to determine whether the Management Control Structure and Management Control Process influence the financial performance of Hospitals in the Municipality of Bogor and Bogor Regency for the 2016 period. This type of research is explanatory research; the data sources are primary and secondary data. Primary data collection techniques using questionnaires and secondary data collection with documentation. This study used a population of 16 hospitals in the Municipality and Bogor Regency. The analysis used is hypothesis testing, with the data analysis method used is Path Analysis. The results showed that the Management Control Structure and Management Process had a positive direct effect, either partially or simultaneously, on the Financial Performance of Hospitals in Bogor Municipality and Bogor Regency.

Keywords: Management Control Structure, Management Control Process, Hospital Financial Performance, Path Analysis

JEL Classification: H23, H26

How to cite: Asaari, M., Madjid, S., (2023). The Influence of Management Control Systems on the Financial Performance of Hospitals, *Research of Accounting and Governance (RAG)* 2(1), 1-12



This is an open-access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) international license.

1. Introduction

The direction of national development is to create a healthy Indonesian society because a healthy society is a basic capital for development. This issue concerns the government paying attention to health facilities, namely hospitals. Hospitals must always exist and develop and always be able to provide public health services at affordable prices and of good quality (Mongan, 2019).

The hospital is an organization engaged in health services to the community. Hospitals available to the community must be sufficient and meet the hospital's requirements (Mahfudhoh & Muslimin, 2020). Currently, the government is experiencing obstacles in fulfilling health services by increasing the number of hospitals, so the government allows the private sector to establish and manage a hospital. Apart from seeking profit, hospitals must be able to carry out their social functions in providing health services to the community. This meaning follows Chapter 1, Article 1, Guidelines for Organizing the Hospital Ethics Committee and Indonesian Hospital Ethics Honorary Council Persi – Makersi, which reads: "Hospitals are health service institutions that have been determined and regulated by the laws and regulations of the Republic of Indonesia. As a health service facility, a hospital is a socio-economic unit that must prioritize humanitarian tasks and social functions. (www.pdpersi.co.id).

In its operational activities, the hospital requires costs such as doctor's services, medical devices, medicines, electricity, and the use of equipment with new and sophisticated technology to improve better service and so on (Fadilla & Setyonugroho, 2021). Besides that, the hospital must also provide quality services at a relatively affordable cost to the community. This condition resulted in a dilemma for hospitals, namely that they must always be able to provide affordable medicines and medical service infrastructure for the community without reducing the quality and quantity of their services (Mustofa et al., 2020).

In an organization, in this case, the hospital that has the most interest in achieving organizational goals is the top management of the hospital, namely the hospital director. So a hospital should be led by a manager who understands medical issues and also understands hospital management so that the hospital organization can survive and develop (Yantu, 2021). Hospital development is realized through improving hospital quality, increasing efficiency and effectiveness of hospitals through organizational and institutional arrangements, and optimal use of resources; this is necessary so that hospitals as an organization have a competitive advantage (Budo et al., 2020).

As an organization, the hospital's activities begin with the planning process activities. Planning is carried out through activities that involve individuals in the hospital organization (Purnama & Syaefullah, 2013). For the goals of the hospital organization to be achieved as planned, these individual activities must be directed. It is often forgotten that individuals, as the driving force of an organization in general, also have personal desires or goals. Personal goals are often not aligned with organizational goals; if this happens, organizational performance will be poor. For alignment between personal and organizational goals, good management control is needed, which is called a Management Control System (Chandra, 2017).

Besides existing at the central level, the Indonesian Hospital Ethics Honorary Council was also formed at the regional level. Makersi was formed with the aim that hospital personnel can carry out their functions according to the provisions of the Indonesian Hospital Code of Ethics (Kodersi). Thus the existence of regional hospitals can provide quality and affordable public health services. This is inseparable from the objectives of the management control system at the hospital, which aims to direct and ensure that the strategies implemented are in accordance with the goals to be achieved by the hospital by designing elements of the management control system consisting of structures and processes (Dandel et al., 2021).

The management control system according to Mulyadi (2001), a management control system is a system that is used to plan various activities to realize the vision of the organization through the selected mission and to implement and monitor the implementation of the planned activities.

According to Arief Suadi (2001), a management control system is a system consisting of several interrelated child systems, namely programming, budgeting, accounting, reporting, and accountability, to help management influence other people in a company so that they want to achieve company goals through strategy particular effectively and efficiently.

Manager success in managing a hospital is only possible if all hospital employees support it. The management function, which consists of planning, coordinating, directing, and controlling, is carried out by the manager so that the hospital's success is under the goals set.

The purpose of this research is to determine whether structure, process, and direct and indirect management control influence the financial performance of hospitals in Bogor Municipality and Bogor Regency. This research was conducted so that it can be used as information about the importance of management control systems in relation to hospital financial performance.

2. Literature Review and Hypothesis

Management Control System

To achieve organizational goals, all activities always start with a plan, which is then translated into a strategic plan. According to Mulyadi (2001), Comprehensive and coherent strategic planning consists of three components: (1) strategic goals, (2) targets, and (3) strategic initiatives. A strategic initiative is needed to realize the strategic goals as an action plan that the company will implement.

The problem of control is increasingly becoming a problem that needs serious attention if the organization grows larger so that it is no longer possible for top management to carry out control with only a few people; some of the authority must be delegated to their subordinates.

Management control ensures that the strategy implemented follows the organization's goals to be addressed (Halim et al., 2000). So if a manager finds a better way of day-to-day operations, management control should allow the manager to do it the way he thinks is right.

The formal management control process includes four phases: strategic planning, budgeting, operations, measurement, reporting, and evaluation (Anthony & Young, 2003). The four phases of the process are carried out sequentially in a regular cycle. The first process becomes the basis for the implementation of the next process, and so on.

Financial Performance

The performance measurement system is a mechanism for improving the organizational environment to implement the company's strategy successfully. Performance measurement can be done from two sides, namely, from a financial perspective and a non-financial perspective. However, the parameters often used in measuring a company's performance use a financial approach, where the information is taken from financial reports or other sources of financial reports (Syakhroza, 2000).

Accountability Accounting System

A responsibility accounting report is a tool for knowing and assessing the performance of managers under them by managers above them. The report contains data or information about the budget, realization, and the difference between the budget and the realization. Accountability accounting reports can be prepared properly if the accounting system is also good. In the responsibility accounting report, the section manager is only responsible for what he can control.

Research Hypothesis

Based on the research background and framework that has been described previously, the hypotheses in this study are:

- H1: The management control structure directly affects the management control process in hospitals in Bogor Municipality and Bogor Regency.
- H2: The management control process directly affects the financial performance of hospitals in Bogor Municipality and Bogor Regency.
- H3: The management control structure, directly and indirectly, affects hospitals' performance in Bogor Municipality and Bogor Regency.

3. Data and Method

Research methods

The method used is explanatory research, which aims to clarify the relationship between the variables used in this study by testing the established hypotheses. In contrast, the technique used is Cross Sectional.

The object of research.

The object of this research consists of two variables, namely the independent/independent variable (X) and the dependent/bound variable (Y). Independent variables in this study are Management Control Structure (X1), Management Control Process (X2). The dependent/bound variable in this study is Financial Performance.

Research design

This research is to obtain information data about the magnitude of the influence of the Management Control System on Financial Performance in hospitals in Bogor Municipality and Bogor Regency. Under the above intention, the data collection method in this study uses the total sampling or census method because the population is relatively small and easy to reach.

Research Population

The population is the entire collection of elements observed in a study or the entire collection of elements that can be used in making some conclusions. In this study, the elements are all Bogor Municipality and Bogor Regency hospitals. According to the list of hospitals registered with the Bogor Regency and Municipal Health Office, there are 16 hospitals in Bogor Municipality and Bogor Regency.

Data Collection Procedures

The type of data in this study is primary data, which is obtained directly from the source, namely the respondent. Respondents here are hospital leaders in Bogor Municipality and Bogor Regency. Respondents will be sent several questions in the list of questions in the form of a questionnaire.

Data Analysis Method

A path analysis test is carried out to determine the effect of the management control system on financial performance. The choice of path analysis is based on the consideration that the relationship pattern between variables in this study is correlative or causal. The ordinal scale is converted first to an interval scale using the method of successive intervals.

4. Results

Research Respondents

The study results were obtained through answers to questionnaires delivered directly to sixteen hospitals in Bogor Municipality and Bogor Regency. Filling in this questionnaire was carried out by the respondents: The Director of the Hospital or Deputy Director of Medical Services and Deputy Director of Administration and Finance.

Questionnaires filled out by the respondents were delivered directly by the researchers and taken by them. The number of questionnaires distributed to respondents in the sixteen hospitals was the same as the number of questionnaires returned. Each questionnaire contains some questions which are divided into three parts, namely:

- a) Hospital data, which contains the name of the hospital, hospital address, hospital type
- b) Question Type I, which contains questions about the structure of management control, management control process
- c) Question Type II, which contains questions about the financial performance of the hospital

Description of Respondent Response Data

Respondent response data from the research results will be described in two ways; the first is by means of tabulations or frequency tables, and the second is through the total score of the answers.

The evaluation criteria for each item statement were then compiled from the number of score-answers of the respondents obtained. The determination of the score criteria for respondents' answers is based on the range between the maximum score and the minimum score, where the maximum score that may be obtained from all respondents is $16 \times 5 = 80$ (this happens if all respondents choose the highest answer category for the statement item). The minimum score that may be obtained from all respondents is $16 \times 1 = 16$ (occurs if all respondents choose the lowest answer category for the statement item).

Then the maximum and minimum values range is divided by five to determine the criteria for the statement items studied. The criteria used in assessing the statement items are: Very good, Good, Pretty good, Deficient and Not good, which are arranged based on the range of scores as shown in the following table:

Table 1. Assessment Criteria Statement Items

No.	Total score	Assessment criteria
1	16 – 28	Not good
2	29 – 41	Deficient
3	42 – 54	Pretty good
4	55 – 67	Good
5	68 – 80	Very good

Data Testing

Before the research data is processed, it is first tested on research measuring instruments to prove whether the measuring instruments used have validity and reliability to measure what should be the measuring function.

1. The results of testing the validity of the statement items on the management control structure variable using Spearman's rank correlation show that all statement items are valid with the smallest correlation coefficient value of 0.472 and the largest correlation coefficient value is 0.770, thus all correlation coefficients of statement items with a total greater than stable (0.429).

The results of calculating the reliability coefficient of the 13 statement items on the management control structure variable using the split-half method were obtained at 0.9150; this result indicates that if this measuring instrument is used many times, it is expected that as much as 91.50% of the results will be relatively the same. With a reliability coefficient 0.9150, the 13 statement items are reliable for measuring the management control structure.

2. The results of testing the validity of statement items on the management control process variable using Spearman's rank correlation show that all statement items are valid with the smallest correlation coefficient value of 0.464 and the largest correlation coefficient value is 0.751, thus all the correlation coefficients of statement items with a total greater than stable (0.429).

The results of calculating the reliability coefficient of the 13 statement items on the management control process variable using the split-half method were obtained at 0.8459; this result indicates that if this measuring instrument is used many times, it is expected that as much as 84.59% of the results will be relatively the same. With a reliability coefficient of 0.8459, the 13 statement items are reliable for measuring the management control process.

3. The results of testing the validity of statement items on financial performance variables using Spearman's rank correlation show that all statement items are valid with the smallest correlation coefficient value of 0.550 and the largest correlation coefficient value is 0.866, thus all correlation coefficients of statement items with a total greater than table (0.429).

The results of calculating the reliability coefficient for the 7 statement items on the financial performance variable using the split-half method were obtained at 0.9087; this result indicates

that if this measuring instrument is used many times, it is expected that as much as 90.87% of the results will be relatively the same. With a reliability coefficient of 0.9087, the 7 statement items are reliable for measuring financial performance.

Path Analysis

Sub Structure 1

Substructure 1 explains the first hypothesis proposed in this study: The Management Control Structure positively affects the Management Control Process at hospitals in Bogor Municipality and Bogor Regency.

The path coefficient that describes the positive influence of the management control structure (X1) on the management control process (X2) in hospitals in Bogor Municipality and Bogor Regency is expressed through the path coefficient X1 to X2, which is the same as the correlation coefficient X1 and X2 or $p_{x_2x_1} = r_{x_2x_1}$, i.e., 0.7532. The magnitude of the positive influence of the Management Control Structure on the Management Control Process in hospitals in Bogor Municipality and Bogor Regency is expressed by the coefficient of determination X1 to X2 or $R^2_{x_2x_1}$, namely 56.73% or 0.5673. The path coefficient that describes the strong influence of other variables on the Management Control Process is expressed in the path coefficient of the external variable to X2 or $p_{x_2\epsilon_1}$, namely 0.6578. The magnitude of the influence of other variables on the Management Control Process is expressed by the coefficient of determination of the external variable on x2 or $p^2_{x_2\epsilon_1}$ of 0.4327.

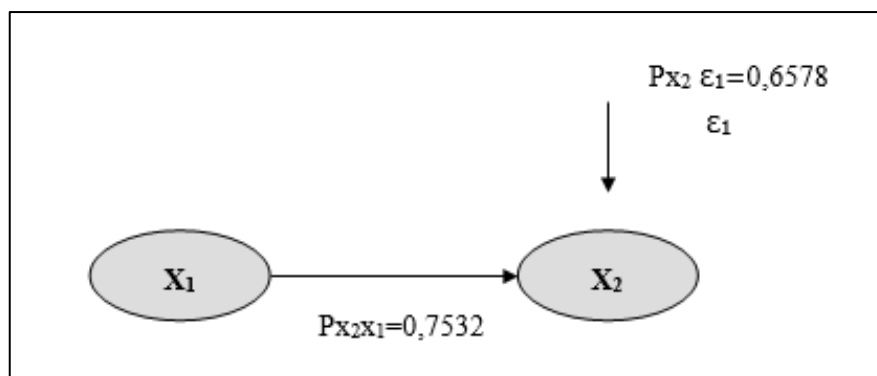


Figure 1. Sub Structure 1

Sub Structure 2

Substructure 2 is used to explain the second hypothesis proposed in this study, namely, the Management Control Process positively affects financial performance in hospitals in Bogor Municipality and Bogor Regency.

The path coefficient that describes the positive influence of the Management Control Process on Financial Performance in hospitals in Bogor Municipality and Bogor Regency is expressed through the path coefficient X2 on Y, which is the same as the correlation coefficient X2 and Y or $p_{yx_2} = r_{yx_2}$, namely 0.8365. The magnitude of the influence of the management control process on the financial performance of hospitals in Bogor Municipality and Bogor Regency is expressed by the coefficient of determination X2 on Y or $R^2_{x_2y}$, namely 69.97% or 0.6997.

The path coefficient that describes the influence of other variables on financial performance is expressed in the path coefficient of the external variable to y or $p_{y\epsilon_2}$, namely 0.5480. The coefficient of determination of the external variable on y or $p^2_{y\epsilon_2}$ of 0.3003 expresses the magnitude of the influence of other variables on financial performance.

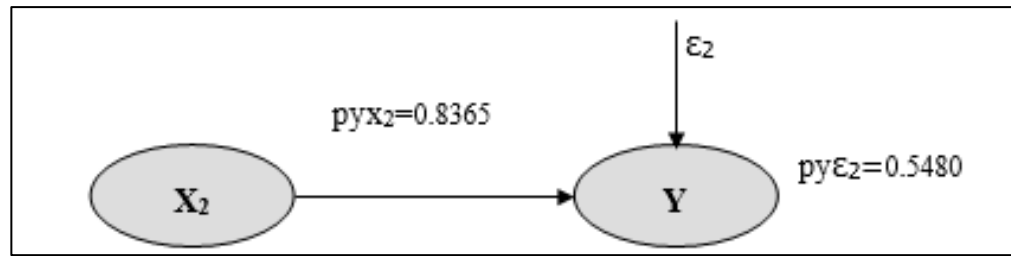


Figure 2. Sub Structure 2

Sub Structure 3

Substructure 3 is used to explain the third hypothesis, namely, the management control structure has a direct positive effect on financial performance, and the fourth hypothesis is that the control structure through the management control process has a positive effect on the financial performance of hospitals in Bogor Municipality and Bogor Regency.

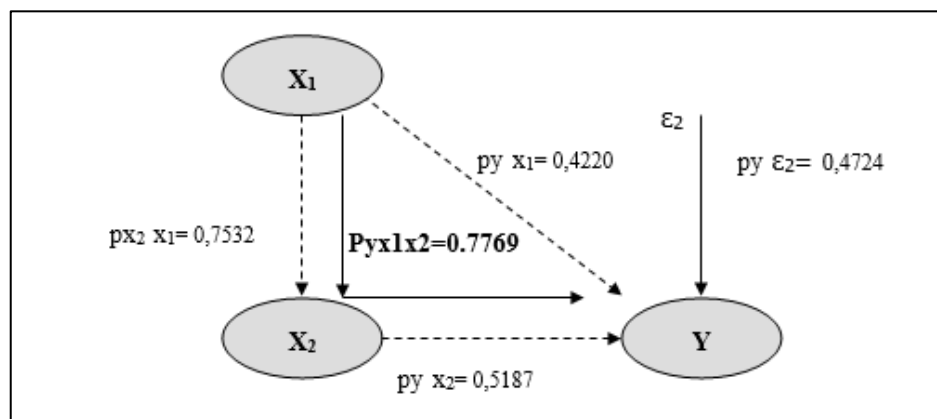


Figure 3. Sub Structure 3

5. Discussion

The Management Control Structure positively affects the Management Control Process at Hospitals in Bogor Municipality and Bogor Regency.

The first hypothesis proposed in this study is that the management control structure positively affects the management control process in hospitals in Bogor Municipality and Bogor Regency.

With path analysis, the calculation results show that the effect of the management control structure on the management control process in hospitals in Bogor Municipality and Bogor Regency is expressed by a path coefficient (px_{2x1}) of 0.7532. The magnitude of the influence of the management control structure on the management control process in hospitals in Bogor Municipality and Bogor Regency is expressed through a coefficient of determination ($R^2_{x_{2x1}}$) of 0.5673. This result means that the management control structure can drive the management control process, and this happens because the management control structure is the place where the management control process works. Moreover, the remaining 43.27% is influenced by external factors not included in the research model. These factors originate from the hospital's organizational structure, which is still functional. Meanwhile, a division is the ideal organizational structure for implementing a management control system in addition to making the design of the management control process not only looking at the organizational structure but also the environment of an organization.

Based on the correlation coefficient according to Guilford, the results of calculating the path coefficient value (px_{2x1}) 0.7532 is greater than 0.70 and less than 0.90. This finding shows that the management control structure positively influences the management control process in hospitals in Bogor Municipality and Bogor Regency, and the correlation is very high and strong. This result means that if the management control structure is good, the management control process is also

good. Conversely, if the management control structure is not good, the control process is not good either.

Thus, the researcher concludes that the management control process is also good with good management control structures in hospitals in Bogor Municipality and Bogor Regency. This study supports Mulyadi (2001) opinion, which states that management control structure is the infrastructure used for the management control process. Furthermore, stated that the design of the management control process is influenced by the design of the management control structure. There fore the research hypothesis proposed in this study was tested.

The Management Control Process positively affects Financial Performance at Hospitals in Bogor Municipality and Bogor Regency.

The second hypothesis proposed in this study is that management control processes positively affect financial performance in hospitals in Bogor Municipality and Bogor Regency.

With path analysis, the calculation results show that the influence of the management control process on financial performance in hospitals in Bogor Municipality and Bogor Regency is expressed by a path coefficient (β_{yx2}) of 0.8365. The magnitude of the influence of the management control process on financial performance in hospitals in Bogor Municipality and Bogor Regency is expressed through a coefficient of determination (R^2_{yx2}) of 69.97% or 0.6997. This result means that the application of management control processes consisting of strategic planning, budgeting, implementation and measurement, evaluation, and reporting can improve financial performance. This result is due to the expertise of the hospital director, where the director of the hospital, his education is not solely a medical expert (doctor) but has continued his education in the Masters of Hospital Administration (MARS) program. In addition, the remaining 30.03% or 0.3003 was influenced by external factors which were not included in the research model. These external factors may come from advances in health technology and government regulations on health.

Based on the correlation coefficient from Guilford, the results of calculating the path coefficient value (β_{yx2}) of 0.8365 is greater than 0.70 and less than 0.90. This result shows that the management control process positively influences hospitals' financial performance in Bogor Municipality and Bogor Regency, and the correlation is very high and strong. This finding means that if the management control process is good, the financial performance is good too. Conversely, if the management control process is not good, the financial performance will not be good either.

The management control process at the hospital has been going well; this can be seen in the financial performance of hospitals in Bogor Municipality and Bogor Regency which include medical service ratios, liquidity ratios, profitability ratios, and solvency ratios. The performance ratios for the 2016 period at hospitals in Bogor Municipality and Bogor Regency, which researchers obtained from the results of the questionnaire used in the study, show a good picture of financial performance.

The Management Control Structure has a direct positive effect on Financial Performance at hospitals in Bogor Municipality and Bogor Regency, and the Management Control Structure through the Management Control Process has a positive effect on Financial Performance at Hospitals in Bogor Municipality and Bogor Regency.

Based on Figure 3, it is known that there is a positive influence between the management control structure and financial performance, as indicated by the β_{yx1} path coefficient value of 0.4220. Meanwhile, the magnitude of the influence of the management control structure on financial performance in hospitals in Bogor Municipality and Bogor Regency is expressed through a coefficient of determination (R^2_{yx1}) of 0.1781 or 17.81%.

So, in conclusion, the result of calculating the path coefficient value (β_{yx1}) 0.4220 is greater than 0.40 and less than 0.70. This result shows that the management control structure positively affects hospitals' financial performance in Bogor Municipality and Bogor Regency, and the correlation is moderate. This result means that the financial performance is also good if the management control

structure is good enough. Conversely, if the management control structure is not good, the financial performance will not be good either.

The management control structure at hospitals in Bogor Municipality and Bogor Regency is already good; this can be seen partly from the good organizational structure and position descriptions following their education and expertise. The financial performance of hospitals in Bogor Municipality and Bogor Regency which includes the ratio of medical services, liquidity ratios, profitability ratios, and solvency ratios for the 2003 period, which researchers got from the results of the questionnaire used in the study, shows a good picture of financial performance.

The management control structure includes the expense center, which always calculates the expenses incurred, and the leadership is responsible for these expenses and evaluates each period to see their performance; the revenue center (medical services) always takes into account the income earned and the director of medical services is responsible for the income and evaluation every period, will have an impact on financial performance which includes the ratio of medical services, liquidity ratios, profitability ratios, and solvency ratios.

Based on the calculation of the path coefficient value in Appendix 9c, it is known that the management control structure through the management control process has a positive effect on financial performance, as indicated by the coefficient of determination of 0.3928 or 32.98%. The positive influence of the management control structure through the management control process on financial performance means that, if the management control structure is good, the management control process is also good, then the financial performance is good too. Moreover, vice versa, if the management control structure is not good, the management control process is not good, then the financial performance will not be good either.

Management control structure which includes technical expense center (nutrition department), policy expense center (administration and general department), and revenue center (medical services department). The load center always calculates the expenses that occur, and the leadership is responsible for these expenses and evaluates each period to see its performance. The revenue center (medical services) always considers the income earned, and the leadership is responsible for this income and evaluates it every period. Based on the reports and evaluation results of the previous period from the new responsibility center, programs were prepared, which were the first steps in the management control process. If necessary, new programs were made. The next step is based on the program that has been made, a budget is prepared, and the hospital's Deputy Director is involved in its preparation. In preparing the budget, it also considers the previous period's report. The budget that has been made is used as a standard in implementing activities. The plans contained in the budget are communicated to its subordinates, and this budget is expected to motivate and control employee activities.

Information on the implementation of hospital activities is obtained from responsibility centers. Information on the realization of activity implementation is compared with the budget to see the effectiveness and efficiency of activity implementation. Based on the data obtained, it is classified according to the program that has been made.

At the end of the period, an evaluation is carried out by comparing the implementation report with the budget at the responsibility centers intending to see the work results of the responsibility centers; of course, the leadership not only looks at the accountability reports on implementation but also makes observations on the functional managers below them. Based on the leadership accountability report to follow up for the implementation of the next period. If the management control process is often implemented properly, it will impact financial performance, including medical service ratios, liquidity ratios, profitability ratios, and solvency ratios.

The magnitude of the influence of the management control structure on financial performance and the influence of the management control structure through the management control process on financial performance is expressed by a coefficient of determination of 0.7769 or 77.69%. This

finding means that the management control structure, which is a container for the management control process, can jointly improve the hospital's financial performance. At the same time, the remaining 22.31% is influenced by other factors. Another factor affecting financial performance is suspected because the organizational structure of hospitals in Bogor Municipality and Bogor Regency is still functional. In contrast, the ideal organizational structure in implementing a management control system is a division. Make the design of the management control process look at not only the organizational structure but also the environment of an organization as well as the manager's expertise or the manager's professionalism regarding the manager's understanding of management accounting information. The top managers (Directors) of the hospitals in this study were almost average medical experts (doctors) who had continued their education in the Master of Hospital Administration (MARS) program.

6. Conclusion

Based on the research and discussion results, the management control structure positively affects the management control process in hospitals in Bogor Municipality and Bogor Regency. In this study, the influence of the management control structure on the management control process is high and strong. This condition is because the management control structure is already a container and facility for the management control process to take place, one of which is the placement of personnel in the organizational structure, which is adequate and in accordance with the duties and responsibilities. Moreover, this shows that the better the management control structure, the better the management control process, and vice versa. The influence of external factors on the management control process originates from the environment of an organization because designing a management control process looks at not only the organizational structure but also the environment of an organization and the ability of the director of the responsibility center. At hospitals in Bogor Municipality and Bogor Regency, the main director of the hospital has continued his Masters in Hospital Administration (MARS) education.

The management control process positively affects the financial performance of hospitals in Bogor Municipality and Bogor Regency. In this study, the influence of management control processes on financial performance is high and strong. This finding is because all hospital activities start with strategic planning, followed by making a budget for the plan, then continuing with the implementation of the plan, accompanied by evaluation and reporting. Ultimately, all activities the hospital carried out achieved its goals. The hospital's financial performance can show the achievement of hospital goals. This result shows that the better the management control process, the better the financial performance, and vice versa. The influence of external factors originates from the environment outside the hospital, such as changes in hospital performance standards set by the government.

The management control structure positively affects the financial performance of hospitals in Bogor Municipality and Bogor Regency. In this study, the effect of management control structure on financial performance is moderate. This result is caused by one of them the form of the design of the organizational structure of the hospital, which is good enough so that job descriptions in the hospital can support all activities carried out in the hospital. Furthermore, this shows that the better the management control structure, the better the financial performance, and vice versa.

The management control structure, along with the management control process, positively affects the financial performance of hospitals in Bogor Municipality and Bogor Regency. In this study, the influence of the management control structure and control process on financial performance is high and strong. This strong influence is because the management control structure is already a container for the management control process so that the management control process can work effectively and efficiently to achieve good hospital performance.

Recommendation

Based on the conclusions above, suggestions can be made, namely, not only hospital directors who must have economic expertise besides their profession as doctors. This conclusion is intended so

that all levels of leadership understand the management control system. The hospital's organizational structure should be in the form of divisions because, with the divisional form, the advantages include: operational decisions being made more quickly. After all, many decisions have to be taken without having to wait for approval from top management, the quality of decisions will be better because those who decide are people who understand. With that decision, a top manager more easily obtains information about the profitability of hospital components, and divisional managers can make improvisations to be creative and take the initiative. It is necessary to look for other variables that affect financial performance besides the management control system, including managers' understanding of management accounting information, the professionalism of managers, and the business environment.

References

- Anthony, Robert N. dan D. Young. (2003). *Management Control in Nonprofit Organizations*. New York: McGraw-Hill Companies.
- Arif Suadi. (2001). *Sistem Pengendalian Manajemen*. Yogyakarta: BPFE.
- Budo, A., Tulusan, F., & Tampi, G. B. (2020). Efektivitas Pelayanan Kesehatan di Rumah Sakit Pancaran Kasih Manado. *Jurnal Administrasi Publik*, 6(94), 1-13.
- Chandra, R. (2017). Penerapan Sistem Pengendalian Manajemen Terhadap Kinerja Keuangan Pada PT. Indojoya Agri Nusa. *Jurnal Samudra Ekonomi Dan Bisnis*, 8(1), 619-633.
- Dandel, E. F., Sumilat, V. V., & Lembong, R. R. (2021). Aspek Hukum Pelanggaran Kode Etik Mengenai Rahasia Kedokteran. *Lex Crimen*, 10(12). 77-85.
- Fadilla, N. M., & Setyonugroho, W. (2021). Sistem Informasi Manajemen Rumah Sakit Dalam Meningkatkan Efisiensi: Mini Literature Review. *Jurnal Teknik Informatika dan Sistem Informasi*, 8(1), 357-374.
- Halim, A., Tjahjono, A., & Husein, F. (2000). *Sistem Pengendalian Manajemen*. Yogyakarta: UPP Akademi Manajemen.
- Mahfudhoh., & Muslimin, I. (2020). Pengaruh Kualitas Pelayanan Terhadap Kepuasan Pasien Pada Rumah Sakit Umum Daerah Kota Cilegon. *JIMKES: Jurnal Ilmiah Manajemen*, 8(1), 39-46.
- Mongan, J. J. S. (2019). Pengaruh pengeluaran pemerintah bidang pendidikan dan kesehatan terhadap indeks pembangunan manusia di Indonesia. *Indonesian Treasury Review*, 4(2), 163-176.
- Mulyadi. (2001). *Sistem Akuntansi Edisi Tiga*. Jakarta: Salemba Empat.
- Mustofa, A., Roekminiati, S., & Lestari, D. S. (2020). *Administrasi Pelayanan Kesehatan Masyarakat*. Surabaya: CV Jakad Media Publishing.
- Purnama, A., & Syaefullah. (2013). Pengaruh Struktur Dan Proses Sistem Pengendalian Manajemen Terhadap Kinerja Instalasi Rawat Inap Pada Rumah Sakit Umum Provinsi (Rsup) Nusa Tenggara Barat. *Jurnal Ilmiah Mahasiswa FEB Universitas Brawijaya*, 1(1), 1-9.
- Syakhroza, Akhmad. (2000). Anggaran sebagai Kegiatan Ceremonial dan Simbol Prestisius Bagi Manajemen: Sebagai Tinjauan Literatur Usahawan No. 11 tahun XXIX Nopember hal. 20-30.
- Yantu, I. (2021). Gaya Kepemimpinan Direktur Rumah Sakit Umum Daerah di Provinsi Gorontalo. *JAMIN: Jurnal Aplikasi Manajemen dan Inovasi Bisnis*, 3(2), 2621-3230.

Ethics declarations

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

Availability of data and materials

Data sharing is not applicable to this article as no new data were created or analyzed in this study.

Competing interests

No potential competing interest was reported by the authors.