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The Influence of Management Control Systems and Innovation Capabilities on Business Performance (A Study at PT Menara Mas Futures)

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Abstract

The increasingly dynamic, complex, and competitive business environment requires companies to manage resources effectively and develop sustainable competitive advantages. In the financial services industry, particularly futures brokerage firms, business performance is influenced not only by financial outcomes but also by the effectiveness of management control systems and the organization's innovation capabilities. PT Menara Mas Futures faces challenges related to operational risks, regulatory compliance, service quality, and customer trust, making these factors essential for maintaining business performance. This study aims to analyze the influence of Management Control Systems and Innovation Capability on Business Performance at PT Menara Mas Futures. A quantitative research method with descriptive and verificative approaches was employed. Primary data were collected through questionnaires distributed to 33 employees selected using probability sampling techniques. Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The findings indicate that Management Control Systems have a positive and significant effect on Business Performance, with a path coefficient of 0.995, a t-statistic of 24.408, and a p-value of 0.000. Conversely, Innovation Capability has a negative and significant effect on Business Performance, with a path coefficient of -0.164, a t-statistic of 3.000, and a p-value of 0.003. The R-Square value of 0.930 demonstrates that both variables explain 93% of the variance in Business Performance. The study concludes that Management Control Systems are the primary driver of business performance, while innovation initiatives should be implemented cautiously and aligned with regulatory requirements.

Keywords Management Control System, Innovation Capability, Business Performance, SEM-PLS, Futures Brokerage Firm.

INTRODUCTION

The increasingly dynamic business environment demands that companies demonstrate a high degree of adaptability in facing various competitive challenges. The development of digital technology, global economic transformation, and changes in consumer behavior have created increasing pressure on organizations to improve the effectiveness of resource management and business processes. In these conditions, a company's success is determined not only by its ability to generate profits but also by its ability to maintain business sustainability, build customer trust, and create sustainable added value for all stakeholders (OECD, 2021; Verhoef et al., 2021). Therefore, companies are required to develop management systems that effectively integrate control, coordination, and innovation. Business performance is one of the main indicators used to assess an organization's success in achieving its strategic goals. Current business performance measurement focuses not only on financial aspects but also encompasses customer perspectives, internal process effectiveness, and organizational learning and growth. This multidimensional approach allows companies to obtain a more comprehensive picture of the organization's condition and the factors influencing its success (Nudurupati et al., 2021). In the context of the financial services industry, achieving optimal business performance depends heavily on a company's ability to manage risk, maintain service quality, and maintain customer trust.

One factor believed to play a crucial role in improving business performance is the management control system. A management control system serves as a mechanism that helps organizations direct the behavior of individuals and work units to align with company goals. Through the implementation of belief systems, boundary systems, diagnostic control systems, and interactive control systems, companies can ensure that all operational activities are carried out effectively, efficiently, and in accordance with organizational strategy (Merchant & Van der Stede, 2023; Bedford & Malmi, 2020). An effective control system can also reduce the risk of deviations, improve the quality of decision-making, and support the sustainable achievement of performance targets. In addition to management control systems, innovation capability is also a crucial factor influencing organizational success. Innovation capability reflects a company's ability to develop knowledge, generate new ideas, improve business processes, and deliver services that meet customer needs more effectively. Organizations with strong innovation capabilities tend to be more adaptable to changes in the business environment and have a greater opportunity to create sustainable competitive advantage (Saunila, 2020). In the highly competitive and tightly regulated financial services industry, innovation must be carefully managed to continue to provide added value without neglecting compliance and risk management aspects.

Various previous studies have shown that management control systems and innovation capabilities are closely related to business performance. Research by Gong and Li (2019), Bedford (2020), and Santini et al. (2022) found that effective management control systems can encourage organizational innovation, which ultimately contributes to improved

business performance. However, research examining this relationship in futures trading companies in Indonesia is relatively limited. Therefore, this study was conducted to analyze the influence of management control systems and innovation capabilities on business performance at PT Menara Mas Futures. The results are expected to provide theoretical contributions to the development of management literature and provide practical input for companies in improving the effectiveness of innovation control and management to support the achievement of sustainable business performance.

METHODS

The research method used in this study was systematically designed to answer the research objective, namely analyzing the influence of Management Control Systems and Innovation Capabilities on Business Performance at PT Menara Mas Futures. The study used a quantitative approach with descriptive, verification, and explanatory research methods. The descriptive approach was used to describe the actual conditions of the variables studied, while the verification and explanatory approaches were used to test the causal relationship between variables based on the formulated hypotheses. Data collection was carried out cross-sectionally by distributing questionnaires to respondents who met the research criteria, thus providing an empirical picture of the company's condition during the research period.

The research instrument was developed based on indicators derived from theory and previous research, then measured using a five-point rating scale. This scale allows respondents' subjective perceptions to be transformed into quantitative data that can be analyzed statistically. The five-point scale was chosen because it is considered capable of producing more consistent data, is easy for respondents to understand, and has a good level of reliability and validity in management and business research. Thus, the data obtained can reflect the actual conditions related to the company's management control system, innovation capabilities, and business performance.

The data sources used in this study were primary data obtained directly from PT Menara Mas Futures employees through questionnaires, interviews, and documentation. The sampling technique used probability sampling with a simple random sampling method, ensuring that each member of the population had an equal opportunity to become a respondent. Based on calculations using the power analysis approach in SEM-PLS, the minimum sample size was 33 respondents. This number was deemed to meet the statistical requirements for adequate model testing. Data analysis was conducted using Partial Least Squares-based Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS 4.1.1.8 software. This method was chosen because it is able to accommodate complex research models while still providing good estimation results in a relatively limited sample size. The analysis stages include model specification, model estimation, and evaluation of the measurement model (outer model) and structural model (inner model). Evaluation of the outer model is carried out through construct validity and reliability testing, while evaluation of the inner model is carried out through collinearity testing, path coefficient, coefficient of

determination (R^2), effect size (f^2), and hypothesis testing using a bootstrapping procedure. Through this series of procedures, this study is expected to be able to produce valid and reliable empirical findings and can provide theoretical and practical contributions in understanding the influence of management control systems and innovation capabilities on company business performance.

FINDINGSAND DISCUSSION

Descriptive Analysis Research Results

Descriptive Analysis of Management Control System

The results of the descriptive analysis show that the Management Control System at PT Menara Mas Futures is in the good category with an average value (mean) of 4.04. This finding indicates that the company has been able to implement effective control mechanisms to support the achievement of organizational goals and maintain smooth operational activities. Of the four dimensions measured, the Interactive Control System dimension obtained the highest average value of 4.11, followed by the Belief System at 4.09, the Diagnostic Control System at 4.00, and the Boundary System at 3.97. In the Belief System dimension, respondents assessed that the company has succeeded in communicating its vision, mission, and instilling the organization's core values well to all employees. Furthermore, the Boundary System dimension shows that the company has clear rules, policies, and codes of ethics that are able to limit actions that are not in accordance with organizational standards. In the Diagnostic Control System dimension, the company is assessed to have set clear performance targets and conducted periodic evaluations based on the achievement of the set targets. Meanwhile, the Interactive Control System dimension indicates that two-way communication between superiors and subordinates is running well, and employees are involved in the decision-making process related to their work. Although all dimensions are in the good category, there is still a gap between actual conditions and respondents' expectations, ranging from 17% to 22%. This indicates that the company still has room to improve the effectiveness of its management control system, particularly in aspects of performance evaluation, policy clarity, and strengthening employee communication and participation to support more optimal organizational performance.

Descriptive Analysis of Innovation Capability

Based on respondents' responses, PT Menara Mas Futures' innovation capability is categorized as good, with an average score of 3.73. This result indicates that the company has adequate capabilities in developing organizational learning, research and development, operational processes, marketing, and organizational and managerial support that support innovation activities. However, there is still a gap between actual conditions and respondents' expectations, indicating the need for improvement in several aspects to achieve a more optimal level of innovation capability. The learning capability dimension obtained an average score of 3.70, categorized as good. This finding indicates that the company has made efforts to facilitate employee knowledge updates regarding the global market and economy

and support employee capabilities in implementing new regulations and work procedures. However, this dimension also recorded the largest gap, so strengthening training programs and competency development is still needed. Furthermore, the research and development capability dimension obtained an average score of 3.70, indicating that internal research activities and the development of risk education methods have been running well. However, respondents still expect an increase in research intensity to maximize the benefits generated for the company.

In the production capability dimension, an average score of 3.79 indicates that the company is able to maintain smooth customer transactions and continuously increase operational capacity. This reflects the company's effectiveness in supporting service quality and operational stability. Meanwhile, the marketing capability dimension obtained an average score of 3.74, indicating that the company's marketing strategy has been able to utilize digital media effectively and maintain customer trust through an adaptive approach. The organizational and managerial capability dimension also fell into the good category with an average score of 3.74. The flexibility of the organizational structure and leadership support for employee ideas were positively assessed by respondents. Overall, these results indicate that PT Menara Mas Futures' innovation capabilities have been running well, but still require continuous strengthening to be able to make a greater contribution to improving the company's business performance.

Descriptive Analysis of Business Performance

When measuring business performance variables, measurements are based on four dimensions, each comprising eight indicators. The following table shows the distribution of scores from respondents at PT Menara Mas Futures regarding business performance:

Table 1 Average Distribution Score of PT Menara Mas Futures on Business Performance

No	Indicator	Response Distribution					Mean Score	Category
		5	4	3	2	1		
1	Increased income	33.33%	45.45%	21.21%	0.00%	0.00%	4.12	Good
2	Profitability	30.30%	45.45%	24.24%	0.00%	0.00%	4.06	Good
Dimension: Finance							**4.09**	**Good**
3	Customer satisfaction	33.33%	45.45%	21.21%	0.00%	0.00%	4.12	Good
4	Customer loyalty	33.33%	45.45%	21.21%	0.00%	0.00%	4.12	Good
Dimensions : Customers							**4.12**	**Good**
5	Operational efficiency	33.33%	45.45%	21.21%	0.00%	0.00%	4.12	Good
6	Work productivity	30.30%	45.45%	24.24%	0.00%	0.00%	4.06	Good
Dimension: Internal Process							**4.09**	**Good**
7	Human Resources	33.33%	45.45%	21.21%	0.00%	0.00%	4.12	Good

	Development							
8	Sustainable innovation	21.21%	57.58%	21.21%	0.00%	0.00%	4.00	Good
Dimension: Learning & Growth							**4.06**	**Good**
Total Mean							**4.09**	**Good**

Source: Processed by Researchers

Based on the recapitulation results, the business performance variable is in the good category with a mean value of 4.09. To obtain a more detailed picture, further analysis focused on each dimension of business performance, starting with the financial dimension as the primary indicator of company performance achievement.

Table 2 Summary of Data Distribution at PT Menara Mas Futures Financial Dimension

No	Statement		Category Results					Mean Score	% Actual Score	Gap	Category
19	The company has successfully recorded an increase in revenue from year to year.		**SJ**	**J**	**N**	**TJ**	**STJ**	4.12	82.42%	17.58%	Good
		F	11	15	7	0	0				
			33.33%	45.45%	21.21%	0.00%	0.00%				
20	The company was able to achieve a level of profitability in line with the annual target.		**SS**	**S**	**N**	**TS**	**STS**	4.06	81.21%	18.79%	Good
		F	10	15	8	0	0				
			30.30%	45.45%	24.24%	0.00%	0.00%				

Source: Processed by Researchers

Based on the summary of respondents' responses, the customer dimension is in the good category. This indicates that the company is able to maintain customer satisfaction and loyalty through consistent service quality. However, respondents still expressed hope that the company would continue to improve service quality and customer relationships to strengthen trust and maintain long-term customer loyalty.

Table 3 Summary of Data Distribution at PT Menara Mas Futures Customer Dimension

No	Statement		Category Results					Mean Score	% Actual Score	Gap	Category
21	Customers are satisfied with the products and services provided by the company.		**SJ**	**J**	**N**	**TJ**	**STJ**	4.12	82.42%	17.58%	Good
		F	11	15	7	0	0				
			33.33%	45.45%	21.21%	0.00%	0.00%				
22	The level of customer loyalty increases, marked by repeated purchases/use of services.		**SS**	**S**	**N**	**TS**	**STS**	4.12	82.42%	17.58%	Good
		F	11	15	7	0	0				
			33.33%	45.45%	21.21%	0.00%	0.00%				

Source: Processed by Researchers

Based on a summary of respondents' responses, the internal process dimension is in the good category, indicating the effectiveness and efficiency of the company's operational processes. However, there remains a gap between actual conditions and respondents' expectations, necessitating continuous optimization to improve productivity, service quality, and work efficiency.

Table 4 Summary of Data Distribution at PT Menara Mas Futures Internal Process Dimension

No	Statement		Category Results					Mean Score	% Actual Score	Gap	Category
23	The company's internal operational processes run very efficiently.		SJ	J	N	TJ	STJ	4.12	82.42%	17.58%	Good
		F	11	15	7	0	0				
			33.33%	45.45%	21.21%	0.00%	0.00%				
24	Employee work productivity shows consistent improvement.		SS	S	N	TS	STS	4.06	81.21%	18.79%	Good
		F	10	15	8	0	0				
			30.30%	45.45%	24.24%	0.00%	0.00%				

Source: Processed by Researchers

Based on a summary of respondents' responses, the learning and growth dimension is in the good category. The company has supported employee competency development, but improvements to learning and development programs are still needed to optimally encourage individual growth and organizational sustainability.

Table 5 Summary of Data Distribution at PT Menara Mas Futures Learning and Growth Dimension

No	Statement		Category Results					Mean Score	% Actual Score	Gap	Category
25	The company provides facilities and training for HR competency development.		SJ	J	N	TJ	STJ	4.12	82.42%	17.58%	Good
		F	11	15	7	0	0				
			33.33%	45.45%	21.21%	0.00%	0.00%				
26	The company continues to innovate sustainably to maintain business continuity.		SS	S	N	TS	STS	4.00	80.00%	20.00%	Good
		F	7	19	7	0	0				
			21.21%	57.58%	21.21%	0.00%	0.00%				

Source: Processed by Researchers

Based on a summary of respondents' responses, the learning and growth dimension was categorized as good. The company was assessed as providing facilities that support employee competency development and encourage innovation to maintain business sustainability.

Verification Analysis Research Results

The Influence of Management Control Systems and Innovation Capabilities on Business Performance

This study was conducted to empirically test the influence of Management Control Systems and Innovation Capabilities on Business Performance at PT Menara Mas Futures based on data obtained from respondents through questionnaires. Data analysis used a Structural Equation Modeling approach based on Partial Least Squares (PLS-SEM) with the help of SmartPLS 4.1.1.8 software. This method was chosen because it is able to analyze causal relationships between latent variables effectively despite the relatively limited number of samples. The analysis process was carried out through two main stages, namely the evaluation of the outer model and the inner model. The evaluation of the outer model aims to test the validity and reliability of the construct through the value of outer loading, Average Variance Extracted (AVE), Composite Reliability (CR), and cross loading. Furthermore, the evaluation of the inner model is used to test the relationship between variables through collinearity testing (VIF), path coefficient, hypothesis testing using t-statistic and p-value, coefficient of determination (R^2), and effect size (f^2). All stages are carried out to ensure the research model has good predictive ability and produces valid and scientifically accountable findings.

Evaluation of Measurement Models (Outer Models)

Convergent validity testing begins by evaluating the outer loadings values to ensure that each dimension is able to adequately represent the research construct.

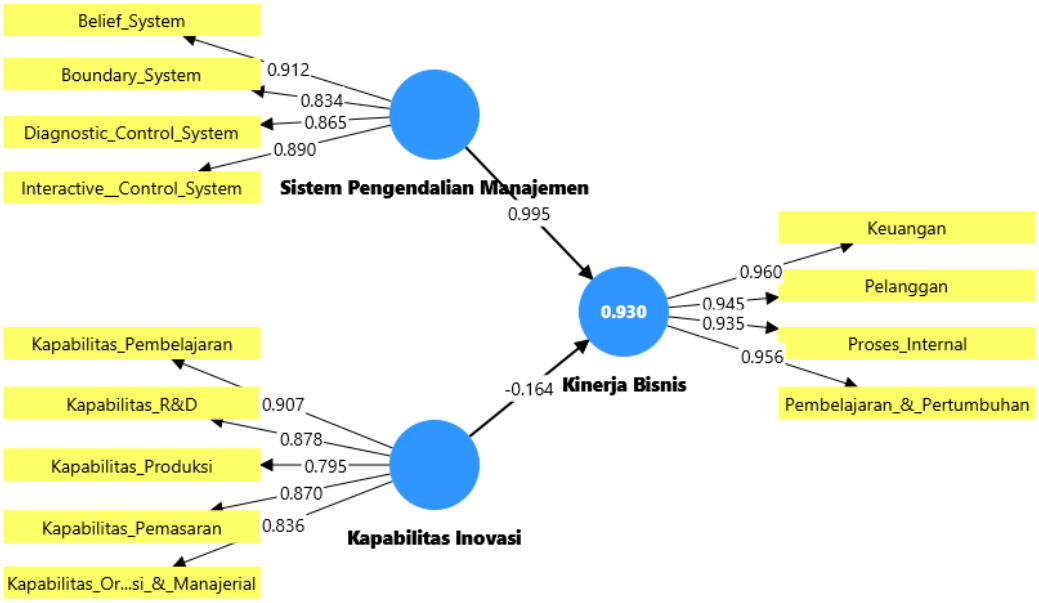

Figure 1 Schematic diagram of the PLS Loading Factor Standardized path

To be able to find out the results of this test and based on the image, all loading factor values will be described in the data table as follows:

Table 6 Loading Factor Values of Management Control Systems and Innovation Capabilities on Business Performance

Dimensions	Variables		
	Management Control System	Innovation Capability	Business Performance
Belief System	0.912		
Boundary System	0.834		
Diagnostic Control System	0.865		
Interactive Control System	0.890		
Learning Capabilities		0.907	
Research and Development (R&D) Capabilities		0.878	
Production Capability		0.795	
Marketing Capabilities		0.870	
Organizational and Managerial Capabilities		0.836	
Finance			0.960
Customer			0.945
Internal Process			0.935
Learning and Growth			0.956

Source: Processed by Researchers

Based on the test results in the table, all constructs have an Average Variance Extracted (AVE) value above 0.50. These results indicate that each construct has met the convergent validity criteria and is able to explain the variance of its indicators well, making it suitable for use in further analysis.

Table 7 Results of the Average Variance Extracted Test

No	Variables	AVE value	Criteria
1	Management Control System	0.767	> 0.50
2	Innovation Capability	0.736	> 0.50
3	Business Performance	0.901	> 0.50

Source: Processed by Researchers

Based on the AVE test results, all variables met the convergent validity criteria. Next, a Composite Reliability (CR) test was conducted to ensure the level of internal consistency and construct reliability. A variable is considered reliable if its CR value is greater than 0.70.

Table 8 Composite Reliability Test Results

No	Variables	CR Value	Criteria
1	Management Control System	0.929	> 0.70
2	Innovation Capability	0.933	> 0.70
3	Business Performance	0.973	> 0.70

Source: Processed by Researchers

Based on the test results, all variables had Composite Reliability values above 0.70, thus being declared reliable. Furthermore, discriminant validity was evaluated using cross-loading values to ensure each indicator had the highest correlation with the construct it measured compared to other constructs, thus demonstrating the uniqueness of each research variable.

Table 9 Cross Loading Test Results

No	*Item*	*Cross Loading*		
		Management Control System	**Innovation Capability**	**Business Performance**
1	*Belief System*	0.912	0.293	0.872
2	*Boundary System*	0.834	0.200	0.776
3	*Diagnostic Control System*	0.865	0.507	0.730
4	*Interactive Control System*	0.890	0.003	0.930
5	Learning Capabilities	0.171	0.907	0.059
6	Research and Development (R&D) Capabilities	0.289	0.878	0.142
7	Production Capability	0.201	0.795	0.063
8	Marketing Capabilities	0.226	0.870	0.048

9	Organizational and Managerial Capabilities	0.178	0.836	0.038
10	Finance	0.896	0.052	0.960
11	Customer	0.917	0.196	0.945
12	Internal Process	0.873	0.027	0.935
13	Learning and Growth	0.925	0.119	0.956

Source: Processed by Researchers

The test results show that almost all indicators have the highest correlation values for the constructs they measure, thus meeting the criteria for discriminant validity. Although the interactive control system dimension has a slightly higher correlation with business performance than its primary construct, this condition is still acceptable because it shows a strong conceptual link between interactive communication and organizational performance achievement. Overall, all constructs are considered valid and the research model is worthy of proceeding to the next testing stage.

Structural Model Evaluation (Inner Model)

Collinearity testing is performed to ensure that the relationship between independent variables does not experience multicollinearity, which could affect model accuracy. The criterion used is that the Variance Inflation Factor (VIF) value must be below 5.0.

Table 10 Results of the Variance Inflation Factor Inner Model Test

Variable Relationship	VIF	Information
Management Control System → Business Performance	1,079	There is no multicollinearity
Innovation Capability → Business Performance	1,079	There is no multicollinearity

Source: Processed by Researchers

The test results show that all VIF values are below 5.,0 so that there is no multicollinearity problem and path analysis can be continued.

Table 11 Path Coefficient Test of Variable Relationships

Variable Relationship	*Path Coefficient*	Information
Management Control System → Business Performance	0.995	Positive Values
Innovation Capability → Business Performance	-0.164	Negative Value

Source: Processed by Researchers

The path coefficient test results indicate that management control systems have a positive effect on business performance, while innovation capability has a negative effect. Next, hypothesis testing was conducted to assess the significance of these relationships based on t-statistics and p-values.

Table 12 Hypothesis Test Results

Hypothesis	Variable Relationship	Original Sample	*T-Statistic*	*P-Values*	Information
H1	Management Control System → Business Performance	0.995	24,408	0,000	Accepted
H2	Innovation Capability → Business Performance	-0.164	3,000	0.003	Accepted

Source: Processed by Researchers

The results of the hypothesis testing indicate that management control systems have a positive and significant effect on business performance, while innovation capability has a negative but still significant effect. These findings indicate that both variables significantly contribute to business performance. Furthermore, the coefficient of determination (R^2) is used to measure the extent to which these two variables simultaneously explain variations in business performance.

Table 13 R-Square Test Results

Dependent Variable	*R-Square*	Value Category
Business Performance	0.930	Strong (Substantial)

Source: Processed by Researchers

The R^2 value of 0.930 indicates the model's very strong predictive ability. Next, the effect size (f^2) test was used to assess the contribution of each independent variable individually to business performance.

Table 14 f-Square Test Results

Variable Relationship	*f-Square*	Information
Management Control System → Business Performance	13,070	Big Effect
Innovation Capability → Business Performance	0.357	Big Effect

Source: Processed by Researchers

The results of the f^2 test show that both variables have a large effect on business performance, with the influence of the management control system being more dominant.

Discussion

Discussion of Descriptive Analysis

This discussion will present an overview of the respondents' perceptions, namely PT Menara Mas Futures employees, regarding each research variable. Data were collected using a questionnaire. The following are the average values from the questionnaire data.

Table 15 Total average value category for each variable

Variables	Average	Category
Management Control System	4.04	Good

Innovation Capability	3.73	Good
Business Performance	4.09	Good

Source: Processed by Researchers

Based on the descriptive analysis results, the management control system variable obtained an average value of 4.04 and is included in the good category. This average value is in the middle when compared to other variables. These results also indicate that the management control system at PT Menara Mas Futures has been running very effectively. This is reflected in each dimension studied, starting from the existence of a strong understanding of the objectives for employees (Belief System), the existence of clear boundaries and rules (Boundary System), periodic monitoring and evaluation of targets (Diagnostic Control System), and active discussions between superiors and subordinates in the work environment (Interactive Control System). Employee respondents considered all of these aspects to be very crucial to ensure all work activities, transactions, and company operations run smoothly.

Next, the innovation capability variable received an average score of 3.73, falling into the good category. Despite its good score, this score ranks lowest compared to other variables. This indicates that innovation capability still faces limitations in its implementation at PT Menara Mas Futures. This is reflected in employee perceptions, who believe that the dimensions of innovation capability—learning, research and development, production, marketing, and organizational and managerial aspects—have not been fully explored. However, employee respondents considered this reasonable, as futures brokerage firms are under strict supervision by government regulatory agencies.

Finally, the business performance variable received an average score of 4.09 and is in the good category. This score is the highest average score compared to other variables. These results demonstrate that, in general, the organizational and operational performance of PT Menara Mas Futures is considered very healthy, optimal, and successfully achieving targets by its employees. This high average score is reflected in the achievement of optimal values for each existing indicator, namely financial, customer, internal processes, and learning and growth, commonly known as the balanced scorecard. Employees perceive stability in all these aspects, making business performance the variable with the highest average score. This also demonstrates that although innovation capabilities have limitations, the strong management control system implemented by the company is more than sufficient to drive and improve business performance at PT Menara Mas Futures.

Discussion of Verification Analysis

1. The Influence of Management Control Systems on Business Performance

Based on the first hypothesis test (H1), the management control system has a positive and significant effect on business performance. This is indicated by the original sample value or path coefficient value of 0.995, a t-statistic of 24.408, and a p-value of 0.000. The t-statistic value is greater than 1.96, and the p-value is less than 0.05, thus indicating that the first hypothesis (H1) is accepted. These results prove that the stronger and more effective the

management control system implemented, the more business performance at PT Menara Mas Futures will improve. A robust management control system acts as the organization's primary key in directing, supervising, and evaluating all operational activities. With a clear control system, all management and employees can work together to achieve the company's predetermined targets.

In the context of PT Menara Mas Futures, which operates in the futures brokerage industry, the management control system plays a crucial role. This industry is highly risky and subject to stringent regulations. The implementation of strict limits through a boundary system (such as compliance with transaction rules and customer risk management), along with regular target monitoring through a diagnostic control system, ensures the company avoids operational errors and failures. When this control system operates consistently, business process efficiency increases, customer loyalty is maintained, and the company's financial stability is optimally achieved. The Management Control System in this study is measured through four main pillars (Levers of Control): the belief system (understanding the organization's core values), the boundary system (work rules), the diagnostic control system (target measurement), and the interactive control system (two-way communication). The combination of these four elements has been proven in the field to create a structured work environment that is safe from regulatory violations and responsive to market movements.

The results of this study align with previous research conducted by Jannah and Rakhman (2023) and Pratiwi et al. (2022), which demonstrated that the implementation of a management control system significantly contributes to boosting business performance. These findings are further supported by Saputra and Handayani (2024) in the logistics services sector, and Lestari (2023) in the traditional retail business, who stated that the management control function is essential in driving organizational operational efficiency, both partially and simultaneously. Furthermore, these results support the findings of Wijaya and Pratama (2025), who asserted that an interactive and responsive management control system directly improves overall business performance. Although these previous studies focused primarily on general sectors such as MSMEs, logistics, retail, and broader digitalization, the results of this study successfully strengthen and expand their empirical findings. This research demonstrates that in the futures brokerage industry, characterized by high risk and stringent regulations, the role of a management control system is not merely influential but rather the most dominant and absolute factor in securing PT Menara Mas Futures' business performance at the highest level.

2. The Influence of Innovation Capabilities on Business Performance

Based on the second hypothesis (H2), innovation capability has a negative and significant effect on business performance. This is indicated by the original sample value or path coefficient of -0.164, a t-statistic of 3.000, and a p-value of 0.003. The t-statistic is greater than 1.96, and the p-value is less than 0.05, thus indicating that the second hypothesis (H2) is accepted. The negative sign on the coefficient indicates an inverse relationship. This means that any inappropriate and undirected increase in innovation capability will actually have a

negative impact on business performance at PT Menara Mas Futures. The results of this study provide interesting findings when compared to several previous studies. Research by Setiawan and Hermawan (2022) on the creative industry, Ramadhan and Sari (2023) on the general service industry, Pratiwi and Setiyono (2024) on business sustainability, Hidayat (2024) on the macro approach, and Fitriani et al. (2025) on fully digital startup businesses, all stated that innovation capability has a direct positive impact on boosting and improving business performance. This difference in results is due to the stark contrast in the characteristics of the objects and industrial ecosystems. The creative industry and digital startups rely heavily on rapid innovation for survival. In contrast, PT Menara Mas Futures operates in the futures brokerage industry, which is strictly regulated by government regulations such as Bappebti and carries a very high level of financial risk.

In the context of the futures brokerage industry, innovation capacity, whether in learning, research and development (R&D), or production, has very limited room for maneuver. If a company is too aggressive in implementing production innovations or launching new transactional features without careful alignment with existing compliance regulations and risk management systems, this will actually trigger operational disruptions and even lead to failures, overlap with established SOPs, and even potential regulatory sanctions from government supervisory agencies. Furthermore, overly dynamic innovation activities in the trading system are feared to confuse customers when executing transactions, ultimately reducing transaction volume and disrupting the stability of the company's business performance.

The finding of a negative impact of innovation in this high-risk sector is supported by research by Kurniawan and Rahayu (2022), who found that in the high-risk financial services industry, excessive innovation activity without being balanced by strengthening the legal compliance function will actually reduce company performance efficiency due to swelling operational adjustment costs. These results also align with the argument of Sari and Nugroho (2023), who stated that there is an innovation-performance paradox in industries loaded with and bound by regulations, where the high compliance costs of new innovations often exceed the short-term benefits generated, so that in the short term, such innovations actually correlate negatively with business performance.

CONCLUSION

Based on the research results, the Management Control System and Innovation Capability were proven to have a significant influence on Business Performance at PT Menara Mas Futures. The Management Control System showed a very strong positive influence, which emphasized the importance of implementing a belief system, boundary system, diagnostic control system, and interactive control system in supporting operational effectiveness, decision-making, and achieving organizational goals. Conversely, Innovation Capability showed a significant negative influence, indicating that innovation that is not aligned with operational and regulatory needs in the futures trading industry can reduce

business performance. Simultaneously, both variables were able to explain 93% of the variation in Business Performance, so the research model has very strong predictive ability. Therefore, companies need to maintain the effectiveness of the management control system and direct innovation more selectively, oriented towards efficiency, compliance, and risk management to maintain the company's stability and competitiveness in a sustainable manner.

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