International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

The Influence of Internal Control of Raw Materials and Optimization of Operational Management on Company Sustainability (Case Study of PT. Timuraya Tunggal)

Monica Cindikya[1], Yanti[2], Ade Trisyanto[3]
[1,2,3] Accounting Study Program, Faculty of Economics and Business, Universitas Buana Perjuangan Karawang

ABSTRACT: This study is intended to examine the effect of internal control and operational management on company sustainability. the research method used is quantitative with *Partial least Square-Structural Equation Modeling (PLS-SEM)* analysis using the SmartPLS 4.0 application. Sampling technique by applying *purposive sampling* technique. Data was collected through the distribution of questionnaires in one manufacturing company engaged in the industrial processing sector. The results showed that the internal control of raw materials in the Company had a significant and positive effect on the sustainability of the Company. optimization of operational management is also proven to have a positive and significant impact on the sustainability of the Company. The internal control of raw materials contributes to increasing the efficiency of operational management which will strengthen the sustainability of the Company. thus supporting business continuity in the long term.

KEYWORDS: Corporate Sustainability, Internal Control, Operational Management, SmartPLS

INTRODUCTION

Industrial development in Indonesia has increased rapidly and is driven by technological advances causing fierce industrial competition. The company will be able to survive and compete well in the market if it can overcome various problems that exist within the company and make continuous improvements (Istianatul Ulya *et al.*, 2023) . The sustainability of the company is strongly influenced by internal control and management optimization. However, problems often arise caused by recording raw material inventory such as lack of information on physical recording methods and recording raw material inventory systems which often cause discrepancies in recording inventory which makes operational management less effective. Therefore, so that sales and purchasing activities are in accordance with the targets and objectives of the Company's sustainability, it is necessary to implement good internal control (Anastasia *et al*., 2022) . As well as making its operational management can be carried out effectively and efficiently as a whole for the sustainability of the Company (Subagyo, 2021) .

Internal control is a process that can be interpreted as functioning as policies and actions aimed at protecting the Company's assets from various forms of abuse, the implementation of which is controlled by the board of commissioners, management and business unit personnel, and is structured to ensure a sufficient level of assurance in efforts to achieve objectives such as involving the establishment of procedures, systems and practices that will protect assets, prevent fraud and corruption. also ensure compliance with regulations, promote transparency and accountability (Fitriana *et al*., 2020) . In internal control, governance is also very important for companies that are said to have good governance if transparent processes and disclosures are adhered to (Yanti *et al*., 2021) .The functions of internal control are: (1) detect and prevent fraud by using an effective control system; (2) improve operational efficiency internal control helps ensure that resources are optimally utilized; (3) ensure compliance with regulations; (4) reduce the risk of running out or excess inventory which can disrupt the production process or increase storage costs (Dirgantara *et al*., 2023) . Therefore, internal control of raw materials has a positive correlation with several aspects in the company such as the smooth production process, the effectiveness of good inventory management in managing raw materials can meet production demand in a timely manner (Ummah, 2019) . In addition, there is also the application of the COSO (*committee of sponsoring organizations of the treadway commission*) concept that can be applied through internal control of raw materials such as a control environment that creates an organization that supports integrity and ethics and a clear structure, risk assessment identifies and analyzes risks to raw material inventory, control activities, information delivery and communication and supervision through continuous evaluation of the effectiveness of internal control and making improvements if necessary (Syahara *et al*., 2024) .

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

Furthermore, management optimization is the process of optimizing the efficiency and effectiveness of resource management to achieve maximum goals which involves the application of management functions including planning, organizing, directing and supervising optimally (Norisanti *et al*., 2019) . In addition, operational management is a form of optimal and comprehensive management of aspects such as interrelated problems with workers, property, machinery, equipment, raw materials and other products that will become goods and services that have selling value (Rizqi Anantia *et al*., 2024) . In connection with this, corporate sustainability is also a business and investment strategy that can improve business practices by balancing current and future stakeholder needs. This concept emphasizes stakeholders by balancing the social economic and environmental dimensions of company performance (Pemer, 2020)

Previous research with the title "Sustainable internal corporate social responsibility and solving the performance sustainability puzzle among medium-scale manufacturing companies; an empirical approach"*et al*., 2022) the results of this study reveal that the importance of sustainable strategies in improving performance strategies. While research (Purnamasari *et al*., 2024) entitled "Do internal control and information systems encourage sustainable rural development in Indonesia?" the results of the study reveal that internal control, the application of information systems and sustainable rural development form a relationship to encourage positive results, then the research researched by (Bin-Feng *et al*., 2023) entitled "Targeted poverty alleviation initiatives and sustainable value creation by the Company: determining the role of internal governance control of Chinese companies" the results of his research show that internal governance and targeted poverty alleviation practices have a positive impact, other research from (Utami *et al*.), 2021) entitled "Internal control and risk management issues on the sustainability of micro and small enterprises in Indonesia" concluded the results of internal control play a significant role in influencing the sustainability of SMEs. Another study from (Fitriana *et al.*, 2020) entitled "The effect of internal control of raw material inventory and production process planning on the smooth production process at PT. Daliatex Kusuma" the results of his research prove that internal control of raw material inventory and production process planning has a positive, strong and significant influence, While research from (Rois Umami, 2024) entitled "Optimizing production management in improving efficiency and productivity" proves that the application of optimal production management can improve the efficiency and productivity of workers' performance.

There have been many studies that examine the effect of internal control of raw materials and optimization of operational management on company sustainability. However, research that integrates these two variables together and relates them to company sustainability still has limitations so that it needs to be studied further. Therefore, the following research questions were made:

1. How does internal control of raw materials affect the sustainability of the Company?
2. How does the optimization of operational management affect the sustainability of the Company?
3. How does internal control of raw materials and optimization of operational management affect the sustainability of the Company?

LITERATURE REVIEW

Goal Setting Theory

Goal setting theory or goal setting theory is part of the theory of encouragement proposed by Edwin locke in 1968. *Goal setting theory* is a target result that reflects future value and serves as a performance benchmark (Dase, 2024) .

In this study, the relevant *goal setting theory* can be used as a foundation to explain how the Company sets clear goals in internal control of raw materials and optimization of operational management in order to achieve Company sustainability. The application of *goal setting theory* to the control of raw materials in the company is realized through setting clear and measurable targets, such as targets for efficient use of raw materials, reducing waste, and adjusting the optimal minimum and maximum stock and employees work more focused, disciplined, and oriented towards measurable results. These steps aim to build a more effective and accountable internal control system (Holloway, 2025) .

In addition, in optimizing operational management, the application of *goal setting theory* is carried out through setting measurable performance goals, such as increasing work productivity, controlling production costs to remain efficient and improving workflows in order to ensure smoothness, timeliness, and achieve the company's operational targets. with specific goals, management can monitor performance regularly, evaluate, and provide feedback to employees so that any potential for improvement can be immediately identified and followed up (Oyetoro, 2024) .

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

Goal setting theory also has an important role in supporting corporate sustainability. Structured and purposeful goal setting not only improves the effectiveness of internal control and operations but also contributes to the achievement of the Company's sustainability goals in the long term (Stroumpoulis *et al* . ., 2022)

Internal Control

Internal control is a procedure implemented in an organization to ensure that the operational implementation process takes place in accordance with predetermined policies so that organizational goals can be achieved. Internal control serves to protect assets, maintain assets and produce accurate information that can be trusted. To achieve effective, efficient and transparent financial management of the Company for the sustainability of the company (Arista *et al*., 2023) . According to (La Ode Abdullah *et al,* 2024) internal control is a process that is prepared and implemented from those responsible for management and governance to provide rational assurance of the achievement of entity objectives which include certainty of financial reporting, efficiency and effectiveness of operations, also internal control plays an important role in minimizing errors, reducing delays, preventing fraud, and ensuring the availability of raw materials to ensure smooth running in a product. Raw materials are the main components that have not gone through the management process in a manufacturing process, play an important role in ensuring the smooth flow of production and contribute directly to the quality of the final product. The provision of raw materials can be obtained through local purchases or from the Company's internal management. Therefore, raw material management has an important role in achieving superior competitiveness, especially in the manufacturing industry, especially in the chemical sector which continues to grow in Indonesia. According to (Azzahra *et al*, 2023) *warehouse management system* (WMS) is an effective technology solution for managing warehouse operations, with this system making it easier for employees to check inventory, track shipments and manage the storage process with the help of applications.

Optimization of Operational Management

Optimization of operational management is a comprehensive and optimal management effort of various elements such as human resources, materials, machinery, equipment, raw materials, or other products that can be processed into goods or services that have selling value. Operational management itself is a field that focuses on the delivery process in business to ensure that organizations are able to convert inputs into outputs using optimal methods to meet the needs of consumers (Keller, 2019) . In addition, time management is a way of organizing and planning to optimize time in certain activities that have been scheduled and must be completed in the scheduled period (Fadli *et al.*, 2020) . Then, operational risk management is the process of managing the occurrence of losses caused by inefficiency or failure of non-optimal internal processes, failure of systems, and humans. The purpose of this risk management is to increase the company's awareness and readiness in facing possible risks. Efforts that can be made so that the Company avoids risks include measurement, analysis and control so that the risks in the Company can be avoided (Nurapiah, 2019) .

Company Sustainability

The concept of sustainability is economic and business development aimed at supporting profit growth and the economy is carried out with methods that include the principles of social and environmental responsibility. In supporting the realization of sustainable development, the government encourages business people and companies to have concern and commitment in implementing sustainability (Wahyuni *et al.*, 2020) . Corporate sustainability is a business and investment strategy that can improve business practices by balancing current and future *stakeholders*. The development of corporate sustainability indicators can be done with three main pillars including ecology, economy and social welfare as a corporate strategy. environmental sustainability is a method used to measure the Company's environmental performance which is done numerically and quantitatively. social sustainability is a relationship that actively supports current and future generations to create a healthy and livable society. While economic sustainability is the principle of decision-making and business practices to achieve economic growth without engaging in harmful environments. (Pemer, 2020) .

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

Thinking Framework

The framework for thinking in the study is described in the figure below:

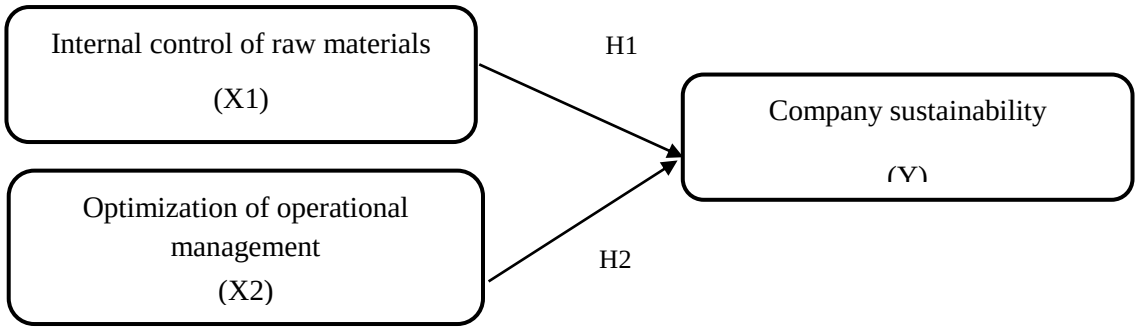

Figure 1. Framework of Thinking.
Source: Researcher development results (2025)

Research Hypothesis

The Effect of Internal Control on Company Sustainability

Internal control plays an important role for the sustainability of the company because it not only helps the Company achieve short-term goals, but also supports the achievement of a long-term vision, including the sustainability of the Company. Effective internal control is able to create a transparent, accountable and trustworthy work environment, thereby minimizing the risk of fraud, recording errors, and misuse of Company assets (Su *et al*., 2022) . The correlation between internal control and Company sustainability such as research (Juli *et al*., 2024) revealed that internal control of Company sustainability has a significant impact on Company performance. analysis revealed that the Company implemented a strong internal control system. Likewise, research conducted by (Valencia, 2024) revealed a significant relationship between internal control and the sustainability of business entities. these findings indicate that effective internal control supports businesses in efforts to obtain and control risks optimally, thus having a positive impact on overall performance. Research (Parade Natama *et al*, 2024) reveals that there is a less significant effect of internal control on the sustainability of the Company, internal control has not been thoroughly considered. Based on previous research, it can be formulated as follows:

H1: internal control has a positive effect on company sustainability

The Effect of Optimizing Operational Management on Company Sustainability

Optimization of operational management plays an important role in the sustainability of the company as the application of management concepts in managing production activities so that they can take place efficiently which aims to maximize the utilization of Company resources, ranging from labor, machinery, raw materials, to production time, so as to produce optimal output at the minimum possible cost. In other words, optimal operational management encourages the creation of efficient work flow, reduces *waste*, and increases the overall productivity of the Company *(Cuandra et al*., 2023) . The correlation between management optimization and the Company such as research conducted by, (Sugiharto *et al*., 2023) revealed that the optimization of operational management has a positive and significant effect on the sustainability of the Company, as well as an important role in the sustainability of the environment in agricultural practices. research (Berlian septiana *et al.*, 2024) also shows that the effect of operational management has a positive and efficient effect on the sustainability of the company such as efforts to manage the entire production process, distribution and other supporting activities. As for research conducted by (Nissa, 2024) states that optimizing operational management is effective and significant to the sustainability of the Company increasing cost efficiency, reducing waste and energy consumption. Based on previous research, it can be formulated as follows:

H2: Optimization of operational management has a positive effect on the sustainability of the Company.

RESEARCH METHOD

The research method applied is quantitative method. The population used for this research is the internal control division and operational management at PT Timuraya Tunggal and the number of samples used for this study were 100 respondents, sampling

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

using *purposive sampling* method. Measurement uses a *Likert* scale of 1-5 in the form of a questionnaire arranged in *google form*. The variables used for this study are Internal Control (X1) and Optimization of operational management (X2) on Company sustainability (Y). The data management technique used in this study uses the smartPLS version 4.0 application.

RESULTS AND DISCUSSION

Research Results

Variable Description

X1 : Internal control of raw materials

Table 1. Variable description

	Mean	Median	Min	Max	Standard deviation	Excess kurtosis	Skewness
X1.1	4.670	5.000	3.000	5.000	0,368	0,588	-1.334
X1.2	4.660	5.000	3.000	5.000	0,383	1.021	-1.392
X1.3	4.590	5.000	3.000	5.000	0,393	0.089	-1.029
X1.4	4.610	5.000	3.000	5.000	0,403	0,355	-1.216
X1.5	4.610	5.000	4.000	5.000	0,338	-1.827	-0.458
X1.6	4.660	5.000	3.000	5.000	0,343	-0.529	-0.936
X1.7	4.620	5.000	3.000	5.000	0,3902	0,298	-1.176

Source: Data processed with *SmartPLS* 4, 2025

Based on table 1 above, it shows that the internal control variable of raw materials has the highest average (*mean*) value of 4,670 at indication 1 with a standard deviation value of 0.368. This identifies that the internal control variable of raw materials has a high average value for each indicator.

X2 : Optimization of operational management

Table 2. Variable description

	Mean	Median	Min	Max	Standard deviation	Excess kurtosis	Skewness
X2.1	4.600	5.000	3.000	5.000	0,3805	-0.092	-0.964
X2.2	4.650	5.000	4.000	5.000	0,331	-1.625	-0.639
X2.3	4.590	5.000	4.000	5.000	0,341	-1.900	-0.372
X2.4	4.620	5.000	3.000	5.000	0,351	-0.916	-0.737
X2.5	4.640	5.000	3.000	5.000	0,386	0,488	-1.281
X2.6	4.710	5.000	3.000	5.000	0,329	0,131	-1.221
X2.7	4.630	5.000	4.000	5.000	0,335	-1.736	-0.547

Source: Data processed with *SmartPLS* 4, 2025

Based on table 2 above, the operational management optimization variable has an average (*mean*) value of 4.710 at indication 6 with a standard deviation value of 0.329. This identifies that the operational management optimization variable has a high average value for each indicator.

Measurement Model Test (*Outer Model*)

This research focuses on testing the validity and reliability of the research conducted using the outer model. This stage includes reliability testing for internal consistency of indicators, convergent validity for the extent of indicators and discriminant validity to ensure that each construct has a clear difference with other constructs.

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

Convergent validity

Convergent validity is part of the measurement model test, aiming to find out each indicator score that measures the variable must have a good type of relationship or really highly correlated with each other. Each indicator in the reflective model must have an *outer loading* greater than 0.7 then it is said to be valid.

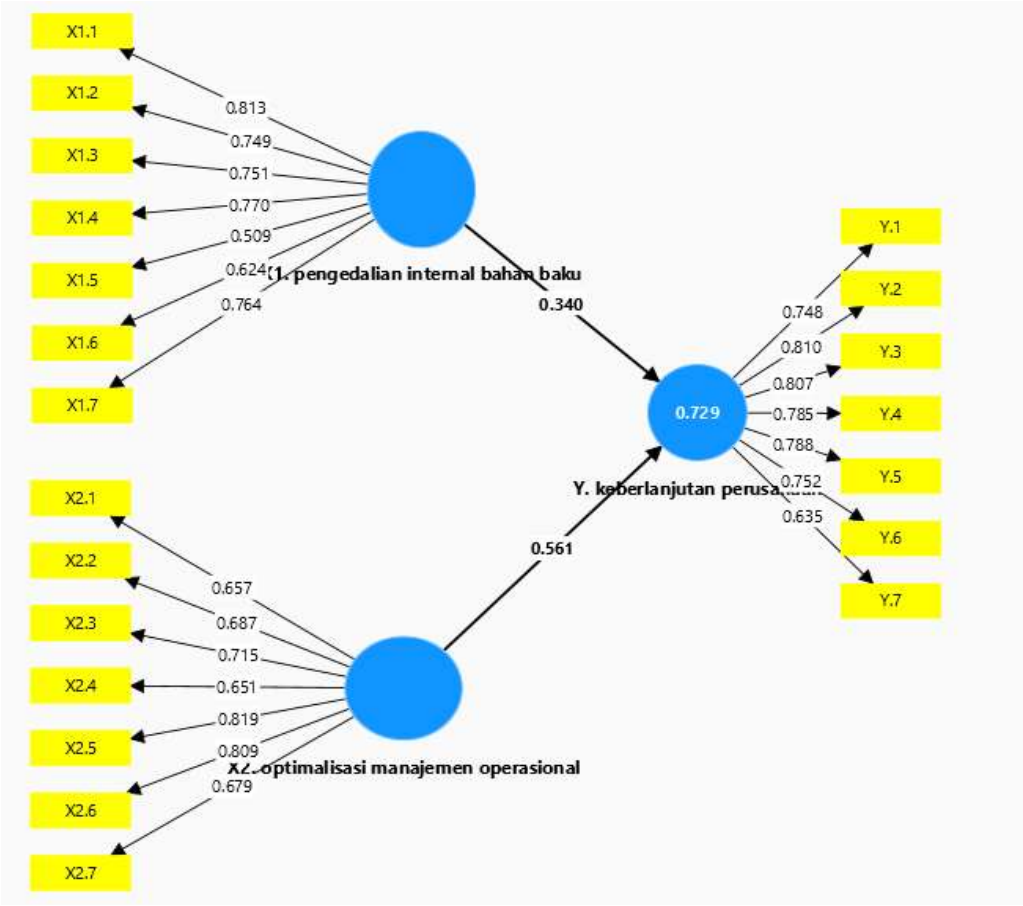

Figure 2. PLS-Algorithm Model after Convergent Validity Test

From the test in the figure, it can be understood that the analysis results show that all indicators in the research algorithm have a validity value of more than 0.70.

Table 3. Convergent validity

	X1	X2	Y
X1.1	0.813		
X1.2	0.749		
X1.3	0.751		
X1.4	0.770		
X1.5	0.509		
X1.6	0.624		
X1.7	0.764		
X2.1		0.657	
X2.2		0.687	
X2.3		0.715	

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

X2.4		0.651	
X2.5		0.819	
X2.6		0.809	
X2.7		0.679	
Y1.1			0.748
Y1.2			0.810
Y1.3			0.807
Y1.4			0.785
Y1.5			0.788
Y1.6			0.752
Y1.7			0.635

Source: Data processed with *SmartPLS* 4, 2025

The correlation value in the table above which exceeds 0.7, identifies that each variable indicator is able to achieve an adequate level of validity. Therefore, this research is considered feasible and can be used as a basis for further analysis.

Discriminant validity

This stage focuses on testing the validity and reliability of the research through the application of the outer model which includes reliability testing, convergent validity and discriminant validity.

Table 4. Discriminant validity

	X1	X2	Y
X1.1	0.813	0.674	0.707
X1.2	0.749	0.522	0.529
X1.3	0.751	0.537	0.565
X1.4	0.770	0.613	0.621
X1.5	0.509	0.400	0.319
X1.6	0.624	0.471	0.449
X1.7	0.764	0.666	0.625
X2.1	0.650	0.657	0.501
X2.2	0.571	0.687	0.528
X2.3	0.533	0.715	0.586
X2.4	0.408	0.651	0.515
X2.5	0.694	0.819	0.732
X2.6	0.592	0.809	0.668
X2.7	0.455	0.679	0.487
Y1.1	0.615	0.638	0.748
Y1.2	0.655	0.680	0.810
Y1.3	0.592	0.720	0.807
Y1.4	0.590	0.591	0.785
Y1.5	0.591	0.651	0.788
Y1.6	0.632	0.631	0.752
Y1.7	0.474	0.478	0.635

Source: Data processed with *SmartPLS* 4, 2025

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

Based on table 4 above, it shows that the variables of internal control of raw materials and optimization of operational management have a high level of validity against X1, X2, and Y. Company sustainability variables also show strong discriminant validity against X1 and X2. In conclusion, these three variables can be clearly distinguished from each other.

***Average Variance Extracted* (AVE)**

Average variance extracted (AVE) which aims to show all items are valid and measurable. A variable is considered to have high validity if the value is above 0.50 (Putra, 2021) . It can be seen that all variables in this study have an AVE value of more than 0.50.

Table 5. *Average variance extracted* (AVE).

Variables	Average variance extracted (AVE)
Internal control	**0,516**
Optimization of operational management	**0,518**
Company Sustainability	**0,582**

Source: Data processed with *SmartPLS* 4, 2025

Based on the test results above, it shows that the AVE value has good convergent validity. For internal control 0.516> 0.50, management optimization 0.518> 0.50, and for Company sustainability 0.582> 0.50. The AVE value on each of the research variables is more than 0.50 which indicates that the research constructs are able to optimally represent the measured variables.

Reliability Test Using *Composite Reability* (CR) and *Cronbanch Alpha*

The reliability test which uses the *Cronbanch alpha* value, which is the one that regulates the lower limit of the reliability value of a construct or variable, is declared reliable if the *Cronbach alpha* value is> 0.70. Meanwhile, *composite reliability* measures the true value of the reliability of a construct and is considered superior in measuring internal consistency if a construct or variable is said to be reliable if it produces a *composite reliability* value> 0.70.

Table 6. *Composite Reliability* (CR) and *Cronbanch Alpha*

Variable	Cronbanch Alpha	Composite Reability (CR) (rho_a)	Composite Reability (CR) (rho_c)
Internal Control	0,841	0,863	0,880
Management optimization	0,843	0,854	0,882
Company sustainability	0,879	0,885	0,907

Source: Data processed with *SmartPLS* 4, 2025

Based on the test results in the table above, it shows internal control with a *Cronbach alpha* value of 0.841> 0.70, management optimization with a *Cronbach alpha* of 0.843> 0.70, Company sustainability with a *Cronbach alpha* value of 0.879> 0.70. In internal control with a *composite reliability* value (rho_a) of 0.863> 0.70, management optimization with a *composite reliability* (rho_a) of 0.854> 0.70, and company sustainability with a *composite reliability* (rho_a) of 0.885> 0.70. Then on internal control with a *composite reliability* value (rho_c) of 0.880> 0.70, management optimization with a *composite reliability of* 0.882> 0.70. And Company sustainability with a *composite reliability* of 0.907> 0.70. So it can be concluded that all criteria that assess the level of reliability of all valid statement items for all research variables.

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

Structural Model Test (*Inner Model*)
Structural Model R Square Test
Table 7. *R-Square* Test

Variable	R-Square	R-Square adjusted
Company sustainability	0,729	0,724

Source: Data processed with *SmartPLS* 4, 2025

The analysis results in the table above conducted through SmartPLS output show that the R-Square value is 0.729, which means that the independent variables in the model are able to explain 72.9% of the variation in the dependent variable, while the remaining 27.1% is influenced by factors outside the research model. Meanwhile, the Adjusted R-Square value is 0.724, which means that after adjusting for the number of independent variables, the model still has a high predictive ability, namely 72.4%. This can show that the research model used is quite strong and reliable in explaining between variables.

Path Coefficient Result
Table 8. Path coefficient results

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistic (|O/STDEV|)	P Values
Internal control -> Company sustainability	0.340	0.354	0.098	3.449	0.001
Management optimization -> Company Sustainability	0.561	0.554	0.100	5.632	0.000

Source: Processed by researchers (2025)

Based on the results of hypothesis testing through *bootstrapping* which shows that all relationships between variables in this study are proven significant. It is known that internal control has a significant effect on the sustainability of the Company. this is evidenced by the T-statistic value of 3.449 which is greater than 1.96 and significant at 5% alpha (P-value <0.05). Meanwhile, management optimization also has a significant effect on company sustainability. This is evidenced by the T-statistic value of 5.632 which is greater than 1.96 and also significant at alpha 5% (P-value <0.05).

DISCUSSION

The Effect of Internal Control on Company Sustainability

The results of the analysis in table 8 show that internal control of raw materials is proven to have a significant effect on the sustainability of the Company. the positive path coefficient value shows that the more optimal the internal control of raw material inventory, the higher the level of sustainability of the Company. Internal control also has an efficient effect on production costs. Not only will the operations be carried out regularly and well according to the applicable procedures, but the Company's financial procedures also have the potential to be more optimally monitored (Wibowo *et al*., 2021) and will have a significant impact on the sustainability of the Company. structured processes, strict supervision and focused risk management are part of effective internal control, which aims to ensure the smooth operation of the Company, accurate financial reporting, and compliance with regulations. Internal controls reduce errors in decision making. However, if internal controls are not effective, it can lead to the dissemination of bad information and inappropriate management decisions, and threaten the sustainability of the company (Valencia, 2024) .

The results of this study are in line with *Goal setting theory* which asserts that internal control must be implemented efficiently and effectively for the sustainability of the Company (Putri *et al.*, 2024) . goals that are specific, challenging, and equipped with feedback significantly improve organizational performance. *Goal setting theory* emphasizes the importance of goal clarity, commitment to goals in motivating directed and consistent work behavior (Muhammad, 2025) . This finding is related to the results of research (Saputro *et al*, 2019) confirms that internal control is carried out by mechanisms in motivating for better performance, competent human resources and performance evaluations are held so that the objectives set are to provide maximum service which will affect the sustainability of the Company.

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

The Effect of Optimizing Operational Management on Company Sustainability

The results of this study reveal that the optimization of operational management has a significant influence on the sustainability of the company and the positive path coefficient indicates that the more optimal operational management is applied, the higher the level of sustainability of the company. Optimal operational management includes efficient resource planning, application of technology in the production process and improving the quality of products and services. Management optimization also not only contributes positively to the environment, but also benefits the Company's economic sustainability. Companies that are able to implement a performance evaluation system to focus on the sustainability aspects of the company can develop a positive reputation in the eyes of consumers and other stakeholders. A sustainability-based approach can also result in a sustainable competitive advantage in an increasingly environmentally conscious market and in their future economic prospects. Success in implementing this comprehensive evaluation system will prove that the Company's sustainability can go hand in hand with efforts to create a positive impact for all parties involved (Berlian septiana *et al* . , 2024)

The results of this study are in line with *Goal setting theory* which asserts that the optimization of operational management is carried out through setting measurable, efficient performance goals, increasing work productivity can run smoothly, on time and in accordance with the targets set by the Company. specific goals management can monitor performance periodically and provide feedback to employees so that any potential improvements can be followed up immediately which will be in line with the sustainability of the Company (Oyetoro, 2024) . This finding is in line with the results of research (Kang *et al.*, 2020) asserts that the optimization of effective management is management that is able to produce quality decisions both in terms of quantitative and qualitative. There is no superior management, except management that is able to achieve rational and objective positive changes for the Company. Meanwhile (Qulub, 2023) emphasizes that the optimization of operational management has a significant and efficient effect such as quality management, process management and improving its sustainability.

CONCLUSION

Based on the results of the study, it can be concluded that this study was conducted to identify the extent of the influence of internal control of raw materials and optimization of operational management on the sustainability of the Company at PT Timuraya Tunggal. The results of the analysis show that the implementation of internal control of raw materials has a positive and significant effect on the sustainability of the Company. this reflects a strong relationship between effective internal controls such as supervision of the receipt, storage and use of raw materials with the Company's ability to maintain sustainable operations.

In addition, the optimization of operational management is also proven to have a positive and significant effect on the sustainability of the Company. the better the efficient operational management carried out from planning, implementation to evaluation of production, the higher the contribution in increasing the competitiveness and sustainability of the Company in the long term. Overall, it can be concluded that both internal control of raw materials and optimization of operational management have a significant and positive influence on the sustainability of the company. This can support the growth and sustainability of the Company.

REFERENCES

1. Anastasia, M., Rahmayanti, N. P., Anizar, S., & Andriani, N. W. (2022). Internal control system for purchasing and selling goods at cv. Intiga Harapan Banjarbaru. *Journal of Accounting Student Research*,*10*(2), 205–216. https://doi.org/10.21067/jrma.v10i2.6992
2. Arista, D., Ziah, S. U., Eprianto, I., Kuntadi, C., & Pramukty, R. (2023). The effect of government accounting standards, human resource competencies and government internal control systems on the quality of government financial reports. *Economina Journal*,*2*(7), 1719–1729. https://doi.org/10.55681/economina.v2i7.668
3. Azzahra, S. A., & Fauziah, L. (2023). The effectiveness of warehouse management system (wms) implementation in pt xyz warehouse. *Journal of Business, Logistics and Supply Chain (BLOGCHAIN)*,*3*(2), 79–82. https://doi.org/10.55122/blogchain.v3i2.920
4. Berlian septiana, Desta wulandari pramesti, nabila azzahra, raizky rienaldi pramasha. (2024). Optimizing human resource management in environmental preservation for diamond economic sustainability. *Scientific Journal of Business Economics (S4)*,*5* (November), 1-12. http://ejournal.stiepancasetia.ac.id/index.php/jieb

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 08 August 2025
DOI: 10.47191/ijcsrr/V8-i8-31, Impact Factor: 8.048
IJCSRR @ 2025
www.ijcsrr.org

5. Bin-Feng, C., Zhe, L., Mirza, S. S., & Safdar, R. (2023). Targeted poverty alleviation initiatives and corporate sustainable value creation: Determining the role of corporate internal governance control in china. *Heliyon*,*9*(7). https://doi.org/10.1016/j.heliyon.2023.e17686
6. Cuandra, F., Kharisma, J., Anggraini, R., Suci Muliati, S., Management Studies, P., & Business and Management, F. (2023). Optimization of operational management system in andilaman company. *Journal of Economics and Business*, *1*, 1–8.
7. Dase, G. V. (2024). *an Analysis of the effect of sustainability report disclosure on company performance with good corporate governance as a moderating variable*.
8. Dirgantara, U., & Suryadarma, M. (2023). Internal *elementary business & accounting journal*,*8*(1), 44–55. https://doi.org/10.35968/jbau.v8i1.1018
9. Fadli, R., Seta, A. B., Ilham, N., Nurcahayati, S., & Mulyani, S. (2020). Time management . *BAKTIMAS: Journal of Community Service*,*2*(2), 100–103. https://doi.org/10.32672/btm.v2i2.2132
10. Fitriana, R., & Zanah, L. (2020). The effect of internal control of raw material inventory and production process planning on the smooth production process at pt. daliatex Kusuma*Accurate Scientific Journal of Accounting*, *11*, 93–114.
11. Holloway, S. (2025). *Inventory management as a key driver of sustainability in supply chains*. *Ssrn*, 1–16.
12. Istianatul Ulya1, Kartika Marliana Sulistiara Pramesti2, N. E. K. A. (2023). Competitive analysis and strategy development of manufacturing industry to improve competitiveness. *3*(1).
13. Juli, N., Eka, F., & Wicaksana, C. (2024). The role of operational audit and internal control on company performance. *Scientific Journal of Economics and Management*, *2*(7), 658–668.
14. Kang, S., Lee, J. R., Lee, J. R., It, I., Acquisition, C., Support, L., MUHAMMAD YOGI, 巴曙松, Vague, R., 高平, 陈嘉禾, Disclosure, T. F. S., Certification, D. B. E. C., Form, U., Contractor, P., Application, P., Express, B., Digital, E., Title, C. P., ... Aéêð, ÅNo主観的健康感を中心とした在宅高齢者における 健康関連指標に関する共分散構造分析Title. *第一财经日报*,*53*
15. Keller, K. and. (2019). Chapter ii literature review chapter ii literature review 2.1. *Operational Management*, *2004*, 6–25.
16. La Ode Abdullah, & Sania Indana Zulfa. (2024). Evaluation of the internal control system over the purchase of food and beverage raw materials pt tri sukses prima. *Applied Economics and Accounting Studies*,*1*(2), 286–305. https://doi.org/10.61132/keat.v1i2.442
17. Muhammad Rozien Zakwan Bin Ab Rahman. (2025). *Why goal setting theory is the most relevant in today's workforce? Malaysian Journal of Business, Economics and Management*,*4*(1), 41–48. https://doi.org/10.56532/mjbem.v4i1.90
18. Nissa, R. K. (2024). The effect of management control systems on business strategy and organizational performance of companies. *8*(8), 251–256.
19. Norisanti, N., & Jhoansyah, D. (2019). Optimizing management capabilities in improving the performance of small and medium enterprises in sukabumi district. *ADHUM Journal*, *1*(1), 45.
20. Nurapiah, D. (2019). Operational risk *EKSISBANK: ,3*(1), 66–73. https://doi.org/10.37726/ee.v3i1.14
21. Oyetoro, A. (2024). *Embracing sustainability in operations and supply chain management: a path to long-term viability*. *May*. https://www.researchgate.net/publication/380396207
22. Parade Natama, & Hermie Hermie. (2024). The effect of sustainability reporting and corporate social responsibility on firm value with internal control disclosure as moderation. *Scientific Journal and Student Work*,*2*(2), 31–47. https://doi.org/10.54066/jikma.v2i2.1528
23. Government. (2020). *Corporate sustainability*. *2507*(February), 1-9. https://repository.unair.ac.id/101555/6/5. Chapter 2 literature review .pdf
24. Purnamasari, R., Hasanudin, A. I., Zulfikar, R., & Yazid, H. (2024). *Do internal control and information systems drive sustainable rural development in Indonesia*? *Journal of Open Innovation: Technology, Markets, and Complexity*,*10*(1). https://doi.org/10.1016/j.joitmc.2024.100242
25. Putra, R. (2021). The effect of leadership and competence on employee performance through organizational citizenship behavior (ocb) of employees as an intervening variable at pt.sawah solok company. *Journal of Education Management and*

Social Sciences,*2*(2), 989– 1001. https://doi.org/10.38035/jmpis.v2i2.767

26. Putri, A. K., Muslimin, M., & Widodo, U. (2024). Measurement of budget gaps: aspects of goal clarity, internal control, and organizational commitment. *Journal of Accounting & Taxation Research (JRAP)*,*11*(1), 169–182. https://doi.org/10.35838/jrap.2024.011.01.12
27. Qulub, umi nur. (2023). *Total quality management and supply chain management* on operational performance.
28. Ramdhani, D., Yanti, Y., & Sitompul, M. A. (2021). The role of corporate social responsibility, corporate governance and profitability: indications of tax avoidance in the mining sector in Indonesia. *STATERA: Journal of Accounting and Finance*,*3*(1), 65–74. https://doi.org/10.33510/statera.2021.3.1.65-74
29. Rizqi Anantia1*, Lina2, Viviani3, Lindawati4, Joey5, P. A. (2024). Analysis of the implementation of operational management at pt. sido emerged herbal and pharmaceutical industry tbk. *Management Studies and Entrepreneurship Journal*,*5*(1), 179–192. http://journal.yrpipku.com/index.php/msej
30. Rois Umami, I. (2024). Optimizing production management in improving efficiency and productivity. *EKOMA: Journal of Economics*, *3*(5), 1076–1086.
31. Sanusi, F. A., & Johl, S. K. (2022). *Sustainable internal corporate social responsibility and solving the puzzles of performance sustainability among medium size manufacturing companies:* An empirical approach. *Heliyon*,*8*(8). https://doi.org/10.1016/j.heliyon.2022.e10038
32. Saputro, G., & Efendi, D. (2019). The effect of internal control and organizational commitment on the performance of Tambaksari sub-district employees. *Journal of Accounting Science and Research*,*10*(9), 1–16. http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/4171
33. Stroumpoulis, A., & Kopanaki, E. (2022). *Theoretical perspectives on sustainable supply chain management and digital transformation: a literature review and a conceptual framework*. *Sustainability (Switzerland)*,*14* (8). https://doi.org/10.3390/su14084862
34. Su, W., Zhang, L., Ge, C., & Chen, S. (2022). *Association between Internal Control and Sustainability: A Literature Review Based on the SOX Act Framework. Sustainability (Switzerland)*,*14*(15). https://doi.org/10.3390/su14159706
35. Subagyo. (2021). Implementation of Operational management. 2. https://repository.widyatama.ac.id/server/api/core/bitstreams/aee09540-85ac-4e85-a67f-5baff3b3136c/content
36. Sugiharto, B. H., Solekan, M., Muslimin, M., & Hamzali, S. (2023). The role of production management and environmental factors in improving the efficiency and sustainability of cattle farming in East Java. *West Science Multidisciplinary Journal*,*2*(11), 1007–1016. https://doi.org/10.58812/jmws.v2i11.784
37. Syahara, H., Afif, M. N., & Anwar, S. (2024). The effect of the internal control system based on the coso framework on raw material inventory. *5*(2), 89–107.
38. Ummah, M. S. (2019). No主観的健康感を中心とした在宅高齢者における 健康関連指標に関する共分散構造分析 Title. *Sustainability (Switzerland)*,*11* (1), 1-14. h
39. UTAMİ, W., & NUGROHO, L. (2021). *Internal control and risk management issues on the sustainability of micro and small enterprises in Indonesia*. *BİLTÜRK Journal of Economics and Related Studies*, *November 2021*. https://doi.org/10.47103/bilturk.993568
40. Valencia, S. (2024). The effect of internal control on business sustainability through accounting information systems as an *intervening variable* in umkm. 1–23.
41. Wahyuni, I., Alimuddin, A., Habbe, H., & Mediaty, M. (2020). The essence of environmental accounting in corporate sustainability. *scientific journal of management accounting*,*3*(2), 147–159. https://doi.org/10.35326/jiam.v3i2.646
42. Wibowo, R., Trisyanto, A., & Rachprilliani, A. (2021). The effect of internal control and accounting information systems on cost efficiency and effectiveness of patient services at public hospital workers. *Journal of Economic Appreciation*,*9*(1), 8–17. https://doi.org/10.31846/jae.v9i1.364

Cite this Article: Cindikya, M., Yanti, Trisyanto, A. (2025). The Influence of Internal Control of Raw Materials and Optimization of Operational Management on Company Sustainability (Case Study of PT. Timuraya Tunggal). International Journal of Current Science Research and Review, 8(8), pp. 4235-4246. DOI: https://doi.org/10.47191/ijcsrr/V8-i8-31