

Business processes, internal control systems and business performance: Basis for sustainable business operation framework

Manongsong, Jiexel L. ✉

Graduate School, Lyceum of the Philippines University - Batangas, Philippines
(ilmanongsong@lpubatangas.edu.ph)



ISSN: 2243-7770
Online ISSN: 2243-7789

OPEN ACCESS

Received: 30 November 2023

Revised: 20 December 2023

Accepted: 31 December 2023

Available Online: 31 December 2023

DOI: 10.5861/ijrsm.2023.1164

Abstract

Business sustainability is an on-going process of planning, implementing, and evaluating operation to survive and thrive according to the needs of evolving environment. This study assessed the business processes, internal control systems and business performance towards sustainable business operation. Descriptive method of research was utilized using adopted and modified questionnaire. 205 Certified Public Accountants in Batangas participated in this study. Weighted mean, ranking, Pearson r, and regression analysis were the statistical tools used to interpret the findings using SPSS version 28. The result showed that the top management commitment and strategic view were strongly observed in the implementation of business processes. There is a strong and in-place internal control system. The market performance, evidenced by a strong market share and growing customer satisfaction, was considered mostly in business performance over financial and non-financial indicators. A moderate to strong direct relationship and strong correlations among business process and business performance, business process and internal control and internal control system with business performance. A proposed framework is suggested for sustainable business operation. Business owners may create a culture of continuous improvement in business operations to maintain high levels of employee engagement and customer satisfaction. Committee of Sponsoring Organization (COSO) internal control framework and financial statement analysis may be used to analyze more specifically the business performance while including rank-and-file employees on the process to have a more holistic view of the business operation.

Keywords: business process, internal control, business performance, sustainability, operation

Business processes, internal control systems and business performance: Basis for sustainable business operation framework

1. Introduction

Business development is an on-going process of planning, implementing, and evaluating operation to survive and thrive according to the needs of evolving environment. It requires a holistic approach, considering all areas and functions of every business organization. Businesses grow alongside competition, the need to strive and to survive. Industrial Revolution (IR) 4.0 propels more the ever-demanding need for integration and sustainability. It opens wide horizon and boundless way of doing business - capitalizing the use of technology, streamlining business processes, securing internal control, and making it an ally in business transactions.

Improvement of business performance is one of the primary goals of enterprises. It captures how the business perform and presents both financial and non-financial indicators. Resource-based view theory states that appropriate capitalization of business resources provides internal and external positive benefits. Business processes as a business resource can contribute beneficial advantage to business when implemented and utilized properly. It also benefits the financial standing of the business as it provides quality information, facilitate better decision making and can capture a larger market. This cause-and-effect principle is captured in social exchange theory. It is believed that when resources are properly aligned into place, it gives both tangible and intangible effect to its stakeholder. This theory offers employees a response to the development and improvement of business operation and is both beneficial to the employee and business itself.

Albert, et al (2018) examined and measured Philippine business and industry and found out that only half of larger-sized businesses innovates over micro, small and mid-sized enterprises. Customer-focused is the primary driving force in innovative processes while high cost hinders it from being fully implemented. Furthermore, De Gorostiza, et al (2018) believed that business process adoption in the Philippines was minimal. Most of the businesses were still on their traditional way of recording and still on their way to implementation and adoption of business processes. In this regard, the benefit that integrated business process offered were deferred, business development staggered, and sustainable business operation not maximized.

The proponent sought it necessary to conduct this study to present status of business process, internal control system set up, and to learn new ways on how to persuade business owners to consider implementing it. Also, this study will help business industry in general to facilitate business process integration and calibration so to maximize its benefits. As a management consultant, researcher attempts to bridge the gap between the idealistic business process and internal control set up to the reality of business operation. The result of this study may be used as a springboard for business development and sustainability. Lastly, it may stir the management in calibrating business processes, internal control and expecting better financial performance.

Objectives of the Study - This study aimed to assess the business processes, internal control systems and business performance towards sustainable business operation. Specifically, to assess business processes in terms of top management commitment and strategic view, process definition and documentation, process measurement and management, process organizational structure, and people management; to assess internal control systems in terms of control environment, purchasing cycle, cash receipt cycle, inventory cycle, and revenue (sales) cycle; to assess business performance in terms of financial performance, non-financial performance, and market performance; to test the significant relationship of business processes and business performance; to test the significant relationship between business processes and internal control systems; to test the significant relationship of internal control systems and business performance; and to propose a framework for sustainable business operation.

2. Methods

Research Design - This study utilized a descriptive method of research that involves interpretation of findings. It was used to describe the business processes, internal control systems and business performance. The researcher sought to gather information from the respondents through providing survey questionnaires.

Participants of the Study - The participants of the study were the 205 (95%) out of 215 accountants of private business in Batangas. 215 sample size was computed from 455 registered accountants in Batangas using Rao Software with a confidence level of 95% and 5% margin of error. They were chosen because they have the capability to assess their business current business processes, internal control and business performance. The list and number of respondents were from the Philippine Institute of Certified Public Accountants (PICPA) Batangas.

Data Gathering Instrument - Information gathering used adopted and modified questionnaire. The first part of the questionnaire discussed the business processes that was adopted and modified from Vukšić and Štemberger (2010), Hernaus, et. al (2012). The second part discussed internal control systems, and the last part contains business performance questions from Hernaus, et. al (2012). Survey items were assessed by the respondents using the Likert Scale of 4 - Strongly Agree; 3 - Agree; 2 -Disagree; and 1- Strongly Disagree. It was the checklist questionnaire method wherein the participants answered a single question with one or more options. The participants put a checkmark on the table that corresponds to their choice. The questionnaire was chosen due to its reliability and feasibility. It underwent content validation by professionals in the field and was subjected to pilot testing for its reliability.

Data Analysis - All data gathered were tallied, encoded, and interpreted using descriptive statistics. Weighted mean and rank were used to assess business processes in terms of top management commitment and strategic view, process definition and documentation, process measurement and management, process organizational structure, and people management; to assess internal control systems in terms of control environment, purchasing cycle, cash receipt cycle, inventory cycle, and revenue (sales) cycle; to assess business performance in terms of financial performance, non-financial performance, and market performance. Pearson r was used to determine a significant relationship. Regression analysis was used to determine the significant predictors of business performance. Casewise diagnostics was used to identify the outliers. All analyses were performed using SPSS version 28.

Ethical Considerations - Ethics is an essential part of each research study because each respondent reads and understands the consent form and accepts the term of the study before participating. The personal information and answers of the participants were given utmost importance and treated with confidentiality. The researcher sought the consent of the PICPA-Batangas through letter and communication to make sure that the target respondents were prepared to answer necessary questions involved in the research. It also ensured the confidentiality and anonymity of the respondents by not asking for their names as they were answering the questionnaires. The researcher ensured that the respondents voluntarily answer the questionnaires according to their will. Finally, the researcher forced none of the participants.

3. Results and Discussion

Table 1

Summary Table on Business Processes

Indicators	WM	VI	Rank
Top Management Commitment and Strategic View	3.59	Strongly Agree	1
Process Definition and Documentation	3.38	Agree	4
Process Measurement and Management	3.45	Agree	3
Process Organizational Structure	3.34	Agree	5
People Management	3.49	Agree	2
Grand Composite Mean	3.45	Agree	

Legend:3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

Table 1 shows the summary table on business processes with 3.45 grand composite mean and verbally interpreted as agree. It means that respondents recognize the importance of the role of each area of business processes. It shows a better understanding of how business processes work, its structures, persons involved, and activities needed to carry out to achieve the business goals. Also, it suggests that the alignment of customer's perspective, organizational goals and efficient production of goods or services can be achieved with the proper understanding, collaboration, and improvement of business processes among all members of the organization.

Antonacci, et al. (2018) identified the significant advantages of using process modelling and five applications in conducting process mapping. Social interaction was identified as a great factor in process modelling more than the graphic illustration of processes. Also, communication improvement, getting support and involvement from process owners were linked as important success elements in achieving goals. These characteristics in business process modelling was also confirmed in the implementation of quality improvement and change management where continuous monitoring of progress, laying out the common goals and development of each member's involvement. Soft skills accumulation along with technical know-how is highly important.

Table 2

Summary Table on Internal Control Systems

Indicators	WM	VI	Rank
Control Environment	3.51	Strongly Agree	4
Purchasing Cycle	3.55	Strongly Agree	2
Cash Receipt Cycle	3.60	Strongly Agree	1
Inventory Cycle	3.47	Agree	5
Revenue Cycle	3.53	Strongly Agree	3
Grand Composite Mean	3.53	Strongly Agree	

Legend: 3.50-4.00=Strongly Agree; 2.50-3.49=Agree; 1.50-2.49=Disagree; 1.00-1.49=Strongly Disagree

Based on the summary table for Internal control systems, respondents strongly agree as it is presented in table 13 with 3.53 grand composite mean. This means that organization understands the role and importance of internal controls in different cycles and transactions. The internal control is defined by COSO as a designed process, implemented and maintained by people with governing authority, management and other employees that is expected to give a reasonable assurance on the reliability of financial reporting, effectiveness and efficiency of operation and compliance with the regulatory bodies. The management is committed in the protection of assets from misappropriation, ensuring the accuracy and reliability in recording data, complying with relevant laws and regulation, improving the business efficiency and effectiveness, and mitigating the risk of financial losses and business disruption. It suggests that strong internal control increases the trust of different stakeholders, lessening the risk of non-compliance and great improvement on decision making.

Also, internal control contributes to the overall performance of the business. Braim & Mohammed (2023) concluded that overall business performance is connected to the efficient and strong internal control systems. Each system has a particular effect on the firm performance and is necessary to be managed closely to foster, boost, and attain better performance. Alaraji et al. (2023) suggested that one of the means to improve internal control is through proper employee training which led to effectiveness and efficiency in doing their job. Alignment of employee's capability and the appropriate control mechanism enable the achievement of organization's vision, mission, goals, and objectives. Internal control is linked with efficient performance. Quality control systems reduce errors and defects thereby developing a culture of excellence and quality. Integration of quality system and internal control improve the confidence of stakeholders, compliance with regulatory bodies and better decision-making process.

A summary of business performance is presented in table 3. It shows that respondents generally agreed with the three constructs. It means that business performance can be measured not only with the traditional and common financial indicators, but rather holistically with non-financial and market performance. Measuring business performance in holistic approach improves strategic decision-making, commitment of the management,

involvement of employees, facilitates better communication and establishes good customer relations.

Table 3*Summary Table on Business Performance*

Indicators	WM	VI	Rank
Financial Performance	3.46	Agree	3
Non-financial Performance	3.47	Agree	2
Market Performance	3.54	Strongly Agree	1
Grand Composite Mean	3.49	Agree	

Legend: 3.50-4.00=Strongly Agree; 2.50-3.49=Agree; 1.50-2.49=Disagree; 1.00-1.49=Strongly Disagree

Business performance is crucial to its survival and sustainability. Financial performance gives the picture of the business position in terms of finances. Non-financial performance measures on the other hand gives an overview of management effectiveness on decision-making matters, employees welfare, organizational growth, and stakeholders considerations. Additionally, market performance shows the current location of business in the market. It is vital to measure business performance as it will balance the chances of failing and succeeding in business endeavors. It includes consideration for organizational culture, decision-making, technology integration, compensation package, competencies and strategies, and internal control (Rehman et.al, 2020). Likewise, business performance influences profitability and organizational factors. Internal control systems significantly affects business performance. Working internal control increases the confidence of management to rely on the business process having reliable informant from the business operation. It is an important component to the overall business development and growth. It provides information needed to come up with an informed decision. Analyzing business performance enhances assessment of effectiveness and efficiency of business operation. It directs management to monitor the attainment of its goals, determine the areas that need to improve and strategize better performance. Further, business performance is improved as it is significantly affected by entrepreneurial competencies, cost leadership and differentiation strategies consistent with the principles and theory of Resource-Based View (RBV) (Rehman et.al, 2019).

Table 4*Relationship Between Business Processes and Business Performance*

Variables	r-value	p-value	Interpretation
Top Management Commitment and Strategic View			
Financial Performance	0.486**	0.000	Highly Significant
Non-financial Performance	0.561**	0.000	Highly Significant
Market Performance	0.576**	0.000	Highly Significant
Process Definition and Documentation			
Financial Performance	0.486**	0.000	Highly Significant
Non-financial Performance	0.519**	0.000	Highly Significant
Market Performance	0.490**	0.000	Highly Significant
Process Measurement and Management			
Financial Performance	0.616**	0.000	Highly Significant
Non-financial Performance	0.661**	0.000	Highly Significant
Market Performance	0.613**	0.000	Highly Significant
Process Organizational Structure			
Financial Performance	0.597**	0.000	Highly Significant
Non-financial Performance	0.549**	0.000	Highly Significant
Market Performance	0.539**	0.000	Highly Significant
People Management			
Financial Performance	0.616**	0.000	Highly Significant
Non-financial Performance	0.661**	0.000	Highly Significant
Market Performance	0.613**	0.000	Highly Significant

** Correlation is significant at the 0.01 level

Table 4 presents the relationship of business process and business performance, the computed r-values ranging from 0.486 to 0.661 indicating a moderate to strong direct relationship among the sub-constructs of business processes and business performance. There is a statistically significant relationship between business processes and business performance because the obtained p-values were less than 0.01.

The traditional business objective is to earn profit from business operation. Development directs business to investigate an in-depth scenario that covers internal operation (profitability), the stakeholder's involvement (people) and the preservation of the planet. Organizations pursue this direction using the information from internal and external partners and measured using parameters involving finance and other considerations. This entails improvement in the overall direction and goal of the business. Business processes management and orientation is correlated with business performance (van't Hul et. al, 2023). Organizational mindset is crucial in the implementation of business process management in all constituents of the organization to drive favorable business operation (Hernaus et.al, 2012).

Table 5
Relationship Between Business Processes and Internal Control Systems

Variables	r-value	p-value	Interpretation
Top Management Commitment and Strategic View			
Control Environment	0.590**	0.000	Highly Significant
Purchasing Cycle	0.452**	0.000	Highly Significant
Cash Receipt Cycle	0.453**	0.000	Highly Significant
Inventory Cycle	0.488**	0.000	Highly Significant
Revenue Cycle	0.483**	0.000	Highly Significant
Process Definition and Documentation			
Control Environment	0.545**	0.000	Highly Significant
Purchasing Cycle	0.477**	0.000	Highly Significant
Cash Receipt Cycle	0.449**	0.000	Highly Significant
Inventory Cycle	0.505**	0.000	Highly Significant
Revenue Cycle	0.475**	0.000	Highly Significant
Process Measurement and Management			
Control Environment	0.571**	0.000	Highly Significant
Purchasing Cycle	0.461**	0.000	Highly Significant
Cash Receipt Cycle	0.401**	0.000	Highly Significant
Inventory Cycle	0.481**	0.000	Highly Significant
Revenue Cycle	0.436**	0.000	Highly Significant
Process Organizational Structure			
Control Environment	0.600**	0.000	Highly Significant
Purchasing Cycle	0.474**	0.000	Highly Significant
Cash Receipt Cycle	0.456**	0.000	Highly Significant
Inventory Cycle	0.467**	0.000	Highly Significant
Revenue Cycle	0.453**	0.000	Highly Significant
People Management			
Control Environment	0.571**	0.000	Highly Significant
Purchasing Cycle	0.461**	0.000	Highly Significant
Cash Receipt Cycle	0.401**	0.000	Highly Significant
Inventory Cycle	0.481**	0.000	Highly Significant
Revenue Cycle	0.436**	0.000	Highly Significant

** Correlation is significant at the 0.01 level

As seen in the table, the computed r - values ranging from 0.401 to 0.600 indicate a moderate to strong direct relationship among the sub constructs of business processes and internal control systems. There is a statistically significant relationship between business processes and internal control systems because the obtained p-values were less than 0.01.

The primary goal of internal control system is to help the stakeholders to rely on the processes, and information provided by the management from the result of operation. It provides accurate, reliable, and relevant financial information to safeguard a company's assets, reduce errors, improve efficiency and compliance with relevant laws and regulations. Internal control embedded in business processes improves the quality of financial and non-financial information of the business operation. An efficient internal control system covers the mediating control for both organizational processes and individual involvement. Business processes is strengthened and assured as working internal control system provides reliance that employees are performing their duties responsibly, ensuring efficient production and increasing the quality of information generated for decision making. Braim et.al, (2023) cited Committee of Sponsoring Organizations (COSO) framework consist

of five components working simultaneously and integrated to each other. Business performance improvement is achieved through leadership development, mindful of preventing fraud, management of risk, internal control systems and governance. Sound internal control practices associated with constancy and improved performance. It also caters for different business transactions and outputs. Overall business performance is connected to efficient and strong internal control systems. Each system has a particular effect on the firm performance and is necessary to be managed closely to foster, boost, and attain better performance.

Table 6*Relationship Between Internal Control Systems and Business Performance*

Variables	r-value	p-value	Interpretation
Control Environment			
Financial Performance	0.592**	0.000	Highly Significant
Non-financial Performance	0.630**	0.000	Highly Significant
Market Performance	0.621**	0.000	Highly Significant
Purchasing Cycle			
Financial Performance	0.577**	0.000	Highly Significant
Non-financial Performance	0.564**	0.000	Highly Significant
Market Performance	0.610**	0.000	Highly Significant
Cash Receipt Cycle			
Financial Performance	0.517**	0.000	Highly Significant
Non-financial Performance	0.549**	0.000	Highly Significant
Market Performance	0.579**	0.000	Highly Significant
Inventory Cycle			
Financial Performance	0.544**	0.000	Highly Significant
Non-financial Performance	0.568**	0.000	Highly Significant
Market Performance	0.528**	0.000	Highly Significant
Revenue Cycle			
Financial Performance	0.602**	0.000	Highly Significant
Non-financial Performance	0.572**	0.000	Highly Significant
Market Performance	0.606**	0.000	Highly Significant

** Correlation is significant at the 0.01 level

Table 6 showed the computed r-values ranging from 0.517 to 0.630 indicate a moderate to strong direct relationship among the sub constructs of internal control systems and business performance. There is a statistically significant relationship between internal control systems and business performance because the obtained p-values are less than 0.01.

Management establish internal control systems to facilitate operation efficiently and effectively to attain the overall business objectives. Internal control system has a significant impact on business performance. Accuracy and reliability of financial reporting process are improved, and it produces quality information that leads to improved management decision making. Errors or fraud are mitigated and minimized that contribute to efficient business operation, management of resources and cost savings.

Adegboyegun et. al, (2020) agreed that internal control system positively affects the overall business performance. Reliable business operation, effective processes, improved communication, and compliance with relevant regulatory bodies are some of the benefits of internal control systems. Business sustainability is linked to the implementation of internal control that operates to achieve goals and objectives. Optimum business performance correlates the function of internal control in identifying operational strength, weaknesses, threats, and opportunities and to improve its processes. Irregularities such as theft, fraud, misappropriation are minimized with the established controls on policies and procedures. Adaptation to the business environment, capturing greater market share and capitalizing relationship among stakeholders are also benefits of effective internal control. Likewise, Alfartoosi & Jusoh (2021) confirmed and correlated internal control system with the favorable business operation. Internal controls embedded in accounting technology signifies improving fair valuation, profitability, and operational efficiency on business performance. Strong relationship of accounting information systems quality, cost minimization, improve decision-making and ease of use with business

performance was established. Internal control systems significantly influence business performance.

Table 7
Predictors of Business Performance

Variable	B	β	t-value	p-value
(Constant)	0.331		1.960	0.051
Business Processes	0.545	0.491	8.060	0.000
Internal Control Systems	0.362	0.373	6.112	0.000

Note: $R^2_{adj}=0.639$; F-value=178.045;p-value=0.000

Table 7 depicted a multiple regression that was conducted to see if business processes, and internal control systems predicted business performance. The fitted regression model was Business Performance = 0.331 + 0.545 (Business Processes) + 0.362(Internal Control Systems). Overall, the results showed the utility of the predictive model was significant, F-value = 178.045, $R^2_{adj}=0.639$, $p < 0.05$. All the predictors explain a significant amount of the variance between the variables (63.9%). The results showed that business processes and internal control systems were significant positive predictors of business performance.

Business process is a significant predictor of business performance. Business processes are the underpinning of business performance and in the same way, business performance is the gauge of the effectiveness and efficiency of business processes. Business processes are the building blocks in achieving business goals. It is how business operation is conducted and executed. Meanwhile, business performance is the measure of the result of business dealings. In this study, it is measured in terms of financial, non-financial and market performance. Analysis of the result of business performance may point to the strength and weaknesses of the business process. Deficient process may cause loss and disruption in the operation.

On the other hand, management has the capacity to address this deficiency as the performance measures are analyzed. They can respond quickly with the findings from business performance and make necessary adjustments and corrections to business processes. The use of key performance indicators (KPIs) is one way of connecting business process with performance. KPIs are the targets or standard set by the management to measure the outcome of business operation. Effective and efficient business processes leads to increased profitability, motivated employees, satisfied customers and compliant in regulatory bodies. Ali (2023) confirmed the same that business process is significant predictor of business performance. There is a direct association between the business process and the performance of business. It becomes an asset to the company that builds and lay the foundation for improved operations. Relationship is enhanced and interconnection paves its way for continuous development and improvement of business processes. In the same way, it gives an opportunity for greater profitability, capturing larger market and satisfying the customer demand.

Internal control systems are also a positive significant predictor of business performance. Internal control system has a significant impact on business performance. Reasonable assurance on the accuracy and reliability of financial reporting, business operation efficiency and in compliance with relevant rules and regulations is the primary objective of internal control. Strong relationship between control systems and performance emanates from the goals and attainment of business objectives. Indirectly, it creates an environment of trust and accountability among members of the organization. Employee motivation, business and process innovation and profitability are reasonably assured with the effectiveness of internal control. Management establish internal control systems to facilitate operation efficiently and effectively to attain the overall business objectives. Accuracy and reliability of financial reporting process is improved, and it produces quality information that leads to improved management decision making. Errors or fraud are mitigated and minimized that contributes to efficient business operation, management of resources and cost savings. Adegboyegun et. al, (2020) agreed that internal control system positively affects the overall business performance. Reliable business operation, effective processes, improved communication, and compliance with relevant regulatory bodies are some of the benefits of internal control systems.

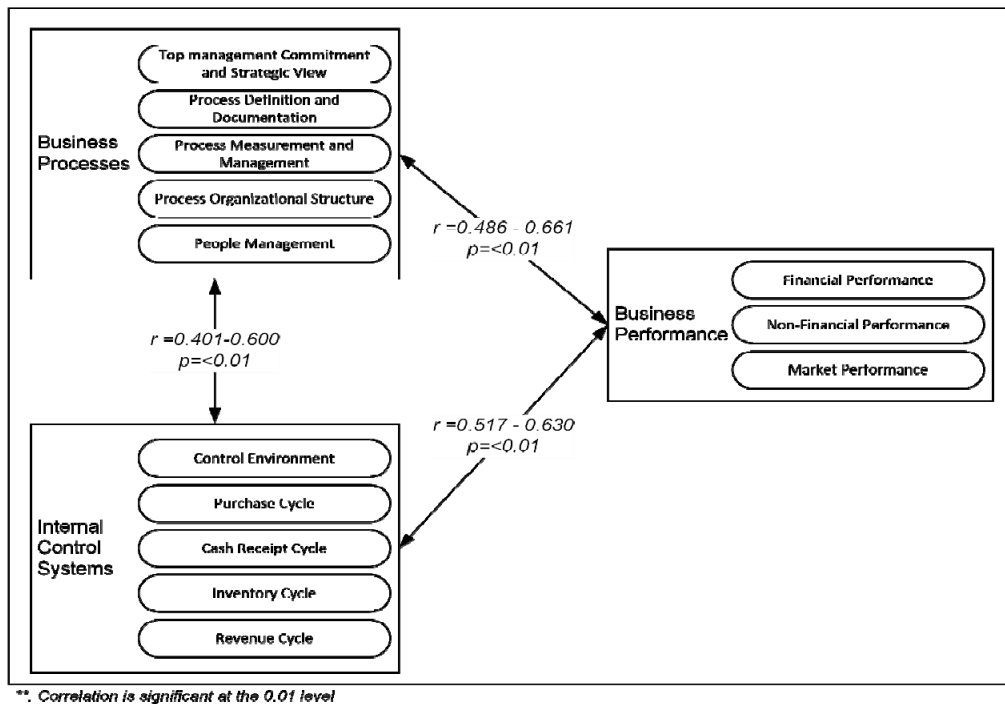


Figure 1. Correlations between Business Process, Internal Control and Business Performance

Business sustainability is linked to the implementation of internal control that operates to achieve goals and objectives. Optimum business performance correlates the function of internal control in identifying operational strength, weaknesses, threats, and opportunities and to improve its processes. Irregularities such as theft, fraud, misappropriation are minimized with the established controls on policies and procedures. Adaptation to the business environment, capturing greater market share and capitalizing relationship among stakeholders are also benefits of effective internal control. Likewise, Alfartoosi & Jusoh (2021) confirmed and correlated internal control system with the favorable business operation. Internal controls embedded in accounting technology signifies improving fair valuation, profitability, and operational efficiency on business performance. Strong relationship of accounting information systems quality, cost minimization, improve decision-making and ease of use with business performance was established. Internal control systems significantly influence business performance. This proposed framework shows the interrelations of business process, internal control, and business performance. Based on the findings of this study, business process has moderate to strong direct relationship with business performance. It means that effective and efficient business process positively affects the overall business performance. van't Hul et. al, (2023) found the same correlation between processes and performance of business.

Also, there is a moderate to strong direct relationship between internal control and business process. Effective internal control provides reliance that employees perform their duties responsibly, ensure efficient production and increase the quality of information generated for decision making while capitalizing the business processes. Braim et.al, (2023) affirmed this as business performance improvement is achieved through leadership development, mindful of preventing fraud, management of risk, internal control systems and governance and that overall business performance is connected to the efficient and strong internal control systems. Likewise, correlation of internal control and business performance was found to have a moderate to strong direct relationship. Establishment of internal control systems facilitates improved business operation to attain the overall business objectives. Adegboyegun et. al, (2020) agreed that internal control system positively

affects the overall business performance. Furthermore, Alfartoosi & Jusoh (2021) confirmed and correlated internal control system with the favorable business operation. Lastly, it showed that business process and internal control systems are significant positive predictors of business performance. It means that well defined business processes and efficient internal control systems affects the overall performance of business.

4. Conclusion and Recommendations

The findings revealed that the top management commitment and strategic view were strongly observed in the implementation of business processes. There is a strong and in-place internal control system. Market performance was considered mostly compared to financial and non-financial indicators as evidenced by strong

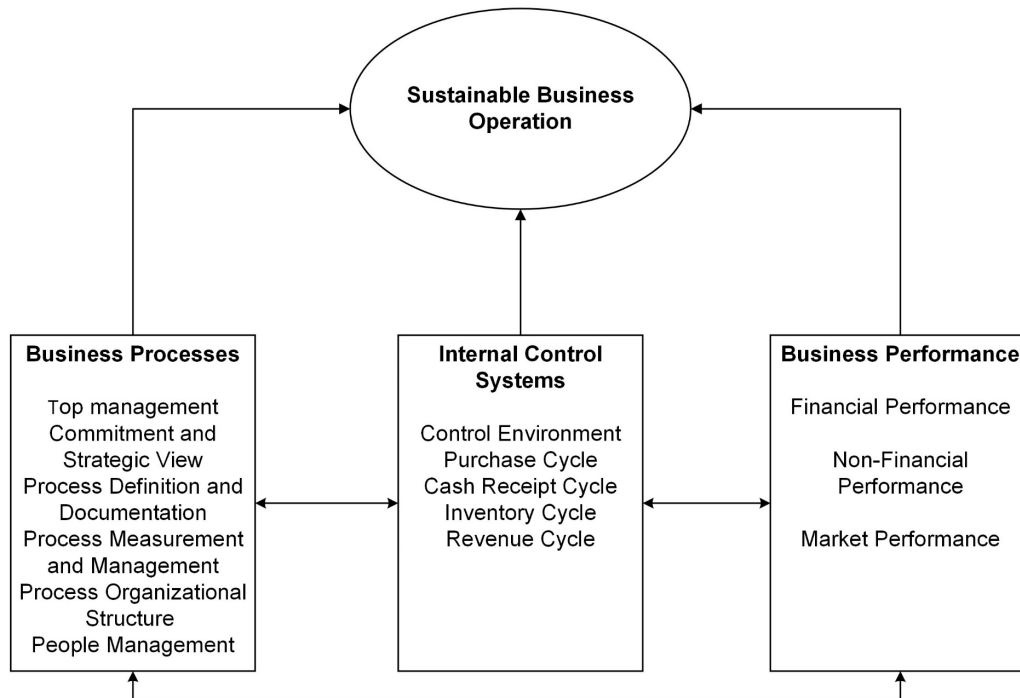


Figure 2. Proposed Sustainable Business Operation Framework

market share and growing customer satisfaction. A moderate to strong direct relationship and strong correlations among business process and business performance, business process and internal control and internal control system with business performance. A proposed framework is suggested for sustainable business operation. The practical implication of this study suggest that business owners may create a culture of continuous improvement in business operations to maintain high levels of employee engagement and customer satisfaction. Also, Committee of Sponsoring Organization (COSO) internal control framework indicators may be considered to analyze the business environment control systems. In terms of financial performance, a more specific financial statement analysis tools may help to evaluate the financial considerations of the business. Inclusion of rank-and-file employees as respondents may give a more balanced view and assessment of business performance. Lastly, business owners may discuss the proposed framework for implementation and be evaluated thereafter.

5. References

Adegboyeun, A. E., Ben-Caleb, E., Ademola, A. O., Oladutire, E. O., & Sodeinde, G. M. (2020). Internal control systems and operating performance: Evidence from small and medium enterprises (SMEs) in Ondo state. *Asian Economic and Financial Review*, 10(4), 469.

- Alaraji, F. A. A. S., Ali, K. S., & Sabri, T. M. M. (2023). Reflection Of the Integrative Relationship Between Six Sigma Technology Standards and Internal Control Elements According to The COSO Framework on Improving Performance Quality. *Calitatea*, 24(192), 73-81.
- Albert, J. R.; Quimba, F. M. A.; Serafica, R. B.; Llanto, G. M.; Vizmanos, J. F. V.; Bairan, J C A. C.. (2018). Measuring and Examining Innovation in Philippine Business and Industry. © Philippine Institute for Development Studies. <http://hdl.handle.net/11540/8714>.
- Alfartoosi, A., & Jusoh, M. A. (2021). A Conceptual Model of E-accounting: Mediating effect of Internal Control System on the Relationship Between E-accounting and the Performance in the Small and Medium Enterprises. *International Journal of Economics and Management Systems*, 6.
- Ali, Z. (2023). Predicting SMEs performance through green supply chain practices: a mediation model link of business process performance. *Asia pacific journal of marketing and logistics*, 35(2), 432-450.
- Antonacci, G., Reed, J. E., Lennox, L., & Barlow, J. (2018). The use of process mapping in healthcare quality improvement projects. *Health services management research*, 31(2), 74-84.
- Braim, S. J., & Mohammed, R. B. (2023). The (COSO) Framework: Implications of Internal Control Components on the Performance Manufacturing Companies. *Qalaai Zanist Journal*, 8(1), 1203-1227.
- De Gorostiza, J. A., Nordin, N. A. B., Pang, X. Y., Sabili, M. A., Ng, G., & Mariano, S. M. (2018). Development of an Accounting Information System with Data Migration for Company ABC. *International Journal of Computing Sciences Research*, 1(3), 50-64.
- Hernaus, T., Bach, M. P., & Vukšić, V. B. (2012). Influence of strategic approach to BPM on financial and non-financial performance. *Baltic Journal of Management*.
- Rehman, S. U., Elrehail, H., Nair, K., Bhatti, A., & Taamneh, A. M. (2020). MCS package and entrepreneurial competency influence on business performance: the moderating role of business strategy.
- Rehman, S.-u., Bhatti, A. and Chaudhry, N.I. (2019), "Mediating effect of innovative culture and organizational learning between leadership styles at third order and organizational performance in Malaysian SMEs", *Journal of Global Entrepreneurship Research*, Vol. 9 No. 1, pp. 1-24
- van't Hul, M., Ravesteijn, P., Zhu, Q., & Ongena, G. (2023). Business Process Management And Process Performance The Moderating Role Of National Culture. *ECIS 2023 Research Papers*. 312
- Vukšić, V. B., & Štemberger, M. I. (2010). Adoption of business process orientation practices: Slovenian and Croatian survey. *Business Systems Research: International journal of the Society for Advancing Innovation and Research in Economy*, 1(1-2), 5-19.

