



# Can Management Control and Leadership Style be The Predictive Factor In Improving Organizational Performance?: A Role Of Organizational Culture

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## Abstract

*This study aims to determine the influence of Management Control System (MCS), leadership style (LS) towards organizational performance (OP) with Organizational Culture (OC) as a moderating variable. The research method applied is a quantitative approach with sequential explanatory design and using questionnaires, followed by deep interviews in order to confirm the survey's results. Primary data was collected from google form given to all manufacturing industries (Building products and Fixtures, Electrical, Machinery, Diversified Industrial, Aerospace and Defense, Commercial and Professional Services, Multi-Sector Holdings) throughout Indonesia both listed on the IDX and non-listed. The results received in total 282 responses and 252 were examined after deleting 30 outliers data. Research findings show that the MCS and LS have a positive influence on OP. Organizational Culture also positively moderate the influence between the MCS and LS on OP. This study contributes the study of OP by adding the aspect of digitalization to the LS and provide empirical evidence of the role of organizational culture as a moderating variable.*

**Keywords: Management Control System, Leadership Style, Organizational Culture, Organizational Performance**

## 1. INTRODUCTION

The global history in 2022 due to the Covid 19 pandemic has been a great issue and difficult years for the world economy. The Covid 19 pandemic has an impact on the entire world business, including Indonesia as one of the big countries. This impact influenced





many sectors, especially the manufacturing industry (Pandey, 2023). Due to this impact, all industrial companies must continue to try thinking about how their companies can maintain their organizational performance for their sustainability business.

According to Anthony (2015), Management Control System (MCS) is a process carried out by a manager in ensuring that the resources that have been obtained and used by the company are efficient and effective in achieving an organizational goal. A manager who has ensured a good MCS can influence positively the company's performance. MCS needs to be supported by a good internal control system in order to assist an organization in collecting, using information to evaluate the performance of organizational resources which ultimately affects organizational behavior in setting organizational strategies and achieving organizational goals (Simons, 1995). Some studies that have been conducted by Cadez and Guilding (2011), Nuhu et al (2019), Munck (2020), Baird (2019) provide the same results where the MCS has a positive influence on the company performance, but their studies did not include the internal control system in their MCS measurement. According to Steinbart (2015) internal control is important in the management control system in ensuring that a management control system runs well.

Besides MCS, the organizational performance is influenced by Leadership Style (LS). The role of LS is important and therefore, it must be owned by a leader and is a consideration for company management in determining the direction and goals of the company (Rorimpandey, 2017). Further Rorimpandey explains that leadership style is the leadership style carried out by managers in terms of transformational, transactional, situational, service, authentic, spiritual. Studies conducted by Bititci, et al (2015), Hopfl (2016), Dillon and Manz (2016), Cameron and Quinn (2019) show that leadership style influences organizational performance because a good leadership style should involve internal control from superiors to subordinates so that the company performance can improve. Previous research (Khaled, 2020) did not measure morality, spirituality, ethics and religion from the leader, even though the most important thing for a leader is to direct his subordinates to maximize overall company performance (Sapta, 2021). Hence, this study adds elements of morality, spirituality, ethics, and religion in a leadership style, these four things can improve an OP.

According to Rays, Aryati and Augustine (2016) Organizational Culture was empirically influence to the correlation of MCS, and LS to OP. OC will build leaders and employees in a company which may also form a legal culture (Hopfl, 2016). In Indonesia, leaders in a company still have to comply with applicable labor regulations from the





Ministry of Manpower such as minimum wages, working hours, leave and others so as to make employees feel comfortable. Leaders seem only obligate the legal regulations and these compliances create the company culture. Thus, the legal culture is an important factor for an organizational culture which may significant role to strengthening MCS and leadership style to OP.

Robins (2012) explains that OC is a system of corporate meaning shared by its members that distinguishes the organization from other organizations. Therefore, it is necessary to understand and learn more about organizational culture in order to improve company performance. Studies that has been conducted by Bititci, et all (2015), Hopfl (2016) and Rays, Aryati and Augustine (2022) show that OC influences OP, because a good corporate culture motivates every employee in the company to maximize company performance. However, all of these studies do not include spirituality, religion and ethics in measuring OC. Rays, Aryati and Augustine (2022) states that OC influences stronger correlation of MCS and LS, towards OP. Hence, this study applies OC as a moderating variable towards MSC and LS to OP.

Organizational performance (OP) must be managed properly, not only from the financial, but also non financial performances to create a sustainability business in the long run. Further, as public companies, an organizational should maintain both internal and external stakeholders' trusts. According to Puryantini et all (2017), OP is a management process used by the management of a company in determining whether an employee in the company has carried out work in accordance with his duties and responsibilities. OP has the concept that every company should achieve its best performance to be able to sustain (Puryatini, et all, 2017).

This study aims to fill the gaps from prior studies, and develop some measurements factor in the MCS and OC to be more comprehensive. Internal Control System is added in the MCS, Legal Culture is added in the OC, and digitalization is put on LS. These additional dimension and indicator are expected to build better and comprehensive variables.

## 2. LITERATURE REVIEW

### 2.1 Stakeholder Theory

The grand theory of this research is Stakeholder Theory. Stakeholder Theory was introduced in 1963 by the Stanford Research Institute. Stakeholder theory focuses attention not only on the internal interests of the company but must provide benefits to external





parties. Stakeholders here can be creditors, suppliers, communities, governments and other interested parties (Harmoni (2013). Stakeholder theory can also describe maximizing organizational performance for the benefit of stakeholders. (Devy, et al, 2017). Stakeholder Theory is used in this study to explain all independent and moderating variables related to organizational performance. All stakeholder interests at any of these levels influence the managerial decisions of an organizational performance.

## 2.2 Resource Based View Theory (RBV)

The Middle Theory of this research is the Resource Based View (RBV) theory. This theory was first proposed by Wernerfelt (1984) in his work "a resource-based view of the firm". This theory explains that the success of a company is determined by both natural and human resources and their capabilities so that they can convert existing resources (inputs) in a company into economic benefits. The resources in question are divided into two, namely tangible resources or intangible resources. Tangible resources can be land, machinery and buildings while intangible resources can be expertise, perceptions, culture and others (Barney, 1991).

The Resource Based View theory explains that if a company wants to excel in competition, the company must be able to rely on existing resources and leaders must be able to direct the company towards continuous corporate sustainability (Barney, 1991). The main approach of resource-based theory is how companies can understand the relationship between resources, competitive advantage, profitability, and capability in understanding the mechanisms used to maintain the company's advantage over time. RBV theory also explains that corporate resources help organizations improve the efficiency and effectiveness of corporate operations. RBV Theory supports the explanation of all independent and moderating variables related to organizational performance. RBV theory supports the explanation of all independent and moderating variables related to organizational performance. Due to the existence of RBV theory, it can maximize company resources, both tangible in the form of MCS and intangible in the form of LS and OC companies. Where the three variables (MCS, LS) are independent variables in this study, while OC is a moderating variable in this study.

## 2.3 Management Control System (MCS)

According to Anthony (2015) Management Control System (MCS) is a process carried out by a manager in ensuring that every resource that has been obtained by the company





has been used effectively and efficiently. According to Simons (1995) explains that the Management Control System (MCS) is divided into four control systems (levels of control) including belief system, boundary system, diagnostic control system, and interactive control system. These four controls can support company managers in maintaining the balance of resource empowerment and controlling the company effectively. MCS is added as an independent variable in this study due to its importance related to the phenomenon of information technology development in the era of the industrial revolution 5.0. MCS supported by an Internal Control System can improve and make investors feel happy because the industrial company has been properly controlled by management.

## 2.4 Leadership Style

According to Busro (2018) explained leadership style is a pattern of behavior that is consistent and played by company leaders in influencing members in an organization. This means the way the leader acts in influencing the members of the organizational group in shaping the leadership style of a leader. A good leader in the organization must be able to apply the right leadership style so that all group members in the organization feel comfortable in doing the work so that the goals of the organization can be achieved effectively and efficiently. Not only giving orders, a good leader must also be able to build a conducive atmosphere in an organization. A conducive atmosphere can apply the right and proper leadership style. In the current era, all leadership styles are inseparable from digitization (Busro, 2019). LS is added as the second independent variable in this study due to its importance related to the phenomenon of information technology development in the era of the industrial revolution 5.0. A good leadership style based on digitalization can direct the achievement of organizational goals. Organizations feel comfortable in doing work so that organizational goals can be achieved effectively and efficiently.

## 2.5 Organizational Culture

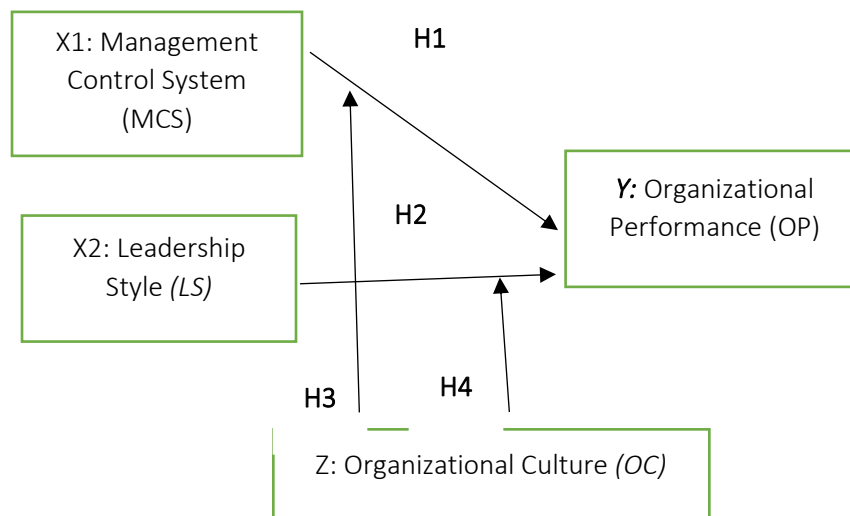
According to Krietner and Kinicki in Zuki (2016) organizational culture is a system, assumptions, values and a shared belief that governs a person in the organization. one form of assumption that is owned, implicitly accepted by a group of people in the organization. Determination of how the group can feel, think, and react to a diverse environment. Organizational culture is closely related to how employees in a company can give a perception of the characteristics of an organization's culture, not by what they like about that culture. The existence of a culture in the organization can form an identity for the company.



Organizational culture of leaders and company management can improve employee performance and ultimately will affect the performance of the company. Organizational culture in each company has a different assessment with principles and characteristics that can be sorted. Organizational culture is inseparable from legal culture. OC was added as a moderating variable in this study due to its importance related to the phenomenon of legal culture development in the current era. Organizational culture formed from leaders and company management can improve employee performance and ultimately will affect the sustainable performance of a company.

## 2.6 Organizational Performance

According to Parade (2016) the company's performance is the result of management activities. Parameters that are often used in assessing the company's performance using financial information contained in the financial statements. Company performance appraisal aims to determine the effectiveness of the company's operations. The information used can measure financial performance, management accounting information such as taxes, return on investment made. Performance measurement according to Healy (1995) is based on market performance which has some weakness on uncontrolled events that cause market price risk and uncontrollable conditions. Organizational performance is the dependent variable in this study and must be continuously improved to achieve sustainable performance for the company.





## 2.7 Hypothesis Development

### a. Management Control System has a positive influence on Organizational Performance.

Organizational performance is largely determined by the Management control system. The control system is based on internal control so that company systems are integrated with each other and avoid fraud and system deficiencies. This may occur and be used when the sophistication of the system is misused by the internal parties of a company in order to maximize company performance. Some studies that have examined the relationship between the Management Control System and Organizational Performance are research conducted by Cadez and Guilding (2011), Nuhu et al (2019), Munck (2020), Baird (2019), Gunawan, Permatasari and Tilt (2020), and Gunawan, et al (2023) both get the same research results where the Management Control System has a positive influence on the company's organizational performance.

Based on all the explanations above, the first hypothesis developed in this study is:

**H1: Management Control System has a positive influence on Organizational Performance.**

### b Leadership style has a positive influence on organizational performance

According to Busro (2018) explains that Leadership Style is a pattern of behavior that is consistently played by company leaders in influencing members in an organization. This means that the way the leader acts in influencing members of the organizational group in shaping the leadership style of a leader. Leadership requires digitalization in the current era. With digitalization, it certainly affects the Leadership Style used in improving performance and monitoring subordinates of the leader from the physical, emotional, spiritual and so on, so that it leads to improved organizational performance. Digital Leadership Transformation in this Leadership Style is included in positive leadership.

Several studies have examined the relationship between Leadership Style and Organizational Performance. Research that has been conducted by Bititci, et al (2015), Hopfl (2016), Dillon and Manz (2016), Cameron and Quinn (2019), Gunawan, Permatasari and Tilt (2020), Erhan and Hasan (2022) and Gunawan, et al (2023) both get research results where the Leadership Style affects organizational performance because with a good Leadership Style there is internal control from superiors to subordinates well so that company performance can increase. then the second hypothesis developed in this study is:

**H2: Leadership style has a positive influence on organizational performance**





**c. Organizational Culture strengthens the positive influence of the Management Control System on Organizational Performance**

According to Krietner and Kinicki in Zuki (2016) organizational culture is a system, assumptions, values and a shared belief that governs a person in an organization. one form of assumption that is owned, implicitly accepted by a group of people in the organization. Determines how the group can feel, think, and react to a diverse environment. Organizational culture is closely related to how employees in a company can give perceptions of the characteristics of an organization's culture, not to what they like about the culture.

Several studies have examined the relationship between organizational culture, Management Control System and Organizational Performance Research from research that has been conducted Cadez and Guilding (2011), Nuhu et all (2019), Munck (2020), Baird (2019), Bititci, et all (2015), Hopfl (2016) and Rays, Aryati and Augustine (2022), Gunawan, Permatasari and Tilt (2020), and Gunawan, et all (2023) both get the same research results that the Management Control System and Organizational Culture have a positive influence on the company's organizational performance.

Based on all the explanations above, the third hypothesis developed in this study is:

**H3: Organizational Culture strengthens the positive influence of the Management Control System on Organizational Performance**

**d. Organizational Culture strengthens the positive influence of Leadership Style on Organizational Performance**

Several studies have supported the relationship between the variables of Leadership Style, Organizational Culture and Organizational Performance. As research has been conducted by Bititci, et all (2015), Hopfl (2016), Dillon and C.Maniz (2016), Cameron and Quinn (2019) Bititci, et all (2015), Hopfl (2016) and Rays, Aryati and Augustine (2022), Gunawan, Permatasari and Tilt (2020) and Erhan and Hasan (2022), Gunawan, Permatasari and Tilt (2020), and Gunawan, et all (2023) both get research results where Leadership Style and Organizational Culture affect organizational performance because with a good Leadership Style there is internal control from superiors to subordinates well so that company performance can increase.

Based on all the explanations above, the fourth hypothesis developed in this study is:

**H4: Organizational Culture strengthens the positive influence of Leadership Style on Organizational Performance**







### 3. RESEARCH METHOD

This research uses quantitative research. According to Hair, et al (2017) completing quantitative research is research conducted with the aim of analyzing and testing the causal relationship or influence between the independent variable and the dependent variable.

This research design is survey research. This researcher sources primary data through questionnaires from google form which are distributed to all manufacturing companies throughout Indonesia which are listed on the IDX and non IDX. E-Questionnaires were distributed from the period January-December 2023 Respondents are middle and upper level managers from each company.

Respondents were middle and upper level managers from each company with a minimum of a bachelor's degree and at least 5 years of experience. Sampling of at least middle-level managers and at least undergraduate education to ensure good, valid and accurate research results.

The type of manufacturing company is a company listed on IDX IC with a minimum number of respondents of 250 and then confirming the data through interviews to be more valid. The results received in total 282 responses and 252 were examined after deleting 30 outliers data. The data analysis method uses multiple linear regression with PLS 4.0 tools.

How to develop a questionnaire using reference questionnaires from previous research, then added dimensions and indicators that are tailored to the phenomenon of gap and the latest regulations in the current era.

### 4. RESULT

This study was conducted to examine the influence of management control system, leadership Style, to organizational performance by moderating organizational culture. The object of research used by the researcher is an industrial company, the reason for using industrial companies is because industrial companies use the most management control systems in their operations.



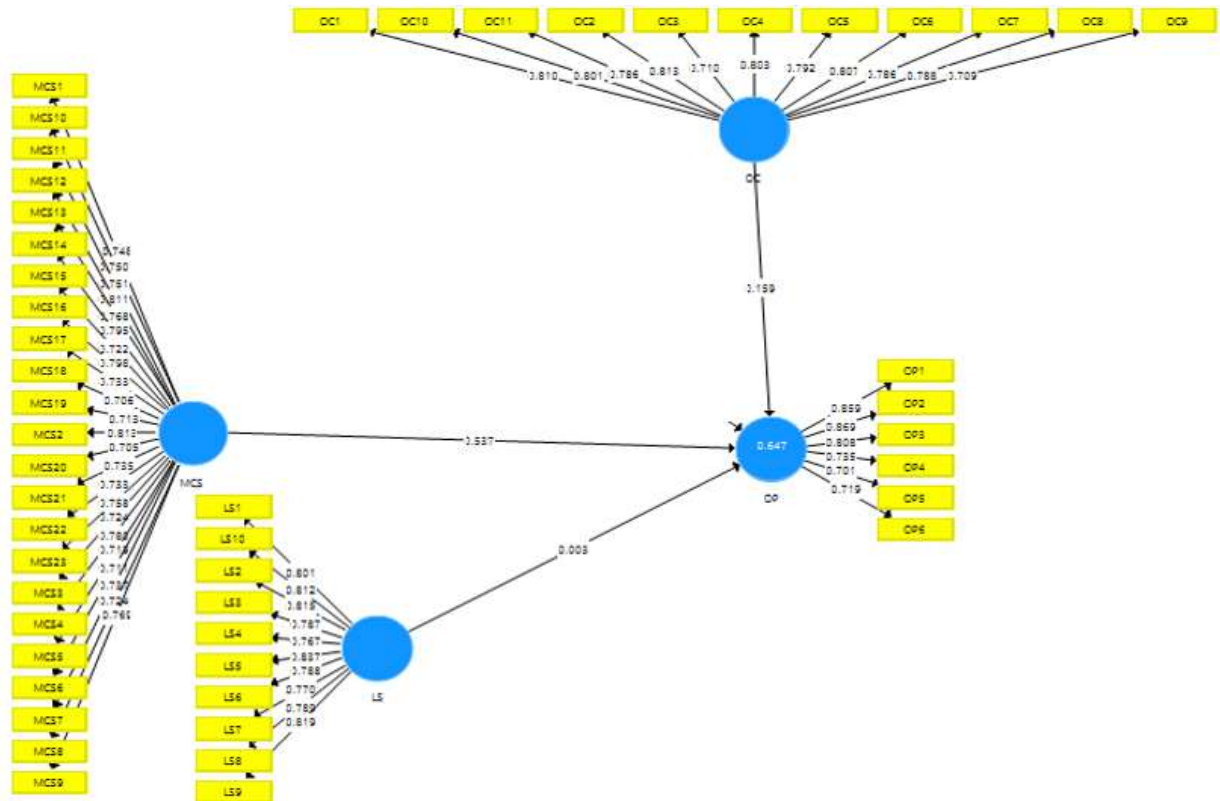


Figure 2-Structure Model

Source: PLS 4.0

#### 4.1 Discriminant Validity Test

Outer analysis model used in this study is the Average Variance Extracted (AVE) to assess the validity of variables in this study, the study can be said to be valid if the value of AVE exceeds 0.50. In this study the discriminant validity test showed that all AVE values for research variables activity Management control system (MCS), Leadership Style (LS), Organizational Culture (OC) and Organizational Performance > 0.5 proved to be valid, which means there is a proven relationship between one construct with another construct in a research model. The results of discriminant validity test can be seen in Table 1 as follows:

**Table 1** Discriminant Validity Test

	Average Variance Extracted (AVE)
Organizational Performance (OP)	0,616
Management Control System (MCS)	0,560
Leadership Style (LS)	0,638
Organizational Culture (OC)	0,613

Source: PLS 4.0

#### 4.2 Reliability Test

Reliability testing can be done using cronbach alpha, rho\_A or Composite reliability criteria. Research can be said to be reliable if the value of cronbach's alpha and composite reliability exceeds 0.70. In this study, the results of the reliability test showed that all cronbach alpha values of the research variables were more than 0.70, which means that all indicators that measure the variables proved to be reliable (consistent). The results of the reliability test can be seen in Table 2 as follows: the variable is declared to meet the realiable if it has a value of composite reliability > 0.7 and Cronbach's Alpha > 0.6 and AVE > 0.5.

**Table 2** Reliability Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Organizational Performance (OP)	0,873	0,879	0,905	0,616
Management Control System (MCS)	0,964	0,965	0,967	0,560
Leadership Style (LS)	0,937	0,938	0,946	0,638
Organizational Culture (OC)	0,937	0,941	0,946	0,613

Source: PLS 4.0

The value of composite reliability in each variable has a value higher than 0.7 while the value of Cronbach's Alpha is also higher than 0.6 and followed by AVE higher than 0.5. Thus, it can be concluded that the variable has qualified composite reliability.

### 4.3 Model Fit Test

This study conducted a model fit test to test on how well the statistical model meets a series of observations. Statistical Model in this study, SRMR of 0.060 is still below 0.10 and NFI of 0.700 is still above 0.7 which indicates the model is fit means the model matches the data and the model can be explained well by the data. The test results of the fit model can be seen in Table 3 as follows:

**Table 3 Model Fit Test**

	Saturated Model	Estimated Model
SRMR	0,060	0,060
NFI	0,700	0,700

Source: PLS 4.0

### 4.4 Multicollinearity Test

This study conducted multicollinearity test for between independent variables there should be no direct relationship. The test criteria using Variance Inflation Factor (VIF), if the value of the VIF of a variable 5 then there is no multicollinearity. Multicollinearity test results showed that both the OC, OP models obtained a value of  $VIF < 5$ , which means that in both models produced no multicollinearity was found. Multicollinearity test results can be seen in Table 4 as follows:

**Table 4 Multicollinearity Test**

	Organizational Culture (OC)	Organizational Performance (OP)
Management Control System (MCS)	3.841	4.676
Leadership Style (LS)	4.232	4.695
Organizational Performance (OP)		
Organizational Culture (OC)		4.559

Source: PLS 4.0

#### 4.5 Coefficient of Determination (R square)

Coefficient of determination test conducted to test how much variation or behavior of the independent variable is able to explain the variation or behavior of the dependent variable. The value of R Square reflects how much influence the independent variable has on the dependent variable. In this study the dependent variable is Organizational Performance (OP). Coefficient of determination test results can be seen in Table 5 as follows:

**Table 5 Coefficient of Determination (R Square)**

	R Square	R Square Adjusted
OC	0.781	0.778
OP	0.646	0.640

Source: PLS 4.0

Op variable has a value of R square of 0.640. This shows that the variables MCS (Management Control System), LS (Leadership Style), and OC (Organizational Culture) can affect the OP by 0.647 or 64.0%. While 46% influenced by other independent variables that are not explained in the study. variation or behavior of the independent variables, namely Management Control System, Leadership Style and organizational culture variables were able to explain the variation or behavior of the dependent variable, namely organizational performance by 64.0%, the remaining 46.0% were variations of other independent variables that affect organizational performance but were not included in the model.

For OC model obtained R-square value adjusted 0.778 (high influence) which means the variation or behavior of the independent variable is management control system, strategic management accounting system, leadership style is able to explain the variation or behavior of organizational culture variables by 77.8% the remaining 22.2% is a variation of other independent variables that affect the OC but not included in the model.

**Table 6 Predictive Relevance (Q<sup>2</sup>)**

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Management Control System (MCS)	5773.000	5773.000	
Leadership Style (LS)	2510.000	2510.000	
Organizational Perfomance (OP)	1506.000	923.629	0.387
Organizational Culture (OC)	2761.000	1481.732	0.463

Source: PLS 4.0

Predictive relevance (Q2) is done by blindfolding method. The following results of the calculation of Q2 in the study: Q2 Value > 0. This indicates that the number of observations in the research model has been qualified. For Q-square Organization performance of 0.463 indicates akuransi prediction including moderate, while Q-square OC of 0.387 indicates high prediction accuracy. The value of Q-square above 0 indicates that the structural model has relevant predictions.

#### 4.6 Hypothesis Testing

In hypothesis testing, this study tries to find the best research model related to all independent variables tested on organizational performance. Modeling is one form of multivariable in the processing and analysis of research data. Theoretically, several goals can be achieved in modeling research: increasing validity, improving precision, and detecting interactions between variables. The results of the hypothesis test of the independent variable to the dependent variable can be seen in Table 7 as follows.

**Table 7 Path Coefficient**

Hypothesis	Description	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Conclusion
<b>Direct Influence</b>							
1	Management Control System -> Organizational Performance	0.543	0.555	0.098	5.529	0.000***	Hypothesis Accepted
2	Leadership Style -> Organizational Performance	0.319	0.323	0.115	2.771	0.001***	Hypothesis Accepted
<b>Indirect Influence</b>							
3	Organizational Culture -> Management Control System -> Organizational Performance	0.064	0.061	0.002	5.091	0.001***	Hypothesis Accepted
4	Organizational Culture->Leadership Style -> Organizational Performance	0.048	0.044	0.008	5.976	0.000***	Hypothesis Accepted



\*= alpha 10%    \*\*=Alpha 5%    \*\*\*=Alpha 1%

Source: PLS 4.0

#### 1. Influence of MCS to OP through OC

The probability value obtained is  $0.001 < 0.05$  and the calculated t value obtained is  $5.091 > 1.990$  (t table). Thus  $H_0$  is rejected and  $H_1, H_3$  is accepted. That is, the OC was able to moderate the positive influence of the MCS on the OP.

#### 2. LS influence to OP through OC

The probability value obtained is  $0.001 < 0.05$  and the calculated t value obtained is  $5.976 > 1.990$  (t table). Thus  $H_0$  is rejected and  $H_2, H_4$  is accepted. That is, OC is able to moderate the positive influence of LS on OP.

## 5. DISCUSSION AND RESULTS

### 5.1 Hypothesis 1: Management Control System (MCS) has a positive influence on Organizational performance (OP).

The results of hypothesis testing 1 have been proven that the Management Control System has a positive influence on Organizational performance with a probability value of  $0.000 < 0.005$  and the value of t count  $5.529 > 1.990$ . This result is in line with previous research conducted by Cadez and Guilding (2011), Nuhu et al (2019), Munck (2020), Baird (2019) which both get the same research results where the Management Control System has a positive influence on the performance of the company's organization and is included in the MCS Package. The results of this hypothesis testing are also in line with the grand theory of this study, namely Stakeholder Theory makes all manufacturing industry companies as an entity not only operating for internal purposes but must provide benefits to external parties. From this responsibility, manufacturing companies continue to develop management control systems based on internal control so that the company's systems are integrated with each other and avoid fraud and system deficiencies that may occur and be used when the sophistication of the system is misused.

### 5.2 Hypothesis 2: Leadership Style (LS) has a positive influence on Organizational performance (OP)

The results of hypothesis testing 2 have been proven that Leadership Style has a positive influence on Organizational performance with a probability value of  $0.001 < 0.005$  and a calculated t value of  $2.771 > 1.990$ . These results are in line with previous studies already conducted by studies already conducted by Bititci, et al (2015), Hopfl (2016),





Dillon and Manz (2016), Cameron and Quinn (2019) both get research results where leadership style affects organizational performance because with a good leadership style there is internal control from superiors to subordinates so that company performance can increase. Previous research does not involve morality, spirituality, ethics and religion from the subjectivity element of the leader itself when it is most important for a leader to direct his subordinates to maximize the overall performance of the company.

### **5.3 Hypothesis 3: Organizational Culture (OC) reinforces the positive influence of the Management Control System on Organizational performance (OP).**

The results of hypothesis testing 3 have been proven that Organizational Culture can strengthen the positive influence of Management Control System on Organizational performance with a probability value of  $0.001 < 0.005$  and the value of  $t \text{ count } 5.091 > 1.990$ . This result is in line with previous research conducted by Cadez and Guilding (2011), Nuhu et al (2019), Munck (2020), Baird (2019) which both get the same research results where the Management Control System has a positive influence on the performance of the company's organization and is included in the MCS Package. Research from research that has been done Cadez and Guilding (2011), Nuhu et al (2019), Munck (2020), Baird (2019), Bititci, et al (2015), Hopfl (2016) and Rays, point and Augustine (2022) both get the same research results that Management Control System and organization culture have a positive influence on the performance of corporate organizations

### **5.4 Hypothesis 4: Organizational Culture (OC) reinforces the positive influence of Leadership Style (LS) on Organizational performance (OP).**

The results of hypothesis testing 4 have been proven that Organizational Culture can strengthen the positive influence of Leadership Style on Organizational performance with a probability value of  $0.000 < 0.005$  and a t-value of  $5.976 > 1.990$ . These results are in line with previous studies already conducted by studies already conducted by Bititci, et al (2015), Hopfl (2016), Dillon and Manz (2016), Cameron and Quinn (2019) both obtained research results where leadership style and organization culture affect organizational performance because with a good leadership style there is internal control from superiors to subordinates so that company performance can increase. Previous research does not involve morality, spirituality, ethics and religion from the subjectivity element of the leader itself, even though it is most important for a leader to direct his







subordinates to maximize the company's overall performance and leadership style is influenced by organizational culture that continues to instill a vision and mission of the company that led to the vision and mission of a leader and employees themselves. Previous research does not involve morality, spirituality, ethics and religion from the subjectivity element of the leader itself when it is most important for a leader to direct his subordinates to maximize the overall performance of the company.

## 6. CONCLUSION

The results found first that Management control system (MCS) effect on organizational performance (OP), Second, there is a positive and significant influence of leadership style (LS) on organizational performance (OP), Third Organizational culture (OC) is able to increase positive performance between management control system and Organizational Performance (OP) and Fourth Organizational culture (OC) is able to increase positive leadership between leadership style (LS) and Organizational Performance (OP). In this study, 11 new measurements and 24 indicators were added from all independent variables, namely management control system, leadership style (LS), the dependent variable is Organizational Performance (OP) and the moderation variable is organizational culture (OC)

## 7 Limitations

This study is the result of interpretation of data obtained from the data collection process through questionnaires. Limitations of this study are first The possibility of subjectivity when answering questions asked in questionnaires and interviews conducted, not all respondents are willing to be accompanied in filling out questionnaires and there is no direct guidance in filling out questionnaires through google form. Second Questionnaire data received as a whole is as much as 282 data and not all data can be processed because it is caused by data outliers so that the data processed as many as 252 questionnaires. As well as the number of samples cannot be controlled between the manufacturing samples listed in IDX and non IDX.

## 8 Research Implications

Theoretical implications of the results of this study provide theoretical implications because it contributes to the measurement of new 11 new dimensions and 24 new indicators in the measurement of variables independent management control system adds 7





dimensions and 7 new indicators, the variable independent strategic management accounting system adds 1 new dimension and 7 new indicators, the variable independent leadership style adds 2, and in organizational culture variables add 1 new dimension and 5 new indicators.

The new measurement has also been discussed by management experts. The results of statistical data processing from the novelty provide valid and reliable results so that they can be used for new measurements of MCS, LS, OC and OP. Managerial implications-the results of this study can be used for practitioners both owners, directors, managers and supervisors of manufacturing industrial companies in the application of management control system, strategic management accounting system, based on technology for the advancement of a good manufacturing industry company that is applied to achieve better organizational performance so that the sustainability of a company's performance can run well. For the company's management can also apply leadership style and organizational culture that is good for the welfare of employees that can lead to improved corporate performance. Regulatory implications-this study is expected to stimulate regulators to create or develop new rules regarding the application of technology for manufacturing companies such as ISO that can improve their performance and for the advancement of the Indonesian economy, in addition, the government as a regulator should also be able to develop regulations on leadership style and organizational culture to avoid behaviors that are less prosperous employees that lead to improved corporate performance and improved corporate performance.

## 9 Research Suggestions

Further research can improve the data collection process by guiding respondents in filling out questionnaires, so that it will reduce the element of subjectivity and bias and can provide education to respondents, further research can be carried out in overseas manufacturing industry companies or other companies such as banks because in the banking world because it is very related to management control system, leadership style and organizational culture, further research can assess and examine the dimensions and indicators of MCS, LS, OC, and OP in this study to be better so that further research is better, this study has not been much research on aspects of good corporate governance so that it can be suggested can be studied in further research





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