

Relationship Between Management Control Systems with the Entrepreneurial Culture:

What is the relationship between Management Control Systems with the Entrepreneurial Culture in order to stimulate the Entrepreneurial culture in a company and what way it could be stimulated?



International Finance and Accounting Short Degree Program (SDP)

Faculty of Financiën, Economy, and Management

Saxion University of Applied Sciences

Deventer, the Netherlands

2017/2018

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TABLE OF CONTENTS

Table of Contents	1
Preface	2
Abstract.....	3
List of Table and Figure	4
Chapter 1: Introduction.....	5
1. Problem Description.....	5
2. Research Questions.....	7
3. Methodology.....	8
4. Objectives.....	8
5. Thesis Structure.....	9
Chapter 2: Theoretical Framework.....	10
1. Management Control Systems	10
2. Entrepreneurial Culture	11
3. The Relationship between Management Control Systems and the Entrepreneurial culture	14
4. Management Control Systems that is Appropriate to Stimulate the Entrepreneurial culture in a Company	15
Chapter 3: Conclusion	18
Chapter 4: Policy.....	21
Limitation.....	23
Bibliography.....	24

PREFACE

The researcher wants to say thanks and praise to God, Allah S.W.T., which blesses the researcher so this research advisory report, entitled “Relationship Between Management Control Systems with the Entrepreneurial Culture: What is the relationship between Management Control Systems with the Entrepreneurial Culture in order to stimulate the Entrepreneurial culture in a company and what way it could be stimulated?”, could be done really well. The researcher also would like to say thanks to all my family members and friends who already give support, love, help, and pray for the researcher while finishing the research. Most importantly, the researcher would love to give the biggest gratitude for the supervisors, drs. Henk Jan Essen and drs. Miranda Bens, who guide the researcher from the beginning until the end of the research. Without all of them that already stated above, this research won’t be completely done really well.

Thank you in advance.

Cagiva Dwiligia Putri

August 2017

ABSTRACT

In this era of globalization, companies are trying to be more advanced than other competitors. There is a declining in the using of the old principles of competing in the marketplace (Markovic, 2008). In the globalization era, companies have to deal with innovation, where rates of innovation are an uncertainty acceptance and have a strong relationship with the cultural value (Suddle, Beugelsdijk, & Wennekers, 2007). Therefore, there is a need in term of a new way to manage the organizational change caused by existing new challenges and cyber age (Markovic, 2008). Using creativity to create innovation can help the company to adjust to the different situation caused by globalization, and creativity itself has a strong relationship with entrepreneurial culture (Suddle, Beugelsdijk, & Wennekers, 2007). In the end, the company has to be able to decide the way they operate a certain management control system while the entrepreneurial culture exists within the company, without changing the goal of the company (Markovic, 2008). Talking about innovation, the entrepreneurial culture could help the company to beat the competitors with some new creative ideas because the entrepreneurial culture tends to make people involve the company to be more creative (Leadership IQ, 2012). On the other hand, the company needs a special control related to the entrepreneurial culture, such as personnel control, because the company needs to select what kind of candidate who is suitable for the company that is applying the entrepreneurial culture and personnel control is one of the best fit because personnel control takes care more about recruitment and training of the employees (Efferin & Hopper, 2007).

LIST OF TABLE AND FIGURE

List of Table

1. Table 1: Six selected industries in the US that have the lowest until the highest engagement of employees' scores while applying the entrepreneurial cultures.

CHAPTER 1: INTRODUCTION

1. PROBLEM DESCRIPTION

In this era of globalization, companies are trying to be more advanced than other competitors. There is a shaken loose of conducting business in traditional ways, which means the using of the old principles of competing in the marketplace is declining in the era of globalization. To face that situation, companies have to make sure that they can find the best fitting between their purposes of business and the way they are conducting a business. When there is a change in the environment, companies must be able to react as quickly as possible by adjusting the way they are conducting a business to the circumstances, but it is still in one line with the purposes and also becomes a perfect collaboration in the end (Markovic, 2008). As an example in a hospitality industry, most people who are doing hotel business make an innovation to win the competition in the marketplace, such as an invention of Mobile Messaging Application, where customers can easier to communicate and get information with them anytime and anywhere. Without this application, a company probably will step behind with another competitor because it takes a longer time to gather the information or even harder to give information to the customers (ALICE, 2016).

In the globalization era, companies have to deal with innovation, where rates of innovation are an uncertainty acceptance and have a strong relationship with the cultural value (Suddle, Beugelsdijk, & Wennekers, 2007). In addition, creativity is necessary for innovation, and there is an overall relationship with entrepreneurship or business activity, defined by using the 'Bohemian Index' – a measurement of artistically creative people portion in a certain region, even though it is not really related to entrepreneurial culture (Suddle, Beugelsdijk, & Wennekers, 2007). But mostly, the way company operates the business is primarily influenced by the entrepreneurial culture, where people can explore more their creativity, and probably has some impacts of economic through intrapreneurship (Suddle, Beugelsdijk, & Wennekers, 2007). Therefore, there is a need in term of a new way to manage the organizational change caused by existing new challenges and cyber age (Markovic, 2008). On the other hand, Owoyemi & Ekwoaba (2014, p. 168) stated that: "Such empirical evidence showed that there is a gap between academic theories (which are

critical of the idea of planned culture change) and the actions of the practitioners, (who are the ones involved in the various forms of cultural interaction)”, which means more manageable control is needed.

In order to face the new challenges ahead, the company needs to manage the organizational change really well (Markovic, 2008). On the other hand, the performance of each employee in an organization influences the overall organization’s performance (Nurwati, 2013). In regards to having a good internal control, company has to deal with some of the elements that might influence the company’s performance such as organizational culture, where it also takes part in influencing the performance of a company, and culture is one element that can help employees easier to interact and communicate with others (Nurwati, 2013). Owoyemi & Ekwoaba (2014, p. 168) stated: “Culture is an anthropological term that refers to the underlying values, beliefs, codes of practice that makes a community what it is”. Human resources, especially employees, are one of the elements that determine whether a company is completely successful or fail because employees are the backbone for each running business (Owoyemi & Ekwoaba, 2014). Then, in order to lead the workers, managers should create a perfect internal control system; consider that human resources are the ones who will run the organizations. (Owoyemi & Ekwoaba, 2014). According to Owoyemi & Ekwoaba (2014, p. 169): “Through working together as a group, the different cultural beliefs, values, and norms are fused together to develop behaviors, values, beliefs, habits, norms etc. which becomes peculiar to the organization. This forms the organizational culture of that organization”. One type of organizational culture that used for some big companies is Entrepreneurial Culture, which is more about flexible culture (Lee & Widener, 2013). Flexibility values express spontaneity, change/innovation, openness, adaptability, and responsiveness, and control values feature predictability, stability, formality, rigidity, and conformity (Lee & Widener, 2013).

A good internal control of organizations is needed in order to generate the best outcome of organizations (Batool, 2011). That is why every organizational manager in each organization gives a guarantee to have well control systems in place which use the possessions of the organization successfully to achieve the goal of an organization

(Batoool, 2011). Organizations also have the objective to plan, organize, and have an appropriate control of the process, plan, and strategy (Batoool, 2011).

The proper implementation of the organizational strategies and checking on the results are two elements which influence the success factor of organizations (Batoool, 2011). Then, Henri (2006) cited in the journal of Heinicke, Guenther, & Widener (2016) suggested: “An MCS is designed to enable appropriate control while still facilitating flexibility values embraced in the organizational culture”.

“Examining the links between culture and the types and uses of management control systems (MCS) may explain why users of MCS have varying levels of success with these tools in terms of performance. By finding the right combination, a company can increase its ability to learn, grow, and improve its business processes” (Lee & Widener, 2013).

Hence, it means innovation is needed for the company to make the best fitting between the purposes of business and the way of conducting business, where it should be in one line, especially when there are some changes in the circumstances around them because of globalization (Markovic, 2008). Using creativity to create innovation can help company to adjust with the different situation caused by globalization, and creativity itself has a strong relationship with entrepreneurial culture, which is a culture of a company that let people involved in a company to explore and use their opinion for the company (Suddle, Beugelsdijk, & Wennekers, 2007). In the end, the company has to be able to decide the way they operate a certain management control system while the entrepreneurial culture exists within the company, without changing the goal of the company (Markovic, 2008).

2. RESEARCH QUESTIONS

Main question:

2.1 What is the relationship between Management Control Systems with the Entrepreneurial Culture in order to stimulate the Entrepreneurial culture in a company and what way it could be stimulated?

Sub questions:

2.2 What is Management Control System (MCS)?

2.3 What is Entrepreneurial Culture (EC)?

2.4 What is the relationship between Management Control Systems and Entrepreneurial Culture?

2.5 Which Management Control System is appropriate in order to stimulate the Entrepreneurial Culture in a company?

3. METHODOLOGY

The type of this research is qualitative research. The researcher gathers the previous journals, where the researcher gathers some of the previous journals or research, related to management control systems and organizational culture as the main resources, which have a strong relationship with the topic itself, Management Control Systems and Organizational Culture. The journals used in this research are all international journals so the researcher will get the more different point of view from different journals' background

Then, researcher reviews the literature and elaborate the problems based on several kinds of literature to get a clear conclusion in order to prove the relationship between the management control system which used in order to manage different types of organizational culture.

These several keywords and abbreviations are used in order to find any related articles about management control systems and organizational culture: *Management control systems, MCS, cultural control systems, internal control, organizational culture, corporate culture, open culture, types of organizational culture, entrepreneurial culture.*

The followings are the selection of search engine which used in this qualitative research:

- Science direct
- Google scholar
- ProQuest
- Elsevier

4. OBJECTIVES

This research is intended for the managers who will lead an organization, especially the organization that needs more knowledge about management control

system. The good MCS appears when managers maintain the internal of the organization well, where it has a strong relationship with the people involved in the organization, which means it could generate the culture of the organization itself. Then, managers' duties are to lead the employees to be more consistent with the organization's objectives and strategies, consider that all the people involved are the ones who will run those objectives and strategies. Hence, the internal control is one of the important elements in order to achieve organization's goals, and from this research; managers could gain more knowledge and know which tools needed if they deal with the variety of the culture within the company.

5. THESIS STRUCTURE

Chapter 1: Introduction

In this chapter, the researcher will explain the problems, the reasons and how the researcher doing this research.

Chapter 2: Theoretical Framework

In this chapter, the researcher will explain the related theory to answer the problems (answering the research sub-questions).

Chapter 3: Conclusion

In this chapter, the researcher will explain the best answers or solutions towards the existing problems (answering the main research question).

Chapter 4: Policy

In this chapter, the researcher will give some advice to the top management or leaders of company related to the appropriate management control to stimulate the entrepreneurial culture in a company.

Limitation

In this chapter, the researcher will explain about some limitations which appear during the making of this research.

Bibliography

CHAPTER 2: THEORETICAL FRAMEWORK

In this part, the researcher will give the answers on the research sub-questions from the first chapter above.

1. MANAGEMENT CONTROL SYSTEMS

In this part, the researcher gives the answers on the first sub-question as stated in the first chapter.

Based on the general explanation, a process where the top management makes some tasks for employees, which they have to do it as the top management asked, to prevent the unprofitable result from the company is called as control (Batool, 2011). While another definition of control is make everything that people are doing on track and one line with the objectives (Batool, 2011). In addition, the company needs to have a good management system for the controlling activity, which is the activity when the company is achieving the goal by using the resources that company has through planning, organizing and staffing, leading, and controlling, so it could prevent over control or less control (Batool, 2011). The reason company has to have the good control systems is when employees use their best ability in the workplace, the impacts are in an improvement of the company and gain more competitive advantage for the company, and it is because of the motivation that employees got from the best control conditions within the company (Batool, 2011). On the other hand, there is also one factor that can ruin the success of company's performance, which is an excessive control (Batool, 2011). Stiff control may decrease the organization's ability to develop creative ideas and their capability to positively respond to changing the environment (Batool, 2011). Management control is not so strict in organic organizations; consider that there is decentralization decision authority, informal communication, few rules and collaboration in the vertical or horizontal level of organizations itself (Batool, 2011).

There are three types of internal control, which are:

- (1) Result Control – the top management monitor the company based on the output of what employees have done;
- (2) Action Control – the top management monitor the activities of employees to avoid error act;

- (3) Personnel Control – the top management monitor more about inducing self-control, which more focus on recruitment, training, job design, promoting (Efferin & Hopper, 2007).

Hence, management control is when the top management is trying to give the basic values, purpose, and direction for the company by communicating it formally with people involved in the company (Heinicke, Guenther, & Widener, 2016). By managing the perfect rates of control, the company will be able to improve the performance and gain the more competitive advantage because the company gives enough motivation to the employees who can lead them to use their best ability in the workplace and generates profitable results in the end for the company (Batool, 2011).

2. ENTREPRENEURIAL CULTURE

In this part, the researcher gives the answers on the second sub-question as stated in the first chapter.

The company will definitely introduce the company's culture to employees who are currently working to make them easier to understand the system inside the company (Owoyemi & Ekwoaba, 2014). Heinicke, Guenther, & Widener (2016, p. 17) defined: "Culture is a function of a limited set competing values that vary along a continuum anchored by stability at one end and flexibility at the other". According to Durendez, Guijarro, & Lema (2011, p. 137): "Organizational culture stands for the collection of beliefs, expectations, and values shared by the people in a company". Values and preferences about the objective of the company that wants to be achieved are all covered in the culture of the company (Durendez, Guijarro, & Lema, 2011). A lot of studied hypothesis from academicians concluded that the one who will strengthen business performance is culture, which could be a managerial instrument in a company (Durendez, Guijarro, & Lema, 2011). In addition, to form belief systems, the founders' knowledge and experiences of a company might have a big influence in the daily activities of the workplace to the employees (Durendez, Guijarro, & Lema, 2011). A strong culture is better than weak culture if the company wants to generate a better performance (Durendez, Guijarro, & Lema, 2011). Companies can attain the sustainable competitive advantage by implementing innovative culture within the companies (Durendez, Guijarro, & Lema, 2011). Learning more about attitude and

explore more innovation are the best strategies to develop the culture in a company (Durendez, Guijarro, & Lema, 2011).

Additionally, entrepreneurship can be defined as an activity of chasing opportunities, developing, and innovating all elements of the company by using someone's effort, time, skills, money who is involved in a company (McGuire & Drost, 2015). On another term, Covin & Slevin (1991) on McGuire & Drost (2015, p. 2) stated: "Entrepreneurship is the transformation of innovation (no matter what the source) into a new product, service, or business in order to take advantage of a market opportunity". While based on another literature, facing the new challenge and focusing on innovation to make the company success characterized as entrepreneurial acts (Bayraktar, 2016).

Therefore, based on the explanation above, Leadership IQ (2012, p. 6) stated: "Entrepreneurial cultures are a meritocracy where achievement and talent drive success and where internal contests of creativity and intelligence are very much in evidence". Managers who apply an entrepreneurial culture tend to give a creativity value and put some sense of adventure in the workplace (Leadership IQ, 2012). Managers will also encourage employees with higher competition within the company to get more new creative ideas for the company itself (Leadership IQ, 2012).

	Dependable Culture	Entrepreneurial Culture	Hierarchical Culture	Social Culture
Financial Services/Banking	4.77	5.35	3.66	4.25
High-Tech/Telecom	4.25	5.08	3.60	4.77
Hospital/Healthcare/Insurance	4.97	5.47	4.24	4.92
Manufacturing	4.68	4.75	3.95	4.94
Pharma/Biotech/Med-device	3.63	5.50	3.75	4.67
Services	5.43	4.78	3.89	4.46

Table 1 - Six selected industries in the US that have the lowest until the highest engagement of employees' scores while applying the entrepreneurial cultures (Leadership IQ, 2012).

Based on the table above, it is clearly stated that the majority of those businesses have higher scores for engagement of employees while applying the

entrepreneurial culture. It means, the more engaged employees that the company got, the company will spend fewer expenses just for creating a great corporate culture, where employees can 100% give their effort and loyalty to the company for a long term because of that great corporate culture (Leadership IQ, 2012). The corporate culture makes the turnover risk lower, the productivity higher, and attracts the best talent inside the company (Leadership IQ, 2012). Moreover, the engaged managers and employees tend to face more challenges for the company by being more supportive of organizational change, which means they are ready for some innovation ahead (Leadership IQ, 2012). Additionally, Suddle, et al (2007, p. 5) stated: "Culture is operationalized by two indirect measures, i.e. incumbent business ownership as a proxy for the prevalence of entrepreneurial role models and a dummy variable for the communist heritage". But, it found that the way the company conducting a business, it could be influenced by entrepreneurial culture, and also the economic situation but only through intrapreneurship (Suddle, Beugelsdijk, & Wennekers, 2007). There is actually an entrepreneurial culture's aspect that has a positive relationship with economic development (Suddle, Beugelsdijk, & Wennekers, 2007).

Hence, culture becomes one of the elements that might strengthen the company's performance (Durendez, Guijarro, & Lema, 2011). It is also proven that there is a positive relationship between entrepreneurial cultures with economic growth which is good for a company (Suddle, Beugelsdijk, & Wennekers, 2007). Moreover, as the increasing of the company which is doing innovation, managers tend to apply entrepreneurial culture more because it relates more to the creativity, and creativity is used to make an innovation (Suddle, Beugelsdijk, & Wennekers, 2007). Thus, a proven advantage of applying the entrepreneurial culture is the more engaged employees that the company got, will make the expenses of creating corporate culture less and could guarantee if the employees will give their 100% effort and loyalty which generate a good performance and result to the company (Leadership IQ, 2012).

3. RELATIONSHIP BETWEEN MANAGEMENT CONTROL SYSTEMS AND THE ENTREPRENEURIAL CULTURE

In this part, the researcher gives the answers on the third sub-question as stated in the first chapter.

Management control system is the activity when the company has through planning, organizing and staffing, leading, and controlling, which could prevent over control or less control (Batoool, 2011). While McGuire & Drost (2015, p. 3) stated: “Entrepreneurial Organizational Culture (EOC) is a system of shared values, beliefs and norms of members of an organization, including valuing creativity and tolerance of creative people, communicating openly and frequently, believing that innovating and risk taking to seize opportunities are appropriate behaviors to deal with problems of survival and environmental uncertainty, and expecting organizational members to behave accordingly”. According to McGuire & Drost (2015), the value of culture will totally affect the members of the company in term of looking for some opportunities, making a decision related to changing, innovation or even risk-taking. It means the management of the company should choose the best culture that is suitable for the company, for example, if the company chooses the entrepreneurial culture, the top management should make the people involved in the company to be more entrepreneurial, and that is why there should be some departments that control this (McGuire & Drost, 2015). The top management could control the company easily if they can communicate and have social interaction each other, which means they have to be more open to the employees than to be more bureaucratic (McGuire & Drost, 2015).

Hence, if the company applies the entrepreneurial culture inside, the company has to know that it will affect the whole members of the company in term of doing some changes, innovation, and risk-taking activity, which means the company, has to know how to control the employees whether they are fitted with the company’s culture or not (McGuire & Drost, 2015). Moreover, the company will be easier to control them by applying the entrepreneurial culture because this culture tends to make people more open, as the opposite of bureaucratic culture (McGuire & Drost, 2015).

4. MANAGEMENT CONTROL SYSTEM THAT IS APPROPRIATE TO STIMULATE THE ENTREPRENEURIAL CULTURE IN A COMPANY

In this part, the researcher gives the answers on the fourth sub-question as stated in the first chapter.

Durendez, Guijarro, & Lema (2011, p. 140) stated: “The relationships between an organization’s control system and culture are two-way because once treated, they have an impact on the way values are subsequently changed, and this means culture is regarded as something manageable thought partly created through the passage of the organization”. To prevent an excessive control, the company should find freedom and flexibility by provide employees goal and monitor them really well, so their action can be appropriately constrained (Heinicke, Guenther, & Widener, 2016). In order to generate a flexibility of values, the company should allow employees to be more spontaneous and responsive to be able to adjust to a changing environment (Heinicke, Guenther, & Widener, 2016). If the culture of organizations can not encourage the internal of organizations; it can cause dissatisfaction of job, lack of commitment, absenteeism, low productivity, and labor turnover which will influence the organizations as a whole (Owoyemi & Ekwoaba, 2014). Management control systems can actually be improved by involving teams and work groups on the decision-making process in a company (Sisaye, 2005). The bigger commitment that employees have to the company, it means the culture of the company itself becomes stronger, which can generate an improvement of company’s performance by controlling and motivating employees as a tool to achieve it (Owoyemi & Ekwoaba, 2014).

As already stated before, personnel control is a control about inducing self-control, which more focus on recruitment, training, job design, promoting, and it means that is not only about the result (result control) or monitoring the employees (action control), but the way employees involving into a business process of the company (Efferin & Hopper, 2007). Briefly, the company takes control of the employees personally since the very beginning the company deals with those employees or even before the employees start working in the company (Efferin & Hopper, 2007). Employees will get more motivation and can generate some creative ideas which lead to an innovation (Suddle, Beugelsdijk, & Wennekers, 2007). Moreover, employees’ motivation also generates their best performance in the company which makes a profitable result for the company itself (Batoool, 2011).

Then, according to Leadership IQ (2012), there are some ways to engage employees that are needed to apply the entrepreneurial culture in the company:

- a. Make sure the employees who are hired to the company have a suitable personality or attitude to the culture inside the company – the company does not only need the right person with the right skills, but also the right personality which definitely helps the company in improving the performance and can adjust easily to the environment around.
- b. Make sure the employees who are hired to the company have a professional talent – the company always needs to keep the performance really good, so the company needs to find a lot of talent continuously and do not wait until there are some problems in the staffing. Then the company will work effectively and efficiently.
- c. When there is a problem or missed communication within the company, the employees do not blame each other – consider that in the entrepreneurial culture people tend to be more creative, it is possible for the people involved in the company to do some tasks in a wrong way. Because the entrepreneurial culture is a competitive culture, so they have to be more supportive and competitive to each other, not blaming each other.

Therefore, to avoid some problems that might exist as stated above, there are some roles of management that can help the top management and the employees become more entrepreneurial, such as:

- a. Risk Taking – all company's members should believe there is a risk that they should take in every situation. If it generates a failure, people don't have to be ashamed but they have to take it as a learning point for a further step of business. Moreover, people have to believe if there will be a reward for every success and every intelligent failure.
- b. Open Communication – all company's members should believe that if they try to do open communication, either inside or outside of the company, it will help them in having an appropriate knowledge and information. They will get more sources, ideas, or even suggestions from everywhere.
- c. Cooperation – all company's members should believe if they can cooperate each other within the company, it will make the company easier to reach the goals because they collect their effort together to achieve it.

- d. Proactive Innovation – all company's members need to think how to satisfy customers for a long period of time, not only to satisfy the current needs of customers.
- e. Voice – all company's members should understand each other by listening to some disagreements from others or they also can express their disagreements in regards to improving the company to be better. Then, instead of just silence, doing nothing, and become a follower, using some creative ideas might help the company to solve some disagreements occurred in the company (McGuire & Drost, 2015).

Hence, from the explanation above, some ways to engage employees are to make sure the employees who are hired to the company have a suitable personality or attitude to the culture inside the company, to make sure the employees who are hired to the company have a professional talent, and to make sure the employees who are hired to the company have a professional talent, which are really related to recruitment activity (Leadership IQ, 2012). The personnel control itself is a control about inducing self-control, which more focus on recruitment, training, job design, promoting, which means it is dealing with hiring of the employees and controlling activity (Efferin & Hopper, 2007). Thus, this personnel control will take care about the candidate of the company so it will fit with the company's culture and the best candidate will work really well in the company (Efferin & Hopper, 2007).

CHAPTER 3: CONCLUSION

In this part, the researcher gives the answers on the main question as stated in the first chapter.

Globalization really influence the way the company conducting business nowadays, that is why a lot if companies trying to win the market by making a lot of innovation movement, for example messaging application, which makes the company and the customers really easy to communicate each other and also makes the business process more effective and efficient (ALICE, 2016). In regards to make some innovation, the company needs to have some people who can think creative and have a lot of brilliant ideas, which the entrepreneurial culture could help to make people thinking that way consider that the entrepreneurial culture makes people to be more creative, flexible and open, the opposite of bureaucratic culture (Leadership IQ, 2012). On the other hand, because a lot of changing environment caused by globalization, the company needs extra control within the company could adjust easily to the new environment they are facing so the company could keep their best performance because the employees also give all of their best effort to the company caused by the company that successfully encourage the employees with some good motivation (Batool, 2011).

Management control is when the top management is trying to give the basic values, purpose, and direction for the company by communicate it formally with people involved in the company (Heinicke, Guenther, & Widener, 2016). By managing the perfect rates of control, the company will be able to improve the performance and gain more competitive advantage because the company gives enough motivation to the employees who can lead them to use their best ability in the workplace and generates profitable results in the end for the company (Batool, 2011).

One thing that really needs to be controlled is culture because culture becomes one of the elements that might strengthen the company's performance **Invalid source specified..** It is also proven that there is a positive relationship between entrepreneurial cultures with economic growth which is good for a company (Suddle, Beugelsdijk, & Wennekers, 2007). Moreover, as the increasing of company which is

doing innovation, managers tend to apply entrepreneurial culture more because it relates more to the creativity, and creativity is used to make an innovation (Suddle, Beugelsdijk, & Wennekers, 2007). Thus, a proven advantage of applying the entrepreneurial culture is the more engaged employees that the company got, will make the expenses of creating corporate culture less and could guarantee if the employees will give their 100% effort and loyalty which generate a good performance and result to the company (Leadership IQ, 2012).

If the company applies the entrepreneurial culture inside, the company has to know that it will affect the whole members of the company in term of doing some changes, innovation, and risk-taking activity, which means the company, has to know how to control the employees whether they are fit with the company's culture or not (McGuire & Drost, 2015). Moreover, the company will be easier to control them by applying the entrepreneurial culture because this culture tends to make people more open, as the opposite of bureaucratic culture (McGuire & Drost, 2015).

From the explanation above, it sounds really important if the company could engage the employees into the company because it will give the company a lot of advantages and could generate some improvements and gain more competitive advantage within the company itself (Leadership IQ, 2012). Some ways to engage employees are to make sure the employees who are hired to the company have a suitable personality or attitude to the culture inside the company, to make sure the employees who are hired to the company have a professional talent, and to make sure the employees who are hired to the company have a professional talent, which are really related to recruitment activity (Leadership IQ, 2012). The personnel control itself is a control about inducing self-control, which more focus on recruitment, training, job design, promoting, which means it is dealing with hiring of the employees and controlling activity (Efferin & Hopper, 2007). Thus, this personnel control will take care about the candidate of the company so it will fit with the company's culture and the best candidate will work really well in the company (Efferin & Hopper, 2007).

Hence, the entrepreneurial culture is fit with the company which applies the personnel control because the personnel control is taking care more about each candidate of the company related to recruitment, training, promoting, and many

more, which is perfect for the company who needs some creative ideas (Efferin & Hopper, 2007).

CHAPTER 4: POLICY

In this part, the researcher gives some advice for all the managers of the top management of the company all around the world as stated in the first chapter.

Mobile messaging application is used almost at all over sectors of business, which means a lot of companies are already affected by the impact of globalization. The company cannot avoid the globalization so there are only two chances that the company has to adjust with the new environment that caused by the impact of globalization or the company will step behind because of not adjusting the globalization's impact. Moreover, the globalization process itself won't stop and will always keep growing so the company also has to grow more as the time goes by.

In this case, innovation could help the company to winning the marketplace while attaining the goals of the company. By doing innovation, the company could be able to attract more customers from other competitors which generate a better performance of the company. But, the company has to remember that the competitors will also do the same or maybe better. To make an innovation is also not as easy as people think. The company needs more effort, time, money where there are also some risks on it.

In regards to invent something new for innovation, the company needs a creative mind and plenty of new ideas from the top management and the employees. The people involved in the company should be in line with the objectives of the company so the company could have a better performance and attain the goals that have been set before.

Therefore, if the company wants to find some employees which have some creative ideas and could be able to adjust in the company's environment, the top management has to make sure first what kind of culture that is applied in the company, whereas stated in the chapter 2, the entrepreneurial culture is one of the most suitable culture if the company wants to beat the market with some innovation in the globalization era. The entrepreneurial culture is a culture where all people involved in the company could express themselves which could generate a lot of new

ideas to make the performance of the company improve better. The top management surely has all the information and knows all the things about the company, but if the company has more ideas than that which is also from all the employees who are currently working, the company's performance will improve better and faster rather than the company just using the bureaucratic culture one.

On the other hand, even the entrepreneurial culture seems really fit with the condition nowadays; the company still has to control all the actions that are taken within the company. In this case, good management control system is needed to make the company applies the entrepreneurial culture really well, for example if the company needs the creative mind candidate, then the company has to find the suitable employees for that. One of the best ways to find it is by applying the personnel control to the company. There are actually a lot of types of control within the company, but the company needs to pick one of the best to apply the entrepreneurial culture successfully. The reason why personnel control is the best because this control is taking care more about the personal of a candidate and really concern about the recruitment, the training, job design, and promoting. The company has to sort really carefully each candidate that is needed because the company needs every employee's ideas to make a decision for the company. If the company takes a wrong person, it could influence the whole performance of the company.

Thus, by finding the right combination between both the organizational culture and management control systems, the company could be able to compete in the marketplace, gain more competitive advantage and accomplished the objectives of the company. The top management should really consider about how to choose the best corporate culture and how to control it so it could generate the best result in the end. Moreover, the top management also has to remember that excessive control or less control is not good for the company, so the top management better make it balance and suitable with the company.

LIMITATION

In this part, the researcher gives some explanation about the limitation that the researcher was facing while finishing the research.

The limitation of this research is more about how the researcher conducting the research, consider that the research is a research advisory report so there is no such an empirical data which can make the result more certain and valid to be applied in the company. By conducting the empirical study, it could also reduce the risk of the company while applying the theory from this research.

Thus, for further researcher, it is better to elaborate more about the empirical study related to the entrepreneurial culture and management control systems to convince the top management or the managers of the company to apply the entrepreneurial culture and choose the best management control systems within the company.

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