

ABSTRACT

The Effect of Competitive Intensity toward Dysfunctional Behavior of Managers with Competitive Strategy and Management Control Systems as Intervening Variables and Culture Gap as Moderating Variable in Consumer Goods Manufacturing Go Public Companies in Indonesia

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The objective of this dissertation was to examine and explain the impact of contingency factors, such as competitive intensity and competitive strategy on management control systems, and the impact of management control systems on dysfunctional behavior of strategic business unit managers. Furthermore, the objective of this dissertation was also to examine the moderating influence of culture gap on the relationship between management control systems and dysfunctional behavior of strategic business unit managers.

Management control system is a process by which managers influence other members of the organization to implement the organization's strategies. Because managers had personal as well as organizational goals, the main issue is how to induce managers to act in pursuit of their personal goals in ways that will help attain the organization's goals as well (goal congruence). However, contrary to its theoretical goal, the existence of management control systems in organizations tends to induce the dysfunctional behavior of managers.

One hundred and twenty seven strategic business unit managers participated in this study. Results of the study showed that competitive strategy and management control systems act as intervening variables in the relationship between competitive intensity and dysfunctional behavior of strategic business unit managers. In addition, culture gap had significant moderating impact on the relationship between management control systems and dysfunctional behavior of strategic business unit managers.

The findings of this dissertation provided important empirical evidence on the development of management control systems theory and practices, by confirming the former contingency factors affecting management control systems, such as competitive intensity and competitive strategy, and as well as finding a new contingency factor, such as culture gap.

Key words : competitive intensity, competitive strategy, management control systems, culture gap, and dysfunctional behavior