

ABSTRACT

As an unique and talented creature, people tendencies of self-interest that become potential in conflict of interest between him and management of an organization. Note that there is no significant difference between computerized manufacture company and "padat karya" company. They face the same object, people. Basically, people growth and became the main potential problem in every aspect of life. The best systems and procedure can't assure a company to be effective and efficient to achieve goals without a winning and controlled personels. For these reasons, management staffs have to give more attention to control their peoples. Many variations in modern management control theory and practice raised to overcome these problems. This research tries to lift up the great ancient Sun Tzu's Art of War philosophy in business practice, what Sun Tzu said about army management control to gain the highest victory and then tries to design and develop MCS mechanism model for Faculty of Economic University of Surabaya (FE UBAYA).

This qualitative research use single case study approach with 3 research questions-about the FE UBAYA's MCS current practices; the relevancy between Sun Tzu's MCS essence and university modern management control; and design and development process to create a FE UBAYA's ideal MCS mechanism model-to get deeper understanding to fulfill the main objective of this research. In general, this research conducts 4 steps. The first step is literature study to design initial MCS mechanism model. The second step is data collection and analysis. Some data collection methods, such as observation, interview, Focus Group Discussion, and documentation study developed to get more valid and reliable data dan evidences. The third step is interpretation. Interpretation process uses matching approach to compare between MCS literature, theory, and initial model and evidences found. The fourth step is to develop a FE UBAYA's MCS mechanism model based on Sun Tzu's philosophy.

This research found that FE UBAYA management has no MCS framework to control their people. Each of FE UBAYA control procedure just stand alone tools without logic link, synergy, or alignment with other elements of management process. The major impact of this circumstance was that the control activities couldn't effective enough to support strategic and goal achievement. This research offers a FE UBAYA's MCS mechanism model based on Sun Tzu's philosophy to overcome the limitations faced by management team, a sophisticated model used holistic and systematic approach to cover fundamental aspect of human nature, moral, emotion, and competency. The Sun Tzu's MCS mechanism model align and integrate all management control aspects in one framework that assemble together to reach the same objective. This model also integrates the formal and informal form of control procedure in a harmonic synergy, while each control procedure covers the main control process-standar setting; motivation; monitoring (and evaluation); and reward system.

Keywords: Management Control System, Sun Tzu's Art of War, Army, Control Matrix, Mechanism, Strategy.