

The Influence of a Business Strategy and Organisational Culture on Management Control Systems for Organisational Sustainability

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This study aims to obtain empirical evidence about the influence of business strategy, organisational culture, and company size on management control systems and their impact on organisational sustainability. The research method used is descriptive and verification. The population of this study is credit cooperatives in Indonesia, with a total sample of 156 primary cooperatives. This study uses descriptive and causal-explanatory methods. A Structural Equation Modeling (SEM) approach with Linear Structural Relationship (LISREL) is used as an analysis tool. The results of the study found that business strategy, the organisational culture had a significant effect and showed a positive direction on the management control system, and the management control system had an effect on the organisation's sustainability. A business strategy and organisation culture have a significant effect and show a positive direction on organisational sustainability. The business strategy has a significant effect and shows a positive direction on the sustainability of the organisation through a management control system, and organisational culture has a significant influence and shows a positive direction on organisation sustainability through management control systems.

Key words: *Business Strategy, Organisational Culture, Management Control Systems, Organisational Sustainability*

Introduction

Research on business strategy, organisational culture and company size associated with management control systems (MCS), has been widely done, including research Dropulic (2013) shows that business strategy influences management control systems. The company's strategy has implications in designing MCS (Langfield-Smith, 1997; Chenhall, 2003). A management control system as the implementation of corporate strategy (Jordao, Souza, & Avelar, 2013). The importance of researching the environment, technology, structure, size, strategy and national culture for designing MSS (Chenhall, 2003). Furthermore, Jankala (2007) states that the development of MSS that is suitable for small business management needs to be done to support the strengthening of businesses as an essential driver of the economy.

Small companies have experienced the same changes as large companies due to environmental factors, including technological developments, globalisation. As a consequence of this development, small companies need to design MCS more formally. Poor strategic planning and an unofficial decision-making process result in management being reactive. Performance measurement systems must ensure the needs of stakeholders, strategies, and organisations to remain aligned to maximise stakeholder satisfaction (Garengo, Biazzo, & Bititci, 2005).

The application of management control systems in small, micro and medium-sized companies does not have a formal process (Garengo, Biazzo, & Bititci, 2005). Furthermore, Lämsiluoto, Varamäki, Laitinen, Viljamaa, and Tall (2015) mentioned that MCS plays a key role in small companies, managers need to make management controls to improve company performance (Voss & Brettel, 2014).

Some other research results still show conflicting results. Referring to the results of research by Ishmael (2013) that emergent strategies have no effect on the diagnostic control system. Similarly, the research of Fauzi, Hussain, & Mahoney (2009) that the strategy does not significantly influence the management control system. Another thing, this finding shows that company size negatively influences the management control system.

Lack of human resource capacity, limited managerial intellectual capacity, limited capital resources, and no formal process, are a challenge in implementing management control systems in small and medium enterprises. Poor strategic planning and an unofficial decision-making process result in management being reactive. Performance measurement systems must ensure the needs of stakeholders, strategies, and organisations to stay aligned to maximise stakeholder satisfaction (Garengo, Biazzo, & Bititci, 2005).

Management control systems play a role in rapid internal growth. The role of formal and interpersonal control will differ depending on the size of the company and the level of change.

Many research opportunities in contingency-based management control might be found in small and medium-sized companies (Chenhall, 2003).

According to Wanyama (2016), cooperatives are a form of sustainable and participatory business. The cooperative fosters the knowledge and practice of democracy and social inclusion to support the achievement of sustainable development. Cooperatives, as part of the business model, system and governance are directed at professional management so that they can compete and ultimately fulfil common goals.

The management control system also applies to Bialoskorski Neto, Barroso, and Rezende (2012) cooperatives. Problems related to management control systems in cooperatives are limited human resources, access to productive resources, low ability in research, legality (Muharam, 2016). Citing the opinion of Schwettman (2014), stating basic human needs and aspirations in economic, social and cultural, are part of the cooperative mission.

Cooperatives are learning organisations and learning processes that are directed at community empowerment. Capacity building, empowerment, cooperation, education, and training are part of cooperative responsibilities to members. Cooperatives allow a variety of services to make their activities more sustainable and profitable.

Suparno (2019) said that it was important and the need to supervise the performance and operation of cooperatives throughout Indonesia, the results of the inspection carried out found that there were still many cooperative problems namely savings and loan business licenses, permits to open branch offices, amendments to the articles of association, cooperatives did not carry out annual member meetings, do not yet have special regulations, operational management systems, to operational procedures.

Data shows that until the end of 2018 the Cooperative Office, Small and Medium Enterprises in Bantul Regency has dismissed 153 cooperatives out of 592 cooperatives, this is due to not holding an annual member meeting for two consecutive years, business activities not running, and cooperative management is not running optimally (Sulistiyana, 2019). Furthermore, Samarinda City, through the Department of Cooperatives and Micro Small and Medium Enterprises, is preparing to disperse 102 inactive Cooperatives (Amros, 2019).

Furthermore, Yandi (2018), in South Kalimantan, there were 853 cooperatives with the status of not active, and there were 1,743 cooperatives still active with 395,152 members. The types of cooperatives that are closed are dominated by savings and loan cooperatives. This is due to competition, poor internal management, and because the majority of people do not understand the existence of cooperatives.

Louhenapessy (2018) said that out of 630 cooperatives, 372 cooperatives, or 59% in Ambon, are currently inactive. This is due to a lack of human resources and a poor cooperative management system. Furthermore, Puspayoga (2018) mentioned that there had been more than 40 thousand cooperatives that were dissolved by the government within four years.

The data above shows one of the failures of the cooperative. Implementation of poor management control will have an impact on the achievement of poor performance so that the impact on the sustainability of the cooperative. The following are the number of cooperatives in Indonesia based on data in the Ministry of Cooperatives: The following are the number of cooperatives in Indonesia based on data in the Ministry of Cooperatives.

Table 1: Number of cooperatives in Indonesia

INDICATOR	2014	2015	2016	2017	Average
Number of Cooperatives	209.488	212.135	213.779	209.923	211.331
Number of Active Cooperatives	147.249	150.223	152.980	152.174	150.657
Percentage of Active Cooperatives	70,29%	70,81%	71,56%	72,49%	71,29%

Source: Ministry of Cooperatives and Small and Medium Enterprises Data as of December 31, 2018

Based on the data table above in the period from 2014 to 2017, the average number of active cooperatives was 147,511 or only 71.61% active.

Literature Review

According to Hatch (2018), the practical implementation of organisational theory, including strategy is how to increase company value. Required ways to regulate the achievement of strategic objectives; monitor and control it. The design of organisational processes in the context of organisational culture enables humans to be creative. In implementing a sustainability strategy, the challenge is to manage complexity internally with the necessary frameworks, systems, tools, structures, processes, and human resources. These values enable the integration of sustainable development into strategies (Ionescu-Somers & Steger, 2008). Therefore, the importance of designing a management control system can align with all my interests. Anthony and Govindarajan (1998), defines the management control system as follows: the Management control system is the process by which managers influence other organisations such as the organisation to implement the organisation's strategies. Zhang (2014) management control system is the process conducted mainly by managers. Managers monitor other members of the organisation to implement the organisation's strategies. The purpose of control management is strategic implementation, which will fulfil the organisation's objectives.

The results of Chenhall, Kallunki, and Silvola (2011) research that product differentiation strategy demands information that drives the application of management control systems. Product differentiation strategies encourage organisations to engage more in social networks, apply innovative culture and formal control so that the strategy has an essential role in the design of MCS. Furthermore, Dropulic (2103) says that companies that use a differentiation strategy place greater emphasis on cybernetics and control as part of MCS than companies that use a cost leadership strategy.

Junqueira, Dutra, Filho, and Gonzaga, (2016) said the design and use of MCS are influenced by the chosen strategy, Ismail (2015) strategy positively influences the control system, Auzair (2011). The differentiation strategy is associated with a less bureaucratic management control system (control informal, flexible and interpersonal). According to Jankala (2007), there is a positive relationship between strategy and MCS, Langfield-Smith (1997) MCS is designed to support strategy, companies align the choice of management control systems with their strategic positions (Govindarajan & Fisher, 1990). Business units have a differentiation strategy using low resources and control when associated with increased effectiveness. According to and Peljhan and Tekavcic (2008), changes in strategy have a positive relationship with the use of MCS.

Jordao, Souza, Avelar (2013) said that management control systems are generated from culture. According to Herath (2007), company culture consists of employee beliefs and attitudes as reflected by organisational policies or management control practices. By Efferin and Hartono (2015), business pragmatism runs together with culture in providing space for organisational experiments that can produce management control systems, Batool (2011) Culture influences management control systems, Reginato & Guerreiro (2011)) organisational culture has an influence on management control systems, and Fauzi, Hussain, Mahoney (2009) When a strong corporate culture will support openness, transparency, and equality the need to have a sophisticated MCS. Different combinations in the cultural dimension affect the management control system aspects (Chenhall, 2003).

According to Ussahawanitchakit (2017), management of control systems efficiently provides organisational renewal and achieving long-term sustainability companies. Kyazze1, Nkote, and Isingoma (2017) state that social performance is measured by social responsibility and quality of service improvement in control related to improving cooperative social performance. Mazzarol, Limnios, and Reboud (2013) claim long-term sustainability of these networks will depend on how well the co-operation is managed and the level of trust and collaborative enthusiasm among members. Triwacananingrum (2018) says that interactive control systems influence sustainable performance. Arjaliès, Mundy (2013) MCS aims to ensure that all organisational processes and activities are aligned with the organisation's strategy and objectives. While control aims to overcome economic, environmental and social issues related

to organisational performance. The use of MCS has the potential to contribute to the sustainability agenda, and the opinion of Riccaboni and Leone, (2010) that companies that focus on sustainability need to integrate strategy with planning and control systems, as well as Morsing, and Oswald, (2009), that the management control system ensures the company's commitment to sustainability.

According to Kyazze, Nkote, and Isingoma (2017), there is a positive and significant relationship between innovation and social performance in cooperatives. This implies that positive changes in innovation are associated with positive changes in social performance. Epstein and Roy (2001) state that a sustainability strategy that includes company values, commitments, and goals. Satyro, Sacomano, Contador, and Raymundo (2016) argue that business strategies could increase competitive advantage. Loorbach, van Bakel, Whiteman, and Rotmans (2010) claim that the development of business strategies is aligned with the development of sustainable systems. According to Deloitte and Touche (1991), sustainable development means adopting business strategies and activities that meet the needs of companies and stakeholders today to protect, maintain and enhance the human and natural resources that will be needed in the future.

Morsing and Oswald (2009) state that organisational culture can prove to understand how leaders maintain sustainability. In addition, according to Kalyani (2011), the company's sustainability initiative will succeed if the initiative is developed and implemented in a way that is consistent with the company's culture and culture influences organisational sustainability. Anderson, Schuldt, and Strand (2018) believe that organisational culture emphasises internal relations, stability, and goal setting and planning facilitates the integration of sustainability. Moreover, there is an influence of organisational culture on sustainable competitive advantage (Ramadan and Eng, 2010).

According to Hoque (2004), business strategies through performance measurement systems affect organisational performance. Junqueira, Dutra, Filho, & Gonzaga (2016) argue that the design and use of MCS are influenced by the strategies chosen and the use of contemporary management practices is associated with differentiation strategies and management control systems affecting performance. Tsamenyi, Sahadev, and Qiao (2011) companies that are classified as pursuing differentiation strategies and low-cost strategies, and the use of MCS have a positive effect on performance.

Duréndes, Madrid-Guijarro, and García-Péres-de-Lema (2011) claim that innovative culture and the use of MCS have a positive influence on company performance. In addition, Morsing and Oswald (2009) believe that organisational culture influences organisational sustainability through management control systems. Organisational culture and management control systems

lead to improving environmental performance (Bakhsh Magsi, Ong, Ho, & Sheikh Hassan, 2018).

Cooperative operations must also be able to advance the goals of sustainable development. The seven cooperative principles instil many concepts that are currently associated with sustainability in such a way that one can claim that cooperatives are a practical manifestation of the principle of sustainability (Sustainability Solutions Group, 2014). Cooperative is a business entity consisting of individuals or legal entities of cooperatives by basing its activities based on cooperative principles as well as a people's economic movement based on the principle of kinship (Cooperative Law No. 25, 1992).

According to Novkovic (2008), cooperatives have characteristics owned and controlled by members or users, who apply cooperative principles and democratic organisations. By implementing these principles, cooperatives play an important role in economic, managerial and social functions. Cooperative governance regulates the relationship between cooperative members and management as members' representatives. Control and supervision by members through the mechanism of the Annual Member Meeting to assess cooperative performance. Good governance systems lead to more transparent relationships, reduce some risks and increase security in organisational systems.

Cooperative governance regulates the relationship between cooperative members and management as representative members. Control and supervision by members through the mechanism of the Annual Member Meeting to assess cooperative performance. Good governance systems lead to more transparent relationships, reduce some risks and increase security in organisational systems. The objectives of business strategy are the methods chosen by management to optimise long-term value. Furthermore, Alkhafaji & Nelson (2013) states that business strategy is a plan carried out by management in companies and business units to achieve goals.

The differentiation strategy involves providing unique, high-quality products and services. Take advantage of digital and internet technology opportunities that are available in all parts of the company. Several techniques are used to achieve a competitive advantage, including; An internet-based management system that connects all parts of the organisation, service and online feedback to customers, online access to sales information and service time (Dess et al., 2013).

McDonnell, Macknight, and Donnelly (2012) state that the unique characteristics of cooperatives have several special properties and attributes, including: (1) Commitment to work democratically and for the common good, rather than for personal gain; (2) Willingness to

share risks and rewards with other members, (3) Understanding and commitment to cooperative values and principles; and (4) An understanding of how cooperation adds value to the business.

Sustainable development requires social capital, a concept used by some analysts to refer to networks and positive working relationships, and to social conditions such as mutual trust and goodwill. This is in line with cooperative law Number 25 of 1992 that the functions and roles of cooperatives are:

1. Build and develop the potential and economic capacity of members in particular and in society in general to improve their economic and social welfare;
2. Participate actively in efforts to enhance the quality of human and community life; and
3. Strengthening the people's economy as the basis of national economic strength and resilience with cooperatives as the pillars.

Bakhsh Magsi, Ong, Ho, and Sheikh Hassan (2018) believe that engagement encourages people to work together. A high level of involvement and participation creates a sense of ownership and responsibility for the broader organisation and ecosystem; and instructions for better environmental performance. Organisational culture and management control systems lead to improving environmental performance.

Hypotheses Development

Based on the above framework, the authors formulate a hypothesis for this study as follows:

- H1:** Business Strategy has an effect on the management control system.
- H2:** Organisation Culture has an effect on the management control system.
- H3:** Business Strategy has an effect on the Sustainability Organisation.
- H4:** Organisation Culture has an effect on the Sustainability Organisation.
- H5:** Management Control System has an effect on Sustainability Organisation
- H6:** Business Strategy has an effect on the organisation's sustainability through the Management Control System
- H7:** Organisational Culture has an effect on the organisation's sustainability through the Management Control System

Research Design and Methodology

The population in this study is credit cooperatives registered in the credit cooperative network in Indonesia as many as 831 cooperatives (Inkopdit, 2018). According to Hair, et al. (2014) the recommended sample size for the use of the Maximum Likelihood estimate with a construct of 5 (five) or less than 5 (five) recommended minimum sample sizes between 100-150. Based on

these statements, the sample size in this study was determined using minimum sample size, namely as many as 100 credit cooperatives in Indonesia.

Data analysis uses descriptive analysis and verification analysis. The descriptive analysis describes the characteristics of each research variable. Verification analysis provides an overview of the relationship between variables through hypothesis testing using structural equation modelling (Structural Equation Model-SEM) with the Lisrel approach.

Result and Discussion

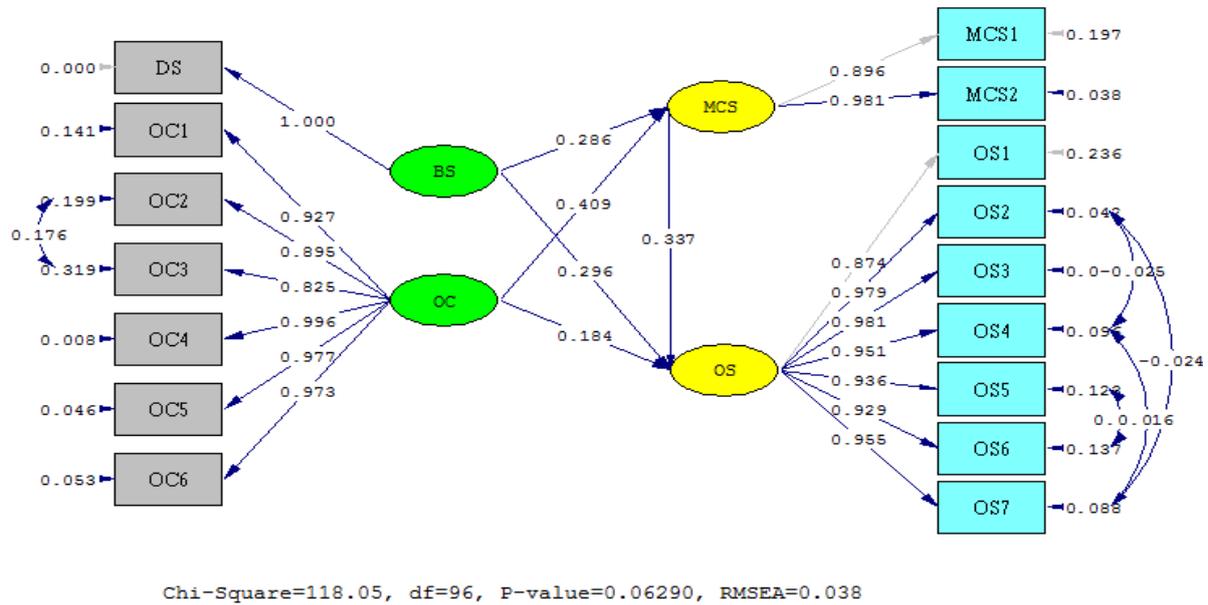
Respondents' assessment of Business Strategy has a total score of 2399 or 61.5% of the ideal score of 3900 so that it falls into the quite good category. Judging from its dimensions, respondents' ratings of Product and Service Scores of 74.5% have a higher score than the Innovation dimension of 42.0%.

Respondent's assessment of Organisational Culture has a total score of 13663 or 76.2% of the ideal score of 17940 so that it falls into the good category. Judging from the score of each dimension, the highest assessment is in the Normative vs pragmatic dimension with a score percentage of 81.5% (Good), and the lowest rating is in the Employee Orientation vs Employment dimension with a percentage score of 71.7% but still in the good category.

Respondents' assessment of the Management Control System has a total score of 10695 or 80.7% of the ideal score of 13260 so that it falls into the good category. Judging from the score of each dimension, the highest assessment is in the Management Control Process dimension with a percentage score of 81.2% (Good) and the lowest rating is in the Management Control System Structure dimension with a percentage score of 78.8% but still in the good category.

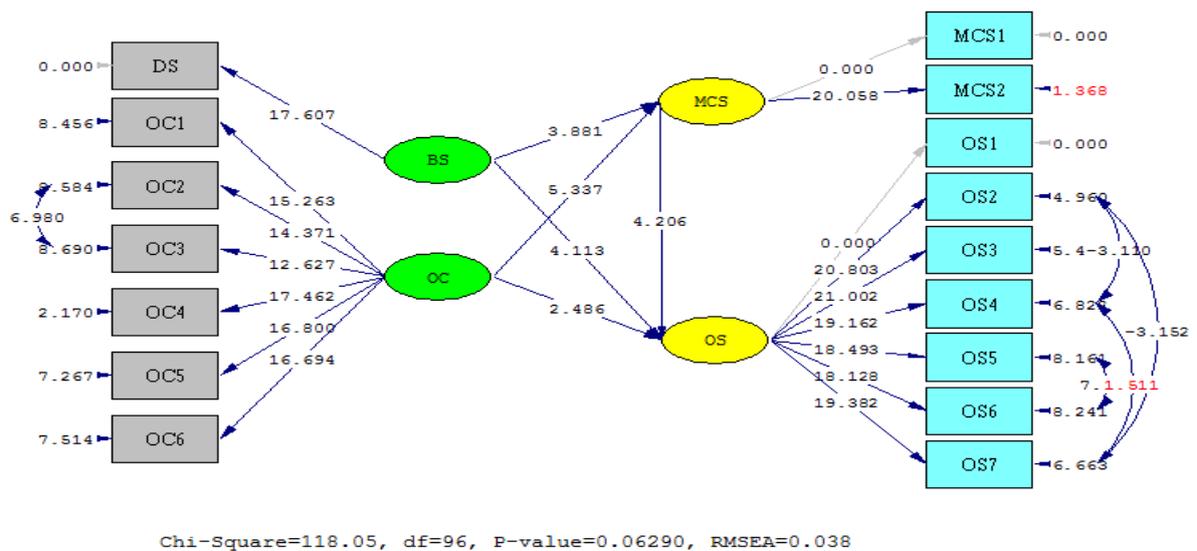
Respondent's assessment of Organisational Sustainability has a total score of 13418 with a percentage score of 66.2% of the ideal score of 20280 so that it falls into the pretty good category. Judging from its dimensions, the highest rating is in the Responsibility to Members dimension with a score of 73.2% (good), and the lowest assessment is in the dimensions of Product and Service Design meeting the Needs of Members with a score of 53.5% (Enough). The results of respecification by correlating errors between indicators gradually according to the modification indicators.

Figure 1. The results of the full Structural Respecification model (Standardised)



Based on Figure 1 can be seen from the overall model match testing results using the X2 test (chi-square) obtained a value of 118.050 with a p-value of 0.063 and an RMSEA of 0.038. Based on all GOF indices listed in the table above shows the results of a good fit so that it meets the fit criteria and can be continued at the next analysis stage. After testing the suitability of the model, then testing the research hypothesis is carried out through a structural model.

Figure 2. Structural full model results (T values)



From the test results obtained by the equation model as follows:

Structural Equations :

$$\text{MCS} = 0.286 \cdot \text{BS} + 0.409 \cdot \text{OC}, \text{Errorvar.} = 0.691, R^2 = 0.309$$

(0.0737) (0.0767) (0.0977)
3.881 5.337 7.073

$$\text{OS} = 0.337 \cdot \text{MCS} + 0.296 \cdot \text{BS} + 0.184 \cdot \text{OC}, \text{Errorvar.} = 0.600, R^2 = 0.400$$

(0.0800) (0.0720) (0.0739) (0.0875)
4.206 4.113 2.486 6.856

The following summarises the results of the estimation of the structural model of the relationship between latent variables through the Path Coefficient test:

Table 2: Summary of estimation results of Path Coefficient and Statistical Test

Hubungan	Standardised (Path Coefficient)	T-value	R-Square Parsial	R-square Simultan	Kesimpulan
BS ---> MCS	0,286	3,881	0,112	0,309	Signifikan
OC ---> MCS	0,409	5,337	0,197		Signifikan
BS ---> OS	0,296	4,113	0,140	0,400	Signifikan
OC ---> OS	0,184	2,486	0,078		Signifikan
MCS ---> OS	0,337	4,206	0,182		Signifikan
<i>BS ---> OS</i>	0,296	4,113			
<i>BS ---> MCS ---> OS</i>	0,096	2,880			Signifikan
<i>Total Effect</i>	0,392	5,269			
<i>OC ---> OS</i>	0,184	2,486			
<i>OC ---> MCS ---> OS</i>	0,138	3,350			Signifikan
<i>Total Effect</i>	0,322	4,415			

Through the recapitulation results in the above table, it can be seen that the variable Management Control System (MCS) can be explained by 30.9% by the variable Business Strategy (BS) and Organisational Culture (OC). In comparison, the remaining 69.1% is influenced by other variables besides two independent variables. Judging from the value of the path coefficient, the most dominant variable sequentially in influencing the Management Control System is Organisational Culture with a path coefficient of 0.409 (19.7%), then the Business Strategy variable with a path coefficient of 0.286 (11.2%).

The variable Organisational Sustainability (OS) can be explained by 40.0% by the variables Business Strategy (BS), Organisational Culture (OC) and Management Control Systems (MCS). At the same time, the remaining 60.0% is influenced by other variables besides the 3

independent variables. Judging from the value of the path coefficient, the most dominant variable sequentially in influencing Organisational Sustainability is the Management Control System with a path coefficient of 0.337 (18.2%), then Business Strategy with a path coefficient of 0.296 (14.0%) and finally Organisational Culture with The path coefficient of 0.184 (7.8%).

Business Strategy has an Effect on the Management Control System

Based on table 2 tcount (3.881) is greater than ttable (1.96), then at a level of error of 5% (Two tails), it is decided to accept H1 and reject H0 so that the first hypothesis is accepted. So based on the results of these tests, it can be concluded that the Business Strategy has a significant effect on the Management Control System by 11.2%.

The results of this study support previous research conducted by Chenhall, Kallunki, Silvola (2011), Dropulic (2103), Junqueira, Dutra, Filho, & Gonzaga, (2016), Ismail (2015), Auzair (2011), Jankala (2007), Langfield-Smith (1997), Govindarajan and Fisher (1990), Peljhan, and Tekavcic (2008).

Product differentiation strategies demand information that drives the implementation of management control systems (Chenhall, Kallunki, &Silvola, 2011). MCS assists managers in formulating strategies relating to markets and products, the technology needed and the appropriate structure. The MCS influences the implementation and monitoring of the strategy, providing feedback for learning and information to be used. MCS and its role in supporting organisations in formulating and implementing competitive strategies. As a result, managers have an important task to match the control system in accordance with the strategy (Bin-Nashwan, Abdullah, Obaid (2017).

Organisation Culture has an Effect on a Management Control System

Based on table 2 tcount (5.337) is greater than ttable (1.96), then at a level of error of 5% (Two tails) it is decided to accept H2 and reject H0 so that the second hypothesis is accepted. So based on the results of these tests it can be concluded that Organisational Culture significantly influences the Management Control System by 19.7%.

The results of this study support previous research conducted by Jordao, Souza, Avelar (2013, Herath (2007), Efferin & Hartono (2015), Batool (2011), Reginato & Guerreiro (2011), Fauzi, Hussain, Mahoney (2009). Different combinations in the cultural dimension affect the management control system aspects (Chenhall, 2003). Selaras Fauzi, Hussain, Mahoney (2009), when a strong corporate culture will support openness, transparency, and equality of the need to have sophisticated MCS.

If related to the respondent's answer related to the implementation of organisational culture, the open versus closed dimension is the highest of the six dimensions. The relationship between leaders and employees is open to every information communicated. Therefore, credit cooperatives tend to use an open culture; this is in line with the implementation of the high involvement of employees in the implementation of management control systems, especially when preparing programs and budgets. The ease with which employees adapt is most highly reflected in the organisational culture of the cooperative.

Management Control System Has an Effect on Sustainability Organisation

Based on table 2 tcount (4.206) is greater than ttable (1.96), then at a level of error of 5% (Two tails) it is decided to accept H3 and reject H0 so that the third hypothesis is accepted. So based on the results of these tests it can be concluded that the Management Control System has a significant effect on Organisational Sustainability of 0.337 (18.2%).

The results of this study support previous research conducted by Ussahawanitchakit (2017), Kyazze1, Nkote, & Isingoma (2017), Mazzarol, Limnios, & Reboud (2013), Triwacananingrum (2018), Arjaliès, Mundy (2013), Riccaboni and Leone, Leone (2010), Morsing, & Oswald, (2009). Citing Kyazze, Nkote, & Isingoma (2017) research on cooperative governance has an effect on social performance. Cooperative governance regulates the relationship between cooperative members and member committee representatives. Control and supervision by committee members must establish a monitoring mechanism to assess cooperative performance. Monitoring and controlling managerial actions is a key aspect of cooperative governance. A well-developed governance system leads to more transparent relationships, reduces some risks and increases security in organisational systems.

Furthermore, Mazzarol, Limnios, and Reboud (2013) believe that cooperative sustainability is how to manage cooperatives effectively, the ability to adapt and maintain members, trust and loyalty. This is in line with Lueg's opinion, Radlach (2015) which states that sustainability discusses three dimensions of ecological integrity, social responsibility and economic prosperity related to formal and informal control.

Business Strategy has an Effect on the Sustainability Organisation

T value (4.113) is greater than t table (1.96), then at a level of error of 5% (Two tails) it is decided to accept H4 and reject H0, so the fourth hypothesis is accepted. So based on the results of these tests it can be concluded that Business Strategy has a significant effect on Organisational Sustainability by 14%.

The results of this study support previous research conducted by Kyazze, Nkote, and Isingoma (2017), Epstein and Roy (2001), Satyro, Sacomano, Contador, and Raymundo (2016), Loorbach, van Bakel, Whiteman, and Rotmans (2010), Deloitte and Touche (1991).

In line with the research of Kyazze, Nkote, and Isingoma (2017), which concluded that cooperative innovation has an effect on the social performance of cooperatives. Innovative services for members are expanded in sophisticated circumstances that promote social responsibility and quality services. The aim of being innovative is to present new methods of providing services to members such as offering inputs, loans, and payments that are routed through mobile transactions.

Cooperatives have a policy framework that encourages employees and members to be innovative and creative by producing or creating something new to promote social responsibility in society. The intrapreneurial approach helps the community expand quality services to members. Before innovation is carried out, research and development are very important to ensure that what is proposed is reliable and can be accepted by members.

Organisation Culture has an Effect on the Sustainability Organisation

Tcount (2.486) is greater than ttable (1.96), then at a level of error of 5% (Two tails) it is decided to accept H5 and reject H0 so that the fifth hypothesis is accepted. So based on the results of these tests it can be concluded that Organisational Culture has a significant effect on Organisational Sustainability by 7.8%. The results of this study support previous research conducted by Morsing, and Oswald, (2009), Kalyani (2011), Anderson, Schuldt, and Strand (2018), Ramadan, and Eng (2010).

Ramadan and Eng (2010) organisational culture form the basis for creating a framework for understanding and, more importantly, investing in the company's sustainable competitive advantage. Organisational culture supports sustainability which will increase the commitment of leaders, including the external environment, including employees and the mechanisms for doing so (Eccles, Perkins, & Serafeim, 2012). The openness system between leaders and employees in cooperatives makes capital the strength to form commitments to achieve cooperative goals to ensure the sustainability of the organisation.

Business Strategy has an Effect on the Organisation's Sustainability through the Management Control System

The value of the indirect effect of Business Strategy on Organisational Sustainability through the Management Control System is 0.096 with a t value of 2.880. Because the value of tcount (2.880) is greater than ttable (1.96), then the error rate of 5% (Two tails) is decided to accept

H6 and reject H0, so the sixth hypothesis is accepted. So based on the results of the test, it can be concluded that indirectly the Business Strategy has a significant effect on Organisational Sustainability through the Management Control System. That is, the variable Management Control System has a significant influence in mediating the relationship of Business Strategy to Organisational Sustainability. From the description, it can be seen that the total effect value of 0.392 is higher than the direct effect of 0.296; this shows that the Management Control System has a positive contribution.

The results of this study support previous research conducted by Hoque (2004), Junqueira, Dutra, Filho, and Gonzaga, (2016), Peljhan, and Tekavcic (2008), Tsamenyi, Sahadev, and Qiao (2011). The relationship between strategic choices and organisational performance through management performance measurement options (Hoque, 2004). Peljhan's research, Tekavcic (2008) shows that strategies with the use of management control systems have a positive relationship and affect organisational performance.

The decision set a strategy after an analysis of internal capabilities and influences from external aspects. After establishing the strategy, the responsibility centres in the next stage translate and implement the strategy into the management control system. Coordination between the parts of the cooperative is important to develop programs to support the strategies that have been set, and ultimately have an impact on the sustainability of the cooperative.

Organisational Culture has an Effect on the Organisation's Sustainability through the Management Control System

The indirect effect value of Organisational Culture on Organisational Sustainability through Management Control Systems is 0.138 with a t value of 3.350. Because the value of tcount (3.350) is greater than ttable (1.96), then the error rate of 5% (Two tails) is decided to accept H7 and reject H0 so that the seventh hypothesis is accepted. So based on the results of testing, it can be concluded that indirectly organisational culture significantly influences organisational sustainability through the Management Control System. That is, the variable Management Control System has a significant influence in mediating the relationship between organisational culture and organisational sustainability.

From the description it can be seen that the total effect value of 0.322 is higher than the direct effect of 0.184, this shows that the Management Control System provides a positive contribution in mediating the relationship of organisational culture to Organisational Sustainability. This means, a better Management Control System because good organisational culture can improve Organisational Sustainability.



The results of this study support previous research conducted by Duréndez, Madrid-Guijarro, and García-Pérez-de-Lema (2011), Morsing and Oswald (2009), Bakhsh Magsi, Ong, Ho, and Sheikh Hassan (2018) suggesting involvement encourages people to work with. A high level of involvement and participation creates a sense of ownership and responsibility for the broader organisation and ecosystem; and instructions for better environmental performance. Organisational culture and management control systems lead to improving environmental performance.

Culture is designed to encourage mutual supervision, a strong form that will press on individuals who deviate from group norms and values. Cultural control is most effective if group members have emotional ties with each other.

Conclusion

The results found that business strategy and organisational culture had a significant effect and showed a positive direction on the management control system. The management control system had an effect on the organisation's sustainability. A business strategy and organisational culture have a significant effect and show a positive direction on organisational sustainability. The business strategy has a significant effect and shows a positive direction on organisational sustainability through the management control system. Organisational culture has a significant influence and shows a positive direction on organisational sustainability through management control systems.

The gap in business strategy shows that the implementation of business strategies marked by product innovation, especially savings and loans, has not varied enough, innovation in the management and use of technology-based information systems is still very low, both financial transaction management and loan services to members. There is still a gap in organisational culture; this is indicated by the cooperative not yet flexible and adaptable to changes, especially the external environment, not yet optimal planning for employee development (career planning, rotation and improving education). There are still gaps in the management control system, including the factors of assignment of duties and responsibilities in the accountability units still do not describe the separation of functions. Decisions that are operational by the management's intervention still affect the authority that has been given to managers. The implementation of the strategy is part of the management control system, which is manifested in programs that have not been partially reflected in the responsibility centres.

This study has several limitations, including the study population is only partly in the savings and loan cooperative group; the research sample representing each province is uneven.



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