



# **THE COST LEADERSHIP, DIFFERENTIATION STRATEGY AND MANAGEMENT CONTROL SYSTEM FOR BUSINESS START UP AT PT. BERAS JAGUNG NUSANTARA IN INDONESIA**

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## **Abstract**

*This study aims to examine the effect of business strategy and external environmental on management control system. This study is a replication of research and development conducted by Sofiah Auzair (2011). Object of this study in PT. Beras Jagung Nusantara in Indonesia. The research is an empirical study with purposive sampling techniques in data collection. Data Obtained by questionnaire which was distributed to the PT. Beras Jagung Nusantara in Indonesia manager in Banten province, with a questionnaire return rate of 61.11% i.e. 55 effective respondents. Data analysis was performed with a SPSS version 16. The test results show that the hypothesis of the three hypotheses proposed two hypotheses are accepted. Accepted hypothesis is the hypothesis 1 (significant positive influence on*

*bureaucratic Cost Leadership Management Control system.), Hypothesis 2 (a significant positive differentiation Strategy on bureaucratic Management Control system.) Because is not accepted hypotheses is not negative significant, Hypothesis 3 (a significant positive Environmental Perception Uncertainty).*

*Keywords: Cost Leadership, Differentiation Strategy, Perception Environmental Uncertainty, Management Control system*

## **INTRODUCTION**

Banten is a province on the island of Java, this province was once part of West Java province, but broke away in 2000. Its location off the western tip of Java island has a strategic location and also has an excellent economic potential, locally, nationally and international transport sector because it has the land, sea and air. Three sectors that play an important role in economic development in the province of Banten. Of the sectors of tourism Banten has several tourist destination visited by both local and foreign tourists among which the National Park Ujung Kulon, Tanjung Lesung, Natural Park Sangiang, Anyer Beach. Hotel-PT. Beras Jagung Nusantara in Indonesia facing huge competition in an effort to attract and retain customers, The viability and success of such a business hotel, will depend on the efforts of managers in meeting customer expectations and there are a lot of influence business strategy to management control system, therefore, is expected top managers actually use planning and control systems to assist in achieving the goals. A system in the right information can help managers satisfy customer expectations in achieving organizational goals.

Research conducted in the field of strategic management wanted to see how much influence the cost leadership strategy and differentiation strategy in improving performance, both strategies are complementary. However contradictory premises n cost leadership strategy and differentiation strategy stands alone and is not complementary. Thus the management control system should be tailored explicitly to support business strategies that generate superior performance and critical for managers in the hospitality industry to understand the business strategy in order to achieve a competitive advantage.

In addition to business strategy, as manager of an organization that is constantly in touch with customers and competitors design of management control systems in PT. Beras Jagung Nusantara in Indonesia should consider the external environment in which the PT. Beras Jagung Nusantara in Indonesia operates. In fact he believes that service organizations such as PT. Beras Jagung Nusantara in Indonesia, may be more sensitive to the environment

due to four factors, ease the transfer of innovation, size, ease of competitive entry and the inability to *buffer* the core of high-productive tasks and information. Thus the company is required to make adjustments to the environmental conditions that have to do with strategy and management control system better. Motivated by economic development and the lack of research in the literature of management control systems hotel, this study aims to determine the accounting practices of management and control in the PT. Beras Jagung Nusantara in Indonesia industry. The study was a replication of an earlier study conducted by Sofiah Auzair (2011). *The Effect Of Business Strategy And External Environment On Management Control Systems: A Study Of Malaysian PT. Beras Jagung Nusantara in Indonesia*, which distinguishes it from previous research regarding where the object of his research (Studies on PT. Beras Jagung Nusantara in Indonesia in Banten province)".

Against this background, the current intends to explore the Influence Business Strategy and External Environment of the Management Control System.

## LITERATURE REVIEW

### Management Control Systems (Samryn, 2002)

Management control system is a data collection tool to assist and coordinate the decision-making process within the organization. Management control system mainly relate to the way that can be done by managers in designing and using planning and control systems to implement the strategy.

### Business strategy

Strategy is the pattern of the main actions chosen to realize the organization's vision through the mission. Competitive business strategy or strategies are usually developed in a managerial level and emphasizes on the improvement of the competitive position of product and services companies in the industry (Sugiyanto, 2003). Two general strategies suggested by Porter (1980) to keep the business level are.

1) Cost leadership strategy is a series of integrated actions that are designed to produce or deliver goods or services at the lowest cost relative to competitors with features that can be accepted by the customers. Cost leadership strategy is a strategy in which the company surpassed the competitors in producing goods or services at the lowest cost (Blocher *et al*, 2009).

2) Differentiation strategy

Porter, (1985) stated that in the differentiation strategy, the company must create a product that has a more unique qualities that have broader value. Companies choose one or more attributes

of the products that are considered important and attractive to customers. Differentiation can be based on their own products, delivery systems, marketing approach and other factors.

### **External environment**

In general, the environment of an enterprise consists of groups linked to one another that plays an important role in determining the opportunities, challenges, obstacles faced by the company. Ingg, (2011) defines the external environment are all factors that are beyond the company both macro and operational environment with specific conditions that occur in the environment can be a source of opportunities or threats for the company. Hitt, *et al* (2001: 50) explains that the external environment is the arrangement of the elements of the wider community who influence the industry and within the company that they categorize these elements into six environments segment: demographic, economic, political / legal, social culture, technology, and globalization. Various empirical studies conducted by (Khandwalla, 1972; Gordon and Narayanan, 1984; Chenhall and Morris, 1986) have shown that the external environment or perceived environmental uncertainty has an effect on the nature of the design of management control systems in an organization. Environmental uncertainties interpreted as external environmental conditions that may affect the company's operations (Otley, 1980).

Environmental uncertainty is defined as the individual's perception on the uncertainty that comes from the environment (Gregson *et al.* 1994). According Milleken (1987) basically, the uncertainty of the environment is a top management's inability to predict accurately the external environment and Milliken have identified three types of PEU: state of uncertainty, the uncertainty of the effects and the uncertainty of the response. Uncertainty state refers to the uncertainty created by the external environment, as described earlier, namely the uncertainty of the macro environment and micro an environmental uncertainty. Uncertainty effect is uncertainty about the impact of external uncertainties internal to the organization. Uncertainty response is the uncertainty regarding the impact of external and internal uncertainty on organizational strategy will be applied.

Tymon, *et al* ,. (1998) identifies an environmental uncertainty n into three elements menc envy uncertainty of the environment as a strategic concept.

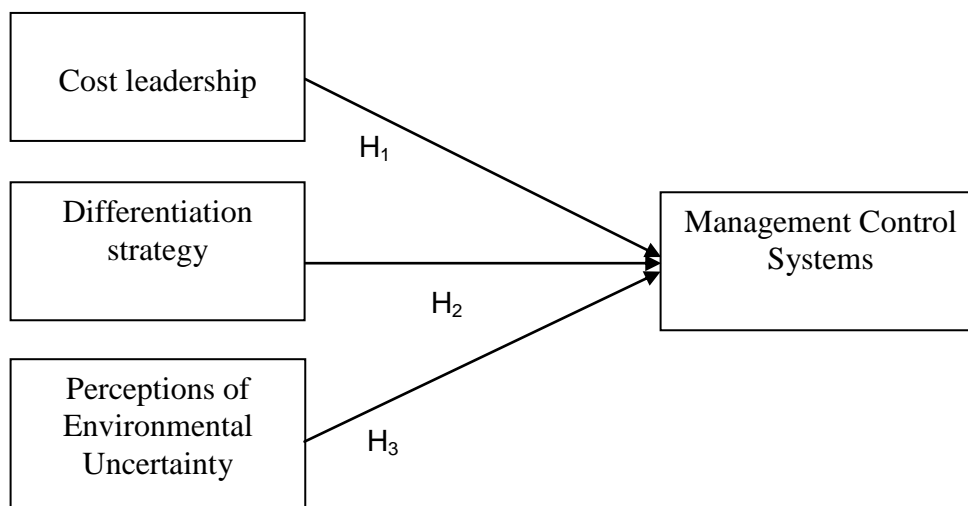
1. The organization's external environment is a source of uncertainty, made possible by market and regulatory agencies. Specifics such as price competitiveness, promotion, distribution, product quality.
2. The inability of top managers to determine how the elements of this right will interact with the company's internal processes.

3. *De Facto* is the perception of the external elements that influence the strategic decision making in the context of the changing structure of the organization's information. Thus the perception of the relevant environmental uncertainties faced by the company comes from top managers that have to fix orientation of the strategy in the top of the organization.

### Conceptual Framework

The Strategy of Business, External Environment and Management Control System

Figure 1 Conceptual framework



### Hypotheses development

#### ***Effect of Cost Leadership Strategy the Management Control System***

Based on research Auzair (2011) found a significant positive relationship between the cost leadership strategy with management control system more bureaucratic, emphasis on tightening cost to produce products with lower cost levels of competitors.

It is suggested that at one end of the continuum is the control of management control system more bureaucratic action, formal, strict, restriction, control impersonal, and financial information.

From the above explanation, the hypothesis formulated is:

H<sub>1</sub>: cost leadership strategies affect the form of management control system more bureaucratic.

#### ***Influence of Differentiation Strategy on the Management Control System***

Auzair study (2011) found a significant positive relationship between the differentiation strategy with a control system that is less bureaucratic management, which emphasizes the power of

marketing, research and development, technology leadership and creativity. technology leadership and creativity. According to previous research Auzair and Langfield-Smith (2005), is expected to conduct throughout the continuum of dimensional control management control system at the hotel. It is suggested that at one end of the continuum is the control of management control system less bureaucratic control results, informal controls, the controls are loose, flexible, interpersonal, and non-financial. So as to obtain a competitive advantage on the basis of the uniqueness offered and result in a quality product.

From the above explanation, the hypothesis formulated is:

H<sub>2</sub>: Strategies differentiation effect on the form of management control system less bureaucratic.

***Effect of Perceived Environmental Uncertainty on management control systems were more bureaucratic***

Auzair study (2011) found a significant positive relationship between the perception of environmental uncertainty with management control system more bureaucratic, because the PT. Beras Jagung Nusantara in Indonesia management control system design should take into account the external environment in which the PT. Beras Jagung Nusantara in Indonesia is located, as well as the adaptation of the service organization. For that managers are required to make adjustments to the perception of uncertainty of the external environment by pursuing a strategy and management control system more bureaucratic. From the above explanation, the hypothesis formulated is:

H<sub>3</sub>: Perception of environmental uncertainty effect on the form of management control system more bureaucratic.

## **RESEARCH METHODOLOGY**

Study adopted descriptive research design. The population in this study is the manager pa da PT. Beras Jagung Nusantara in Indonesia in the province of Banten. The sampling technique in this research is *purposive sampling method* (sample selection aims). Sample criteria proposed in this study are as follows:

1. PT. Beras Jagung Nusantara in Indonesia in Banten start of a one star hotel.
2. The manager has worked at least one year.
3. Managers educated minimal S1

The data used in this research is the primary data. The primary data used were obtained directly from a survey conducted by distributing questionnaires to PT. Beras Jagung Nusantara in Indonesia managers in the province of Banten.

In this study, respondents were the marketing manager, finance, personnel, public *relation*, *front office* at the PT. Beras Jagung Nusantara in Indonesia in Provincial Banten. Type respondents were selected by using *purposive sampling* already described in the previous chapter. The data in this study using a program *statistical package for the social sciences* (SPSS) version 16:00. The processed data is associated with the respondent's answer Cost Leadership Strategies (SKB), Differentiation Strategy (SD) and the perception of environmental uncertainty (PKL) influence on Control Systems Management (SPM).

The data collection was conducted using questionnaires, the seriousness of respondents in answering the questions is very important in the study. Data was first subject to the validity testing and reliability testing. Data was analyzed using *Statistical Package For Social Science* version 16.

## ANALYSIS AND FINDINGS

### Response rate

Out of 90 questionnaires distributed, 55 were returned.

Table 1 Response rate and Valid questionnaires

No.	Information	Frequency	Percentage
1	Questionnaires distributed	90	100%
2	Questionnaires were returned	55	61,11%
3	Questionnaires were not returned	35	38,89%
4	Questionnaire Incomplete	0	0%
5	Questionnaires which can be processed	55	61.66%

### Demographic profile

#### Gender

Table 2 Percentage of Respondents' Gender

Information	Frequency	Percentage
Man	38	69,09 %
Woman	17	30.91 %

The total questionnaires returned in this study, the number of respondents who sex Men are 38 people (69.09%) and the remaining 17 (30.91%) is a woman. From Table 2, it can be concluded

that the number of men who worked as a manager more than the woman that is numbered 38 people or 69.09%.

### **Age**

Table 3 Percentage of Respondents Age

Information	Frequency	Percentage
21-30	13	23.63%
31-40	15	27.27%
41-50	16	29.09%
51-60	11	20%

The total questionnaires returned in this study, the number of respondents aged between 21-30 is 13 people (23.63%). Then aged between 31-40 of 15 people (27.27%), aged between 41-50 is 16 people (29.09%) and the rest for ages above 51 is 11 people (20%). From table 3, it can be concluded that managers are most on average at age 41-50 is numbered 16 people or 29.09%.

### **Education**

Table 4 Education Percentage of Respondents

Information	Frequency	Percentage
D3	0	0%
S1	45	81.81 %
S2	9	16,36 %
S3	1	1.88 %

The total questionnaires returned in this study, the number of respondents who educated graduates S1 is 45 (81.81), then the number of respondents who educated graduates S2 is 9 people (16, 36%) and the remaining respondents were educated S3 is 1 (1.88%). It can be concluded that the average manager with S1, the highest number is 45 people or 81.81%. From table 4, it can be concluded that the number of respondents who educated S1 is more dominating than the educated S2 and Everything Else. This shows that the positions manager, as low as educated S1. Due to the high educated S1 education level of their knowledge will increase.



**Office Position**

Table 5 Position Percentage of Respondents

Information	Frequency	Percentage
Marketing manager	20	36.36%
Manager <i>Public relation</i>	8	14.54%
<i>Front Office</i> Manager	9	16.36%
Finance manager	9	16.36%
Personnel manager	11	20%

The total questionnaires returned in this study, the number of respondents who have positions as Marketing Manager is 20 people (36.36%), then the number of respondents who have positions as Manager of *Public relation* is 8 (1, 4, 54%), the number of respondents who have positions as *Front Office* Manager is 9 people (16, 36%), the number of respondents who have positions as Manager finance is 9 people (16.36%), and the number of respondents who have positions as Manager personnel was 11 (20%). It can be concluded that the number of marketing managers more than other managers are numbered 20 people or 36.36%. This is because the PT. Beras Jagung Nusantara in Indonesia hopes to have excessive marketing manager will positively affect PT. Beras Jagung Nusantara in Indonesia revenues for the marketing manager is assigned to find and attract consumers.

**Old Work Period**

Table 6 Old Work Period Percentage of Respondents

Information	Frequency	Percentage
25 years	25	45.45%
5 - 10 years	20	36.36%
> 10 Years	10	18.18%

The total questionnaires returned in this study, the number of respondents who have 2-5 years of experience working as many as 25 people (45.45%), 5-10 years old worked as many as 20 people (36.36%) and those with experience work > 10 years as many as 10 people (18.18%). From table 6, it can be concluded that the work of 2-5 years is very dominating. This shows that the PT. Beras Jagung Nusantara in Indonesia offered an opportunity for the highly productive

age to occupy a tan job as manager, whereas for a long tenure managers showed very little amount.

### Data collection instrument testing

If the measuring instrument obtained invalid or unreliable, then the results will be obtained will not reflect the real condition. To overcome this requires two kinds of tests that test the validity (*test of validity*) and reliability testing (*test of reliability*), to test the sincerity of the answers of the respondents (Ghozali, 2006: 41).

The approach taken to the reliability test is the approach of internal consistency reliability. The technique used to measure the internal consistency is *Cronbach's Alpha*.

Table 7 Reliability Testing Results

Variable	Cronbach's Alpha	Information
SPM	0.854	Reliable
SKB	0,800	Reliable
SD	.808	Reliable
PKL	.737	Reliable

Based on the calculation shown in the above table for the SPM variable (Y) had a *Cronbach Alpha* value  $0,854 > 0,60$  so that it can be concluded that the grains have a question on the SPM variable (Y) otherwise *reliable* (reliably) and can be processed. For variable LCS (X) had a *Cronbach Alpha* value of  $0.800 > 0.60$  so that it can be concluded that the grains have a question on variable LCS (X) otherwise *reliable* (reliably) and can be processed. Variable SD (X) had a *Cronbach Alpha* value of  $0.808 > 0.60$  so that it can be concluded that the grains have a question on the primary variable (X) otherwise *reliable* (reliably) and can be processed. Then on PKL variable (X) had a *Cronbach Alpha* value of  $0.737 > 0.60$  so that it can be concluded that the grains have a question on PKL variable (X) otherwise *reliable* (reliably).

Table 8 Validity Testing Results

Variable	Kaiser's MSA	Loading factor	Information
SPM	.783	0.619 to 0.658	<i>valid</i>
SKB	.780	0.597 to 0.672	<i>valid</i>
SD	0.792	0.552 to 0.741	<i>valid</i>
PKL	0.661	0.551 to 0.772	<i>valid</i>

Based on the above table it can be seen that the SPM variable (Y) has a value of *Kaiser's MSA*  $0.783 > 0.5$  and a minimum *factor loading*  $0.619 > 0.40$  so that it can be concluded that the data on the questions for SPM variable (Y) is valid. For variable LCS (X) has a value of *Kaiser's MSA*  $0.780 > 0.5$  and minimum *loading factor*  $0.597 > 0.40$  so that it can be concluded that the data on the questions for the variable LCS (X) is valid. Variable SD (X) has a value of *Kaiser's MSA*  $0.792 > 0.5$  and minimum *loading factor*  $0.552 > 0.40$  so that it can be concluded that the data on the questions for the primary variable (X) is valid. And the latter for PKL variable (X) has a value of *Kaiser's MSA*  $0.661 > 0.5$  and minimum *loading factor*  $0.551 > 0.40$  so that it can be concluded that the data on the questions for PKL variable (X) is valid.

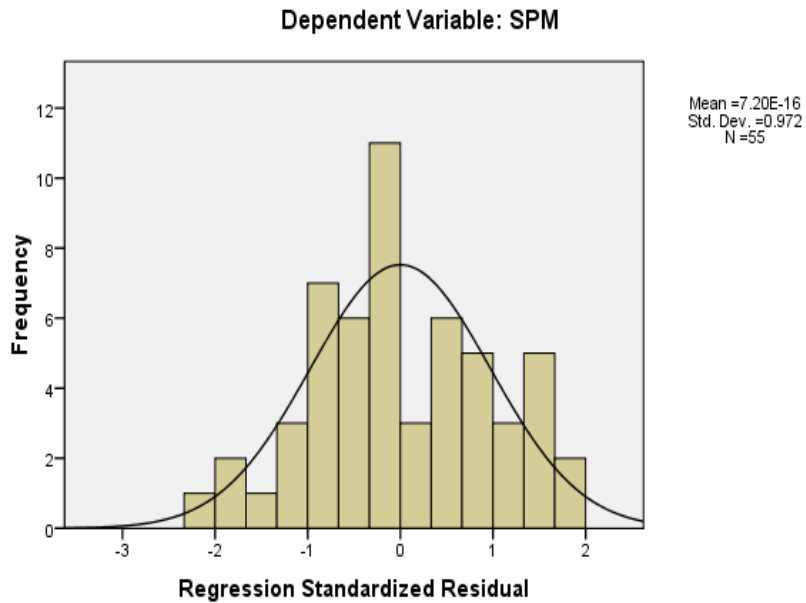
### Normality testing

Table 9 Normality Test Result Data

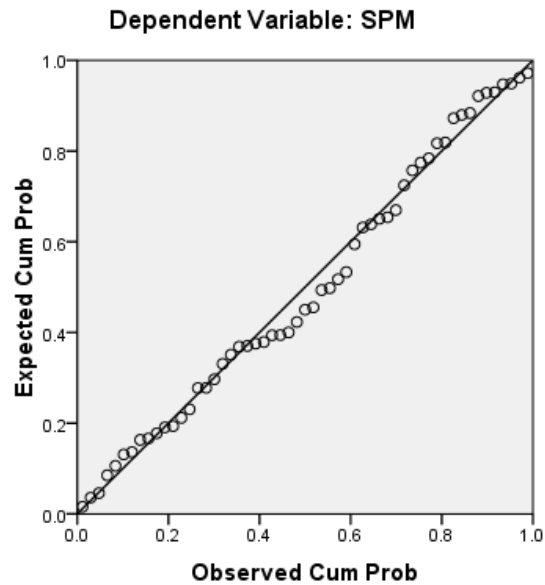
One-Sample Kolmogorov-Smirnov Test		
		Residual unstandardized
N		55
Normal Parameters <sup>a</sup>	Mean	.0000000
	Std. deviation	2.36341320
Most Extreme Differences	Absolute	.076
	positive	.076
	negative	-.061
Kolmogorov-Smirnov Z		.560
Asymp. Sig. (2-tailed)		.912
a. Test distribution is Normal.		

Normality test results using *Kolmogorov-Smirnov* test was done. From the table above, it can be seen that the value *Kolmogorov-Smirnov* was 0.560 and significant at 0, 912, or 91.2%, this means that residual data is normally distributed because the significance is above 0.05 or 5%.

Figure 2 Histogram and P-P plot



Normal P-P Plot of Regression Standardized Residual



From the output above, it appears that the histogram graph showing a normal distribution pattern, the data spread around the diagonal line and follow the direction of the diagonal line, the regression model to meet the assumption of normality.

## Testing Multicollinearity

The results of the test Multicollinearity of this research can be seen in table 10.

Table 10 Testing Results Multicollinierity

<b>coefficients<sup>a</sup></b>			
Model		collinearity Statistics	
		tolerance	VIF
1	SKB	.999	1,001
	SD	.908	1102
	PKL	.909	1,100

a. Dependent Variable: SPM

From the table above it can be seen that for the variable LCS (X) has a tolerance value of  $0.999 > 0.10$  and VIF  $1,001 < 10$  so that it can be concluded there is no multicollinearity between the independent variables in the regression model. For variable SD (X) has a tolerance value of  $0.908 > 0.10$  and VIF  $1.102 < 10$  so that it can be concluded there is no multicollinearity between the independent variables in the regression model. Then PKL variable (X) has a tolerance value of  $0.909 > 0.10$  and VIF  $1,100 < 10$  so that it can be concluded there is no multicollinearity between the independent variables in the regression model.

## Testing autocorrelation

Testing of autocorrelation in this study, obtained the following results.

Table 11 Autocorrelation Testing Results

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764 <sup>a</sup>	.584	.560	2432	2048

a. Predictors: (Constant), PKL, SKB, SD

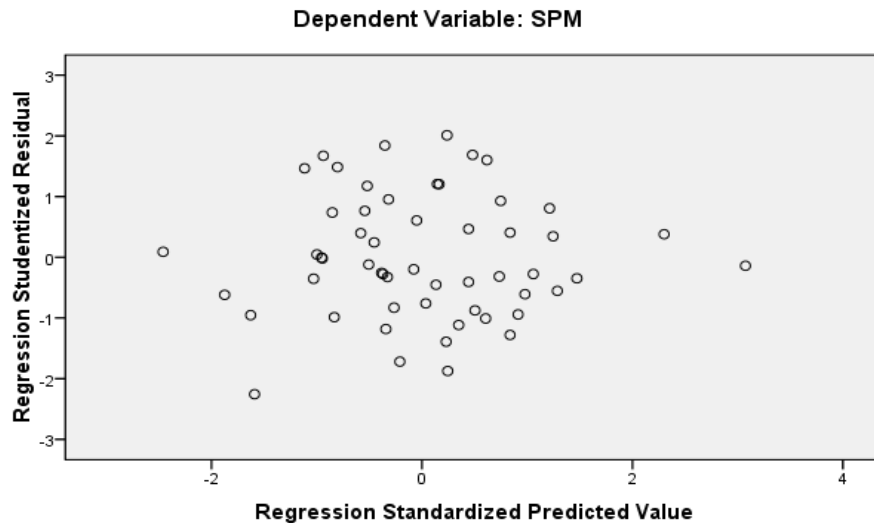
b. Dependent Variable: SPM

SPSS output display shows that the value of DW in regression models by 2,048 this indicates that the regression model auto correlation not happen, because the value of DW is between -2 to +2.

### Testing Heteroscedasticity

The test results of this study heteroscedasticity can be seen in table 11.

Figure 3 Test Results Heteroscedasticity, Scatterplot



Based on the above chart *scatterplot* the results show that the points spread at random and scattered either above or below the number 0 on the Y axis, it can be concluded that there is no heteroscedasticity in regression models, so the regression model proper to be used to predict the variable SPM (Y) based on the input of independent variables LCS (X), SD (X) and PKL (X).

### Goodness Test Model (*Goodness of Fit Model*)

*Goodness of fit* test is a test a match or goodness of fit between the observations (observation frequency) with a certain frequency is obtained based on the value of hope (theoretical frequency).

### F Test

Table 12 F Test results

Model		Sum of Squares	Df	mean Square	F	Sig.
1	Regression	424 116	3	141 372	23 903	.000 <sup>a</sup>
	residual	301 629	51	5914		
	Total	725 745	54			

a. Predictors: (Constant), PKL, SKB, SD    b. Dependent Variable: SPM

Of testing the model goodness, can be seen from the table ANOVA (table 12). The results of data processing is seen that the value of  $F = 23,903$  with significant  $0,000 < 0,05$ . The value of the test significantly smaller than  $\alpha = 0.05$  indicates that the regression model can be said to be good, so that it can proceed to test the hypothesis.

### **The coefficient of determination (Adjusted R-Square)**

Table 13 Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764 <sup>a</sup>	.584	.560	2432	2048

a. Predictors: (Constant), PKL, SKB, SD

b. Dependent Variable: SPM

The above table shows that the coefficient of determination that indicates the value of *adjusted*  $R^2$  at 0,560. This means that 56% of the management control system variable variation can be explained by variable cost leadership strategy, differentiation strategy and perception of environmental uncertainty, while 44% of management control systems can be explained by other variables him. Rated  $R = 0,764$  shows that the correlation coefficient of 76.4%. From this value we can conclude that the relationship between the cost leadership strategy, differentiation strategy and the perception of environmental uncertainty with management control system has a strong position.

## **Hypothesis testing**

### **First Hypothesis Testing**

$H_1$ : cost leadership strategy significant positive effect on the form of management control system more bureaucratic.

Table 14 First Hypothesis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	beta	t	Sig.
1	(Constant)	17 885	2,730		6,551	.000
	SKB	.427	.131	.410	3,271	.002

a. Dependent Variable: SPM

The regression analysis of the first hypothesis can be seen in the table above cost leadership strategy has positive effect (0,427) to form a management control system which is more bureaucratic with a level of significance of  $0.002 < 0.05$ , this shows that the cost leadership strategy significant positive effect on the control system management more bureaucracy, so that the results of the study received the first hypothesis which states that "cost leadership strategy has positive influence on the form of management control system more *bureaucratic*".

The results of this study confirm previous research conducted by Auzair (2011). And supported by Auzair and Langfield (2005) with the results of the air influence significant positive between the cost leadership strategy with management control system more bureaucratic. The study is consistent with previous studies conducted by Chenhall and Langfield-Smith (1998), Kumar and Subramaniam (1997), Simons (1987), (Miller, 1988) and Haryanto (2007).

### **Second Hypothesis Testing**

H<sub>2</sub> : Strategic differentiation significant positive effect on the form of management control system less bureaucratic.

Table 15 Second Hypothesis Test Results

coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
Model				beta		
1	(Constant)	11 440	2,880		3972	.000
	SD	.408	.076	.592	5,348	.000

a. Dependent Variable: SPM

The regression analysis of the second hypothesis can be seen in the table above. Differentiation strategy has positive effect (0.408) against this form of management control system more bureaucratic with a level of significance of  $0.000 < 0.05$ . This shows that the positive effect on the differentiation strategy management control system more bureaucratic, while management control system less bureaucratic less emphasized. So the results of this study reject the second hypothesis which states that "Differentiation strategy has positive influence on the form of management control system less bureaucratic".

Based on the research Auzair (2011) found a significant positive relationship between the differentiation strategy with control management system that is less bureaucratic.



But in this study found that the positive effect on the differentiation strategy management control system more bureaucratic. This finding is consistent with the strategy of generic Porter (1985) studied by Hill (1988) states that the differentiation strategy it will generate cost leadership on the condition that it happens in the long term. Companies that adopt a differentiation strategy in the long term can reduce costs through *learning effects, economies of scale and economies of scope*. Conclusions Hill is based on a comparison or a study of the various theories and concepts. This study presents a generic application Porter, the strategy of differentiation and cost leadership as well as reinforce the notion Hill based on empirical studies conducted by Calori and Ardisson (1988). *Setting* research Calori and Ardisson is research on industrial companies *stalemate* in France, Germany and the UK during the month of May - June 1985. cost reduction or lowering costs is one component of the management control system more bureaucratic, namely the tightening of costs or also called cost control. It can be concluded that the effect on the differentiation strategy management control system more bureaucratic.

### **Third Hypothesis Testing**

H<sub>3</sub> : Perception of environmental uncertainty significant positive effect on the form of management control system more bureaucratic.

Table 16 Third Hypothesis Test Results

coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	beta		
1	(Constant)	16 575	2772		5979	.000
	PKL	.627	.170	.453	3697	.001

a. Dependent Variable: SPM

The regression analysis of the first hypothesis can be seen positively influence perception of environmental uncertainty (0.627) against this form of management control system more bureaucratic with a significance value of 0.01 < 0.05, this shows uncertainty perceptions influence the management control system more bureaucratic, so the results this study received the third hypothesis which states that "the perception of environmental uncertainty has positive influence on the form of management control system more bureaucratic".

The results of this study confirm previous research conducted by Auzair (2011) who found a significant positive relationship between the perception of environmental uncertainty with management control system more bureaucratic. The study's findings are consistent with previous research studies conducted Miller (1988), Dahlan (2007), Ezzamel (1990), Auzair (2011), and Florence (2007).

## CONCLUSION AND DISCUSSION

Based on the research and discussion of the previous chapter of a study on the effect of business strategy and external environment of the Management Control Systems , has some conclusions, namely:

1. Cost leadership strategy has positive effect significant to management control system more bureaucratic. This means that the PT. Beras Jagung Nusantara in Indonesia is doing a cost leadership strategy then requires an emphasis on management control system more bureaucratic. The results of this study confirm previous research conducted by Auzair (2011) found a positive relationship significantly between the cost leadership strategy with system management control over bureaucratic, emphasizing on tightening cost so as to produce services with a level lower cost than competitors. so it can take the conclusion that the hypothesis is first accepted and the study is consistent with previous studies conducted by Auzair and Langfield (2005), Chenhall d an Langfield-Smith
2. Differentiation strategy has positive influence significantly the management control system more bureaucratic. This means that the PT. Beras Jagung Nusantara in Indonesia is doing a differentiation strategy then requires an emphasis on management control system more bureaucratic. The results of this study are not consistent with studies previously conducted Auzair (2011) who found a positive relationship significant between differentiation strategy with management control system less bureaucratic. So that can take the conclusion that the hypothesis both rejected, which means differentiation strategy does not affect the management control system less bureaucratic. But the results of this research was supported by the generic strategy Porter (1985) studied by Hill (1988) and in accordance with previous studies conducted by Hopwood (1972) and Kenis (1979), Stedry (1960) and Simons (1988) .
3. Perception of environmental uncertainty positive influence significantly on management control system more bureaucratic. It can be concluded that the perception of environmental uncertainty emphasis on management control system more bureaucratic. The results of this study confirm previous research conducted by Auzair (2011) who

found a positive effect on the environment of uncertainty. This study is consistent with the findings of previous studies conducted by Auzair and Langfield (2005), Miller (1988), Dahlan (2007), Ezzamel (1990), and Florence (2007).

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