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DECONSTRUCTION OF MANAGEMENT CONTROL SYSTEMS AND THE ROLE OF CULTURE IN TRADITIONAL BANKING INSTITUTIONS⁵

This study aims to know the existence of culture and its deconstruction in management control systems in traditional banking institutions. This research uses a mixed method with Explanatory Sequential Design by taking a traditional banking institutions in Indonesia and exploring it using interview and observation techniques at one of the traditional banking institutions to form a deconstruction of the new MCS concept. The results of this research reveal a significant influence between culture and MCS. Furthermore, a culture-based MCS deconstruction was discovered and formed, which found a kindness implemented in the Standard Operational Procedure, Assets implemented in the Work Plan, budgeting, and expenditure and a desire for its implementation through performance. Lastly is happiness, implemented in reporting and auditing.

Keywords: Management Accounting; Management Control System; Explanatory Sequential Design

JEL: M40; M41

1. Introduction

The concept of MCS emerged during the 1980s era of global competition, spurred by Japan's innovative practices and technological advancements (Barros, Ferreira, 2019). This transformation changes the role of accounting practices and management control from standardization and control of production activities to primarily contributing to flexibility

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and autonomy. There is ongoing debate regarding the role of MCS (Management Control Systems) in a company's competitive advantage. The two main functions that are often discussed are monitoring and empowerment. This topic continues to be explored through academic research, including literature reviews and empirical evidence (Langfield-Smith, 2007; Tessier, Otley, 2012).

Financial institutions pose the highest level of risk. Existing management control systems (MCS) used in banking institutions have been under scrutiny due to several criticisms. The traditional pyramid-shaped organizational structure used by banks has a negative impact on business development (Haileleul, 2021). According to a study by Borgström (2021), there is still a lack of understanding and awareness among commercial banks in Sweden about the benefits of integrating control systems. Ullah and Ahmad's (2019) research on Pakistan's banking sector suggests that poor management control systems may have contributed to the global financial crisis. A study by Akinbowale et al. (2021) warns that high financing costs may cause the management control systems of several banks worldwide to be at risk of loss. Furthermore, inappropriate use of MCS may negatively impact employee productivity and efficiency (Akinola, Okundalaiye, 2022). Establishing a well-organized management control system (MCS) is crucial in the banking industry, as Susanto and Meiryani (2019) pointed out. Clear values, beliefs, and norms are essential aspects of Management Control Systems (MCS) which are influenced by culture, as pointed out by Dollija et al. (2020). Alsharari and Lasyoud (2019) suggest that external factors such as culture can act as a catalyst for change in management accounting practices.

Many traditional banking institutions in Indonesia have concerns regarding their Management Control System. The article by Dewi (2021) highlights the importance of examining differences in service coverage, profit distribution, formation objectives, and legal basis. An effective management control system (MCS) is crucial for traditional banks, considering the various factors that can affect them. However, few studies in the last five years have explored the influence of organizational culture on MCS, especially in traditional financial institutions. To enhance a banking institution, three critical aspects must be focused upon: people, management, and spirituality. The spiritual aspect pertains to the closeness of human beings to God (Nursanty et al., 2021). Apart from God, faith also encompasses individual relationships with others and the world, which are an integral part of culture.

Conducting research is crucial as traditional banks empower communities (Ramantha et al., 2018; Ardyani, Suarmanayasa, 2021; Kurniasari, 2022). These institutions serve functions aligned with the MCS, which empowers (Hasyim et al., 2021; Efferin, 2021). Related to institutional theory, Management Control Systems (MCS) aim to legitimize an organization and gain support from society (Ramadhan, Arza, 2021). It is crucial to maintain the existence of traditional banking institutions, and the Management Control System (MCS) plays an essential role in achieving this. The modern MCS assumes that humans are rational beings, as exemplified in agency theory. The agent will, therefore, try to achieve the best possible financial performance for the principal, irrespective of the methods employed. However, such practices can lead to the emergence of creative accounting, as observed by Soeherman in 2017. Big corporations, particularly those that possess complete legitimacy in the society, necessitate a higher level of monitoring. Traditional banking institutions, which rely on cash as their primary resource, must establish control measures to guarantee the safety of customer

funds and organization-owned assets. It is essential that their reports can be trusted and their performance is consistently improving (Ardyani, Suarmanayasa, 2021).

2. Literature Review

The use of management control systems in Western organizations began with Robert Anthony's book "Planning and Control Systems: a Framework for Analysis" in 1965 (Murhaban, Adnan, 2020). For decades, Management Control Systems (MCS) research has been based on contingency theory, which Otley explains has influenced the development of modern MCS (Otley, 1980; 2016). This theory explores how organizational factors influence the design of Management Control Systems (MCS) within Management Accounting. In MCS research, contingency theory helps understand factors affecting MCS design and implementation in organizations. According to the theory of contingency, a company's organisational structure is shaped by various factors such as technology, level of decentralization, external environment, company size, strategy, and culture (Pavlatos, 2021). The design and utilization of management control systems (MCS) is dependent on the organizational context. However, the application of contingency theory in MCS often follows a static and simplistic approach, which hinders the comprehension of the dynamic nature of control in diverse organizations (Martin, 2020).

In Langfield-Smith's (1997) definition, Management Control Systems (MCS) refer to the procedures by which managers ensure that resources are obtained and used efficiently and effectively in the accomplishment of the organization's objectives. In 1987, Simons defined Management Control Systems (MCS) as formal procedures and systems that use information to modify or improve various organizational activity patterns. As a part of the Lever of Control (LoC) framework introduced by Simons in 1987, 1990, and 1994a, the concept of Management Control Systems (MCS) is a dynamic capability that can be utilized to achieve a competitive advantage. However, it is important to note that the LoC framework overlooks the active role of employees in control management, as highlighted by Tessier and Otley in 2012. Hermawan (2021) and his team identified four Leverage, Opportunity, and Capability (LoC) levers that companies can use together, under the right conditions, to effectively execute strategies. On the other hand, Euske and Riccaboni, in 1999, defined the Management Control System (MCS) as a system that management uses to regulate behaviour in social, cultural, political, and economic environments. The term has a broad meaning and refers to a set of processes and tools that help a company achieve its goals.

The study of management control systems has been categorized since the 19th century in Table 1. Various models have emerged, providing a framework for developing MCS research. However, many of these models' MCS are not entirely separate, and different ideas often coexist and influence each other during the same period.

Table 1. Representation of Several MCS Models

Development Theory	Theorist	MCS Assumption
Classical Management Theory	Follet (1868); Taylor (1911); Fayol dan Max Weber (1974); Simon (1954, 1987, 1990, 1994, 1995)	Control management is the most critical process and event in an organization and emphasizes solutions and evolution theorists.
Behavioural Approach	Hopwood (1972, 1974a, 1974b); Otely dan Berry (1980)	Stating the importance of spontaneous, unplanned behaviour in organizations emphasizes the organic structure of informal arrangements.
Systems and Contingency Approaches	Anthony (1965); Ouchi (1979); Otley (1980, 2016); Langfield-Smith (1997)	Emphasizes the organization's high dependence on the environment by highlighting the goals
Radical Views	Ansari dan Bell (1991); Euske & Riccaboni (1999)	Environmental factors can also be operated and managed while complying, starting to focus on the values or impact of culture on the behaviour of organizational members.
Rational Views	Efferin (2019)	Educational process to combine commercial and social performance in an organization. Focusing on care centres to carry out activities with good intentions towards stakeholders (investors, employees, suppliers, customers, the general public, and nature)

Source: Prepared by Author (2023).

In order to achieve success and ensure long-term growth, companies must have strong systems and a capable workforce (Sawitri Ningrum et al., 2017). With the advent of economic globalization, companies that lack a robust management control system structure are at risk of falling behind (Murhaban, Adnan, 2020). As explained by several experts in the previous section, there are various MCS concepts that the organization can use to plan, execute, evaluate, and monitor its operations. The main goal of these concepts is to assist the management in effectively controlling the organization, thereby achieving its vision and mission, and gaining a competitive advantage (Radianto, 2021). I have checked the text for spelling, grammar, and punctuation errors and made necessary corrections. Since the 19th century, the study of management control systems has been classified in Table 1. Over time, several models have been developed to provide a framework for conducting MCS research. However, it's important to note that many of these models are not entirely distinct, and various ideas often coexist and influence each other during the same period.

2.1 Research GAP

There is a debate that the current MCS in financial institutions in developing countries must achieve goal congruence. There is no clear explanation of the specific MCS elements necessary for the successful implementation of the company's strategy. Indonesia's strong traditions and religious influence inhibit the establishment of a clear direction for the company without compromising local identity. Traditional banking institutions also serve as research sites for empowerment, just like MCS. The support provided by conventional banking institutions to village communities is highly legitimate, to the extent that it becomes

necessary to implement MCS in these institutions. This article aims to explore the following research questions:

1. To what extent does organizational culture affect MCS in traditional banking institutions?
2. Upon establishing the impact of culture on MCS, the subsequent step is to break down MCS in traditional banking institutions.

In the future, this research can highlight the significance of control systems in traditional banking institutions. The goal is to prevent the negative outcomes that can result from weak control systems in financial institutions from occurring in the future. Additionally, it can address issues stemming from the unclear nature of control systems in traditional banking institutions up until now.

3. Material and Methodology

This research uses an explanatory sequential mixed methods design adopting the design methodology from Creswell and Creswell (2018).

Figure 1. Explanatory Sequential Design (Two-Phase Design)



Source: Creswell and Creswell (2018).

The explanatory sequential mixed methods approach is a design that blends both quantitative and qualitative research methods and is particularly suitable for individuals with a strong quantitative background or from fields where qualitative approaches are relatively new. Sequential mixed methods approaches are designs in mixed methods that draw from a robust quantitative environment or from an area that is relatively new to qualitative approaches.

First, data collection took place in two different stages, with quantitative sampling, using the survey method, and sampling with the aim of the second stage, namely the qualitative stage. Second, there is data analysis and integration. Two databases, quantitative and qualitative, were analyzed separately before being integrated and linked. Third, interpret mixed methods by interpreting the follow-up results in the research discussion section. Interpret mixed methods by analyzing follow-up results in the research discussion section, following the reporting of quantitative and qualitative results. Lastly is validity. Researchers must establish the validity of quantitative scores and discuss qualitative findings in mixed methods research.

3.1 Data

This research uses quantitative and qualitative data. The quantitative data used has a population size of 1,327 traditional banking institutions in Indonesia. Researchers used the sample determination formula from Krejcie and Morgan (1970). This research used simple, systematic, stratified random probability sampling Tabachnick & Fidell (1989). The procedure for determining the sample is as follows:

$$n = \frac{\chi^2 \cdot N \cdot P(1-P)}{(N-1)d^2 + \chi^2 \cdot P(1-P)}$$

Based on this formula, the samples used were 298 research samples. The MCS measurement adopts six indicators from Anthony and Govindarajan (2007), and the organizational culture variable adopts four indicators from Denison (2006). They answered in-depth research questions using qualitative data, in-depth interview techniques, participant observation, and document study. Researchers will approach research informants, namely supervisors, employees of administrators, and customers of traditional banking institutions.

4. Results and Discussion

4.1 Organization Culture and Management Control System

The research methodology utilized SEM-PLS to analyze research data by testing the outer and inner models. In the initial stage, the researcher conducted a measurement test (outer model) to assess the convergent validity of the model measurement evaluation using reflective indicators. This was determined by analyzing the loading factor value for each variable indicator and the average variance extracted (AVE).

Table 2 Outer Loading of Measurement Model Estimation Results

	Management Control	Organizational Culture
MC1	0.804	
MC2	0.814	
MC3	0.880	
MC4	0.885	
MC5	0.836	
MC6	0.861	
OC1		
OC2		0.882
OC3		0.906
OC4		0.849
OC5		0.868

Source: Prepared by Author (2023).

Measuring the level of reliability can be seen from the composite reliability value, and Cronbach's alpha has a value greater than 0.70. Next, the inner model test is used to evaluate the model as a whole with analysis tools seen from the R-Square (R²) side.

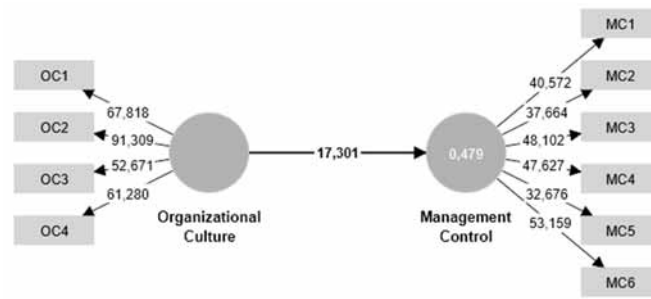
Table 3 Coefficient of Determination (R²)

Management Control	R-square	R-square adjusted
	0.479	0.478

Source: Prepared by Author (2023).

Each variable's coefficient of determination (R²) is at a good value. So overall, with the analysis tool seen from the R-Square (R²) side, the model offered as a whole is declared good. Figure 2 and Table 4 provide the estimated output for testing the structural model where the expected result is that Ho is rejected or a sig value < 0.05 (or a t statistic value > 1.96 for a test with a significance level of 0.05).

Figure 2. Hypothesis Test Results Through Bootstrapping



Source: Prepared by Author (2023)

Table 4. Test Results Through Bootstrapping

Organizational_Culture -> Management_Control	Original Sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (IO/STDEVI)	P values
	0.692	0.694	0.040	17.301	0.000

Source: Prepared by Author (2023).

It can be seen in hypothesis testing that organizational culture significantly influences MCS. So, if the impact is known, what must be done to form an MCS that can be implemented? We continued the testing with further in-depth research to determine what culture exists in traditional banking institutions. Deconstruction of MCS was formed, as well as further discussion.

4.2 Deconstruction of Management Control Systems in Traditional Banking Institutions

The study focuses on empirical testing and forms a new MCS concept for traditional banking institutions.

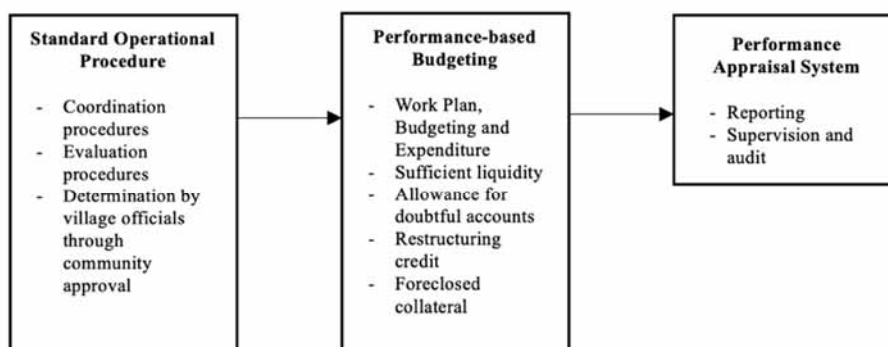
Table 5. Manuscript of Informant

Informant	Interview	Topic	Implementation
Mr. A	“Our approach should prioritize the needs of consumers, and we should treat them like family.”	Sense of Family Open Management Communication – <i>as a form of kindness</i>	Standard Operasional Procedure
Mr. A	“In case of a credit problem, we adopt a family approach.”		
Mr. S	“One team, one goal. Let's share equally and communicate openly.”		
Mr. S	“Leadership and management in this organization are open under Mr A's guidance”	Fairness Efforts – <i>as a form of assets</i>	Work Plan, Budget and Expenditure
Mr.C	“If a company is involved in production, it is evident that they offer production services..”		
Mr. S	“As the head of credit, I work with a team of five people. There is no difference..”		
Mr. C	“The interest we charge customers depends on the economic situation, so as with Covid, we lower it.”		
Mr. A	“Our organization offers scholarships to children from underprivileged backgrounds.”		
Mrs. N	“I have felt sincerity in the way work is done here for decades, which reflects integrity.”		
Mr. S	“We have emphasized the importance of honesty to the team. If we remain truthful, financial issues will be resolved”	Integrity Empathy Trust – <i>as a form of desire</i>	Performance
Mr. A	“Our employees are aware that we assign workload based on their abilities”		
Mr. S	“We made the savings book more flexible by changing the way it was filled out.”		
Mr. C	“The trader is happy because he was able to secure a good place without any capital”		
Mr. A	“At the moment, there is no legal action taken for problematic loans.”		
Mr. S	“The financial report's credibility is high as it is supported by factual data.”		
Mrs. N	“All financial reports are highly credible and trustworthy”	Honesty Sense of Belonging – <i>as a manifestation of the ultimate goal, namely happiness</i>	Reporting, Control and Audit
Mr. C	“All financial reports are highly credible and trustworthy”		
Mr. S	“Although there are big banks here, they cannot turn people away because of their high sense of belonging”		

Source: Prepared by Author (2023).

Running a successful company depends on having adequate knowledge of accounting. To achieve profits, a company must first develop a suitable strategy. One approach is to empower employees, create plans, and report progress up to the evaluation stage. This is where the Management Control System (MCS) is an essential part of management accounting. We can observe the primary form of MCS in traditional financial institutions, as shown in the following picture.

Figure 3. Managemet Control System in Traditional Banking Institution



Source: Prepared by Author (2023).

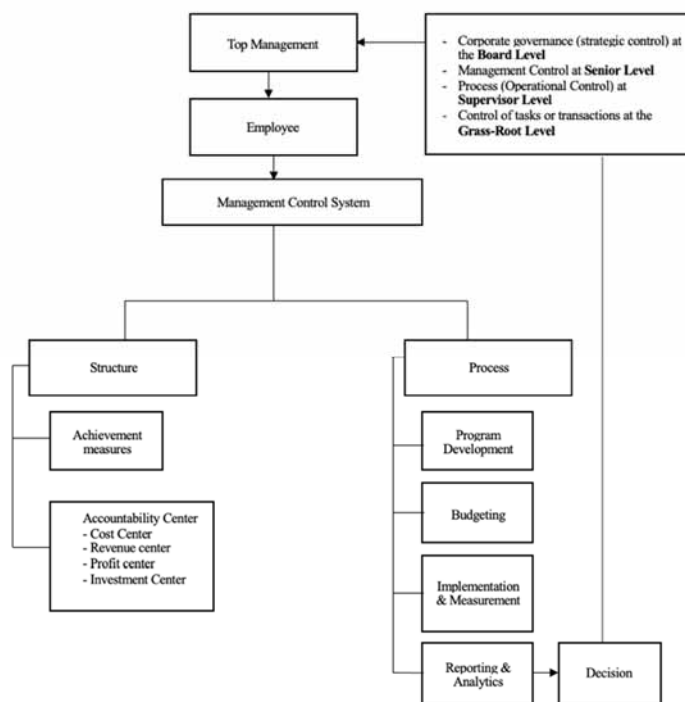
The current form includes Standard Operating Procedures that outline how company management collaborates to execute work according to the approved Work Plan, Budget, and Expenditure. Work Plan, Budget, and Expenditure accomplishments are evaluated quarterly. Performance-based budgeting is a method that links each cost associated with activities to the benefits generated. Per the prudential principle, traditional banking institutions must manage themselves as financial institutions with associated business risks. Providing adequate liquidity to pay for customer deposit withdrawals is crucial for such institutions. Financial institutions, including traditional banks, have the option to place funds for financial institution liquidity with other banks and financial institutions. In the event of liquidity issues, it is important to address them in a step-by-step manner to ensure a timely and effective resolution. It is important for institutions to establish a provision for doubtful accounts based on credit classification to handle problematic loans. Restructuring, rescheduling, and reconditioning are some of the ways to resolve such problematic loans. If all else fails, foreclosed collateral can be dealt with through mutual agreement.

In traditional banking with liquid assets, the structure of MCS still needs clarification due to its complexity. MCS in companies has even more complex parts, including absolute structures and processes. A performance evaluation system incorporates financial measures such as cost centres, revenue, profits, investments, and employee responsibilities and duties. A comprehensive approach that encompasses all company operations, from program and budget preparation to implementation, measurement, reporting, and analysis. In this document, we introduce the concept of a Management Control System (MCS), which is a tool commonly utilized in conventional companies. However, traditional financial institutions cannot fully utilize the modern elements described in a conventional MCS. To illustrate the general concept of an MCS, please refer to the figure provided below.

The diagram clearly demonstrates that the manager is the key decision-maker in the Management Control Systems (MCS). It is evident that the integration of MCS structures and processes commences with controlling tasks or transactions at the grassroots level, which are carried out by lower-level employees. The supervisory level is responsible for operational

control processes, while management control is overseen by the senior level. The board, in turn, is accountable for making the highest-level decisions regarding corporate governance, including control strategy. It is important to note that the actions taken at different levels, from supervisory to task management, are interdependent and require control to meet top-level objectives (Sagara, 2021).

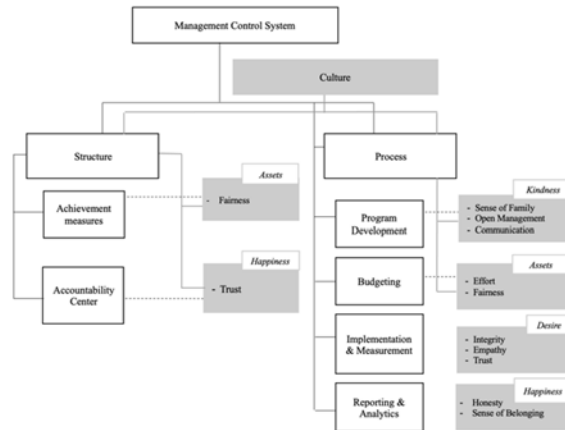
Figure 4. Management Control System



Source: Anthony, Govindarajan, 2007; Kikuchi, Nishimura, Stachurski, 2018.

After thoroughly investigating the research site and reviewing the previous MCS, it is evident that traditional institutions need to implement conventional MCS appropriately. To create an MCS that aligns better with the research site's culture, researchers should seek out local community habits or cultural concepts that complement the MCS. While retaining the existing MCS concept, we propose a deconstruction of the MCS based on an ethnomethodological study. The resulting deconstruction can be explained as follows.

Figure 5. Deconstructing of Management Control System-Based Culture



Source: Prepared by Author (2023).

There will always be structure and process in the control system. However, the structures and processes used by a company may differ. There is a synergy between the management control system (MCS) concept and the company's culture.

There was a prevailing culture of favouring traditional banking institutions, where the values of family-like relationships, transparent management, and effective communication complemented the Standard Operational Procedure of these institutions. According to Thomason (2022), any positive outcome requires well-coordinated efforts. Distinction enables individuals to become more aware of their thoughts, feelings, and desires and empowers them to control their perceptions to adapt to changes (Bialo, 2021). Goodness theory emphasizes how people can adopt a positive attitude to overcome challenges (Youngs et al., 2023). One approach adopted by traditional banking institutions is to reduce conflicts in the local community. Kindness plays a significant role in shaping the goals and decisions of individuals (Dufwenberg, Kirchsteiger, 2019). Positive interventions, such as activities aimed at improving the well-being of the actor and the target (Bolier et al., 2013; Lyubomirsky, Layous, 2013; Ko et al., 2021), also reflect the principles of goodness. Within this context, the term "actor" refers to a conventional banking institution that provides support to the local economy of a village. Simultaneously, the "target" is the community, which is a crucial stakeholder that demands the actor's attention. It is imperative for the actor to prioritize the community's needs and interests to ensure the sustainability and growth of the local economy.

The Work Plan, Budget, and Expenditure work together to fulfil assets, with fairness prioritized to strengthen stakeholder relationships (Nanda et al., 2020). Previous research has shown that fairness is crucial in establishing trust and cooperation when adopting social systems. However, fairness remains an overlooked aspect (Lee et al., 2019). The presence of justice can also reduce adverse reactions arising from social processes, be it in determining wages, working hours or employee satisfaction (Kessler, Leider, 2016). Concentrating

exclusively on enhancing formal aspects of a system or process results in an undue emphasis on quantifiable metrics, which are often too rigid to be practically applied. This approach, which prioritizes measurable outcomes over other factors, can lead to a narrow and incomplete understanding of the system or process in question. In order to achieve a more comprehensive and nuanced understanding, it is necessary to consider a broader range of factors, including qualitative metrics and contextual factors. By taking a more holistic approach, it is possible to develop a more flexible and adaptable system or process that is better suited to real-world conditions (Colquitt, Rodell, 2011; Cugueró-Escofet, Rosanas, 2013; Cugueró-Escofet, Rosanas, 2015; Cugueró-Escofet et al., 2019b). It is imperative for banking companies to generate profits to sustain their operations, but it is crucial that their actions are always in line with their core values and principles (Sageder, Feldbauer-Durstmüller, 2019). To achieve the goals set by the company, it is essential to increase efforts towards shared prosperity. This can be done by implementing a collective agreement, as Nuhu et al. (2019) and Bracci & Tallaki (2021) suggested. To improve the Management Control System's (MCS) performance, it is necessary to consider equity to enhance various aspects of it. Focusing solely on improving incentives based on measurable metrics is not flexible enough to be realistically used, as pointed out by Bialo (2021).

The synergy between performance and desire can be seen through integrity, empathy, and trust. Companies can achieve their goals by empowering their employees to participate in strategic decision-making, rather than restraining them (Van der Kolk et al., 2015; Bracci, Tallaki, 2021). Desire fosters commitment and a sense of responsibility towards completing one's duties (Joneta, 2016; Nugraha, 2017; Meutia et al., 2018). When organizations work cooperatively, share a sense of commitment, and have reduced uncertainty, they are more likely to achieve their desired goals (Duréndez et al., 2016). To maintain solid human relationships, honesty and truth must be at the forefront of our interactions with others (Wells, Molina, 2017).

The ultimate objective of the MCS process is to establish a harmonious relationship between reporting, monitoring, and auditing, while simultaneously fostering a culture of happiness, honesty, and inclusivity. These values are crucial for achieving optimal performance and ensuring the success of the organization. It is common sense that when one feels happy, they will perform better (Pillania, 2021). The ultimate goal of purchasing decisions is not just to gain or lose but to affect human cognition, emotions and religion (Brata et al., 2022). Accounting should strive for the ideal welfare and happiness instead of something relative and artificial (Septyan et al., 2022).

In the context of an organization with many individuals, one must look at the fundamental nature of existence and the reality that accompanies it. In reality, management control systems are trusted by the presence of detectors whose task is to observe what is happening. Next, the assessor compares what happened with the applicable standards or rules. If what happens fails to meet standards, the effector will take specific actions to match expectations. This creates an environment that is controlled by the role of several authorities within it to fulfil the organization's desires. CPA-based MCS has the reality of trying to synergize detectors, assessors and effectors, starting from the element of goodness, the main element in the CPA concept. Carrying out its functions prioritizes all good deeds within the organization, both to colleagues and stakeholders, which will result in rewards in the form of

assets. In the form of CPA-based MCS, wealth is a means to fulfil desires. It is better to restrain excessive desires, with the risk of discrepancies in organizational plans, to avoid work stress and other opportunistic actions that may not be controllable. So detectors, assessors, and effectors in the context of traditional banking institutions are the leaders of traditional banking institutions, supervisors, and village leaders who carry out LPD activities by helping each other for the common good.

MCS, according to Anthony and Govindarajan (2004) states that there is Formal Control and Informal Control. Formal control includes strategic planning, budgeting, and responsibility centres. Informal control is often called informal action; culture, management style, informal relationships and communication exist. The habits, nature and culture brought from the local community's identity are a form of informal control that is in synergy with CPA – derived from the concept of Dharma, which brings equality, brotherhood and social recognition that we are the same. Unlike institutions that experience isomorphism, this control seeks to make the organization itself and not be influenced by similar institutions. Like other organizations, the desired thing is to achieve goals. Formal control synergizes with CPA to achieve goals; there are elements of Artha that are a means to achieve predetermined goals. Achieving goals involves practising integrity and empathy, which are elements of Kama so that all efforts to achieve the desired results remain humanist. The hope is an end in the form of traditional banking institutions' accountability to village manners. We were continuously supervised so that the traditional banking institutions could always be financially supportive and supportive of the village community.

The basic principles contained in MCS and CPA-based MCS also have differences after synergizing. Anthony and Govindarajan (2004) explained that MCS has several elements in achieving the company's desires. Measurement is based on employee performance; the better the employee's performance, the more their income will be. This will create false happiness and gaps between employees (Efferin, 2019). Based on responsibility centres (cost, income, profit and investment centres), there is program preparation as an embodiment of the vision and mission, and budget preparation, which is the operationalization of plans in monetary form. Implementation and measurement are estimates of expenses and income compared to determine results – reporting and analysis where actual revenues and costs are compared with budgets. The basic principles contained are still trapped in monetary shackles. This is also related to decision-making in MCS, which is only based on and fully supports decisions made by top management (Merchant, Stede, 2007; Anthony, Govindarajan, 2007).

MCS is expected to become a system that can create justice, transparency, objectivity and accountability in an organization based on economic benefits. MCS that still relies solely on extrinsic motivators will only create an illusion of happiness. Synergizing two different things to achieve a level of MCS that can be applied in traditional banking institutions, researchers pay attention to the basic principles of MCS itself.

The essence of conventional MCS is organizational goal congruence (Hoopwod; 1974, Ouchi, 1979; Simons, 1994; Flamholtz, 1996; Merchant, 1998, Whitley, 1999; Chenhall, 2003; Alvesson, Karreman, 2004; Malmi, Brown, 2008; Anthony, Govindarajan, 2009; Radianto, 2015). Organizations exist to pursue material success, accumulate capital, and increase the company's value for investors/owners to achieve these goals (Efferin, 2019). The hope to be achieved is to return to the traditional village identity, namely Tri Hita Karana.

Accountability is not only in the horizontal form (human relationships with humans) but also in the vertical form, human relationships with nature and God.

5. Conclusions and Recommendations

This research found that culture is an essential factor influencing the implementation of MCS in banking institutions, especially traditional ones. The test results found that the p values were smaller than alpha. Not stopping at the testing and analysis stage, this research tries to form a new concept of culture-based MCS, which can later be used in traditional banking institutions. The ultimate objective of the MCS process is to establish a harmonious relationship between reporting, monitoring, and auditing, while simultaneously fostering a culture of happiness, honesty, and inclusivity. These values are crucial for achieving optimal performance and ensuring the success of the organization.

The synergistic meeting between the big narrative and the small narrative does not cancel each other out; in fact, the synergy between the two different things provides a solution to what should be a control system. The synergy in aspects of global knowledge and local accounting-based culture means that accounting science no longer has a rigid, ideological and authoritarian consistency. The resulting synergy can make accounting science blend in where it gives rise to inconsistencies because it has been adapted and legitimized by the demands of small narrative characteristics, namely heterogeneous, plural, contextual, local, unique and indigenous.

It is related to the symbiosis of agency theory, where traditional banking institutions, as agents who have more mastery of accounting knowledge, can apply their mastery of accounting knowledge by adding the original culture inherent in the community. The culture used is the mastery of religious knowledge (Hinduism), which is synergized with one of the sciences of management accounting, especially MCS, which has the same meaning and goals as traditional banking institutions, namely empowerment. This idea is related to the substance of culture and religion, namely that not only is the truth of belief absolute but has also seeped into social life. Based on the substantive connection between religious values and accounting science, it can strengthen the social practice of accounting science contextually and practically.

CPA-based MCS is a new theoretical deconstruction of the Management Control System, offering a form of control born from indigenous communities' wombs. The deconstruction of this theory is not to eliminate MCS but to form a postulate that is expected to achieve village community empowerment, which is the initial essence of traditional banking institutions. Applying rules based on accounting science (including the control system included in the grand narrative), which indicates ineffectiveness due to self-control, both external social control and oneself, can give rise to a crisis of confidence. Traditional banking institutions have stakeholders only at the village manner level. If the agent has a negative image, the traditional banking institutions may experience a crisis and bankruptcy. Of course, this consequence will be felt not only by the agent but also by the stakeholders.

Regarding indigenous culture in forming control system postulates, CPA-based MCS is expected to become a reference for traditional banking institutions' operational activities. Activities that not only think about achieving the vision and mission to get a profit in the form of materials but how these materials can make people happy, equalizing and prospering traditional village manners. CPA-based MCS wants to bring people to the realization that the final goal in life is to feel the state of God. The integration of God in every human being will make humans think in a materialist perspective and spiritually so that the implementation of the control system is no longer in humans but in God through the peace that exists in the organization in implementing CPA-based MCS.

Although this research cannot necessarily be applied to several other conventional banking organizations, research with the synergy of big theory and culture can be considered for application. The finding of a more humane control system concept should be a direction that the existence of small things that are still marginalized should obtain attention.

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