



## The Effect of Transformational Leadership and Management Control System on Organizational Performance through Organizational Culture as an Intervening Variable

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**Abstract:** Public sector organizations are currently experiencing rapid development and change. As one of the public sector entities, the Riau Islands Provincial Government faces various challenges in realizing its vision and mission. In accordance with the 2021-2026 Regional Medium-Term Development Plan (RPJMD) with the vision of 'Realizing a Prosperous, Competitive and Cultured Riau Islands', one of whose missions is to Implement Clean, Open and Service-Oriented Governance. Various challenges in achieving this vision require serious attention, especially in the aspects of Transformational Leadership and management control systems applied to all OPDs in the Riau Islands Province. The purpose of this study is to see the effect of Transformational Leadership and management control systems on Organizational Performance with Organizational culture as an intervening variable. This type of research is Quantitative. The number of samples in this study was 318 respondents in the OPD of the Riau Islands Province. The researcher used the help of the SMART PLS software program, with an approach in modeling using the Structural Equation Model (SEM) analysis. The results of this study all research hypotheses were accepted and Organizational Culture was an intervening variable between Transformational Leadership on Organizational Performance and Management Control System on Organizational Performance.

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## INTRODUCTION

Public sector organizations are currently experiencing rapid development and change along with the times, making them not lagging behind private sector organizations. (Gharsi et al., 2024). As one of the public sector entities, the Riau Islands Provincial Government faces various challenges in realizing its Vision and Mission in accordance with the 2021-2026 Regional Medium-Term Development Plan (RPJMD). Various weaknesses in achieving this vision and mission require serious attention, especially in the aspects of Transformational Leadership and the management control system implemented. (Kolomboy et al., 2021). Therefore, a transformational leadership style, the implementation of a management control system and Organizational Culture need to be studied (Nguyen et al., 2023).



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Riau Islands is a new province resulting from the expansion of Riau Province. Riau Islands Province was formed based on Law Number 25 of 2002 and is the 32nd province in Indonesia which includes Tanjungpinang City, Batam City, Bintan Regency, Karimun Regency, Natuna Regency, Anambas Islands Regency and Lingga Regency. Overall, the area is 52 sub-districts and 299 sub-districts/villages with a total of 2,408 large and small islands, 30% of which are unnamed, and populated. The area is 8,201.72 km<sup>2</sup>, around 96% is ocean, and only around 4% island ([www.kepriprov.go.id](http://www.kepriprov.go.id)).

SAKIP (Government Agency Performance Accountability System) is a system implemented by the Indonesian government to measure, monitor, and evaluate the performance of government agencies (Wiroonrath, 2019). The main objective of SAKIP is to ensure that each government agency carries out its duties and functions effectively, efficiently, transparently, and accountably in accordance with Presidential Regulation No. 29 of 2014.

Based on the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 53 of 2014 concerning Technical Instructions for Performance Agreements, Performance Reporting and Procedures for Review of Government Agency Performance Reports and the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 88 of 2021 concerning Evaluation of Government Agency Performance Accountability, SAKIP includes Performance Planning. (Rana et al., 2024). Setting goals, targets, performance indicators, and performance targets that must be achieved by government agencies. Performance Measurement, Performance Reporting, Performance Evaluation, and Performance Improvement (Hosen et al., 2024). SAKIP (Government Agency Performance Accountability System) aims to improve accountability and transparency in the implementation of government, and ensure that the resources used provide optimal results for the community (Olayiwola et al., 2024).

The issue in this study is that there are still Regional Apparatus Organizations (OPD) that are not optimal in implementing the government agency accountability system (SAKIP) as in Table 1 below:

**Table 1. Results of the Implementation of the Sakip OPD of the Riau Islands Province in 2021-2023**

| No | Year | OPD Province Kepulauan Riau          | Value | Category |
|----|------|--------------------------------------|-------|----------|
| 1  | 2023 | Dinas Energi dan Sumber Daya Mineral | 61,65 | B        |
|    |      | Dinas Kepemudaan dan Olahraga        | 68,05 | B        |
|    |      | Badan Pengembangan SDM               | 69,90 | B        |
|    |      | Badan Perhubungan                    | 79,80 | BB       |
| 2  | 2022 | Dinas Energi dan Sumber Daya Mineral | 61,11 | B        |
|    |      | Dinas Kepemudaan dan Olahraga        | 70,00 | B        |
|    |      | Badan Pengembangan SDM               | 67,30 | B        |
|    |      | Badan Perhubungan                    | 68,21 | B        |
| 3  | 2021 | Dinas Energi dan Sumber Daya Mineral | 68,85 | B        |
|    |      | Dinas Kepemudaan dan Olahraga        | 68,83 | B        |
|    |      | Badan Pengembangan SDM               | 76,44 | BB       |
|    |      | Dinas Perhubungan                    | 77,24 | BB       |

Source: Evaluation Report of Sakip Riau Islands Province (2021-2023)

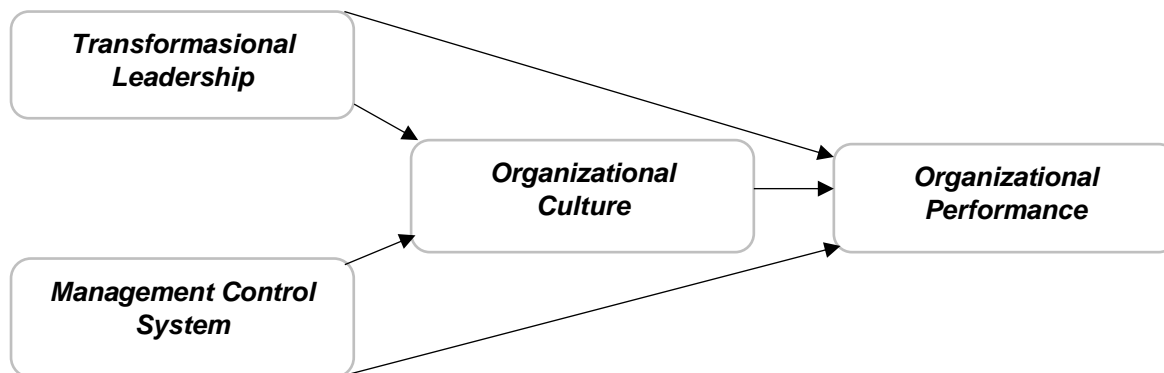
From table 1, it can be seen that the performance of regional apparatuses is less than optimal from 2021 to 2023, although this category is good, the local government certainly expects the results of the AA Very Satisfactory category > 90 - 100 or at least get the A Satisfactory category > 80 - 90 from the results of the implementation of the government agency accountability system (Subramanian & Banihashemi, 2024). The

ranking categories given to determine the level of OPD accountability are AA (> 90-100), A (> 80-90), BB (> 70-80), B (> 60-70), CC (> 50-60), C (> 30-50), and D (0-30).

The performance of the regional government apparatus has a direct impact on public services and the quality of governance. (Orikpete & Ewim, 2024). If research is not carried out, it will have an impact on the achievement of suboptimal regional apparatus performance, less-than-optimal public services, and ineffectiveness in the use of the budget to achieve organizational goals. (Somwethee et al., 2023).

One of the success factors of an organization in achieving its goals is getting a SAKIP score > 80 - 90 with category A, even government organizations are expected to get category AA. (Qalati et al., 2022). An organization needs a leader who has the ability to influence the behavior of its members. (Fischer et al., 2024). So, a leader will be recognized as a successful leader if they can have influence and are able to direct their members towards achieving organizational goals (Sulej & Iqbal, 2023).

Organizational culture in the public sector places more emphasis on public service because it influences the creation of good public service, especially in the Riau Islands Provincial Government, and one of the Organizational Cultures is the personal competence of employees. (Malama & Hyder, 2024) The service provided to the public is a form of output that has been processed by employees and workers in the organization. (Lee et al., 2024). With the interaction or communication between employees and communication interactions between employees and the public, it will foster a good Organizational Culture. (Bortolotti et al., 2024). Good service is no longer an obligation but has become a habit or culture that can ultimately improve the implementation of the government agency accountability system. (Eckersley et al., 2018). A management control system can provide a good contribution in improving the performance of Regional Devices, especially in the Riau Islands Province. The less than satisfactory results, namely dominated by B and BB, are of course the responsibility of each regional device to improve its performance (Basantes et al., 2024). The contribution of the Management control system is in the form of monitoring, control activities, risk assessment, information and communication (Mbungu et al., 2024).



**Figure 1. Framework of Thought (2025)**  
Source: processed by the author (2025)

## METHODS

This study uses a research approach with a descriptive and verification approach method. The descriptive method is a research method used to describe or analyze a research result but without intending to make a broader conclusion (Leonard A Jason, 2019). The verification research method is a research method that aims to determine the relationship between two or more variables (Leavy, 2017). This method is used to test the truth of a hypothesis.

Population is the entire subject or object that meets certain criteria set by the researcher for research purposes (Ayers, 2019), then determines what characteristics an

individual must have to be included in the inclusion criteria and the characteristics that cause the exclusion criteria (Rachbini et al., 2020). The population in this study is as follows:

**Table 2. Research Population**

| No                        | OPD Province Kepulauan Riau   | Respondents  |
|---------------------------|---|--------------|
| 1                         | Inspektorat Daerah  | 83           |
| 2                         | Badan Keuangan Dan Aset Daerah  | 92           |
| 3                         | Badan Kepegawaian Daerah Dan KORPRI   | 60           |
| 4                         | Badan Perencanaan, Penelitian Dan Pengembangan  | 75           |
| 5                         | Badan Pendapatan Daerah   | 189          |
| 6                         | Badan Kesatuan Bangsa dan Politik   | 31           |
| 7                         | Badan Penanggulangan Bencana Daerah   | 24           |
| 8                         | Badan Pengembangan Sumber Daya Manusia  | 34           |
| 9                         | Badan Pengelola Perbatasan Daerah   | 19           |
| 10                        | Badan Penghubung Daerah   | 19           |
| 11                        | Dinas Penanaman Modal Dan Pelayanan Terpadu Satu Pintu  | 40           |
| 12                        | Dinas Lingkungan Hidup dan Kehutanan  | 132          |
| 13                        | Dinas Pemberdayaan Masyarakat Dan Desa, Kependudukan Dan Pencatatan Sipil                     | 39           |
| 14                        | Dinas Perpustakaan dan Kearsipan  | 58           |
| 15                        | Dinas Pemberdayaan Perempuan, Perlindungan Anak, Pengendalian Penduduk dan Keluarga Berencana | 36           |
| 16                        | Dinas Ketahanan Pangan, Pertanian dan Kesehatan Hewan   | 70           |
| 17                        | Dinas Perumahan dan Kawasan Permukiman  | 31           |
| 18                        | Dinas Tenaga Kerja dan Transmigrasi   | 100          |
| 19                        | Dinas Kesehatan   | 95           |
| 20                        | Dinas Pekerjaan Umum, Penataan Ruang dan Pertanahan   | 72           |
| 21                        | Dinas Perhubungan   | 57           |
| 22                        | Dinas Kelautan dan Perikanan  | 98           |
| 23                        | Dinas Pendidikan  | 100          |
| 24                        | Dinas Pariwisata  | 42           |
| 25                        | Dinas Kebudayaan  | 30           |
| 26                        | Dinas Perindustrian dan Perdagangan   | 40           |
| 27                        | Dinas Energi Dan Sumber Daya Mineral  | 39           |
| 28                        | Dinas Sosial  | 33           |
| 29                        | Dinas Kepemudaan dan Olah Raga  | 33           |
| 30                        | Dinas Koperasi, Usaha Kecil dan Menengah  | 29           |
| 31                        | Dinas Komunikasi dan Informatika  | 35           |
| 32                        | Biro Perekonomian Dan Pembangunan   | 26           |
| 33                        | Biro Kesejahteraan Rakyat   | 19           |
| 34                        | Biro Umum   | 59           |
| 35                        | Biro Hukum  | 21           |
| 36                        | Biro Pemerintahan Dan Otonomi Daerah  | 27           |
| 37                        | Biro Pengadaan Barang Dan Jasa  | 52           |
| 38                        | Biro Organisasi   | 24           |
| 39                        | Biro Administrasi Pimpinan  | 30           |
| 40                        | Satuan Polisi Pamong Praja Dan Penanggulangan Kebakaran                                       | 69           |
| 41                        | Sekretariat Dewan Perwakilan Rakyat Daerah  | 74           |
| <b>Amount Respondents</b> |   | <b>2.236</b> |

Source: Riau Islands Province Civil Service and Korpri Agency (2024)

A research sample is a subset of a population selected to be included in a study (Bairagi, 2019). This sample must represent the characteristics of a larger population, so that the research results can be generalized to the entire population (Simms & Erwin, 2021). In this study, the researcher collected samples using 5% Slovin, the calculation is as follows:

$$n = \frac{2.236}{1 + (2.236)(0,05)^2}$$

$$n = 317,83 \text{ (318)}$$

From the results of sample collection using the Slovin technique with a tolerance level of 5%, the number of 317.83 was obtained or rounded up to 318 respondents. The researcher will distribute this number to all Regional Apparatus Organizations of the Riau Islands Province.

Furthermore, researchers using operational definitions of variables, researchers ensure that the variables studied can be observed, measured, and tested consistently, thus allowing researchers to collect valid and reliable data (Leavy, 2017). The Operational Definition of Variables in this study is as follows:

**Table 3. Operational Definition of Variables**

| No | Variable                    | Definition  | Questions   | Scale  |
|----|-----------------------------|---|---|--------|
| 1  | Transformational leadership | The process by which leaders inspire their followers to achieve higher organizational goals and go beyond their personal interests for the success of the team or organization they are working for (Jeong, 2024) | Leaders have confidence that organizational goals can be achieved.<br><br>Leaders place greater emphasis on the importance of a sense of ownership of organizational goals.<br><br>My leader conveys positive things about the future of the organization.<br><br>The leader helped me see problems from a different perspective.<br><br>The leader treats me as a person with different needs and abilities.<br><br>The leader considers moral/ethical consequences when making decisions.<br><br>The leader reexamines key assumptions about the current situation<br><br>The leader treats me as an individual, not just as a member of the organization | Likert |
| 2  | Management control system   | tools and processes used by management to ensure that behavior and decisions within the organization are aligned with the organization's  | Management Control Systems are often used as a means of identifying strategic uncertainties and developing ongoing action plans.<br>Management Control System is used routinely in scheduled face to face meetings. There are many ongoing interactions between operational management and leadership in the Management Control   | Likert |

|   |                            |  |   |        |
|---|----------------------------|--|---|--------|
|   |                            | goals and strategies (Nuhu et al., 2019)   | System.<br>Management Control Systems produce information that forms an important and recurring agenda in discussions between operational managers and top management. Management Control System is used by operational managers and leaders to discuss changes that occur in each area<br>Management Control System is used to track progress towards goals and monitor results. Management Control System is used to plan how operations will be carried out according to strategic plans<br>Management Control System is used to review performance.<br>Management Control System is used to identify significant exceptions to expectations and take appropriate action |        |
| 3 | Organizational culture     | a system of values, beliefs, assumptions, or norms developed and agreed upon by members of an organization to regulate their behavior in the workplace (Wu et al., 2019) | Our organizational structure is hierarchical<br>Our organization has clear procedures<br>Employees do their jobs by following SOPs<br>The organization I work for is a precise organization   | Likert |
| 4 | Organizational performance | the ability of an organization to achieve its goals and targets effectively and efficiently (Atobishi et al., 2024)  | My organization adapts quickly to unexpected changes.<br>My organization performs well in terms of increasing the effectiveness of the services provided.<br>My organization offers quality services.<br>Communication flows smoothly across my department<br>Sub-departments are not overwhelmed with activities<br>My department adapts quickly to unexpected changes<br>My department adopts new technologies regularly  | Likert |

Source: (Jeong, 2024; Bass and Avolio, 2000, Nuhu et al., 2019; Simmons, 1995, Wu, 2019, Atobishi, 2024).

As for processing data related to test calculations, classical assumptions and other data analysis techniques such as formulating models, creating path diagrams, model identification, selecting model data and model estimation. Researchers use the help of SMART PLS software, with an approach in modeling using Structural Equation Model (SEM) analysis which then answers all hypotheses in this study (Johnson, 2022).

RESULTS AND DISCUSSION

The results of the study conducted with a total sample of 318 respondents, obtained the respondents' identities based on gender, age, length of service, and current position as follows:

**Table 4. Descriptive Statistics Results (Demographics)**

|      | Mean  | Median | Standard deviation | Skewness |
|------|-------|--------|--------------------|----------|
| MCS1 | 3.893 | 4.000  | 0.660              | -1.269   |
| MCS2 | 3.755 | 4.000  | 0.762              | -0.750   |
| MCS3 | 3.805 | 4.000  | 0.752              | -1.043   |
| MCS4 | 3.912 | 4.000  | 0.643              | -0.986   |
| MCS5 | 3.947 | 4.000  | 0.678              | -1.152   |
| MCS6 | 3.991 | 4.000  | 0.612              | -0.989   |
| MCS7 | 4.031 | 4.000  | 0.634              | -0.920   |
| MCS8 | 4.000 | 4.000  | 0.659              | -1.061   |
| MCS9 | 3.899 | 4.000  | 0.670              | -0.951   |
| OC1  | 3.884 | 4.000  | 0.774              | -0.898   |
| OC2  | 4.044 | 4.000  | 0.721              | -1.077   |
| OC3  | 4.035 | 4.000  | 0.741              | -1.080   |
| OC4  | 3.487 | 4.000  | 0.917              | -0.307   |
| OP1  | 3.887 | 4.000  | 0.700              | -0.668   |
| OP2  | 4.075 | 4.000  | 0.654              | -0.687   |
| OP3  | 4.038 | 4.000  | 0.690              | -0.626   |
| OP4  | 4.066 | 4.000  | 0.648              | -0.413   |
| OP5  | 3.858 | 4.000  | 0.806              | -0.823   |
| OP6  | 3.975 | 4.000  | 0.658              | -0.638   |
| OP7  | 3.896 | 4.000  | 0.739              | -0.726   |
| TL1  | 4.195 | 4.000  | 0.696              | -1.082   |
| TL2  | 4.167 | 4.000  | 0.679              | -0.970   |
| TL3  | 4.142 | 4.000  | 0.735              | -0.748   |
| TL4  | 3.871 | 4.000  | 0.849              | -0.511   |
| TL5  | 3.642 | 4.000  | 0.665              | -0.595   |
| TL6  | 4.069 | 4.000  | 0.661              | -0.771   |
| TL7  | 3.984 | 4.000  | 0.691              | -1.428   |

Source: Data processed by the author (2025)

From table 4, it can be seen that all questions have standard deviation results that do not exceed the mean and a value of  $-2 < \text{skewness} < 2$ , which means that there is no deviation and all questions are normally distributed.

**Table 5. Research Respondents' Identity**

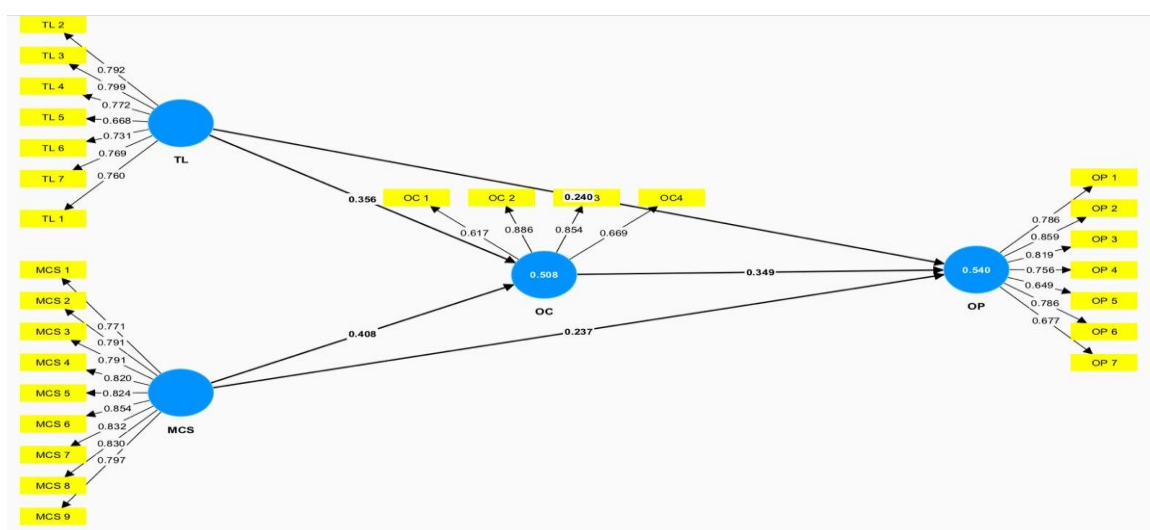
| No | Gender                | Amount | %     |
|----|-----------------------|--------|-------|
| 1  | Man                   | 146    | 45,91 |
| 2  | Woman                 | 172    | 54,09 |
| No | Age                   | Amount | %     |
| 1  | 20 - 25 Year          | 5      | 1,57  |
| 2  | 26 - 30 Year          | 7      | 2,20  |
| 3  | 31 - 35 Year          | 34     | 10,69 |
| 4  | 36 - 40 Year          | 62     | 19,49 |
| 5  | 41 - 45 Year          | 96     | 30,20 |
| 6  | 46 - 50 Year          | 69     | 21,70 |
| 7  | > 50 Year             | 45     | 14,15 |
| No | Length of work        | Amount | %     |
| 1  | < 5 Year              | 16     | 5,03  |
| 2  | 5 - 10 Year           | 62     | 19,50 |
| 3  | 11 - 15 Year          | 108    | 33,96 |
| 4  | 16 - 20 Year          | 89     | 27,99 |
| 5  | > 21 Year             | 43     | 13,52 |
| No | Current Position      | Amount | %     |
| 1  | Administrator Officer | 29     | 9,12  |
| 2  | Supervisory Officer   | 34     | 10,69 |
| 3  | Functional Officer    | 143    | 44,97 |
| 4  | Executor              | 112    | 35,22 |

Source: Data processed by the author (2025)

The type of validity used in this study is construct validity which determines validity by correlating the scores obtained by each item which can be in the form of questions or questions with the total score. This total score is the value obtained from the sum of all item scores. The correlation between item scores and the total score must be significant based on statistical measures. If it turns out that the scores of all items arranged based on the concept dimensions correlate with the total score, then it can be said that the measuring instrument has validity (Rachbini et al., 2020).

Structural model analysis in SEM uses a path analysis approach to see how one variable affects other variables in the model being compiled. Meanwhile, the analysis of the measurement model in SEM is called Confirmatory Factor Analysis. Confirmatory Factor Analysis (CFA) is a type of structural equation modeling that specifically deals with measurement models, namely, the relationship between observed measures or "indicators" (Rachbini et al., 2020)

In this study, CFA analysis was conducted using the second-order CFA format. Second-order Confirmatory Factor Analysis (CFA) is one of the high-level CFA measurement models consisting of two levels. The first level is a Confirmatory Factor Analysis that shows the relationship between observation variables as indicators of related latent variables. While the second level is a Confirmatory Factor Analysis that shows the relationship between latent variables at the first level as indicators of a latent variable at the second level. In other words, in second-order CFA, a latent variable is measured by the latent variables of its dimensions. The model in this study in determining the validity of each question item and its path analysis is as follows:



**Figure 2. Structural Equation Modelling**  
Source: Data processed by the author (2025)

In this study, the determination of validity uses a convergent test, from the data above, all questions from each variable have an AVE value  $> 0.5$ , which means that each question in this study is declared VALID, and the results of this study all questions have an AVE value  $> 0.5$ , which means that all questions in this study are declared VALID

A research instrument that is said to be good needs to meet reliability. Reliability concerns the level of certainty of measurement results (VanderStoep & Johnston, 2019). An instrument has an adequate level of reliability if the instrument is used to measure the aspects measured several times, the results are the same or relatively the same. The results of the reliability test in this study are as follows:

**Table 6. Reliability Test Results**

| Variable                  | Cronbach's alpha | Composite reliability (rho_a) | Composite reliability (rho_c) | Average variance extracted (AVE) |
|---------------------------|------------------|-------------------------------|-------------------------------|----------------------------------|
| Management Control System | 0.936            | 0.937                         | 0.946                         | 0.661                            |
| Organization Culture      | 0.758            | 0.799                         | 0.847                         | 0.586                            |
| Organization Performance  | 0.880            | 0.891                         | 0.907                         | 0.585                            |
| Transformation Leadership | 0.875            | 0.878                         | 0.904                         | 0.573                            |

Source: Data processed by the author (2025)

In this study, the reliability test is done by looking at the Cronbach's alpha value with the criteria that if the Cronbach's alpha value > 0.7 the data used by the researcher is reliable. In the table above, it can be seen that all variables have a Cronbach's alpha value > 0.7, which means that all variables in this study (independent, intervening and dependent) are reliable.

This study also uses the multicollinearity assumption with the classical assumption test which requires that there is no perfect or large correlation between the independent variables studied (Alasuutari et al., 2020). Multicollinearity can be detected from the determinant of the covariance matrix (Rachbini et al., 2020). The results of the multicollinearity test in this study are as follows:

**Table 7. Multicollinearity Test Results**

| Variable                  | Management Control System | Organization Culture | Organization Performance | Transformation Leadership |
|---------------------------|---------------------------|----------------------|--------------------------|---------------------------|
| Management Control System |                           | 0.408                | 0.237                    |                           |
| Organization Culture      |                           |                      | 0.349                    |                           |
| Organization Performance  |                           |                      |                          |                           |
| Transformation Leadership |                           | 0.356                | 0.240                    |                           |

Source: Data processed by the author (2025)

From the table above, the results of the multicollinearity test show green numbers which means that in this study there were no symptoms of multicollinearity, or the VIF value can be seen at less than 10, then the hypothesis test can be carried out. The results of the hypothesis test are as follows:

**Table 8. Hypothesis Test**

| Variable   | T Statistic | P Values |
|--|-------------|----------|
| Management Control System → Organization Culture     | 5.575       | 0.000    |
| Management Control System → Organization Performance | 3.293       | 0.001    |
| Organization Culture → Organization Performance      | 5.625       | 0.000    |
| Transformation Leadership → Organization Culture     | 5.143       | 0.000    |
| Transformation Leadership → Organization Performance | 3.413       | 0.001    |

Source: Data processed by the author (2025)

From the table data above, it can be seen that the P value of each hypothesis is <0.05, which means that all independent and intervening variables have an effect on the dependent variable.

**Table 9. Intervening Result**

| Variable  | T Statistic | P Values |
|---|-------------|----------|
| Management Control System → Organization Culture → Organization Performance | 4.325       | 0.000    |
| Transformation Leadership → Organization Culture → Organization Performance | 3.547       | 0.000    |

Source: Data processed by the author (2025)

From the table data above, it can be seen that the P value  $<0.05$ , which means that both variables have an indirect influence on the dependent variable or in other words, organizational culture is an intervening variable.

Transformational leadership will actively promote and exemplify the organization's core values, such as integrity, teamwork, and responsibility. They model expected behaviors, which strengthens the organizational culture. Transformational leadership also helps manage conflict in a constructive manner and encourages collaboration between teams. They create an environment where differences are valued and cooperation between employees is enhanced, forming a harmonious and collaborative culture. Thus, transformational leadership not only directs and inspires employees but also plays a key role in forming and strengthening a positive, innovative, and service-oriented organizational culture.

Transformational leadership directly interacts with elements of organizational culture such as motivating members of the organization to think creatively and get out of their comfort zones, so that the organizational culture becomes more adaptive to change and innovation, supports individual development, and provides recognition for achievements, transformational leaders create a collaborative and inclusive work atmosphere. thus helping to build a culture that encourages openness, trust, and cooperation (Fatyandri et al., 2023). These results are in line with research Fischer et al. (2024) which states that Transformational leadership has an effect on organizational culture because transformational leadership acts as a catalyst in building, changing, and strengthening organizational culture through its influence on the values, behaviors, and mindsets of individuals in the organization, this condition will make organizational culture more relevant, dynamic, and aligned with what the organization's strategic and non-strategic goals are (Shal et al., 2024).

The management control system ensures that all members of the organization comply with established procedures and policies. This compliance helps create a culture of discipline and consistency, where employees follow the same operational standards and work in a structured manner. An effective management control system establishes clear responsibilities for each individual and team. When employees understand that their performance will be monitored and evaluated, they tend to be more responsible for their tasks, thereby increasing the culture of accountability throughout the organization.

Thus, the management control system plays an important role in shaping an organizational culture that is accountable, efficient, and aligned with strategic goals. By ensuring compliance, increasing accountability, and encouraging continuous learning, the management control system helps create a positive and productive work environment. And most importantly, the management control system creates rules, procedures, and policies that reflect the values considered important by the organization.

These results are in line with research Bortolotti et al. (2024) which states that the Management Control System influences organizational culture by directing individual behavior, setting work norms, and creating an environment that supports certain values. In this way, the Management Control System is not only a tool for operational management,

but also a shaper and strengthener of organizational culture that is in line with its vision, mission, and strategic goals (Dávila et al., 2024).

Transformational leadership has a very strong relationship with organizational performance. Effective leaders can influence various aspects of the organization that ultimately contribute to improved performance. Strong leaders set a clear vision and mission for the organization, providing direction and goals to be achieved. This helps unite all members of the organization in a joint effort to achieve the goals that have been set, namely better Organizational Performance in the future (Mon et al., 2023).

Regional Apparatus Organizations that create a directed, measurable and realizable vision and mission, empower employees, encourage innovation, creativity, responsibility and build a positive culture for the organization, Transformational leadership can significantly improve organizational performance because all employees know what the organization wants, especially the leadership.

These results are in line with research Sulej & Iqbal (2023) which states that transformational leadership improves organizational performance because it creates an inspiring, innovative work environment that focuses on individual and team development. By supporting employee motivation, loyalty, and engagement, transformational leaders drive better results, both in the short and long term (Sarwar et al., 2023).

The management control system provides all the mechanisms to control daily operational activities. By monitoring processes and results, management can ensure that activities are running according to plan and take corrective action if there are deviations. The management control system allows for regular performance evaluation and provides useful feedback. This evaluation helps identify areas that need improvement and provides a basis for better decision making.

Thus, the management control system has a significant influence on organizational performance through systematic monitoring, measurement, and evaluation efforts. Effective implementation of the management control system can help organizations achieve strategic and non-strategic goals more efficiently and effectively and accountably which has an impact on all employees in the organization.

These results are in line with research Mbungu et al. (2024) which states that the Management Control System has an impact on organizational performance because it provides structures, tools, and processes to manage activities effectively and efficiently. By focusing on achieving goals, managing risks, and ensuring behavior that is aligned with the organization's vision, the Management Control System helps organizations achieve optimal results sustainably in every area of an organization (Jutidharabongse et al., 2024).

A positive organizational culture can increase employee motivation and engagement (Mon et al., 2019). When employees feel appreciated, supported, and aligned with the values of the organization, they tend to be more enthusiastic about working and giving their best contribution. A culture that encourages open communication and collaboration between members of the organization can increase team efficiency and effectiveness. Good communication helps reduce miscommunication, accelerates problem solving, and encourages innovation through sharing ideas so that work can be completed properly which can improve Organizational Performance.

These results are in line with research Malama & Hyder (2024) which states that organizational culture affects organizational performance because it determines how individuals and groups work, interact, and make decisions. By building a culture that supports innovation, collaboration, and balance, organizations can create a productive, adaptive, and results-oriented work environment. A strong and positive culture is a

strategic asset that helps regional apparatus organizations achieve the success of their vision and mission in the long term (Tabatabaei, 2024).

Organizational culture acts as a context that influences how transformational leadership is received and implemented. A supportive culture can bridge the positive impact of transformational leadership on organizational performance, while an unsupportive culture can weaken or even hinder these transformational efforts. Therefore, understanding and managing an organizational culture is key to maximizing the effectiveness of transformational leadership in improving organizational performance.

These results are in line with research Eckersley et al. (2018) which states that transformational leadership influences organizational performance through organizational culture by creating, strengthening, or changing the culture to be more adaptive, innovative, and results-oriented. Organizational culture that is aligned with the vision and values of transformational leaders encourages motivation, commitment, and collaboration, all of which contribute to significantly improved organizational performance (Noor et al., 2023).

Organizational culture plays an important role as a pathway of influence of the Management Control System on organizational performance. The Management Control System includes various mechanisms and tools used to control, monitor, and measure performance, but the effectiveness of the Management Control System is greatly influenced by organizational culture. If the organizational culture is open to innovation and new systems, then the Management Control System can be implemented more easily and accepted by all members of the organization so that Organizational Performance can also increase. Therefore, organizational culture is an intervening variable between the management control system and organizational performance because an organizational culture that encourages open communication and transparency ensures that information generated by the management control system is shared correctly and used effectively.

These results are in line with research (Lee et al., 2024) which states that the Management Control System influences organizational performance through organizational culture by forming, strengthening, and supporting a culture that is in line with strategic goals. When the Management Control System is designed to support positive cultural values, it creates a structured, transparent and results-oriented work environment, which ultimately improves the performance of regional apparatus organizations significantly (Vuorenmaa, 2024).

## CONCLUSION

An effective organization is one that is able to adapt its structure to the demands and dynamics of its external environment. This fit implies that there is no universal or absolute best organizational structure; what matters is the fit to the specific external conditions. Organizations that are able to adapt quickly to changes in the external and internal environment tend to perform better. This will encourage flexibility in management approaches and decision making.

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