

ABSTRACT

The former researches mostly focused on direct impact of one or more controlling system components (participation in making standard, incentive based on standard and strictly standard) on performance. This research analyzed whether direct or indirect effects of controlling system components by work stress on performance. Theories used in this study are (1) agency theory, this is to learn the connection between shipping company leaders and their operational managers; and (2) contingency theory, it is to evaluate the effectiveness of participation in making standard on managerial performance, contingency factor of this study is work stress, it is its intervening variable.

Primary data this research has been obtained from operational managers' perception or opinion by filling questionnaires. The data has been distributed by mailing survey and contact person, the questionnaires were sent to 118 operational managers of shipping companies at Semarang. 103 of these questionnaires were answered and returned, however, only 100 of them could be further processed and 3 of them could not be processed because they were not completely answered. This research is analysed by using SEM Technique by SPSS 11.0 and AMOS 4.0 programs

Research findings show that controlling system components (participation in making standard, incentive based on standard, and strictly standard) directly effected on managerial performance. Test result, *direct impact*, shows that participation in making standard effected positively on incentive based on standard and performance significantly, in contrary it negatively effected on strictly standard and work stress; moreover, work stress had negative impact on performance; furthermore, incentive based on standard had negative effect on work stress. These findings were in according to research results of Michael D. Shield.et al., (2000). But two hypotesis were different from research results Michael D Shield.et.al., (2000), this studied shows that strictly standard had negative impact on performance and incentive based on standard had positive effect on performance. Studied Michael D Shield.et. al., (2000) shows that the relationships between performance and both strictly standard and incentive based on standard The other this research results show that controlling system components (participation in making standard, incentive based on standard, and strictly standard) had indirect impact on managerial performance. Test result, *indirect impact*, shows that participation in making standard had positive impact on performance significantly; however, strictly standard had negative impact on performance, and incentive based on standard had positive impact on performance.

The next research should be focused on enrichment the indirect impact in order to develop the completely understanding of controlling system effects. The model could involve the other intervening variable, such as agreed goals, commitment on goals and motivation.

Key words: participation in making standard, incentive based on standard, strictly standard, work stress, performance.