

ABSTRACT

This study is aimed to find how the role of family-led firm owners in Management Control System (MCS), what internal aspects construct it, and how those aspects play role in firm goal and sustainability. Based on Institutional Theory, this study is also intended to understand how business (institutional) environments construct family-led firm owners to get legitimation from the community.

This study was conducted by qualitative method using data which collected in PT Nasmoco, Semarang by interviewing the owners, Finance General Manajer, Operating Manager, Audit Manager, Administration Head, and some administration staffs (back office). Beside that, another datas were collected by doing participant observation at PT Nasmoco Kaligawe, documentary method, and browsing.

The result of this study indicated that with the urge of legitimation from its institutional environment, family-led firm can motivate themselves to create and maintain good internal control, both formal (budgeting, budget implementation monitoring, financial report aranging and reporting, also performance evaluation), and informal (leadership, organisation culture, family values, conflict and negotiation management) control. With the harmonious between formal and informal control, PT Nasmoco achieve their goal congruence and goal achievement efficiently and effectively.

Keywords: Management Control System (MCS), Institutional Theory, Legitimation