

Building a Concept of Entrepreneurial Control

by Hanif Hanif

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To: Nurkholis - <nurkholis@kwikkiangie.ac.id>, Abdullah Rakhman <abdullah.rakhman@kwikkiangie.ac.id>

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FYI

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Dr. Hanif Ismail, S.E., Ak., CA., M.Ak., M.M., Dr.

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Building a Concept of Entrepreneurial Control

Hanif Hanif, Abdulah Rakhman, Muhammad Nurkholis

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Abstract - This research aims to create a concept of entrepreneurial control with a view to building a concept of management control by interpreting socio-cultural aspects of company organization. An interpretive paradigm by means of ethnographic method was employed in this research. Finding of the research reveals a concept of entrepreneurial control that is a controlling model conducted by entrepreneur-directors by involving the socio-cultural aspects to encourage the employees in order to achieve maximum company performance. This is implemented by creating a unique policy on compensation that a profit sharing has composition of 10:7:3, which is proportionally shared respectively among employees, investors, and entrepreneur-directors.

Keywords - Socio-culture, achievement goals, entrepreneurial control, profit sharing.

1. Introduction

Human creativity and innovation are required in all fields, including the creativity and innovation of entrepreneur-directors in a company for managing company's resources i.e. investor's funding, human resources, and others that are to be utilized for generating maximum profit. For instance, human resource control requires entrepreneur-directors' creativity to have all employees collectively realize

company's goal by utilizing socio-cultural aspects of the company [1]. This aims to realize goal congruence among all stakeholders in the company.

Realizing goal congruence is a crucial issue in the company management [2]. The high goal congruence level will lead the company to equilibrium since it can lead to a meeting point between what the company induces (inducement) to the employees and what the employees contribute (contribution) to the company.

Inducement is remuneration and reward the company gives to employees either in the form of material or non-material being, whilst contribution is something the employees give to the company. When contribution and inducement are unbalanced, the goal will hardly be achieved as the company is not in equilibrium [3]. Giving and contributing one another between two parties, entrepreneur-director and employees, does not only address material but also spiritual aspect. The company, in its contribution is supposed not only to give wage or salary, but also to contribute more than that. The company should "humanize" all stake holders through the hands of entrepreneur-directors. Therefore, one strategy that entrepreneur-directors have to set up is making a policy which can boost employees' spirit at work. The policy should be in line with the socio-cultural condition of the company. If the entrepreneur-directors guide and control the human resources appropriately corresponding to their socio-culture, work performance will be achieved and production activity will be increased to maximum.

Thus, in addition to the material aspect, the spiritual aspect will greatly impact effectiveness of company's management control, as noted by [2] that mechanism of strategy implementation will result the best performance if there is an effective interaction among four elements in the company: design of organizational structure, management control, human resource management, and socio-culture of the company.

In order to conduct a management control, entrepreneur-director's creativity and innovation are required to integrate their interpretation about socio-culture of the company. The management control based on the interpretation is "created" and should be in adjacent with socio-culture of the company. Creativity and innovation has been the characteristics of an entrepreneur. The management control that

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involves entrepreneur-directors' sense of leadership is called entrepreneurial control. Therefore, the concept of entrepreneurial control is built with integrated socio-culture of the company [1].

A research on entrepreneurial control is urgent and significant to conduct because different organizations may have different conditions of socio-culture which can also create a distinguished concept of entrepreneurial control. A research [1] was conducted in a multinational company TNA, a food packaging industry, located in a European region with its distinctive socio-cultural background. In the meantime, this research was conducted in a *Padang* restaurant organization (*Sa* and *RMPK*) with its local socio-cultural condition of Indonesia. There appears a divergence in the socio-cultural condition of the organization as object of the research. Therefore, it is believed that the concept of entrepreneurial control is different as well. Finding of the research may enrich the previous one discussing about entrepreneurial control. Matriculation of the entrepreneurial control was integrated with local wisdom values which correspond to the socio-culture of the company in which the research was conducted.

This research is a continuous and in-depth study of the former conducted [4] with theme of entrepreneurial accounting, which was focused on how entrepreneur-directors (main actors of the company) use their creativity and innovation to fit the socio-cultural condition of the company. The scope of this former study was too large due to cover accounting in general, whereas the present research is oriented only to the aspect of management control particularly entrepreneurial control which has been an integral part of entrepreneurial accounting. Thus, the research questions are as follows: how do entrepreneur-directors interpret entrepreneurial control and how is the entrepreneurial control constructed?

2. Theoretical Analysis

The following is theoretical analysis elaborated consecutively. Firstly, it is the concept of management control followed secondly, with the concept of goal congruence. Thirdly, the socio-cultural aspect analysis in management control system that is addressed ended with fourthly, the initial concept of entrepreneurial control.

2.1. Management Control System

Management control system is designed for ensuring company strategy execution with a view to resulting performance, either financially or non-financially. The design of management control system is affected by changes occurring in the

organizational environment. It means that different organizational environments will also affect different designs of management control system. Effectiveness of management control system can be reflected from a goal congruence achievement by the company: the higher level, the more effective, and vice versa. The goal congruence level of the company can be influenced by either formal or informal factor of management control implemented in the company [2]. The formal factor is a management control conducted in a formal mechanism, beginning from setting up company's goal and strategy, followed by elaborating them into work program, and elaborating work program into budget. Budget is a working instruction that has to be executed. The execution is then measured and reported to the management, and it will serve as a basis for work evaluation and measurement, as well as feedback for setting up better future goal and strategy.

The informal factor is divided into two criteria: external and internal factors of the company. The external factor involves cultural values of society where the company is located whilst the internal factor covers organizational culture, informal leadership, perception and communication, and style of leadership [2]. Either formal or informal factor together strengthens or weakens the goal congruence level of the company.

2.2. Goal Congruence

A company is established to get profit. All energy and effort are made to meet the goal that is to multiply company's wealth. Efficiency and effectiveness in all sectors are applied in the attempt to generate maximum revenue. An analysis of management accounting in a number of literatures presents techniques and ways to make the cost efficient especially when it relates to budgeting and variance analysis [5], [6], [7]. In the light of this, the employees or human resources are frequently considered to be objects of efficiency since they belong to production factor of company,

Yet, the company has to carefully take an efficient action toward the employees. This sort of action might in a short-term period impact profit increase although it might in a long-term period decrease company's productivity and financial performance due to decreasing work motivation the employees have. If work motivation decreases, it will distract the balance of the organization.

Entrepreneur-directors have to be able to manage human resources particularly at a labor-intensive company to some extent as a restaurant management. The balance of an organization will be met in response to what the company induces to all of the employees (inducement), and whether it is

equal to what the employees contribute (contribution) to the company [3]. It means that instead of making an efficient action on them, the company should consider taking another way to increase their employees' work motivation. Entrepreneur-directors must precisely "read" what is required for achieving the goal congruence. For example, the entrepreneur-directors have to play smartly their role in creating remuneration to increase work motivation despite the fact that this might under certain circumstances violates the concept of efficiency with a view to meeting the goal congruence. [2] points out that goal congruence is a situation that describes employees' striving hard to realize their personal goal and ambition for meeting personal financial target, and at the same time portrays employees' attempt to meet financial goal of the company.

Goal congruence must be achieved especially in a typically intensive-labor company. Therefore, specific strategies are required for managing the human resources in the company. One of them is managing human resources to fit the socio-culture of the company by making a policy of compensation that can stimulate the employees to work hard for it.

2.3. Socio-cultural aspect analysis in Management Control System

[8] Researched cultural assimilation of Java-Indonesia the employees and the entrepreneur-directors have brought with them. The employees are Javanese while the entrepreneur-directors are Chinese Indonesian. This study was conducted at a plastic industry in one region of East Java. Like other companies, it employs local people from where it is located although the boards of entrepreneur-directors are Chinese Indonesian. Finding of the research reveals that management control is closely related to the cultural nuance of the company where the research was conducted. It means that effectiveness of management control by entrepreneur-directors highly relies on formulizing the work programs to be in accordance with socio-cultural condition of the employees.

This finding is in line with [1] in his study conducted at TNA multinational company of food packaging industry centralized in Europe. [1] Found a controlling pattern at the micro level of the company called social control. The social control was part of the company management control that emphasized on informal control conducted to meet the goal. In result, this successful social control affected formal control so that company work performance can be better met either financially or non-financially. [9] In his study at *Sederhana* Restaurant Group (*Sa*) Jakarta, Indonesia, a design of unique management control system is revealed,

supported by financial accounting system and management called profit sharing accounting with *mato* system. The construction of *mato*-based profit sharing accounting system does not go far beyond the socio-cultural aspect of *Sederhana* Restaurant in which the main actors have brought in to the organization. The culture itself is shaped by the community in which the main actors have lived and grown up throughout their social life. In this sense, the dominant culture of the community influenced the life of the main actors is Minangkabau, West Sumatera, Indonesia.

2.4. Entrepreneurial control

The initial concept of entrepreneurial control is a concept of management control mainly constructed regarding an informal approach the company makes when performing the control. It depends on reading the socio-culture of the company so that this entrepreneurial control is also called social control (Collier, 2015). The socio-cultural condition of a company is determined by the socio-cultural condition of the society by which the company has grown and developed. However, the socio-cultural condition of the company is dominantly colored by cultural values that bring the main actors in and become the most determined factor for company operation [9], [8]. The process of having the main actors bring in the cultural values to the company takes place either intentionally or unintentionally. The forming of the culture that occurs on purpose is by making a number of policies on the basis of life experiences the main actors have had before in the environment where they used to live and grow up. For instance, the compensation of *mato*-based profit sharing system implemented at *Sederhana Padang* Restaurant group resulted at first from the main actors' inner experience, which turns out to be the most determined factor on the basis of cultural values of mutuality and egalitarianism [9], [10], [4], [11].

3. Research Method

An interpretive paradigm with ideographic understanding, a scientific truth investigated through detailed analysis i.e. day-to-day happenings, "inner" situations, historical exploration, as well as researcher-researched close relationship as to called subject-to-subject research [12], [13] was employed to answer the research questions on how the entrepreneur-directors of the company interpret entrepreneurial control and how the concept of entrepreneurial control is constructed. Therefore, this research wants to explore cultural meanings beyond entrepreneurial control practices. To accommodate this, a cognitive anthropology, one branch of

anthropologic approach in interpretive paradigm, was also used in this study. A master of cognitive anthropology is James Spradley with his ethnographic approach. Cognitive anthropology approach relies on that the cultural values of a society lie beneath the mind of the society itself [14], [15]. To figure it out, we need to dive into the people's lives by mingling with them. This life experience with the society was researched and poured on ethnographic records to be the material for writing the report of ethnographic research. This approach is called participative observation.

Exploring the cultural meanings of entrepreneurial control could be conducted by investigating the information by three ways: 1) an in-depth interview with the main actors of *Sa* and *RMPK* groups, 2) Making ethnographic records which are the results of on-site observation by the researcher, 3) Collecting relevant documents.

Respectively five main actors of *Sa* and *RMPK* groups were involved in the in-depth interview. They are the founders and the owners. Other four informants in each group were two persons from the management, one supervisor, and one from the staff. In conformity with the concept of cognitive anthropology, the culture of society lies in the mind of the society itself, so that the society in this context refers to one who manages the restaurant. An in-depth interview was conducted in such a way to reveal the cultural values spoken out by the informants. In-depth interview is one of twelve stages of The Process of Development Research Model [12] to perform. The stages are mentioned in details are as follows: (1) determining informants; (2) interviewing informants; (3) creating an ethnographic record; (4) submitting a descriptive question; (5) conducting an interview analysis; (6) creating a domain analysis; (7) submitting a structural question; (8) creating a taxonomic analysis; (9) submitting contrast questions; (10) creating a component analysis; (11) searching for materials on the cultural meaning of entrepreneurial accounting; (12) reporting.

Results of the in-depth interview derived from ten informants (five from *Sa* group and five from *RMPK* group) were jotted down in an interview manuscript. The manuscript was repeatedly read when conducting one step of analysis that was reduction. The reduction was a process that investigates the essence of the meanings by eliminating the result of interview or irrelevant sentences. The result of manuscript reduction remained phrases or substantive sentences (essence) later and became the embryo of the cultural meanings of entrepreneurial control. The result was next compared to the ethnographic records and relevant documents and it is decided for them to be the final cultural meanings

of entrepreneurial control as follows: (1) focusing on the concept of having the profit and taking the risk communally; (2) making a change to a better economic condition; (3) having communal culture as basis of management strategy; (4) being oriented to goal achievement; (5) conducting social control toward investors; (6) being creative to adapt with any changes; (7) finding out a cooperation pattern with the investors and employees as partners on the basis of profit sharing. Out of those seven cultural meanings, a new concept was constructed later regarding the entrepreneurial control.

4. Findings of the Research

Firstly, seven cultural meanings of entrepreneurial control were revealed in the management of *Padang* restaurant in Jakarta, Indonesia. Secondly, this research resulted in a new concept in the field of management control, the concept is called entrepreneurial control.

4.1. Cultural Meanings of Entrepreneurial Control

4.1.1. Focusing on Having the Profit and Taking the Risks Collectively

Entrepreneur-directors attempt to seek a point where equilibrium or goal congruence can be met in the company either in *Sa* or *RMPK* group. The concept of management in order to meet the equilibrium is called profit sharing. A decision heading to profit sharing implementation is regarded as an entrepreneurial activity itself and it demands courage. This is because the decision to have profit sharing as a strategy and method for goal achievement may seem to fail to execute. Nevertheless, the profit sharing scheme is a creative and innovative option of the entrepreneurs either in *Sa* or *RMPK* group so that it can help these groups run, develop, and innovate effectively. The most difficult thing to implement the concept of profit sharing is to ensure the employees that they will have the potential to earn limitless amount if they are able to make the sale and profit as targetted within a period of time. In the meantime, it is true that a business may not go as well as planned on black and white. It is somehow likely to yield out of the scheme especially in the early period of its establishment or opening new branches. When the target cannot be met, the entrepreneur-directors altogether of either *Sa* or *RMPK* group are willing to sacrifice for the employees. They guarantee that the employees are earning something despite insufficient profit. The courage to sacrifice shown by the entrepreneur-directors has been the part of entrepreneurship sense – “dare to win and dare to lose”.

4.1.2. Making a change to a better economic condition

The entrepreneur-directors of *Sa* and *RMPK* group started their business and underwent the process owing to life distress they had experienced. This drives huge energy to fight and courageously to challenge their sense of entrepreneurship. The ups and downs are nothing special to them. It means that these two rocketing business started from a trial and error. Failure and success has been their “daily meals”. The dark experience the entrepreneur-directors had unconsciously has made them to be true entrepreneurs who can trigger their adrenalin to fight against the life and to make a change to economically better condition. The sense of entrepreneurship they own applies to all types of job fields including managing a company in particular managing the human resources. The entrepreneur-directors are likely to have “a million wits” to find ways to achieve economic goal through hard work by all parties inclusively the employees. Implementing profit sharing system has somehow been one of the “witty ideas”. The profit sharing system is actually one innovation of entrepreneurial control by the entrepreneur-directors. It is meant to create self-control because this profit sharing system has made all serve as “an accountant for themselves”. Profit sharing does allow neither wage nor salary under monthly regular basis; instead, it relies merely on the profit gained within one period. For example, the kitchen staff can calculate their earnings based on the number of raw materials cooked. When it increases, the staff may have thought in their memory accounting “Wow...I will earn more in this period”. The more production process takes place in the kitchen, the more sales are made and the more profit the company gains. Similarly in the dishing section, the more dishes the employees do the more money they will make.

4.1.3. Having communal culture as basis of management strategy

In general, the members of *Sa* and *RMPK* group organization, either the entrepreneur-directors or the employees, initially involved themselves greatly in the communal society which has been the characteristics of Indonesian culture. Mr. Uda, the main actor of *Sa*, has been very closely related to the communal life of the culture of Minangkabau, Indonesia. Since he was a child, a teenage to an adult, at the age of seventy, Mr. Uda has mingled with the culture of Minangkabau which is rich with Islamic values and has a motto “*adat basandi syarak, syarak basandi kitabullah*”. The point of it is that Islam has the most prominent values.

In the meantime, the entrepreneur-directors of *RMPK* group who happen to come from *Kebumen*, Central Java, Indonesia also respect Islamic values embedded in their lives. However, the decision to apply profit sharing based on the observation is that because the entrepreneur-directors are really learning from the *Padang* restaurant management shared from the experience they used to have while working in such restaurant. The management implements profit sharing system so that learning from the experience, the entrepreneur-directors have felt “the bitter and the sweet” of managing the restaurant. Therefore, they found it fit to implement in their own restaurant, in collaboration with other *Kebumen* people, who come from the same cultural area, who have a communal culture in their daily lives.

4.1.4. Being Oriented to Goal Achievement

Entrepreneurial control is a creative and innovative course of action the entrepreneur-directors take to realize the goal of a business that is to multiply the company’s wealth. The entrepreneurial control in the context of *Sa* and *RMPK* group is a social control. It is a creative and innovative action of the entrepreneur-directors to utilize socio-cultural condition of the “society” in the company that refers to the employees and investors. Having been able to properly read the socio-cultural condition of the society, the entrepreneur-directors will be able to seek “ways to control” that can be said an appropriate control in conjunction with the heart of the “society” in the organization. This can lead to an effective controlling process. As explained previously, the *Padang* Restaurant that runs on the basis of profit sharing system can even apply self-control by naturally having a cross-check among elements that have interest in the profit sharing.

4.1.5. Social Control toward the Investor

Generally in a business process, it might not be that easy to ensure investors to place investment. This seems to be applied to a *Padang* restaurant managed by profit sharing basis. Entrepreneur-directors’ sense of leadership determines success to win the confidence of the investors who will invest their capital for opening a new restaurant branch. How to communicate the business potential that will be funded by the investors is a typically sense of leadership. The entrepreneur-directors of *Sa* group who do not have sufficient formal education (only second grader) in the business development, were able to convince the investor who happen to belong to high social status and to have high education (professionals, businessmen, ex-officials, even ex-Minister) to invest their capital in restaurant business. If they do not have the ability to convince the

investors by showing some evidence of the success of profit sharing system implemented in *Padang* restaurant management, there won't be more and more investors getting interested and believing in joining the *Sa* group. The word "confidence (trust)" might be simply spoken out but hardly executed. One factor of Mr. Uda's success in managing the *Sa* group is because of the trust which the investors and employees have in him.

4.1.6. Being Creative to Adapt with Any Changes

Sense of entrepreneurship always enjoys and feels challenged by changes. A restaurant industry is a labor-intensive business which has recently been coping with rapid changes. A great number of brands of fast food restaurants overseas have been hunting the Indonesia's market. A true entrepreneur will be unlikely to weep at this situation; yet, he or she will deal with it head to head by setting up a strategy to compete with other business and win the market. Therefore, as described from its development, the *Sa* group is now playing with its "positive rhyme" adopting the overseas fast food restaurant management which is concerned about the quality, convenience, and cleanliness, which formerly were not considered as the most priority. Today, the *Sa* group is showing how it can adapt to this enormous market changes, so that the outlet itself does not only physically look simple as it is named for, but also looks clean, convenient, as well as it serves quality food.

4.1.7. Finding Out A Cooperation Pattern with the Investors and Employees As Partners on the Basis of Profit Sharing

The key to entrepreneurial control in *Sa* and *RMPK* groups lies on the entrepreneur-directors' wit to decide on the profit sharing pattern that can be categorized into a "demanded and fitted" pattern for the investors and employees. The pattern of *Sa* group is visualized on Figure 1.

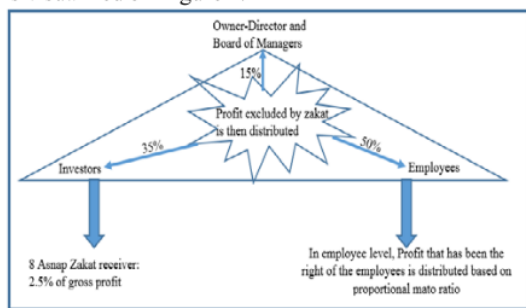


Figure 1. Parties involved in the profit-sharing-based Padang restaurant of Sederhana group (*Sa*)

This profit sharing pattern is one that has been developed by entrepreneur-directors of *Sa* group. The system – unlike other systems of other companies – does not allow wage and salary on monthly basis for the employees. The income that the employees earn will be calculated within 100-working days shared according to their right of the profit. It can be explained as follows: the gross profit of 100-working days is excluded as much as 2.5% for zakat, the remaining is reduced as much as 10% for "depreciation" distributed to the investors upon the asset and capital they have invested. In addition to "capital service", the "depreciation" value is regarded as the fund needed for rehabilitation and facility improvement of the restaurant. The profit that has remained after reduction is called "net profit ready to share". The following, this profit is made 100%: 50% of "net profit ready to share" for all employees, and 15% of "net profit ready to share" for entrepreneur-directors as the managers and brand owners, the last 35% of "net profit ready to share" is distributed to the investors. The profit is next shared among the employees according to the following scheme: the profit that will become the employees' right (50% of "net profit ready to share") is distributed or shared to them is based on *mato* score composition they have. *Mato* score is a means to measure rights and obligation of each employee on the "net profit ready to share". Thus, the total amount of the profit sharing of the employees is divided by the total number of *mato* score they have. This will result in "Income per *Mato* (IPM)". The total income each employee earns for 100-working days is equal to the number of *mato* score one has multiplied by IPM. This is named *mato*-based profit sharing accounting [9], [10].

On the other side the profit sharing of *RMPK* group is substantially and nearly similar to that of *Sa* group. The difference lies in the sense of investor management. The entrepreneurial control can personally be seen in the entrepreneur-directors while creatively and innovatively collecting the fund for developing *RMPK* group. Result of the observation shows that there is one *RMPK* group which has developed into 12 branches in Jakarta, Indonesia, which are uniquely funded, described in Figure 2.

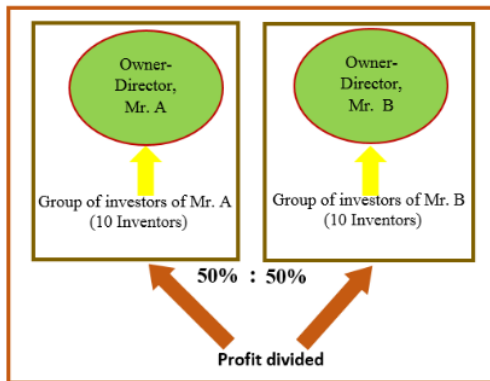


Figure 2. Parties involved in the profit-sharing-based Padang restaurant of Kebumen Group (RMPK)

The figure has two investors (also as entrepreneur-directors). They are for instance Mr. A and Mr. B, and behind them there are group of “sub-investors” that usually consist of ten to maximum twelve people. If each “sub investor” invests IDR 10 million, the total amount of 12 “sub investors” will reach up to IDR 120 millions in respective group in which Mr. A and Mr. B are appointed at once as “chairman of the investment group” who will represent the 12 people. When the two groups are combined (Mr. A and Mr. B), the total investment will be IDR 240 millions. With this amount, it will possibly make a restaurant business open a new branch despite only a small restaurant. By having this collective funding, *RMPK* organization is likely to establish an association. The “sub-investors” uniquely consist of passive investors who do not reside in Jakarta, Indonesia but in *Kebumen*, Central Java and they have different kinds of profession including farmers.

This *RMPK* group of investors is interesting to observe since it differs from that of *Sa* group. When *Sa* group consists of uptown investors i.e. professionals, businessmen an ex-officials even ex-Ministers, the *RMPK* group consists of lower middle class society. Having the opportunity to invest in the *RMPK* group enables them to earn other income from “mutual” capital. The only investors in *RMPK* model who have the right to manage the business are Mr. A and Mr. B so that the management can reach its effectiveness. To appreciate this “additional task”, Mr. A. and Mr. B as the chairmen of the investment groups who manage ten to twelve “sub investors” and act as the managers themselves (entrepreneur-director), they are given particular share of the profit on whose amount is agreed by all members. It might be 10% to 15% of the net profit. The profit sharing pattern of *RMPK* group is described as follows: gross profit is reduced to 10% for the investors and 50%

for the employees. The employees will have the share based on certain load they burden. Even though the load is not called *mato* or *mato* score, it has the same essence. Each employee has his or her own *mato* score depending on work level.

Based on the above explained, the both profit sharing patterns of *Sa* and *RMPK* groups substantially resemble one another in spite of the fact that it differs from the way they collect the fund. A decision to select a business management with profit sharing practice is a creation and an innovation the entrepreneur-director has and this is considered as an entrepreneurial control. How smart the *RMPK* group makes a specific pattern to collect the fund is also considered as an entrepreneurial control. Thus, entrepreneurial control is a conscious act wherewith the highest level of manager of the company (entrepreneur-director) takes to utilize socio-cultural atmosphere by mapping the socio-culture of the “society” in the company to achieve its goal. Referring to this, entrepreneurial control can also be called a social control of a company [1]. [2] also shares the same idea that a management control has to be a part of social process in a company though it is applied by means of computerization not to mention that of technology 4.0.

4.2. Construction of New Concept of Entrepreneurial Control

Entrepreneurial control is a conscious act wherewith the highest level manager of the company (entrepreneur-director) takes to utilize socio-cultural atmosphere by mapping the socio-culture of the “society” in the company to achieve its goal. It is a development of the concept regarding the management control. Entrepreneurial control guides all human resources of the company to meet the goal, that is by multiplying company’s wealth and utilizing the socio-cultural condition of the company to the maximum by creating a unique compensation system by implying socio-cultural spirit of the company with characteristics as follows: focusing on the concept of gaining the profit and bearing the burden of risk and loss together, having passion to make a change to a better economic condition, setting up a company management strategy on the basis of communal culture, being oriented to goal achievement, implementing a social control approach to the investors, being smart and creative to adapt with any changes in the environment, forming a mutual cooperation pattern among investors, employees and entrepreneur-directors.

The profit shared among the employees, investors and entrepreneur-directors follow the ratio of respectively 10:7:3. Next, the profit to share for the employees (50% of the total profit) is distributed to

each employee based on *mato* score or the so-called *mato*. Each employee is given a numerical *mato* load that reflects what each employee contributes to the company for the sake of company's profitability. Therefore, the employees will earn as equal amount as the number of *mato* score they have. There is no monthly wage and salary; yet the income is calculated on the profit sharing of 100-working days. This profit sharing scheme relies on the principles of: transparency, responsibility, fairness, independence, and togetherness and has been a competitive strategy of *Padang* restaurant among other restaurants in Jakarta, Indonesia. Applying this system, the company can be under good control and it is able to survive and develop in a very strict business competition. Entrepreneurial control has the following elements: self-control, cross-control, and everyone is the controller in the company. Thus, entrepreneur-director as the highest level controller may not need huge energy to control how the restaurant is supposed to run for each employee definitely wants to make the highest profit of the company that will compensate to the highest income in each period. The goal congruence in this matter can automatically be realized. The employees sincerely work hard to meet their financial goal, and at the same time, this can help the investors and entrepreneur-director to meet their goal as well.

5. Conclusion

There are seven cultural minings of entrepreneurial control in the management of *Padang* Restaurant in Jakarta, Indonesia. That are: (1) focusing on having the profit and taking the risks collectively; (2) making a change to a better economic condition; (3) having communal culture as basis of management strategy; (4) being oriented to goal achievement; (5) social control toward the investor; (6) being creative to adapt with any changes; (7) finding out a cooperation pattern with the investors and employees as partners on the basis of profit sharing.

Entrepreneurial control is a social control the highest level controller of the company (entrepreneur-director) performs by utilizing and "reading" the positive and negative socio-cultural condition of the company. It means that the entrepreneur-directors will be effectively conducting the entrepreneurial or social control if they are able to be an "anthropologist" or "ethnographer" in the company they manage. By acting so, they will be able to understand the perfect social condition of the company that will be a reference to make a policy with. This is portrayed by entrepreneurial or social control conducted in two groups of *Padang* Restaurants, *Sa* and *RMPK* groups where the entrepreneur-directors can creatively and

innovatively implement entrepreneurial control or social control by one of which, creating a profit sharing pattern.

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