MANAGEMENT CONTROL FOR CREATING INNOVATION IN TEACHING METHODS IN ENTREPRENEURSHIP-BASED UNIVERSITIES

Denny Bernardus
Universitas Ciputra, Surabaya

Abstract: Innovation is one of the most important strategies for gaining a competitive advantage, especially for a new organization entering the industry that has been around for quite a long time. To ensure the strategy can be executed, management control has an important role in the implementation of the strategy. This study aims to investigate the role of management control in creating innovative teaching methods in a study program at a Private University. To answer the research question, the researcher used a single case qualitative study method. The method of data collection has been done through interviews, documentation, and observation. The results of this study found that management control mechanisms play a major role in creating innovative teaching methods. Although some weaknesses and obstacles were found, the teaching methods created could inspire students to achieve the objectives of the study program.

Keywords: innovation, management control, study programs, case studies

Universities are now entering the era of “competitive market” (Winston, 1999). Very rapid changes in the field of information technology, social, economic, and the development of “knowledge-based economy” have an impact on changes in the university environment that affect them to compete with other universities, including competition in obtaining students (Hanna, 1998, Marginson, 2004, 2006, Angel, et al., 2007, and Ho, et al., 2006).

Universities as Institutions that have large human capital must innovate in all fields such as research, community service, teaching, and how to promote to the wider community (Media Indonesia, 2016). Therefore universities must be innovative (wawasan, 2014). Universities need strategies to be able to compete in their industries. One strategy that is currently must be owned is innovation. For the strategy to be implemented and ensure its success, management control plays a very important role (Merchant and Stede, 2007). Simons (1995), states that one of the levers of control of management control is a tool to achieve a competitive advantage through innovation. Management control will encourage actors in the organization to create innovations which will eventually lead to a competitive advantage. Davila (2000) and Simons (1994, 1995), found an association between management control and innovation.

Universitas Ciputra (UC) is the only university in Indonesia that has a vision of producing entrepreneurship. As a consequence of this vision, all cur-