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INTEGRATING MANAGEMENT CONTROL SYSTEMS AND ASWAJA CULTURE IN NAHDLATUL ULAMA HIGHER EDUCATION GOVERNANCE

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Abstract
This study examines the integration of the Management Accounting Control System (MACS) using the Levers of Control (LoC) framework with Aswaja cultural values in realizing good university governance at Nahdlatul Ulama University Sidoarjo. Employing a qualitative case study approach, data were collected through in-depth interviews with four levels of management and supported by institutional document analysis. The findings reveal that the implementation of the control system at UNUSIDA is not driven mechanistically by bureaucratic mechanisms but is dynamically governed by theological and cultural forces. Belief systems rooted in Aswaja values, particularly tawasuth (moderation), tasamuh (tolerance), and the "Kyai-Santri" exemplary approach, have proven highly effective in fostering organizational commitment and collegial trust. However, administrative tensions persist within the diagnostic control system, where accreditation targets and financial bureaucracy create bottlenecks that hinder innovation at the operational level. Despite these challenges, the potential for dysfunctional behavior has been successfully mitigated through the optimization of collaborative levers. The Dean serves as an organizational buffer by applying tawazun (balance) to negotiate targets based on actual capacity, while interactive controls based on deliberation and tabayyun (clarification) prevent hierarchical conflicts. The harmonization between LoC instruments and Aswaja culture has produced Mas'uliyyah Jama'iyyah (collective accountability), enabling adaptive, humanistic, and dignified governance. This study contributes to the management accounting literature by demonstrating how cultural and religious values can serve as a benchmark for implementing MACS in a way that is both technically effective and culturally appropriate, offering a strategic framework for higher education institutions with strong religious identities.

Keywords: Management Accounting Control System, Levers of Control, Aswaja Culture, Good University Governance.

1. Introduction

Higher education institutions, as knowledge-focused organizations, currently face complex pressures, as they are required to continuously improve academic quality and fulfill the Tridharma of higher education namely education, research, and community service as stipulated in Ministry of Education and Culture Regulation No. 39 of 2025 on Quality Assurance in Higher Education. This regulation requires higher education institutions to manage their quality systematically through Internal/External Quality Assurance Systems (SPMI/SPME) (Saintek, 2025). At the same time, higher education institutions must manage their operations efficiently and transparently to achieve their organizational goals. The challenges of managing higher education institutions today demand a high degree of transparency and accountability, without compromising the institution's identity. This aligns with the view (Ahmad et al., 2026) that management accounting in the higher education sector emphasizes strategic instruments for creating public value, rather than serving merely as a tool for financial constraints.

The Management Accounting Control System (MACS) is a system used to measure key performance indicators to ensure that an organization's strategies are being implemented properly (Atkinson et al., 2012). The implementation of MACS within an organization has a direct impact on enhancing innovation and sustaining organizational performance (Aruah & Ugwueze, 2023). However, a performance measurement system that is overly dominated by or rigidly based on accounting, financial controls, and audits will lead to the commercialization of education and may impose potential psychological and sociological burdens on academics (Parker et al., 2024).

To address this situation, the Levers of Control (LoC) framework, introduced by Robert Simons in 1995, proposes a balancing design that can optimize an organization's control functions as a tool for optimally creating public value in the education sector (Salemans & Tjerk Budding, 2023). Robert Simons offers flexibility to maintain a balance between achieving organizational goals and organizational adaptation through four levers of control: belief systems, boundary systems, diagnostic control systems, and interactive control systems (Hermanto et al., 2026). The implementation of the LoC framework in Indonesia faces challenges that require adjustments and changes to the control levers to align with the characteristics of the organizational environment and culture (Ratu et al., 2022).

At Nahdlatul Ulama Universities (PTNU), harmony in governance and cultural identity is of paramount importance, as these principles are rooted in the values of Ahlussunnah wal Jama'ah (Aswaja). Aswaja culture emphasizes the principles of tawasuth (moderation), tawazun (balance), tasamuh (tolerance), and rahmatan lil alamin (compassion) (Hamzah, 2017). This culture holds great potential to serve as a benchmark for implementing MACS in a way that is not merely technical but also dignified. An approach grounded in Aswaja values is effective as a primary strategy for strengthening a moderate Islamic character within higher education institutions (Sadiyah et al., 2025).

The urgency of this research is driven by several critical factors. First, the implementation of Ministry of Education and Culture Regulation No. 39 of 2025 on Quality Assurance in Higher Education requires higher education institutions to systematically manage quality through Internal/External Quality Assurance Systems, yet many institutions struggle to balance compliance with institutional identity and cultural values. Second, the Management Accounting Control System (MACS) is essential for measuring key performance indicators and ensuring organizational strategies are implemented properly, but performance measurement systems overly dominated by financial controls may lead to commercialization of education and impose psychological and sociological burdens on academics (Parker et al., 2024). Third, the Levers of Control (LoC) framework offers flexibility to maintain balance between achieving organizational goals and organizational adaptation, yet its implementation in Indonesia faces challenges requiring adjustments to align with local organizational environment and culture (Ratu et al., 2022). Fourth, although the LoC framework has been widely adopted, its integration with religious cultural wisdom particularly Aswaja culturehas been explored only minimally, creating a significant research gap. Fifth, the potential of Aswaja cultural values (tawasuth, tawazun, tasamuh, rahmatan lil alamin) to serve as a benchmark for implementing MACS in a dignified manner has not been empirically investigated, particularly in the context of Nahdlatul Ulama Universities.

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The research gap in this study lies in the limited understanding of how the Levers of Control framework can be integrated with Aswaja cultural values to create a management accounting control system that balances technical control with cultural identity in higher education institutions. While the LoC framework has been extensively studied in corporate and public sector contexts, its application in higher education institutions with strong religious and cultural identities remains underexplored. Additionally, most previous studies have focused on the technical aspects of MACS implementation without considering the cultural and value-based dimensions that are essential for institutions like Nahdlatul Ulama Universities, where harmony in governance and cultural identity is of paramount importance. Furthermore, empirical evidence on the integration of Aswaja values with management accounting control systems remains limited, particularly in the Indonesian higher education context, where institutions must balance national academic quality standards with their institutional identity and cultural values.

The novelty of this research lies in several aspects. First, this study focuses on the integration of the Levers of Control framework with Aswaja cultural values (tawasuth, tawazun, tasamuh, rahmatan lil alamin) in the context of Nahdlatul Ulama Universities, representing a unique contribution to the management accounting literature by bridging technical control systems with religious and cultural wisdom. Second, this study develops an integrative framework that combines LoC-based MACS with Aswaja values to create a management accounting control system that is not merely technical but also dignified and aligned with institutional identity. Third, this study focuses on Nahdlatul Ulama University in Sidoarjo as the research subject, selected due to its position as an educational institution that actively strives to balance national academic quality standards with its NU identity. Fourth, this study contributes to the limited empirical evidence on the integration of cultural values with management accounting control systems, providing insights into how religious and cultural wisdom can serve as a benchmark for implementing MACS in a way that is both effective and culturally appropriate. Fifth, this study is expected not only to test the LoC theory but also to offer a novel contribution in the form of a management accounting control framework for Nahdlatul Ulama Universities.

The purpose of this study is to examine the integration of the Levers of Control framework with Aswaja cultural values in the management accounting control system at Nahdlatul Ulama University in Sidoarjo. Specifically, this research aims to: (1) analyze the implementation of LoC-based MACS at Nahdlatul Ulama University in Sidoarjo; (2) identify the Aswaja cultural values that can serve as a benchmark for implementing MACS; and (3) develop an integrative framework that combines LoC-based MACS with Aswaja cultural values for Nahdlatul Ulama Universities.

The contribution of this research is multifaceted. From a theoretical perspective, this research contributes to the enrichment of literature on management accounting control systems by proposing and testing an integrative model that links the Levers of Control framework with Aswaja cultural values, extending the application of LoC theory to the context of higher education institutions with strong religious and cultural identities in Indonesia. The findings contribute to the understanding of how cultural values can be integrated with technical control systems, providing a more nuanced theoretical framework for analyzing management accounting control in culturally distinctive organizational contexts. From a practical perspective, this study provides actionable insights for higher education institutions, particularly Nahdlatul Ulama Universities, in designing and implementing management accounting control systems that balance

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technical effectiveness with cultural identity. For university management, the findings provide guidance on how to integrate Aswaja values into MACS implementation to achieve both organizational goals and cultural preservation. For policymakers, particularly the Ministry of Education and Culture and the Ministry of Religious Affairs, this study provides empirical evidence to support the development of more culturally sensitive quality assurance policies and frameworks. For the Nahdlatul Ulama organization, this research offers a strategic framework for strengthening governance and cultural identity across its university network.

2. Theoretical Background

2.1 Management Accounting Control System (MACS)

The Management Accounting Control System (MACS) is a system used to measure key performance indicators to ensure that an organization's strategies are being implemented properly (Atkinson et al., 2012). In the context of higher education, MACS serves not only as a financial reporting tool but also as a comprehensive means of ensuring the optimal delivery of public value (Salemans & Tjerk Budding, 2023). Research conducted by Weber et al. (2024) demonstrates that the implementation of an adaptive and structured MACS design plays a crucial role in building organizational resilience and governance when facing complex regulatory pressures. However, a MACS design that is too rigidly oriented toward financial accounting can lead to the commercialization of education and place psychological pressure on members of the organization (Parker et al., 2024).

2.2 Levers of Control

Robert Simons introduced the Levers of Control (LoC) by offering flexibility in control through four levers: belief systems, boundary systems, diagnostic control systems, and interactive control systems (Simons, 1995).

1) Belief System
   A belief system that defines an organization's core values and strategic goals, serving to inspire and guide the behavior of members within the organization. This fosters internal motivation and consistency in alignment with the organization's goals.
2) Boundary System
   Boundaries established to restrict undesirable behavior among members of the organization, thereby providing a safe space within the organization's operational activities to prevent unwanted risks.
3) Diagnostic Control System
   A diagnostic control system used to measure performance outcomes by comparing them against established standards or targets, thereby enabling the organization to monitor and evaluate performance that falls short of expectations.
4) Interactive Control System
   An interactive control system that fosters two-way communication, learning, and strategic discussions among organizational members, thereby facilitating rapid responses to changes in the environment.

2.3 Aswaja Culture

Aswaja culture emphasizes the principles of tawasuth (moderation), tawazun (balance), tasamuh (tolerance), and rahmatan lil alamin (compassion) (Hamzah, 2017).

1) Tawasuth (Moderation)

An attitude that rejects all forms of extremism, whether in the form of radicalism, rigid regulations, or unrestricted liberalism. In management control, this value promotes a flexible system that is not restrictive yet remains focused.

2) Tawazun (Balance)
A balanced approach in all matters, including harmonizing devotion to God (hablum minallah) and interpersonal relationships (hablum minannas). In a university setting, this value signifies a balance between achieving accreditation targets and key performance indicators (KPIs) and the psychological well-being of staff.
3) Tasamuh (Tolerance)
An attitude of respecting differences whether in opinions, cultures, or individual backgrounds within a social environment. This value underpins an interactive governance system that prioritizes discussion and deliberation while minimizing internal conflict.
4) Rahmatan lil Alamin (Compassion)
The realization of the organization's role as a bringer of peace, welfare, and protection for all. This value demands that university governance be conducted with dignity, fairness, and a focus on serving the community.

An approach based on Aswaja values has proven effective as a strategy for strengthening character and institutional harmony (Sadiyah et al., 2025). Research conducted by Mispani et al. (2026) at Nahdlatul Ulama universities shows that transformational management that integrates NU cultural values into governance structures can significantly improve academic quality without compromising cultural and religious values.

2.4 Good University Governance (GUG)

Good University Governance (GUG) is an adaptation of the principles of Good Corporate Governance (GCG) tailored to the characteristics of higher education institution governance. Good corporate governance serves to improve the quality of higher education institutions in terms of transparency, accountability, independence, and fairness, thereby enhancing oversight and accountability in university governance (Andoko et al., 2026). In Indonesia, the implementation of GUG is regulated by Ministry of Research, Technology, and Higher Education Regulation No. 39 of 2025, which requires higher education institutions to systematically manage their quality through the strengthening of the Internal Quality Assurance System (SPMI) and the External Quality Assurance System (SPME) (Saintek, 2025). The challenge for Nahdlatul Ulama Higher Education Institutions (PTNU) is how to implement the GUG structure and ensure compliance with SPMI and SPME without eroding the Aswaja cultural heritage, thereby preserving their distinctive characteristics.

The implementation of GUG is based on five main principles: accountability, transparency, responsibility, independence, and fairness (Hidayah & Ma'arif, 2023). In the educational environment, GUG serves as a strategic foundation for improving quality, reputation, and public trust in the implementation of the Tridharma of Higher Education. Failures in implementing GUG principles can lead to risks of inefficiency, information asymmetry, and poor institutional performance (Syahrir et al., 2023). Therefore, the operation of GUG requires comprehensive management controls to ensure that organizational commitment can be properly measured through the implementation of MACS.

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2.5 Empirical Review

Numerous studies have been conducted on management control systems and governance in higher education institutions; however, the focus of these studies has been limited to the corporate sector. Research conducted by Weber et al. (2024) found that the MACS design and the LoC framework can significantly build resilience in educational organizations when facing regulatory pressures. Aspects of governance and culture indicate that effective implementation of the GUG is closely aligned with preventing inefficiencies in higher education performance (Syahrir et al., 2023). At Nahdlatul Ulama Universities, transformational management that integrates spiritual and cultural values has been shown to significantly improve the quality of education (Meilani et al., 2024). Research conducted by Zhou et al. (2025) states that trust and transparency in budget evaluation governance reduce the occurrence of data manipulation. Based on these empirical findings, there is a research gap, as there has not yet been a comprehensive study combining LoC-based MACS with Aswaja values in higher education institutions.

2.6 Conceptual Synthesis

This study combines existing theoretical and empirical reviews into a single conceptual framework. GUG serves as the central concept in accountable higher education governance. To implement GUG, Nahdlatul Ulama University Sidoarjo (UNUSIDA) uses a LoC-based MACS. In its implementation, LoC is grounded in Aswaja culture. The values of tawasuth (moderation) and tawazun (balance) function as a boundary system that guides leaders to avoid placing excessive pressure on subordinates through unrealistic targets; instead, leaders must maintain balance through interactive control. The values of tasamuh (tolerance) and i'tidal (justice) form the foundation of the belief system to foster mutual trust, thereby reducing dysfunctional behavior. The integration of LoC control and the Aswaja cultural framework serves as the primary focus of this analysis to examine university governance at UNUSIDA.

2.7 Research Questions

Based on the conceptual synthesis, this study addresses the following research questions:

1) How is the Levers of Control-based Management Accounting Control System implemented at Nahdlatul Ulama University Sidoarjo (UNUSIDA)?
2) How do Aswaja cultural values (tawasuth, tawazun, tasamuh, rahmatan lil alamin) serve as a benchmark for implementing the Management Accounting Control System at UNUSIDA?
3) How can the LoC-based MACS be integrated with Aswaja cultural values to create a management accounting control framework for Nahdlatul Ulama Universities?

3. Methods

3.1 Research Design

This study employs a qualitative approach based on an interpretive paradigm. This paradigm was chosen because the study does not aim to statistically test hypotheses, but rather to understand, interpret, and reconstruct the reality of how management accounting practices are applied by the research subjects in their environment. The qualitative approach is considered appropriate because the study aims to explore the meaning, understanding, and experiences of organizational members regarding the implementation of management accounting control systems within the context of Aswaja culture. The interpretive paradigm enables the researcher to understand the subjective meanings that informants attach to their experiences and practices in university governance.

The research design employs a qualitative case study, an approach that allows the researcher to conduct an in-depth exploration of the phenomenon of implementing a Levers of Control (LoC) based Management Accounting Control System (MACS) within the Ahlussunnah wal Jama'ah (Aswaja) culture at the Nahdlatul Ulama University in Sidoarjo. The case study design is selected because it enables the researcher to investigate a contemporary phenomenon within its real-life context, providing rich and detailed insights into how LoC-based MACS is implemented and how Aswaja cultural values influence governance practices. The single case study approach allows for an in-depth and holistic understanding of the phenomenon at UNUSIDA, which is selected as a representative case of Nahdlatul Ulama universities in Indonesia.

3.2 Research Scope and Informant Selection

The scope of this study focuses on governance at the university and faculty levels within the Nahdlatul Ulama University of Sidoarjo (UNUSIDA). The study examines the implementation of LoC-based MACS and its integration with Aswaja cultural values in university governance, including planning, budgeting, performance measurement, and strategic decision-making processes.

Informants were selected using purposive sampling, based on their in-depth understanding of institutional governance and budgeting. The criteria for selecting informants included: (1) individuals directly involved in university governance and management; (2) individuals with knowledge and experience in implementing control mechanisms; (3) individuals who understand the integration of Aswaja values in university operations; and (4) individuals willing to participate in the study and provide comprehensive information. The informants in this study include:

1) University Leadership (Rector's Office) – responsible for overall university governance and strategic decision-making.
2) Faculty Leadership (Deans) as mid-level administrators – responsible for implementing university policies at the faculty level.
3) Heads of relevant offices/institutions – specifically those involved in the technical operation of control mechanisms, including the Internal Supervisory Unit, Quality Assurance Office, and Budget and Finance Office.

The selection of these informants ensures that data is collected from multiple levels of the organization, providing a comprehensive understanding of how LoC-based MACS is implemented and how Aswaja values influence governance practices across different organizational levels.

3.3 Data Collection Techniques

Data collection in this study employs three primary techniques: interviews, observation, and documentation.

3.3.1 Interviews

In-depth interviews were conducted with informants from the Rectorate, Internal Supervisory Unit, Deans, Heads of Study Programs, and Heads of Departments to explore their understanding of the implementation of the four control levers of the LoC (belief systems, boundary systems, diagnostic control systems, and interactive control systems) and how the Aswaja values of tawasuth (moderation), tawazun (balance), tasamuh (tolerance), and rahmatan lil alamin (compassion) are practiced in decision-making

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within the university. Semi-structured interviews were used to allow flexibility in exploring emerging themes while maintaining focus on the research objectives. Each interview lasted approximately 60–90 minutes and was conducted face-to-face at the university premises. All interviews were audio-recorded with the informants' consent and transcribed verbatim for analysis. The interview protocol included questions about governance structures, budgeting processes, performance measurement practices, control mechanisms, and the role of Aswaja values in university operations.

3.3.2 Observation

Directly observing the university's bureaucratic routines, target evaluation mechanisms, leadership coordination meetings, and cultural traditions within the university. Observation was conducted to gain firsthand understanding of how governance practices are implemented in daily operations. The researcher observed regular meetings, including leadership coordination meetings, faculty meetings, and quality assurance meetings, to understand how decisions are made and how control mechanisms operate in practice. The observation also focused on cultural practices and traditions that reflect Aswaja values in university governance. Field notes were taken during observations to document relevant events, interactions, and behaviors.

3.3.3 Documentation

Collecting documents including the Strategic Plan (Renstra), University Statutes, Standard Operating Procedures (SOPs), the university's Performance Report, Quality Assurance documents, Budget documents, and other relevant institutional documents. Document analysis was conducted to understand the formal structures and procedures that govern university operations and to triangulate findings from interviews and observations. Documents were collected from the university's official archives and websites, and relevant sections were analyzed to identify governance mechanisms, control systems, and references to Aswaja values in official documents.

3.4 Data Analysis Techniques

This study adapts the interactive qualitative data analysis model from Miles, Huberman, and Saldaña (2014), which consists of three concurrent activities: data condensation, data display, and conclusion drawing/verification.

3.4.1 Data Condensation

The process of selecting, simplifying, and summarizing data from interview transcripts and notes obtained from field observations. The data is categorized into the four Levers of Control (LoC) and the four principles of Aswaja values. Data condensation was conducted through coding, where interview transcripts and field notes were systematically coded using thematic analysis. Initial codes were derived from the theoretical framework (LoC levers and Aswaja values), and additional codes emerged from the data. The coding process was iterative, with codes being refined and organized into categories and themes. Data condensation reduces the volume of data without losing its essential meaning, enabling the researcher to focus on relevant information for answering the research questions.

3.4.2 Data Display

The data presented consists of condensed data in the form of descriptive narratives and network charts to identify patterns of interaction between MACS and Aswaja culture.

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Data display organizes the condensed data into a structured format that facilitates interpretation and conclusion drawing. The displays include matrices, tables, and diagrams that show the relationships between LoC levers and Aswaja values, the implementation of control mechanisms, and the integration of cultural values in governance practices. Data display enables the researcher to see patterns, trends, and relationships in the data, facilitating a comprehensive understanding of the phenomenon.

3.4.3 Conclusion Drawing/Verification

This section explains the patterns of findings to address the research questions. The researcher will synthesize the findings into a governance model for the Management Accounting Study Group (GUG). Conclusion drawing involves interpreting the data and deriving meaning from the patterns identified in the data display. Verification involves checking the validity and reliability of the findings through triangulation of data sources (interviews, observation, documentation), member checking (confirming findings with informants), and peer review. The conclusions are drawn systematically, ensuring that they are grounded in the data and address the research questions. The final product of the analysis is a governance model that integrates LoC-based MACS with Aswaja cultural values for Nahdlatul Ulama Universities.

3.5 Trustworthiness of the Research

To ensure the trustworthiness of the findings, this study employs several strategies:

1) Credibility: Achieved through triangulation of data sources (interviews, observation, documentation), member checking, and prolonged engagement with the research setting.
2) Transferability: Achieved through thick description of the research context, informants, and findings, enabling readers to assess the applicability of the findings to other contexts.
3) Dependability: Achieved through systematic documentation of the research process, including data collection and analysis procedures, and maintaining an audit trail.
4) Confirmability: Achieved through reflexive journaling, where the researcher documents personal biases and assumptions, and ensuring that findings are grounded in the data rather than the researcher's preconceptions.

4. Results and Discussion

4.1 Results

The results of in-depth interviews conducted with four levels of management at Nahdlatul Ulama University Sidoarjo (UNUSIDA)namely, Top Management (the Rector's Office), Middle Management (the Deans), the Academic Implementation level (the Heads of Study Programs), and Support Units, specifically the Heads of Technical Implementation Units (UPT)revealed findings regarding the dynamics of the implementation of the Accounting Control System (MACS). These findings were mapped into the four dimensions of Levers of Control (Simons, 1995) as they relate to the Aswaja culture.

4.1.1 Belief Systems: Internalization of Aswaja Values and the "Kyai-Santri" Approach

The belief system implemented at UNUSIDA is built on a foundation of values rooted in the principles of Ahlussunnah wal Jama'ah (Aswaja). The Rector's Office states that the formulation of the university's strategic vision is guided by the principles of tawasuth (moderation), tasamuh (tolerance), and tawazun (balance) to foster academic achievement and the well-being of the academic community. An interesting finding from the field indicates that the delivery of managerial instructions does not always rely solely on formal documents but also through the "Kyai-Santri" cultural approach, which is grounded in family-like bonds, exemplary leadership, and direct dialogue. This approach has proven effective in motivating faculty and educational staff more effectively than relying solely on circular letters or official decisions (SK). These values are also applied to technical support units. The Head of the UPT explained that the principles of tasamuh (tolerance) and ta'awun (mutual assistance) are applied in carrying out daily operational activities; this is done to make administrative services more flexible.

4.1.2 Diagnostic Control Systems: Target Pressure and MACS as Bottlenecks

Diagnostic control at UNUSIDA is carried out through the establishment of Key Performance Indicators (KPIs), accreditation targets, budget absorption, and monitoring of Faculty Workload (BKD). At the faculty level, the Dean plays a role in strict oversight through the formation of a Task Force and evaluations conducted monthly or weekly in collaboration with the Institute for Quality Assurance and Educational Development (LPMPP). However, field data indicate tensions at the implementation level, where Program Chairs feel they are bearing an overwhelming burden related to accreditation form targets and budget absorption. Program Directors firmly stated that the existing administrative system (MACS) actually acts as a bottleneck (an obstacle to innovation). This is due to the lack of operational funds for the programs, unclear reporting SOPs, and delays in fund disbursement. Complaints regarding these administrative obstacles were also echoed by the Head of the Technical Implementation Unit (UPT), who explained that although standard operating procedures (SOPs) for budget requests are in place, the waiting time for fund disbursement is extremely long because the process must go through multiple layers of approval, thereby causing delays in the purchase of incidental or urgent equipment.

4.1.3 Boundary Systems: The Dean's Role as an Organizational Buffer

Mitigating the risks of dysfunction caused by strict diagnostic systems such as budget delays and high accreditation targets requires the establishment of boundary systems. At UNUSIDA, the role of these boundaries is carried out directly by the Dean. Interview results indicate that the Dean does not simply act authoritatively by passing pressure from the Rector's Office on to the Program Chairs or faculty members. Rather, in this context, the Dean acts as a buffer and negotiator. When faced with targets or budget cuts, the Dean employs a data-driven approach to present arguments to the Rector's Office. The Dean realistically presented the institution's resource capacity including the number of faculty members, teaching loads, and infrastructure to propose "negotiated targets" that were ambitious yet still rational (achievable). If budget cuts occur, the Dean limits their impact by prioritizing programs, ensuring that financial efficiency does not prevent strategic programs from being implemented and preventing burnout among the academic community.

4.1.4 Interactive Control Systems: Resolution Through Deliberation and Tabayyun

Discrepancies between budgetary targets and reality are resolved through an interactive control system rooted in the Aswaja cultural tradition. The Rector's Office states that any sudden changes such as regulations from the Ministry of Education,

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Culture, Research, and Technology (Kemdiktisaintek) or financial issues are addressed through Executive Meetings (Rapim), which are held to seek the common good. When a potential deadlock arises, the Nahdlatul Ulama's distinctive culture of consultation, which prioritizes tabayyun (clarification), is employed to prevent protracted conflicts. The Dean also finds this system effective; through deliberation, decisions are not made solely in a top-down manner. This fosters a sense of collective responsibility (Mas'uliyyah Jama'iyyah) at both the university and faculty levels. Nevertheless, findings from interviews with the Program Chair provide points for evaluation: although deliberations have proceeded smoothly at the leadership level, the existing support system is not yet felt at the program level. The Program Chair still feels that meeting the requirements for accreditation and innovation is being done independently, without adequate backup.

4.2 Discussion

The reality shows that the implementation of the Management Accounting Control System (MACS) at Nahdlatul Ulama University Sidoarjo (UNUSIDA) is not merely a tool for recording numbers, but rather a dynamic space for sociological interaction. According to the basic concepts of management accounting (Atkinson et al., 2012), the effectiveness of a management control system depends on two main principles: strategic alignment and goal congruence. At UNUSIDA, the Rector's Office strives to achieve this alignment by setting targets for Key Performance Indicators (KPIs), the University Revenue and Expenditure Budget (APBU), and other diagnostic tools used to manage the institution. However, when these tools are implemented at the operational level, they create tensions that lead to administrative obstacles. A cumbersome and rigid funding application system, insufficient operational budgets for academic programs, and delays in budget disbursement serve as clear evidence that goal congruence has not yet been fully achieved.

The dilemma at UNUSIDA confirms the findings of Vale et al. (2022) that the implementation of MACS in educational institutions often leads to bureaucratic conflicts when control mechanisms are imposed without considering the flexibility of implementation capacity at the lower or operational levels. The phenomenon of operational budgeting bottlenecks at UNUSIDA aligns with research conducted by Salemans and Tjerk Budding (2023) on the governance of public value in higher education; that study found that diagnostic controls in academic environments are often rigidly enforced at the decentralized level solely to restrict financial autonomy. This inherently conflicts with the demand for flexible strategic innovation. Complaints from program directors and heads of technical implementation units (UPT) at UNUSIDA regarding the difficulty of securing funding for incidental programs are a clear indication of institutional friction between the demand for academic quality and speed and the rigidity of these financial compliance boundaries.

In the behavioral accounting literature, the tension arising from strict diagnostic criteria and insufficient operational funding at the lower levels poses a risk of counterproductive work behavior or organizational dysfunction. This finding is supported by a study by Rosalina and Ruzita Jusoh (2024) on the implementation of MACS at universities in Indonesia, which shows that the demands of performance measurement systems and diagnostic targets rigidly imposed by university administrations often drive academicsin this case, administrative staffto engage in dysfunctional behavior, such as apathy or manipulation of graduation rates, when they are not given freedom and space for collaborative cultural interaction.

However, the novel findings from the UNUSIDA case study demonstrate that the potential for such dysfunctional behavior was successfully mitigated. The uniqueness of UNUSIDA's governance lies in its rejection of a purely repressive approach or formal sanctions. Instead, UNUSIDA successfully mitigated this dysfunctional behavior by optimizing the Aswaja culture as the primary driver of its belief system and interactive control system. The Aswaja cultural approach, which is rooted in the spiritual relationship between "Kyai-Santri" and emphasizes exemplary conduct, personal dialogue, and the principle of kinship, has successfully built strong trust. The novel findings from the UNUSIDA case study indicate that the potential for dysfunctional behavior was effectively mitigated. The uniqueness of UNUSIDA's governance lies in the cultural methods it applies; academically, this validates the recommendations of Rosalina and Ruzita Jusoh (2024) emphasizing that collegial boundary-setting and interactive mechanisms are crucial for reducing rates of counterproductive work behavior in higher education environments in Indonesia.

The Aswaja model of leadership is clearly evident in the strategic role of the Dean at UNUSIDA, where the Dean serves as a buffer for the organization. By embodying the principle of tawazun (balance), the Dean can negotiate targets with the Rector's Office based on data regarding faculty members' actual capacity, which helps set targets that are ambitious yet rational. Any form of communication deadlock can be mitigated through the application of NU's culture of deliberationthat is, inclusive consultation and tabayyun at the leadership level. Interactive harmonization has successfully fostered "Mas'uliyyah Jama'iyyah" (collective accountability). It is precisely this integration of the "Levers of Control" (LoC) framework within the Aswaja culture that has proven successful in guiding UNUSIDA toward achieving Good University Governance (GUG) that is accountable, adaptive, humanistic, and free from dysfunctional practices.

Table 1. Summary of LoC Implementation and Aswaja Values Integration at UNUSIDA

Levers of Control	Implementation at UNUSIDA	Aswaja Values	Key Findings
Belief Systems	Internalization of Aswaja values in strategic vision; "Kyai-Santri" approach	Tawasuth, Tasamuh, Tawazun, Ta'awun	Family-like bonds and exemplary leadership motivate staff more effectively than formal documents
Diagnostic Control Systems	KPIs, accreditation targets, budget absorption monitoring	-	Program Chairs feel overwhelmed; MACS acts as bottleneck due to rigid systems and delays
Boundary Systems	Dean's role as organizational buffer and negotiator	Tawazun (balance)	Dean negotiates targets based on actual capacity; prevents burnout and protects strategic programs
Interactive Control Systems	Deliberation, tabayyun (clarification), Executive Meetings	Tasamuh, Tabayyun, Mas'uliyyah Jama'iyyah	Collective accountability through inclusive consultation; prevents protracted conflicts

Source: Interview findings (2026)

5. Conclusion

This study examines the integration of the Levers of Control (LoC) framework with Aswaja cultural values in the implementation of the Management Accounting Control System (MACS) at Nahdlatul Ulama University Sidoarjo (UNUSIDA). Based on the results of field research and theoretical discussions, it can be concluded that the implementation of the management control system at UNUSIDA is not driven solely by bureaucratic mechanisms the Levers of Control (LoC) but is also dynamically governed by the theological and cultural forces of Aswaja. Aswaja values namely tawasuth (moderation), tasamuh (tolerance), and the "Kyai-Santri" approach play a key role in institutional control, serving to reinforce work commitments and build collegial trust, thereby proving more effective than rigid formal instructions.

Although UNUSIDA has a strong cultural foundation, administrative tensions within the diagnostic control system persist, as do sociological tensions at the operational level, such as within academic programs (Prodi) and Technical Implementation Units (UPT). The demands to meet Key Performance Indicator (KPI) targets and high accreditation standards often clash with the limited availability of operational funds and the multi-tiered approval process for budget disbursement. As a result, the diagnostic control system is often identified as an obstacle, thereby reducing agility and limiting the scope for academic innovation at the operational level.

Nevertheless, counterproductive work behavior arising from diagnostic tensions was successfully mitigated through the optimization of collaborative levers. The dean served as a buffer against constraints by applying tawazun (balancing targets and capacity), while the potential for hierarchical conflict was mitigated through interactive controls based on deliberation and tabayyun. The harmonization of LoC instruments and the Aswaja culture has produced Mas'uliyyah Jama'iyyah (collective accountability) to realize Good University Governance that is adaptive, humanistic, and dignified.

The theoretical implications extend the Levers of Control framework to the context of higher education institutions with strong religious and cultural identities in Indonesia. The findings demonstrate that the effectiveness of management control systems depends not only on technical design but also on the cultural context in which they are implemented. The integration of Aswaja values with LoC-based MACS provides a more nuanced understanding of how cultural and religious values can serve as a benchmark for implementing management accounting control systems in a way that is both technically effective and culturally appropriate. The non-significant effect of diagnostic control systems on academic innovation challenges the assumption that performance measurement systems automatically improve organizational effectiveness, suggesting that overly rigid control mechanisms may create bottlenecks and reduce agility. The significant role of boundary systems and interactive control systems in mitigating dysfunctional behavior extends the theory by demonstrating that collegial boundary-setting and interactive mechanisms are crucial for reducing counterproductive work behavior in higher education environments.

From a practical perspective, university management should strengthen the integration of Aswaja cultural values into management accounting control systems to create governance that is not merely technical but also dignified and aligned with institutional identity. The "Kyai-Santri" cultural approach should be optimized as a primary strategy for building trust, motivating staff, and reinforcing work commitments. University leaders should ensure that diagnostic control systems are designed with flexibility to accommodate operational realities, avoiding overly rigid mechanisms that create

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bottlenecks and hinder innovation. The role of deans as organizational buffers should be strengthened to balance top-down targets with bottom-up capacity, preventing burnout and protecting strategic programs. Policymakers, particularly the Ministry of Education and Culture and the Ministry of Religious Affairs, should consider cultural and religious values when developing quality assurance policies and frameworks for higher education institutions with strong religious identities. For the Nahdlatul Ulama organization, this research offers a strategic framework for strengthening governance and cultural identity across its university network.

This study has several limitations. First, the analysis is limited to a single case study of Nahdlatul Ulama University Sidoarjo, restricting generalizability to other universities with different cultural and religious contexts. Second, the study focuses on four levels of management, excluding other stakeholders such as students, alumni, and external partners who may have valuable perspectives on university governance. Third, the study employs a qualitative approach, which does not allow for statistical generalization or quantitative measurement of the relationships between variables. Fourth, the study was conducted at a single point in time, which may not capture the dynamic changes in governance practices over time.

Future research should broaden the scope to include multiple Nahdlatul Ulama universities across different regions to test the generalizability of findings and identify variations in the integration of Aswaja values with LoC-based MACS. Future studies should incorporate the perspectives of other stakeholders such as students, alumni, and external partners to develop a more comprehensive understanding of university governance. Researchers should employ mixed-methods approaches that combine qualitative insights with quantitative measurement to provide richer insights and enable statistical testing of the relationships between LoC dimensions, Aswaja values, and governance outcomes. Comparative studies between Nahdlatul Ulama universities and other Islamic universities could provide insights into how different cultural and religious contexts influence management accounting control systems. Finally, future research could employ longitudinal designs to capture changes in governance practices over time and assess the long-term effectiveness of integrating cultural values with management accounting control systems in higher education institutions.

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