Here by I write this Thesis to accomplish my Master Studies of Management from Binus University. Though it is so hard to manage time to study and school together as well as now I have taking study in MM Binus, but after all I have done this.

I like to thank you for the first to my God, which he is so compassion to me and for all human being in this world. And the second I like to thank you to my parents that always give me support in everyday so I can finish this Thesis at the time. The third and important is to all part of Binus University that gives me a chance to study in, also the lecturer that always gives support in learning and also experience. And the last for my entire friend in class who always gives a contribution to the entire member, so every day we always learn and learn to be a better student.

Every goal has it processes that going time to time. So to get benefit from everything we must be work hard and also smart. Smart in mean that we get Master Degree not just for the title itself but we should also synchronize with the process of learning. From school to business and from business to school, this paradigm is always get on my mind when I first came to Binus and get acknowledge from our Dean.

Thank you for all kindness may all happy and prosperous.
ABSTRACT

Previous work on risk management has found several risk factors and has developed methods for avoiding those factors from causing failures of software projects. Another approach to risk management is to concentrate on those making decisions as agents of an organization rather than just the methods they use. I propose that the behavior of decision makers affected by risk propensity and motivation that is critical to the outcome of a software project. The discussed problem based on critical points from previous researcher as propositions plus risk management theory and also individual behavior concept. Goal of applying the Agency Theory is could break the problem issues which happen on Information Technology project.

Writer conducted 5 steps to collect data to be analyzed. First, collect data with random sampling in 3 institutions. Second, conduct Validity and Reliability testing to assure the question’s item were valid and reliable. Third, writer used the item’s questions which are accurate and abandoned the invalid items. Fourth, get the result and process the data with related Statistical formula. Fifth, map the result with 10 Eisenhardt’s Proposition, to have the finding result for the recommendation. The method used to analyze the proposition is Chi-Square Test and Correlation Test.

In conclusion, an employer should take management action plan and choosing the right agent. Management action plan is to focus on risk aversion of employee, completion time measurement, length of working with an employee, and control methodologies for employee. An employer should also choose the right type of employment. A permanent employee is positive to routine task, positive to control methodology, positive to the length of working, and negative to goal conflict. An outsource employee is positive to completion time measurement and negative from risk aversion to an employer.

Keyword: risk management, agency theory, eisenhardt’s proposition
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