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**The Design and Use of External Environmental Management Control  
Systems  
-An Analysis of the Aims, Procedures and Success Factors-**

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# The Design and Use of External Environmental Management Control Systems

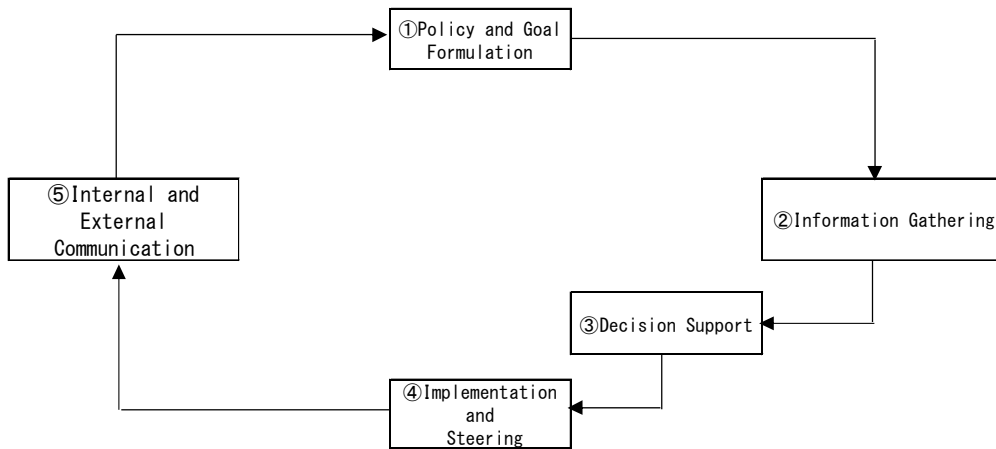
-An Analysis of the Aims, Procedures and Success Factors-

Dr. Takashi Ando

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## 1. My Research Theme and Encouragement Aims

Environmental management control systems can be defined as “the process by which managers influence other members of the organization to implement or create the organization’s environmental strategies.” (Ando 2018). These systems have three main features. Managers first introduce environmental and social indicators into their companies’ performance evaluation systems. Second, the company as a whole engages in activities that aim to implement or create (emerge or co-create) environmental strategies. Third, managers try to motivate employees through the activities in the first and second features. I compared the standard management control process to an environmental management control process, I find that the most characteristic process in environmental management control systems is the final stage of internal and external communication as shown in figure1.



**【Fig1 : The Process of Environmental Management Control Systems】**

arranged by me referring to Schaltegger and Sturm(1998);Schaltegger and Burritt(2000)

But in fact, internal communication and external communication are quite different (e.g. aims contents and methods); therefore I separate them and call the former internal environmental management control systems and, the latter external environmental management control systems.

In this encouragement, I aimed to construct a network in Management Accounting Research Group (MARG)for my own research in these two areas.

**2. Event Abstract**

I attended the annual Management Accounting Research Group (MARG) conference at the London School of Economics (LSE) on April 18, 2018. My goal was to my partnerships with co-researchers and hold meetings regarding my research plan. I was very successful with the formal goal, but only modestly successful with the latter.

I was able to strengthen my partnerships with co-researchers at the MARG Conference, but was able to meet and have a discussion with. One of the outstanding researchers Conference I could meet and discuss one of the researchers in the excellent CSR management control research field (Arjaliès and Mundy 2013). Furthermore, I was able to meet and talk with Dr. van der Stede, so it was very fruitful event from that aspect.

In the meetings about co-research, it became clear that one of the co-researcher’s research interest was a little different than mine. The other co-researcher was interested in my plan, but her days were very busy, so I was unable to implement my plan immediately. I gave a copy of the ideal model paper to her, and she is examining how and when my plan can underway.

**3. Paper’ Abstract**

The paper I gave her (Costas and Kärreman 2013) is field research about environmental motivation. As mentioned before, the ultimate goal of environmental management control systems finally is to motivate employees. However, there were few papers in our field about this, so this paper is very important in the points of the contents and approaches. The paper first surveys the features of formal and informal control systems. I have summarized Costas and Kärreman(2013) as figure2.

	Ideology	Approach	Company Side	Labor Side	Priority	The Hierarchy of the hypothesis by Maslow(1987)	Ideology
<b>Formal Control Systems</b>	Competitive · Exchange Ideology (Selfish)	Functional	Aims	Means	Efficiency and Effectiveness (Quantitative)	Fundamental (The physiological, safety and belongingness and love needs)	The Right (The Area of Activation in the right Brain)
<b>Informal Control Systems</b>	Volanteer Ideology (Altruistic)	Interpletational	Means	Aims	Value and Significance (Qualitative)	Developmental (The esteem, self-actualization and self-transcendence needs)	The Left (The Area of Activation in the left Brain)

**[Fig2 : The Characteristics of Formal Control Systems and Informal Control Systems]**

written by me based on Costas and Kärreman(2013)

Their most characteristic contribution is the classification of employees’ environmental motivation into three types through participatory fieldwork. The three types are identified believers, straddlers and cynics. This classification depends on the attitudes and fundamental ideas for the company’s actual CSR activities.

Believers are individuals who strongly believe in CSR and embrace the idealized image of the ethically, socially and ecologically concerned corporate self. They are triggers who promote the present CSR activities. Their source of motivation is the identity -many people tend to image of CSR as important and ideal for our common future. While they are not always good people, they tend to think of CSR as essential for our common future.

Straddlers have an ambivalent attitude; they regard CSR as desirable, yet simultaneously distance themselves from it. While believing that addressing CSR issues is important, they express ambivalence with respect to the corporate manufactured nature of responsibility, care and ethics. They express the troubling sense that the company's involvement is instrumental and insincere. This sense arises in the context of companies' marketing campaigns in many cases to create highly visible publicity for their CSR activities.

Cynics are suspicious of both the employees' and companies' motivations concerning CSR. They already have seen the nature of the company's present activities and CSR activities. A companies' nature is to earn money, so it is tackling CSR is unsuitable. CSR is a way for companies to market themselves as attractive employers.

However, a very important point is that there is no one who believe in social goodwill. Cynics especially tend to believe strongly in social goodwill, so their tendency is to disparage actual CSR activities. In other words, their ideals are very high, so they tend to judge the actual activities as trivial and inappropriate.

Internal environmental management control research should especially be based on these actual field research' findings. But in my experience it is very difficult for us to do actual participatory fieldworks in Japanese companies. Therefore, I am eager to do this research in the UK, because Costas did research in this country.

#### **4. Future Challenges**

I am writing papers regarding environmental motivation (internal environmental management control systems), then I will clarify our future challenges and tasks. In addition, during this summer vacation (2018), I will send an e-mail to my co-researcher to ask what she thinks the paper and try to get the field research in the UK.

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