A Review on Management Control System Concept Implementation towards Integrated Lean, Green, Best Practice Business Model in Modern Cement Manufacturing Plant

A Management Control System Implementation in Continuous Production Plant

P. Dinesh Kumar, RP. Muthiah
1Doctoral Researcher, Senior Manager (Instrumentation), 2Assistant Vice President (Technical)
Chettinad Cement Corporation Private Limited,
Chennai, Tamilnadu, India.

Abstract: The cement industry is facing numerous challenges in the 21st century due to depleting natural fuel resources, shortage of raw materials, exponentially increasing cement demand and climate linked environmental concerns. Every tonne of cement produced releases an equivalent amount of carbon dioxide to the atmosphere. Reduction in energy consumption and carbon emissions during cement manufacturing can be achieved by introducing best practice business model implementation. In addition, Environmental crises have major negative impacts on social, environment and economy. With the concerns on environmental issues, people and organizations need to adopt sustainability practices. A question arises on the role of accounting in enhancing the effectiveness of Model Implementation and environmental practices. Therefore, this paper reviews on the role of management control system (MCS) in managing environmental, green issues, Best Practice Business model and the extent of green integration into MCS. The literature review indicates that MCS plays a very important role in managing green issues and all statutory related problems. There are various interpretations, dimensions and levels of extent of green integration into MCS.

Index Terms - Sustainability, green integration, environmental crisis, management control system (MCS), cultural control.

I. INTRODUCTION

Concrete and its dominated precursor, cement, have ruled the construction industry for the past 150 years with manufacturing rate rising from 1500 million tonnes in 2000 to over 8 billion tonnes in 2022. Ordinary Portland cement (OPC) has established itself a vital and strategic commodity material and such is our dependence on OPC that the annual global cement production has now reached up to 4 billion tonnes due to the rapid infrastructural growth of developing economies. With increasing infrastructure and building demands in near future, a sustainable, durable, and economical concrete is increasingly desirable. The demand for concrete is anticipated to increase over 18 billion tonnes per annum by 2050.

With the concerns on these environmental issues, people and organizations need to adopt sustainability practices. Sustainability can be defined as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. The environmental demand is also referring to “green” practice, which means carrying out our activities in ways that will not harm the environment, but rather enrich it. Organizations need to determine whether their operations are contributing to the well-being of the environment or involving in the environmental degradation. The link between the behaviour of organizations and green practices may lead to the recognition of the role of accounting in governing, monitoring and regulating green business activities. According to the Commission of the European Communities, environmental, social and economic concerns must be integrated into the organization’s daily operations to achieve its sustainability goals. Therefore, it should come from certain internal control mechanisms. Therefore, this paper focuses on the role of management control system (MCS) in Continuous Manufacturing Plant Performance and its sustainability.

II. MANAGEMENT CONTROL SYSTEM (MCS)

Taking a broader concept of MCS in the framework by Malmi and Brown (2008), MCS is defined as all the devices and systems that managers use to ensure that the behaviors and decisions of their employees are consistent with the organization’s objectives and strategies. MCS ensures that overall strategic planning and operational functions will work together (Nilsson & Rapp 1999). Figure 1 and Table 1 show the MCS package and its description respectively.
Figure 1: Management Control System Package. Source: Malmi and Brown (2008)

<table>
<thead>
<tr>
<th>Cultural Controls</th>
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<tr>
<td>Clans</td>
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<tr>
<td>Planning</td>
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</table>

Administrative Controls

| Governance Structure | Organization Structure | Policies and Procedures |

Table 1: Description of MCS Package. Source: Malmi and Brown (2008)

<table>
<thead>
<tr>
<th>Elements</th>
<th>Description</th>
<th>Components</th>
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<tr>
<td>Planning</td>
<td>First it sets out the goals of the functional areas of the organisation thereby directing effort and behaviour; second, it provides the standards to be achieved in relation to the goal, making clear the level of effort and behaviour expected; third, it enables congruence by aligning goals across the functional areas of organisation, thereby controlling the activities of groups and individuals.</td>
<td>Action planning-goals and actions for the immediate future, usually a 12-month period, are established; has a tactical focus. Long range planning-the goals and actions for the medium and long run are established; has a more strategic focus.</td>
</tr>
<tr>
<td>Cybernetic</td>
<td>There are five characteristics of cybernetic controls. First, there are measures that enable quantification of an underlying phenomenon, activity or system. Second, there are standards of performance or targets to be met. Third, there is a feedback process that enables comparison of the outcome of the activities with the standards. This variance analysis arising from the feedback is the fourth feedback of the cybernetic control systems. Fifth is the ability to modify the system’s behaviour or underlying activities.</td>
<td>Budgets, Financial measures, Non-financial, Hybrids than contain both financial and non-financial measure such as the Balanced Score card (BSC)</td>
</tr>
<tr>
<td>Reward/ Compensation</td>
<td>Motivating and increasing the performance of individuals and groups through attaching rewards to control effort directing, effort duration, and effort intensity.</td>
<td>Attaching rewards and or compensation to achievement of goals</td>
</tr>
<tr>
<td>Administrative</td>
<td>Administrative control systems are those that direct employee behaviour through the organizing of individuals (organisation design and structure), the monitoring of behaviour and who employees are made accountable to for their behaviour (governance); and through the process of specifying how task or behaviour are to be performed or not performed (policies and procedures).</td>
<td>Organisational design and structure. Governance structure within the firm Procedures and policy</td>
</tr>
<tr>
<td>Culture</td>
<td>The values, beliefs and social norms which are established influence employees behaviour.</td>
<td>Value-based controls, Clan controls, Symbols</td>
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In an international empirical study of 170 rounds of external financing spanning over 66 start-up companies, Davila et al. (2015) found a significant correlation between the valuation of start-ups by external financiers and the use of MCS. The results showed that start-ups that employed MCS in an early stage were higher valued by external equity financiers than other start-ups that did not employ this. According to the study, this is especially true for start-ups in highly competitive environments with high growth rates.
TABLE 2: REASONS FOR ADOPTION OF MCS

<table>
<thead>
<tr>
<th>Reason</th>
<th>Situation</th>
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<tbody>
<tr>
<td><strong>Proactive</strong></td>
<td><strong>Manager Background</strong> When managers of the start-ups add management tools in the company, since they have experience with larger companies that used MCS. They are accustomed to the tools and know the value of adopting them.</td>
</tr>
<tr>
<td><strong>Need to Focus</strong> When managers adopt MCS so that they could facilitate more growth and improve communication and control throughout the organization.</td>
<td></td>
</tr>
<tr>
<td><strong>Reactive</strong></td>
<td><strong>Chaos</strong> When the start-up faces unexpected bad outcomes, such as negative cash flow or deadline failure. The MCS is adopted to avoid similar problems in the future.</td>
</tr>
<tr>
<td></td>
<td><strong>Learning</strong> When control systems are used to formalize knowledge in the company and spread it throughout the organization, to minimize dependency on individuals with tacit knowledge.</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td><strong>Legitimize</strong> When the company wants to look professional for its surroundings. Control systems are adopted to show customers, investors and partners that they have plenty of business knowledge in the organization.</td>
</tr>
<tr>
<td></td>
<td><strong>Contracting</strong> When control systems are adopted due to regulations, for example government regulations.</td>
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This indicates that investors perceive MCS as an indicator of the firm’s quality and future potential. This indicates that control systems are something that venture capitalists perceive as important for determining the future potential of the firm. Several studies have shown that external financing acts as a catalyst for growth in start-ups and small enterprises (Davila, et al., 2003; Keuschnigg, 2004; Silvola, 2008).

According to Davila et al. (2010), the companies receiving venture capital have been shown to grow twice as fast in their first 40 months compared to start-ups without venture capital. Keuschnigg (2004) states that, while the entrepreneurs and founders of start-ups contribute with the technological knowledge, the investors often have more management experience and knowledge which they can bring into the start-up and use to professionalize the firm. That combination of management expertise from investors and technological knowledge from the founders could lead to higher innovation and growth of the company (Davila, 2005; Freeman & Engel, 2007). As we can see above, further potential growth, in several ways, through venture capital is another reason to adopt a professional MCS in start-ups.

Figure 2: Factors affecting the development of MCS framework for technology Based Company

From the discussion above, six main research areas about development of an MCS framework were identified
1. Existing MCS frameworks and control systems
2. the main challenges in start-ups
3. the environment that the company acts in
4. the technology of the company
5. the company’s organizational structure
6. the company’s strategy

III. THE CONCEPT OF MCS

Every organization have goals either explicit or implicit, which represent aboard, a fairly timeless statement of that the organization desires to achieve attain the goals, the organization needs strategies that includes policies to guide ways of acting and broad programs of activities. And to assure that people in the organization do perform their duties, management needs some ways which is called control.

Control as a process follows a cybernetic paradigm to ensure attainment of goals. It has detector, selector, effectors and communication network. Control device used in organization, however, are much more complex than those used in machinery, i.e. auto mobile, refrigerator or air conditioning; primary because control of organization is a much complicated process. It is related to the human beings whose reaction is uncertain when they know, for instance, that their performance is not according to the plan. In organization, people, therefore are regarded as the most important variable to be directed, guided, and motivated to pursue goals.

To do so, then, responsible managers are needed. Their role in control is called management control. Thus, management control is a process by which management assures that the organization carries out its strategies. It consists of all methods, procedures, and devices, including MCS.

Management control system, may then, be defined as an organized systematic process and structure that management uses is management control (AD and B, 1984). This definition implies that MCS is a formal control system to ensure that the organization accomplishes its strategies and peruses its goals. It encompasses both management control structure and management control process.

Management control structure refers to units in organization and the nature of information that flows among these units, while management control process refers to what managers do with this information. There appears to be six characteristics that, when mixed and matched, tap the essence of a formal MCS.
1. MCS focus on programs and responsibility centers.
2. Information processed in MCS consists of planned data and actual data.
3. MCS is total organization system embraces all aspects of organization operations.
4. MCS is usually built around a financial structure.
5. The planning aspects of MCS tend to follow a definite pattern and timetable.
6. MCS is a coordinated and integrated system.

IV. MANAGEMENT CONTROL STRUCTURE

Management control structure consists of two basic elements, organization units and information flow among these units. Unit in organization by a responsible manager is called responsibility center. Each center has inputs-there sources and services the unit consumes and outputs-the goods or services created by a unit. Both are measured in monetary unit. The degree to which these inputs and outputs are measured and for which manager is responsible is used to classify responsibility centers. Based on these criteria, there are four types of responsibility center- expense center, revenue center, profit center and investment center.

The nature of the information and the managerial level are also related to the three categories of decision making - structure, semistructure and unstructure. Lower management dealing with operational in formation generally makes structure decisions. In contrast, upper management dealing with strategic information makes judgemental decision and thus unstructure. In terms of detailed information, lower level expects detailed operational in formation for dealing with day-to-day structure decision, while upper level requires summarized from various sources. The management level and information categories are shown in Table 3.

<table>
<thead>
<tr>
<th>Management Levels</th>
<th>Characteristic of Decision</th>
<th>Information Catagories</th>
<th>Degree of Uncertainty</th>
<th>Time Horizon</th>
<th>Level Summarization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper</td>
<td>Unstructure</td>
<td>Strategic Information for policy planning</td>
<td>High</td>
<td>Years</td>
<td>High</td>
</tr>
<tr>
<td>Middle</td>
<td>Semistructure</td>
<td>Management Control for planning, decision making and control</td>
<td>^</td>
<td>^</td>
<td>^</td>
</tr>
<tr>
<td>Lower</td>
<td>Structure</td>
<td>Operational in formation emphasizes transaction process</td>
<td>Low</td>
<td>Days</td>
<td>Low</td>
</tr>
</tbody>
</table>

V. MANAGEMENT CONTROL PROCESS

Management control process starts with the preparation of the plans. These plans are made within the context of strategies decided on in the strategic planning process. They are expressed as programs, budgets, operating and measurement, and reporting and analysis. Programming is the first step in the management control process. It is defined as the process of deciding on the nature and the size of several programs to be undertaken in implementing an organization's strategy. Programming is usually considered as a long-run planning. Budget is a plan expressed in quantitative, usually in monetary unit. It covers, a
specified period of time, usually one year. Budget serves several purposes. It used as device for making and coordinating plans, for communicating these plans to those, responsible for carrying them out, and for motivating managers at all levels; as a benchmark for controlling ongoing activities; as a standard with which actual performance subsequently can be compared; and a means of educating managers. Reporting and analysis are also as part of control process. Actual performances are compared with planned performance and any variances should be analyzed and explained. Based on this explanation, managers decide what actions should be taken.

VI. Behaviour Aspects Of MCS

Aside from formal control system as described above, MCS also involves behaviour aspects of people in organization. MCS is useless without considering this aspect. This is because of the crucial role of people in the organization. From the lowest up to the highest responsibility centers consist of people. Management control process are done by people as well, they do programs and execute budgets and they are evaluated according to their performance. In other word, management in the organization cannot literally control, for example, the cost of various activities. What they can do is control the action of people who are responsible for incurring these costs.

![Figure 3: Role of motivation in performance](image)

People in the organization are actually the central issue of MCS. People with diverse social backgrounds, cultural orientations and educational trainings join an organization because they believe that by doing so they can achieve their personal goals which may be difficult if these are to be, done alone. Their contribution to the organization is based on the perception that this will help achieve their personal goals. Their behaviour in organization is therefore influenced by their motivation which further will also be affected by their needs (Anthony, Welsch and Recce, 1985). A model of motivation for example, can be seen in figure 3.

Management Control Systems are tools for formulating and implementing the firm’s strategy (Simons, 1990; Nilsson & Rapp, 2005). However, Simons (1990) also views MCS from a broader perspective that builds upon the concept of guidance rather than compulsion, as well as learning and boundaries. Thus, the role of MCS is more multi-facetted than just formulating and implementing strategy and it is used for multiple purposes, such as: observing, learning, signaling, constraining, surveilling and motivating (Simons, 1990).

In 1995, Simons introduced a framework that he calls the **Levers of Control**, which contains four different key constructs that must be understood for effective strategy implementation, and each construct is controlled by different control levers (Simons, 1995). The framework proposed by Simons (1995) has received a lot of attention in contemporary management control research (Tesser & Otley, 2012; Kruis, et al., 2016), with currently almost 3,200 citations (Google Scholar, 2017). Simons’ framework is described further below figure 4.
VII. INTERACTIVE CONTROL SYSTEMS – POSITION FOR TOMORROW

In an uncertain environment, the management must adapt their strategy and control systems to the changing surroundings. By adopting interactive control systems, managers are able to see important changes in the environment and act accordingly (Simons, 2000). Simons defines interactive control systems in the following way:

“Interactive control systems are formal information systems managers use to involve themselves regularly and personally in the decision activities of subordinates.” (Simons, 1995, p. 95)

Control systems that managers direct a lot of attention to and use to actively monitor and involve themselves in the decisions of subordinates, can be labelled as interactive (Simons, 1990, 1991). The intervention of management promotes debate and continual challenge, which requires regular attention to the control system from subordinates in all levels of the organization (Simons, 1990; Henri, 2006).

According to Simons (1991), interactive control systems typically have the four following characteristics:
1. The information from the MCS is an important and recurring topic for top management;
2. Frequent and regular attention is required throughout all levels of the organization;
3. The data from the MCS is discussed face-to-face between members of different hierarchical levels; and
4. There is continual challenge and debate regarding data, assumptions and action plans.

An interactive control system collects information and directs attention to strategic uncertainties and can be used for signaling, surveillance and decision ratification (Simons, 1990). Simons (1991) describes the relationship between strategy and interactive control systems illustrated in Figure 5.

VIII. THE ROLE OF MCS IN MANAGING GREEN ISSUES

Some prior studies agree that MCS plays an important role in managing green issues to achieve sustainability goals. MCS is required for environmental and social activities to be incorporated into an organization’s objectives, strategic plan and organization processes. Gond and Herrbach (2006) reveal that formal management control mechanisms are necessary for integrating sustainability within an organization. MCS enables managers to assess relevant risks and opportunities and provide environmental information on the usage and cost of resources. Green issues need to be integrated into MCS, strategies and management attitudes to be environmentally driven business. The key success factors for implementation sustainability are by integrating environmental issues into planning and monitoring systems and by using formal and informal controls.

IX. GREEN INTEGRATION INTO MCS

Some studies have been conducted to investigate the extent of green integration into MCS. Literature interprets green integration into MCS in many ways. In most cases, green integration is considered as the adoption of eco-control in organizations. Eco-control is defined as a formal procedure and system that use financial and environmental information to manage environmental activity; Examples of eco-control are sustainability planning, sustainability budgeting and environmental investment appraisal. However, argue that sometimes the eco-control is used separately in operation which is not integrated with the regular MCS and this will affect the credibility concerns of environmental management and reporting.

The integration of green and sustainability should include technical, social and cognitive components which are from the perspective of thick ‘socio-technical’ process. It can be achieved through different groups in organization that use different systems but shared similar practices. Cognitive integration is the integration of systems that can facilitate an interaction of people with different ways of thinking, mind-sets and practical viewpoints to generate ideas and opportunities.

However, claims that the appropriate integration of environmental management and company’s strategic planning involves integration with managerial goals; integration between environmental information and the financial and administrative information systems; integration with the whole production process; and integration between environmental performance and the existing performance appraisal systems. Hence, the interpretation of green integration into MCS varies and not standardize.

X. LEAN INTEGRATION INTO MCS

Lean’, also known as ‘lean production’, is defined as efficiency with no wastage and focuses on implementing value-adding processes without interruption (BMGI Corporation 2009; Womack & Jones 2005). Lean thinking focuses on reducing or eliminating all non-value adding activities within the supply chain, thereby reducing costs at various points throughout the supply chain process (Dües et al. 2013).

Lean principles deliver superior performance delivering goods to the end customer quickly, with the minimum amount of waste or inefficiency and creating the most possible value for stakeholders. According to Olesen et al. (2015), lean thinking is an enabler for any company to become more efficient in production speed and flow and is all about achieving operational excellence and sustainability.

XI. BUILDING AN INTEGRATED LEAN, GREEN, BEST PRACTICE BUSINESS MODEL

Following an in-depth literature review a framework was developed to amalgamate lean, green and best practice principles into an integrated business model. The literature review revealed that the lean and green principles are similar to the principles underlying the formulation of best practices and that together these three principles result in complementary improved business results. Businesses can improve results by concurrently implementing the lean, green best practice principles in an integrated model. Figure 3 illustrates this.

A case study was conducted on TSAM to illustrate the benefits that may arise when the lean, green and best practice principles are successfully implemented and incorporated into a supply chain business strategy. This is the first study to develop and test a business model integrating the lean, green and best practice principles.

This shows that there are several reasons for start-ups to adopt MCS other than just implementing strategy and achieving goal congruence throughout the organization.

XII. STRATEGY MANAGEMENT

Strategy has been believed to have a straightforward effect on MCS design in several different ways (Otley, 2016), and the relationship between strategy and management control has been the focus of many publications. Considering the vast body of research that has focused on this topic, studying the impact of strategy on management control seems imperative for designing
MCS. By studying strategy and relating it to fast-growing start-ups, we can find appropriate control systems to support the typical features of strategy in these types of companies and how they can be used to support growth.

Strategy lacks a universal and clear-cut definition. Michael Porter, a prominent researcher in the field of strategy, puts it the following way:

“The essence of strategy is choosing to perform activities differently than rivals do.”

(Porter, 1996, p. 64)

This suggests that strategy is how an organization separates themselves from their competitors and competes in the market. However, strategy has many different perspectives, and most research has chosen a specific perspective and analyzed the relationship between MCS and strategy only from that chosen perspective (Otley, 2016). Although this can provide some valuable insights to the chosen perspective, there is a risk of missing aspects and other valuable insights that could come from other perspectives. Therefore, we take a wider approach in this thesis and consider the relationship between MCS and strategy from several different perspectives.

Strategy can be classified at two different levels; the strategic choice level and the capability level (Henri, 2006). The strategic choice level represents the traditional view of strategy (Henri, 2006) and includes perspectives such as: strategic typology (Miles, et al., 1978); generic strategies for competitive advantage (Porter, 1980); and strategic mission (Gupta & Govindarajan, 1984). The capability level represents the more contemporary view of organizations, the resource-based view (RBV) (Henri, 2006), where strategy is how the resources and capabilities are exploited relative to the external opportunities (Grant, 1991).

XIII. CONSTRUCTING THE FINALIZED MANAGEMENT CONTROL SYSTEMS FRAMEWORK

To answer the research questions regarding what appropriate control systems there are that start-ups can use, as well as their purpose, we first go through all the control systems in our tentative control framework and make conclusions for how, and for what purpose, they can be used in fast-growing start-ups based on the outcome from the cross-case analysis. These control systems are then added to the finalized Management Control Systems framework.

In the analysis of value controls, it was found that they can be used as a belief system in start-ups to ensure a common belief in the company and that everyone works towards the same objectives. It makes delegating responsibility to lower levels of the organization less risky and it is also a way to handle the challenge with internal relation problems, as well as making employees more committed to solving problems that arise, which is important in an uncertain environment. The value controls can be implemented through vision and core value statements that indicate priorities, as well as the direction that the management wants the organization to be heading.

As mentioned, start-ups can use planning as both a boundary system and interactive control system simultaneously to keep the organization under control and ensure that it stays focused, as well as remain innovative. Short-range planning is used for specifying detailed action plans to keep the organization focused on the task, as well as managing cash flow and making sure that they always have sufficient financial resources and thereby avoid failure. Long-range planning can be used on an aggregated level to provide focus on strategic directions and future growth objectives. This corresponds to the boundary system. The interactive use of plans can be implemented by including members in lower levels of the organization in the planning, which is something that stimulates strategic dialogue, goal congruence, as well as commitment to the plans.

Budgets in start-ups can be used as a boundary, diagnostic control and interactive control system simultaneously to keep innovation within boundaries, as well as promote efficiency and increase performance. Hybrid measurement systems that include both financial and non-financial measures can be used in start-ups as both a diagnostic control and an interactive control system simultaneously, to balance innovation and efficiency. The diagnostic use of performance measures helps start-ups in implementing their intended strategy and evaluates how well they are achieving their goals. It can also be used to detect changes in the uncertain environment to help them to be responsive, and thereby avoid failure.

This Management Control Systems framework provides a set of control systems that start-ups can use that are relevant for supporting growth and managing the most common challenges that fast-growing start-ups face. By using different levers of control, the control systems complement each other and create a dynamic tension, which increases performance. How an organization balances the levers of control depends on their situation and what the control system is used for.
xiv. Managerial Guidelines

Based on the Management Control Systems framework, that is the result of this thesis, we arrive at a number of practical guidelines to managers of fast-growing start-ups, or start-ups targeting fast growth, for how they should design and use management control. By following these recommendations, managers can implement Management Control Systems that are comprehensive, but still easy to grasp, and that create a balance between control levers that is appropriate for a fast, but controlled, growth and increase the likelihood of survival by mitigating the most common failure factors in start-ups. These recommendations are presented below.

A common set of beliefs and values is important in the organization to make sure that everyone is pulling in the same direction, and to be able to delegate responsibility while keeping the firm on the right course.

To measure the performance of the organization, it is useful to combine a set of both financial and non-financial measures. The financial measures are good for measuring performance in relation to the budgets, which means performance as it was, whereas non-financial measurements are often better to measure performance drivers that affects the future performance, such as for example quality and innovation. A good tool for constructing such a measurement system is using the framework for Balanced Scorecard with the four different perspectives: Financial, Customer, Internal Business Processes, and Learning and Growth. Through this combination of perspectives, it combines both financial and non-financial measures, as well as external and internal perspective.

Xv. Summary

In summary, many studies agree that MCS plays an important role in managing environmental issues. There are various interpretations and dimensions of green integration into MCS. Therefore we suggest that the Lean, green and Best practice integration into MCS is better to be interpreted as “integrating green and sustainability with all the systems and devises that manager use to ensure that the decisions and behaviours of their employees are consistent with the organization’s objectives and strategies”.

They do link their business behaviours towards environmental practices that lead to the recognition of the role of MCS. This may motivate other companies to take the same path or use them as a benchmark. This study also has some important
implications for management practices because it provides understandings into the structures and processes to manage green and sustainability agenda and provides a tool for fostering transparency and accountability

First of all, the challenge that the founders and managers may lack leadership and management skills could be mitigated by adopting MCS in the company, since it makes sure that the employees in the different sub-units in the organization work in the same direction and towards the same objectives (Anthony & Govindarajan, 2014). It also makes it easier for the management to supervise the company and detect problems that must be solved.

It is recommended that future studies explore the application of the integrated lean, green best practice business model in Cement Industries by incorporating Management Control Systems in all intra-department.

Meaning to say that MCS, originally an American model, is not necessarily applicable to Indian environment. This does not mean that MCS concept is imperative. Rather, to be applicable to Indian environment, this concept should be redesigned, particularly in the aspects of management control process. In order to motivate subordinates and rank and file for instance, increase wages will not necessarily motivate people to do a better performance because money is not the only criteria of reward system: One is not willing to work in such company even he will be paid by the highest wages if it is less humanist approach in that company. This is because self-actualization is more important for him than money.

REFERENCES