School of Accounting
UNIVERSITAS SURABAYA

Akuntansi dan Teknologi Informasi
ubaya.id/jati

JATI

Control problem discovery formula: Practical framework in MCS for research and business

Aris Surya Putra[a] *, Wiyono Pontjoharyo[a]

[a] School of Accounting, Faculty of Business and Economics, Universitas Surabaya, Indonesia (aris.sp@staff.ubaya.ac.id)
*Corresponding author

DOI: https://doi.org/10.24123/jati.v18i1.7258

Vol. 18 No. 1
pp 13-30
Surabaya, March 2025
p-ISSN 1412-5994
e-ISSN 2614-8749

Received:
January 15, 2025
Revised:
February 18, 2025
Accepted:
February 26, 2025
Published:
March 31, 2025

Keywords:
Control Problems; Management Control Systems; Organizational Objectives

Abstrak

Tujuan – Penelitian ini mengembangkan rerangka konseptual sebagai formula untuk secara sistematis menemukan masalah pengendalian dalam organisasi dengan mengintegrasikan tujuan organisasi, sifat, dan sistem pengendalian manajemen (SPM) yang ada, agar memudahkan proses pengembangan solusi bagi penelitian maupun bisnis.

Metode – Penelitian kualitatif ini menggunakan enam skripsi mahasiswa sarjana di bidang SPM dari berbagai konteks organisasi. Berdasarkan analisis atas informasi dari dokumentasi yang dikumpulkan melalui wawancara, observasi, dan analisis dokumen, disertai penerapan metode triangulasi untuk meminimalkan bias. Selanjutnya, dilakukan sintesis dan eksplorasi dalam menonstruksi rerangka kerja yang efektif untuk mengungkap masalah pengendalian.

Temuan – Penelitian ini menyoroti bahwa masalah pengendalian seringkali muncul akibat ketidakselarasan tujuan, kompleksitas organisasi dan budaya, dan defisiensi desain dan implementasi SPM. Rerangka kerja yang diusulkan sebagai formula, dapat menghubungkan tujuan, sifat, dan SPM organisasi melalui siklus iteratif berulang, yang memungkinkan organisasi untuk mengungkap akar masalah secara tepat dan memudahkan proses pengembangan solusi.

Implikasi – Secara praktis, rerangka kerja ini menyediakan pendekatan sebagai formula yang sistematis dan dapat diterapkan secara terstruktur untuk membantu para peneliti maupun pebisnis agar menemukan masalah pengendalian organisasi secara efektif.

Kebaharuan – Penelitian ini mengisi kesenjangan literatur SPM dengan menawarkan formula praktis dengan mekanisme untuk menunjukkan dan menjelaskan keterkaitan antara gejala gejala masalah pengendalian dan akar penyebabnya.

Abstract

Purpose – This study develops a conceptual framework as a formula to systematically discover control problems within organizations by integrating organizational objectives, nature, and existing management control systems (MCS), so facilitating the solution process for research and business.

Methods – This qualitative research uses six undergraduate students' theses on MCS from diverse organizational contexts. It is based on information analysis from collected documentation through interviews, observations, and document analysis, completed with a triangulation method to minimize bias. Then, we do synthesis and exploration to construct an effective framework for discovering control problems.

Findings – The study highlights that control problems often arise from misaligned objectives, organizational and cultural complexities, and deficiencies in MCS design and implementation. The proposed framework, as a formula, can connect organizational

Please cite this article as: Putra, A. S., & Pontjoharyo, W. (2025). Control problem discovery formula: Practical framework in MCS for research and business. *Akuntansi dan Teknologi Informasi,* 18(1), 13-30. https://doi.org/10.24123/jati.v18i1.7258

goals, nature, and MCS through iterative feedback loops, enabling organizations to discover root problems effectively and facilitate the solution development process.

Implications – Practically, this framework provides an approach as a systematic formula and implemented in a structured way to help managers, researchers, and businessmen discover organizations' control problems effectively.

Originality – This research fills gaps in the MCS literature by offering a practical formula with mechanisms to demonstrate and explain the linkages between the symptoms of control problems and their root causes.

INTRODUCTION

The idea of management control was conceptualizaed by Anthony (1965), as strategic and operational controls aimed at directing employees. Simons (1994) said, "MCS are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities." Then, Merchant & Stede (2023), define management control as all the devices or systems managers used to ensure that the behaviors and decisions of their employees are consistent with the organization's objectives and strategies. Different with previous research, Malmi & Brown (2008) provide management controls as a package which include all the devices and systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organization's objectives and strategies, but exclude pure decision-support system s. Based on prior development of management control concept, instead of debating MCS as a system or a package Chapman et al. (2020), it suggests that management control is an important tool for management to align every organization's member and its resources to achieve the organization's objectives. Management control is a critical function in organizations because its failures can lead to large financial losses, reputation damage, and possibly even organizational failure (Merchant & Stede, 2023).

MCS are tools that can be used widely in various forms and size of organizations and also various organizations' purpose (Baird et al., 2023; Burghardt & Möller, 2023; Chenhall & Moers, 2015; Deore et al., 2023; Fullerton et al., 2013; Kurtmollaiev & Aas, 2023; P N & Kunnathur, 2015). In the business sector, MCS can be adjusted to meet the needs of organizations engaged in manufacturing, services, finance, to non-profit, because the design and control mechanisms can be designed based on the unique characteristics of each sector (Fullerton et al., 2013; King & Clarkson, 2015; Kraus et al., 2017; Tucker & Alewine, 2024). Likewise, on an organizational scale, MCS can be applied from small companies to multinationals, by adjusting the complexity of control according to the resources and structures available (Ammar & Hassan, 2024; Chenhall & Moers, 2015; Cooper, 2015; Kraus et al., 2017). MCS implementation can be adjusted to organizational culture and ethnicity (Efferin & Hopper, 2007; Efferin & Pontjoharyo, 2006; El Masri et al., 2017; Eriksson et al., 2024; Pagliarussi & Leme, 2020; Soeherman, 2017). MCS developed to help organization implementing mindfulness, spirituality and sustainability on their business (Bauer & Greiling, 2024; Burghardt & Möller, 2023; Efferin, 2016; Voyant et al., 2017). This flexibility allows MCS to be an effective framework for managing individual and group behavior in an organization while achieving their strategic goals.

However, failure to achieve MCS objectives often reflects a control problem: a mismatch between expected behavior and operational reality. This control problem can hinder the achievement of overall organizational objectives, create operational risks, and reduce organizational performance. The causes of the control needs, which we call control problems later, can be classified into three main categories: lack of direction, motivational problems, and personal limitations (Merchant & Stede, 2023). Lack of direction refers to some employees performing inadequately simply because they do not know what the organization wants from them (Merchant & Stede, 2023). Even if employees understand what is expected of them, some do not perform as the organization expects because they have self interest. Motivational problems are common because individual and organizational objectives do not naturally coincide (Merchant & Stede, 2023). The last behavioral problem occurs when employees who know what is expected of them, and may be highly motivated to perform well, are simply unable to perform well because of other limitations. Some of these limitations are person-specific. They may be caused by a lack of aptitude, training, experience, stamina, or knowledge for the tasks at hand (Merchant & Stede, 2023). Efferin & Soeherman (2010) also propose similar control problems categorization: do not know, do not want, and can not do. Those categorization similar with control problems proposed by Merchant & Stede (2023). So, in this research we are using control problems categories developed by Merchant & Stede (2023) because of its clarity to distinct root of any problmes in any situations.

Control problems can be occurred because of organizations fail in implementing an effective MCS practices (Efferin & Soeherman, 2010). Inefficient procedures, lack of integration between MCS components, and weak performance evaluation systems are some of the factors that can trigger this problem. Control tightness or looseness also become a determinant aspect to define the benefit of any MCS to increase the likelihood that the organizational objectives will be achieved (Baird et al., 2019; Merchant & Stede, 2023). When MCS practices are not running effectively, organizations are vulnerable to behavior that deviates from strategic objectives, ultimately increasing the risk of control problems.

Although research on MCS continues to grow, most studies focus on the design and implementation of controls (Bedford, 2020; King & Clarkson, 2015). Unfortunately, there has not been much research that specifically discusses the effective mechanisms to discover control problems in an organizations. This identification process is very important as an initial step in diagnosing and resolving control problems. The lack of studies in this area creates a gap that needs to be filled through more targeted research. So, we are trying to answer this research question: how to effectively discover the organization's control problems? By focusing on that question, this research aims to develop a conceptual framework to help future researcher and oranization managements to be able to systematically and effectively discovering organization's control problems. This framework serves as a guide in evaluating the effectiveness of the MCS and identifying the root causes of existing control problems. Without a clear framework, the problem identification process is often conducted ad hoc, which reduces the accuracy and efficiency of the MCS solutions designed. A good framework for discovering control problems also plays a critical role in ensuring that MCS recommendations are designed to address behavioral issues. Many control problems in organizations are rooted in behavioral factors. By understanding and find out these root causes, MCS recommendations can be designed precisely to drive behavioral changes that support organizational objectives.

METHOD

This exploratory research uses qualitative approach which allows for in-depth analysis Neuman (2019); Sekaran & Bougie (2019) of the methods used by our six undergraduate students while conducting thesis on MCS field last year. These theses were selected based on a purposive sampling approach rather than random selection. There are four main selection criteria. The first criterion is the thesis's relevance to MCS and control problems. Each thesis explicitly investigated MCS implementation and control challenges. The second criterion is the diversity in organizational structure and context. To ensure a broad perspective, the sample includes multinational corporations, franchised businesses, owner-managed enterprises, and culturally distinct organizations. The third criterion is the availability and quality of data. The selected theses provided sufficient data through interviews, observations, and document analysis, ensuring depth in qualitative findings. The final criteria is about supervisor involvement. We directly supervise these students, ensuring familiarity with the research process and the validity of their data. This selection strategy ensures that the sample reflects a broad range of MCS practices and control issues while maintaining research quality. The six thesis reports have been examined by the lecturers team in the accounting department, received input from the examiners, and declared passed. We use initials instead of student names to maintain their privacy. We also do not mention the organization's name as their research object because the owner does not want to be exposed. We analyze their process of identifying control problems and MCS in their thesis. This sample is representative because it includes diverse organizational settings (multinational, franchised, family-owned businesses); various industry types (manufacturing, retail, hospitality, services); different control mechanisms and challenges, ensuring a broad application of findings; and multiple qualitative methods, strengthening data validity through triangulation. The six theses form a strong empirical basis for addressing the research question, offering diverse insights into MCS implementation and control problems. Although methodological differences exist, they were systematically managed to ensure reliable findings.

All of their research uses qualitative approaches and we become their supervisors during the thesis process. So we have direct access to gather data in terms of this research. We are interviewing with them while discussing thesis to obtain data about how they discover the control problems and how they understand the organization's nature and MCS on their research object. We also review their interview transcript and thesis report to ensure the alignment between their methodology and the written findings. As an alternative form of observation, we asked for documentation of the process of their observations on their research objects. This research incorporated multiple sources of evidence,

including interviews, observations, and document analysis. For example, organizational objectives were confirmed through interviews with managers, observed in daily practices, and validated with written documents (vision statements, standard operating procedures (SOPs), strategic plans). This approach minimized reliance on subjective perceptions and ensured that data reflected actual organizational practices. Different qualitative methods (interviews, observations, document analysis) were cross-checked against each other. For example, if an interview indicated that employees followed strict control procedures, but observations showed inconsistent compliance, this discrepancy was further examined through document analysis to verify formal policies. To ensure consistency despite methodological differences, the following strategies were applied. As a triangulation, the data from interviews, observations, and document analysis were cross-validated to reduce bias (Sekaran & Bougie, 2019; Sridharan, 2020).

Since we supervised all six theses, consistent guidelines were provided to ensure uniformity in data collection and analysis. Inter-coder reliability checks were conducted using axial coding to ensure consistency in categorizing control problems across different case studies (Neuman, 2019). A structured axial coding procedure was used to identify control problems and MCS characteristics across different industries. Findings from each thesis were analyzed within a common conceptual framework, ensuring comparability across cases. Discrepancies in interpretation were resolved through collaborative discussion, ensuring that individual biases did not drive conclusions. The researchers actively maintained a neutral stance during data collection and analysis. Reflexive discussions were conducted to acknowledge any potential biases that could arise from familiarity with the students' research processes. Where necessary, alternative explanations were considered to avoid overgeneralization. The research findings were discussed with other academics and MCS experts, ensuring external interpretations validation. Feedback from peers helped refine the framework, ensuring it was grounded in theoretical and empirical rigor. We are using the categorization of control problems categorized by Merchant & Stede (2023), which is similar to Efferin & Soeherman (2010) and Efferin (2016). There is a lack of directions, motivational problems, and personal limitations. The discussion acknowledged industry-specific and cultural differences that influenced MCS implementation.

By doing that procedure, we can explain what is happening in the research data on the next section. Since this research is an applied research which is oriented to propose practical framework as formula to effectively discover organization’s control problems. With this aim, our exploration provides insight into not only the development of research methodology in the field of MCS, but also contributes to help managements to find out their organization’s control problem systematically and effectively before designing appropriate MCS.

RESULTS AND DISCUSSION

Six undergraduate accounting students conducting conducting research as their thesis in the MCS field in last year. They are MAT, BIN, TAS, JAW, NAF, MIS. As a preliminary overview, we explain the research conducted by them. MAT examines how the implications of the MCS affect generation Z employees on a tissue manufacturing company. BIN examines how the MCS can improve service quality on a restaurant business. TAS examines how implementing a MCS on a general gas station franchise company helps achieve business objectives. JAE examines how the MCS supports the implementation of spiritual values and programs on the housekeeping department of a hotel. NAF examines how the MCS can support the delivery of value propositions to customers on a compressor rental company. MIS examines how MCS can overcome control problems and support achieving organizational objectives on a pool and café business. The six theses represent diverse industries, including manufacturing, services, hospitality, and retail. MAT studied a manufacturing company. BIN focused on a restaurant business. TAS examined a gas station franchise. JAW analyzed the housekeeping department of a multinational hotel chain. NAF explored a compressor rental service. MIS investigated a pool and café business. This sectoral diversity ensures that the study does not rely on findings from a single industry but instead captures variations in MCS practices across different organizational environments.

Although all six theses used qualitative research methods, there were variations in data collection approaches. All six studies conducted semi-structured interviews, but the number and level of interviewees varied based on organizational structure (e.g., MAT and JAW interviewed corporate managers, while BIN, TAS, NAF, and MIS focused more on operational managers and employees). TAS and JAW conducted participant observation, while others relied on non-participant observation of daily operations. Organizations with formal structures (MAT, JAW) had extensive documentation available

for analysis, while less formal businesses (BIN, NAF, MIS) relied more on interviews and observations to infer MCS practices.

Five of six students were doing applied research to suggest recommendation to the organization (Neuman, 2019). So they need to address the organization's control problems throgh identifying the organizational objectives, understanding the organization's nature, and analyzing the existing MCS on the organization. Then they can develop the appropriate MCS as recommendation to the organization. Only MAT who did basic research, because she was aiming to examine MCS implications to generation Z employees. However, it is still relevant to this research because MAT's research explains how MCS design affects the behaviour of generation Z employees. It means MAT needs to provide evidence of the control problems and how MCS effectively addresses control problems specifically on generation Z employees. We are examining the methodology they use to identify the organizations's objectives, how they understand the organization's nature, how they understand the existing form of MCS and how they discover control problems in each organization. They use interview, observation, and document analysis to fulfill the research purpose as shown in Table 1.

Table 1. Students' Research Objectives and Data Collection Methods

Student	Research Objective	Data Collection Method		
		Interview	Observation	Document Analysis
MAT	Basic research	Semi-structured interview to director, 2 managers, and 8 employees.	Non-participant observation of workplace environment and generation Z employees' work behavior.	Organizational structure, job description, company website (to understand organizational objectives), SOPs, and work-related regulations.
BIN	Applied research	Semi-structured interview to owner, director, head chef, cook, waiter captain, 4 waiters, warehouse staff, and 2 cashiers.	Non-participant observation of the restaurant's daily operational activities.	Organizational structure, job description, and SOPs.
TAS	Applied research	Semi-structured interview to owner (ex officio as director), supervisor, shift head, and 2 operators.	Participant observation (access granted because her father was the owner) of the organization's daily operational activities.	Organizational structure, job description, franchisee regulations, SOPs, and work-related regulations.
JAW	Applied research	Semi-structured interview to general manager, HR assistant manager, head of housekeeping department, executive assistant manager, and housekeeping employees.	Participant observation (access granted on internship prograam) of corporate culture and housekeeping activities.	Organization's sustainability report and social media, employee handbook, housekeeping department-related document: SOPs, performance appraisal, job description.
NAF	Applied research	Semi-structured interview to owner, manager, and 6 employees.	Non-participant observation of the employees' work behavior through organization's daily operational activities.	Organizational structure, job description, and work-related regulations.
MIS	Applied research	Semi-structured interview to owner, operational supervisor, cashier, barista, kitchen staff, and server.	Non-participant observation of employees' work behavior through organization's daily operational activities.	Organizational structure and SOPs.

Each study in the Table 1 used semi-structured interviews to gain in-depth insights from multiple organizational stakeholders. This method provides flexibility in exploring specific information about perceptions, experiences, and practices related to MCS (Neuman, 2019). For example, MAT involved interviews with managers and employees to understand their perspectives on how MCS impacts Generation Z in the workplace. On the other hand, studies such as BIN and JAW used interviews to explore the relationship between operational roles, corporate culture, and control. Every organization has different complexities, so interviews with key stakeholders allow researchers to understand unique aspects of the organization's structure and objectives. BIN, TAS, NAF and MIS also use interview method to obtain the organizational objectives from the top management perspective because of lack of written documents that clearly provide organizational objectives. Through this semi-structured interview method, students can explore in depth the existing form of MCS in the organization. In addition, to discover the organization's control problems, conducting interviews with employees, as subjects of control, is important to obtain their perspectives on the MCS that have been implemented.

Both participant and non-participant observation methods are used to complement interviews with direct observation of daily operational activities (Neuman, 2019). This method is important for capturing dynamics that may not be revealed in interviews (Sekaran & Bougie, 2019). For example, BIN and MIS conduct non-participant observation to study work behavior and daily operations without influencing those activities. In contrast, TAS and JAW use participant observation, which allows researchers to become part of the organization's activities, providing in-depth access to the company's cultural practices and control systems. Observation provides a practical picture of how policies and procedures are implemented in a real-world context.

Observation is a very important method in research to understand how MCS are practically implemented in an organizational environment. With observation, researchers can directly see the form of MCS practices, such as the implementation of work procedures, the use of control tools, and interactions between organizational parts. In addition, observation allows researchers to observe employee behavior in responding to MCS, including the level of compliance, policy adaptation, and potential resistance to certain controls. This behavior often reflects the extent to which the MCS effectively influences operational activities and achieves organizational objectives. Furthermore, observation plays an important role in data triangulation by comparing the results of direct observations with information obtained through interviews. Often, interviews can produce biased or subjective data, especially if respondents give ideal answers or avoid criticizing the existing system. Observation helps verify the validity of these statements by evaluating how MCS policies are implemented in daily activities. For example, if interviews indicate strict control procedures, but observations show that the implementation is loose, then this difference provides additional insight for more in-depth analysis. Observation also helps identify informal or dynamic aspects of the control system, such as work norms or spontaneous behaviors that are not documented but are significant in supporting or hindering control effectiveness. Therefore, observation provides additional data and ensures that research results are based on the reality of organizational practice.

Document analysis was used throughout the study to review formal organizational documents such as organizational structure, job descriptions, SOPs, and related regulations. This method provides an objective basis for understanding the formal structure and policies of the organization. For example, NAF and MIS analyzed organizational structure documents and SOPs to evaluate the clarity of roles and responsibilities. Meanwhile, JAW also reviewed sustainability reports and performance evaluation documents to understand how controls related to spiritual values are implemented in the context of hotel housekeeping. Document analysis is important to verify the data obtained through interviews and observations, providing additional validity. It is a crucial method to confirm the validity of organizational objectives and provide written evidence of the form of implemented MCS. Formal documents such as vision, mission, organizational structure, job descriptions, SOPs, and performance reports provide an official picture of how the organization defines its objectives and the control mechanisms used to achieve them. This analysis ensures that organizational objectives are formulated specifically, measurably, and relevant to the desired strategic direction, and that the MCS is designed to consistently support the achievement of these objectives.

Moreover, documents also serve as an important tool to compare findings from other methods, such as interviews and observations, to triangulate data. For example, suppose interviews indicate that the organization's strategic objectives are focused on improving operational efficiency. In that case, documents such as strategic reports or SOPs can be used to verify this statement. Likewise, documents

can provide concrete evidence of whether the control procedures claimed to be implemented are reflected in written policies, often not directly visible through interviews or observations. By analyzing documents, researchers can identify inconsistencies between statements given by respondents and officially recorded facts. It makes documents a reliable data source to reduce bias and ensure the validity of research results. Documents also help enrich the analysis context, provide historical insights, and ensure that the researcher's interpretation is based on real evidence. Therefore, document analysis not only strengthens the data obtained through interviews and observations, and makes the research more robust and credible.

By combining interviews, formal documents, and direct observation, researchers can achieve a more comprehensive and contextual understanding of organizational objectives, the nature of the organization, and the practical application of MCS. Interviews provide insights into the perceptions and experiences of individuals at various levels within the organization, uncovering subjective viewpoints about objectives, cultural norms, and operational practices. Meanwhile, formal documents such as vision and mission statements, SOPs, and organizational charts offer an objective foundation, confirming the official articulation of organizational objectives and control mechanisms. Direct observation adds another critical layer by capturing real-time interactions, behaviors, and practices, providing a dynamic view of how formal policies are implemented in daily operations. When these methods are combined, the strengths of each compensate for the limitations of the others, ensuring a holistic and reliable depiction of the organization. This data triangulation not only enhances the validity of the research findings but also provides actionable insights that reflect both the formal design and practical realities of MCS, enabling organizations to address control issues more effectively.

The process of discovering control problems in an organization requires a systematic approach that involves several key steps. Key success factor of MCS practices can be indicated by the management ability to influence employee behavior towards organizational objectives (Merchant & Stede, 2023). So the first step, on initial stage of designing MCS on organization, is identifying organizational objectives. It emphasizes the importance of understanding the organization’s strategic, tactical, and operational goals to design MCS. The second step is understanding organization’s nature. It explores the organization's unique characteristics, including its culture, structure, and environment, that significantly impact control effectiveness. The third step is analyzing organization’s existing MCS. It examines the existing MCS to identify its strengths and weaknesses. Finally researchers can discover the control problems. This is a key step in recognizing symptoms of control problems that may hinder achieving organizational objectives. Through a step-by-step discussion of these steps, the following subsections will explore practices, challenges, and approaches to comprehensively discovering control problems.

First Step: Identifying Organizational Objectives

Organizational objectives are the basis of all control efforts (Anthony, 1965; Merchant & Stede, 2023; Simons, 1994). Strategic objectives are usually long-term and related to the vision and mission of the organization (Bedford et al., 2016). Meanwhile, tactical and operational objectives focus on achieving targets in a shorter time scale. The success of control depends greatly on the clarity and consistency of these objectives (Henri, 2006) . If organizational objectives are unclear, then all control efforts can become unfocused. In practice, many organizations face problems when their strategic objectives are not properly translated into tactical and operational actions (Bedford, 2020; Bedford et al., 2016). This often occurs due to a lack of communication between top management and operational staff. In addition, goals that are too ambitious or unrealistic can be a source of control problems. Employees' motivation to perform to standards will decrease when they feel that the goals are unattainable. Therefore, management needs to ensure that organizational objectives are achievable and understood by all parties involved.

Organizational objectives can be reflected through various data sources, each offering unique insights into the goals and priorities of an organization. Vision and mission statements articulate the organization’s long-term aspirations and core values, serving as a foundation for all strategic planning. These statements often highlight the organization's desired impact on its stakeholders and market, establishing the overarching purpose that guides its operations. Those statements usually shown on organization’s website and in form of physical artefact in the organization’s office as found by MAT and JAW. Strategic planning documents, such as multi-year plans or strategic roadmaps, translate these high-level aspirations into specific long-term goals, outlining priorities, resource allocation, and key

performance indicators to measure success (Merchant & Stede, 2023). Additionally, annual work or operational plans break down strategic objectives into actionable, short-term targets for teams and departments, detailing timelines, responsibilities, and deliverables. These documents are crucial for connecting strategic goals with day-to-day activities. Supporting these formal documents, performance management reports further clarify how the organization monitors and implements objectives. These diverse sources provide a comprehensive picture of an organization's objectives, enabling researchers and managers to evaluate their clarity, alignment, and relevance to the organization's operations and control systems.

To identify organizational objectives effectively, the methodology for data collection plays a critical role, especially when facing diverse organizational contexts as observed in the studies conducted by the six students. Document analysis becomes a primary method in organizations where formal written objectives are available, such as those studied by MAT and JAW. MAT utilized organizational documents like vision and mission statements, job descriptions, and SOPs to confirm aligning strategic objectives with tactical and operational goals. Similarly, JAW analyzed sustainability reports, employee handbooks, and departmental documents to understand how spiritual values and objectives integrated into the organization's goals. This approach ensured that their findings were rooted in verifiable evidence and reflected the formal intentions of the organizations.

Conversely, in cases where organizational objectives were not formally documented, such as those studied by BIN, TAS, NAF, and MIS, the reliance on interviews and observations became paramount. Semi-structured interviews with key stakeholders, such as owners, managers, and employees, allowed these students to uncover implicit objectives and understand how goals were communicated and perceived within the organization. For instance, BIN's research in the restaurant business depended heavily on interviews to uncover operational objectives related to service quality. TAS leveraged interviews to interpret franchisee regulations and operational goals, while NAF and MIS used similar methods to extract unwritten objectives tied to customer value and operational excellence.

Table 2. Suggested Data Collection Method to Identify Organizational Objectives

Situations	Suggested Data Collection Method		
	Interview	**Observation**	**Document Analysis**
If the organization has formal (written) objectives.	Semi-structured interviews with top management and/or middle level management, and key employees.	Participant/non-participant observation of daily operational activities, physical artefacts of organizational objectives, meetings and planning sessions.	Analyze vision and mission statements, strategic plans, annual work plans, and performance reports.
	Purpose: To understand perceptions of objectives, how they are communicated, and alignment across levels.	**Focus on:** How objectives are discussed, communicated, and integrated into operational plans.	**Focus on:** Evaluate clarity, and alignment of the organizational objectives.
If the organization does not have formal (written) objectives, even does not have clear objectives.	Semi-structured interviews with owners, managers/supervisors, and employees.	Participant/non-participant observation of daily operations and decision-making processes.	Review informal records (e.g., meeting notes, memos, internal communications) only if available.
	Purpose: To uncover implicit objectives and understand how goals are set and communicated informally.	**Focus on:** How informal goals are implemented and reflected in activities and behaviors.	**Focus on:** Identify patterns or themes indicating implicit objectives.

In addition to interviews, observations provided an essential perspective on how organizational objectives were enacted in practice. For instance, BIN and MIS employed non-participant observation to understand how unwritten objectives influenced daily behaviors and decision-making processes. This approach helped validate the interview findings by comparing stated objectives with

actual practices. Meanwhile, TAS and JAW used participant observation to delve deeper into how goals were operationalized, offering unique insights into the interplay between formal and informal objectives in guiding behavior.

By combining these methodologies, document analysis where formal objectives existed, and interviews triangulated with observations where objectives were informal, students could construct a comprehensive understanding of organizational objectives. This triangulation ensured the reliability of their findings Sridharan (2020) and highlighted the critical role of tailored data collection strategies in capturing the nuances of organizational goals across varying contexts. The diversity of methods employed across formal and informal settings also emphasizes the need for flexibility and adaptability in identifying organizational objectives.

The clarity and communication of organizational objectives are crucial for control effectiveness. Document analysis confirmed alignment between stated strategic goals and operational activities in organizations with formal objectives (e.g., MAT and JAW's cases). In contrast, in organizations with informal or unwritten objectives (e.g., BIN, TAS, NAF, MIS), interviews and observations were critical in uncovering implicit goals that guided daily decision-making. Interviews with owners, managers, and key employees provided insights into how objectives were understood and whether they were consistently communicated across hierarchical levels. Gaps in responses between management and employees indicated misalignment. Observation of daily operations helped verify whether stated objectives translated into actual practices. Discrepancies between management claims and employee behaviors pointed to a lack of direction in control. Document analysis was crucial where formal objectives existed, verifying whether stated goals were measurable, specific, and aligned with organizational priorities. The methodological triangulation confirms that unclear or inconsistent objectives are a primary cause of control problems. Organizations without formal objectives rely on implicit controls, leading to inconsistencies in enforcement and decision-making.

Second Step: Understanding Organization's Nature

MCS can be applied to various organizations such non-profit organizations to various business sectors, various scales of organizations from small to giant companies, various ethnic and cultural-based organizations, and mindfulness, spirituality, sustainability-oriented organizations. So understanding the context of the organization's nature becomes important at initial stage of MCS development. Understanding the nature of an organization, which includes its organizational structure, business operations or interests, and organizational culture, is crucial in discovering control problems effectively. The organizational structure determines the hierarchy, division of responsibilities, and communication flows within the organization, all of which influence the design and effectiveness of MCS (Jukka & Pellinen, 2020). A rigid or overly hierarchical structure may hinder decision-making and responsiveness, while an overly simplistic structure can lead to role ambiguity and inefficiencies. Similarly, the business or organizational interests shape the priorities and objectives the control system must support. For example, a nonprofit organization may prioritize social impact over financial returns, requiring controls focusing on outcomes rather than profit. Lastly, the organizational culture, encompassing shared values, norms, and behaviors, significantly shapes how employees respond to and interact with control mechanisms. A culture emphasizing collaboration and innovation may require flexible and participatory control systems, while a compliance-focused culture may rely on stricter, rule-based controls (Kraus et al., 2017). By thoroughly understanding these aspects, organizations can ensure that their MCS is tailored to their unique context, discovering control problems in a way that aligns with their structural, operational, and cultural realities.

In addition, several other factors can also define an organization's nature and play a critical role in discovering control problems. External factors can influence how control mechanisms must be designed to ensure adaptability and compliance. Another critical element is organization's life cycle stage, such as whether it is in a startup, growth, maturity, or renewal phase. Organizations at different stages often face unique challenges that require distinct control approaches. Additionally, the scale of operations, including geographic dispersion and the diversity of products or services, can shape control requirements, as larger and more diverse organizations may require more complex and integrated MCS. Finally, the stakeholder ecosystem, including investors, customers, employees, and community groups, further defines organizational nature by influencing objectives and expectations. Understanding these broader dimensions ensures a more holistic view of an organization's nature, enabling better alignment of MCS with its specific needs and context.

Understanding an organization's nature requires a tailored approach to data collection, as demonstrated by the six students' research in different organizational contexts. Each organization presented unique characteristics, necessitating a combination of methodologies (interviews, observations, and document analysis) to comprehensively capture its structure, operations, and cultural nuances. For instance, TAS researched a franchisor company operating within the rigid framework of franchisee regulations. Here, document analysis of franchise agreements, SOPs, and regulations was critical in understanding the organizational boundaries imposed by the franchise model. This analysis provided insights into the limited managerial flexibility in decision-making. Meanwhile, interviews with supervisors and operators helped TAS explore how these restrictions impacted daily operations and employee adaptability within the set framework.

In contrast, MAT studied a company with international sales, requiring an understanding of its global operational dynamics. For MAT, interviews with managers and employees were essential to understand how international markets influenced strategic decision-making and internal control. Additionally, observations of workplace practices provided insights into how global demands shaped local operations, revealing the interplay between international standards and local adaptations. Similarly, JAW faced a multinational corporation with globally standardized practices. Here, document analysis of global policies, sustainability reports, and employee handbooks helped uncover the uniform standards applied across locations. However, participant observation of housekeeping activities and cultural interactions during an internship offered unique insights into how these global standards were adapted to local contexts, particularly in implementing spiritual and corporate values.

Table 3. Suggested Data Collection Method to Understanding Organization's Nature

Situations	Suggested Data Collection Method		
	Interview	**Observation**	**Document Analysis**
Formal organization	Semi-structured interviews with top management and/or middle level management, and key employees.	Participant/non-participant observation of meetings, workflows, and formal events.	Analyze organograms, SOPs, strategic plans, and employee handbooks.
	Purpose: To understand structural roles, decision-making processes, and cultural dynamics.	**Focus on:** Adherence to SOPs, decision-making processes, and interactions.	**Focus on:** Evaluate structural design, policy effectiveness, and alignment with objectives.
Less formal or semi-formal, or informal organization	Semi-structured interviews with owners, managers/supervisors, and employees.	Participant/non-participant observation of daily operations and informal interactions within organization.	Review informal records (e.g., memos, meeting notes) only if available.
	Purpose: To uncover implicit structures, cultural norms, and informal decision-making processes.	**Focus on:** Behavioral patterns, informal communication, and adaptability to changes.	**Focus on:** Identify implicit structures, informal guidelines, and cultural influences.

On the other hand, students researching individual businesses, such as BIN, NAF, and MIS, encountered organizations deeply rooted in local cultures, reflecting the personal values of their owners and employees. In these contexts, interviews with owners, managers, and employees provided rich qualitative data on how cultural beliefs influenced decision-making and control mechanisms. Observations of daily operations further revealed how these cultural dynamics manifested in informal practices, often deviating from documented policies. In some cases, the lack of formal documents emphasized the critical role of verbal communication and unwritten norms in shaping organizational behavior. By adapting their methods to the unique nature of each organization, the students demonstrated how a combination of interviews, observations, and document analysis can uncover an organization's structural, operational, and cultural dimensions. This data triangulation ensures a comprehensive understanding of the organization's nature, enabling more accurate identification of control problems and tailored solutions.

The nature of an organization (including its structure, cultural norms, and external environment) shapes the feasibility and effectiveness of control systems. Highly structured organizations (e.g., JAW, MAT) rely on standardized controls, whereas small businesses (e.g., BIN, NAF, MIS) depend on informal, relationship-based controls. Franchise-based organizations (e.g., TAS) have external control constraints that limit managerial autonomy. Interviews revealed how decision-making authority, hierarchy, and cultural values influenced control effectiveness. Variations in employee responses indicated potential control gaps, particularly in informal businesses where structures were loosely defined. Observation provided real-time insights into how control mechanisms were applied in practice. Participant observation (e.g., JAW, TAS) helped uncover cultural nuances in employee adherence to policies, while non-participant observation (e.g., BIN, MIS) identified informal workarounds used in daily operations. Document analysis of organizational charts, SOPs, and employee handbooks verified whether formalized structures supported the MCS's objectives. Where inconsistencies were found, they indicated misalignment between organizational nature and control design. Understanding an organization's nature is essential to diagnosing structural control problems. Overly rigid structures may stifle adaptability, while informal structures may result in accountability issues. Organizations need a context-specific approach to control, balancing formal and informal mechanisms to enhance compliance and efficiency.

Third Step: Analyzing Organization's Existing MCS

Understanding the existing MCS is a critical step in discovering control problems, as deficiencies in the current system often serve as the root cause of behavioral misalignment and operational inefficiencies. Analyzing the existing MCS allows researchers and managers to identify gaps in design, implementation, or integration that may hinder the organization's ability to achieve its objectives. For instance, poorly defined performance metrics, outdated information systems, or insufficient integration between departments can result in control problems. Recognizing these deficiencies is essential for designing more effective controls tailored to the organization's unique context and challenges. However, it is important to acknowledge that perfect control is unrealistic. No MCS can be so flawlessly designed that it guarantees good behaviors in all circumstances. This highlights the importance of a thorough analysis that evaluates the current system's effectiveness and identifies opportunities for improvement and adaptation. By examining the strengths and weaknesses of the existing MCS, organizations can pinpoint areas where controls fail to support strategic objectives or where employee behaviors deviate from desired norms. Understanding the existing MCS enables organizations to discover control problems more effectively, ensuring that their systems remain aligned with their goals and the realities of their operational environment.

Table 4. Developed MCS Framework Comparison

Authors	MCS Framework Proposition
Anthony (1965)	Propose MCS framework in terms of formal, financial-focused controls to ensure that organizational activities align with strategic and operational goals through structured planning and performance measurement.
Simons (1994)	Introduces the levers of control, emphasizing the dynamic balance between diagnostic, interactive, beliefs, and boundary systems to achieve strategic goals.
Efferin & Hopper (2007)	Propose MCS framework which focuses on the interplay between culture and MCS, exploring how ethnic and societal norms shape the design and implementation of MCS.
Malmi & Brown (2008)	Propose a framework that conceptualizes MCS as a package, encompassing various components such as cultural, planning, cybernetic, reward, and administrative controls that influence organizational behavior.
Efferin & Soeherman (2010)	Propose a MCS framework that examines the role of cultural and historical contexts from Sun Tzu's art of war in shaping MCS, in post-colonial settings.
Efferin (2016)	Propose MCS framework which highlights the integration of spirituality into MCS, emphasizing how spiritual values influence control practices and organizational behavior.
Soeherman (2017)	Propose MCS framework which underscores the impact of local cultural and religious influences on the adaptation and implementation of MCS in Indonesian organizations.
Merchant & Stede (2023)	Propose MCS framework which categorizes control systems into result, action, personnel, and cultural controls, focusing on ensuring that behaviors align with organizational objectives through clear mechanisms.

Analyzing an organization's existing MCS requires a clear and well-defined framework as the basis for evaluation, given the diverse and evolving concepts of MCS developed in the literature. Over the years, scholars have presented varying perspectives on MCS, from traditional definitions focusing on formal, financial-based controls Anthony (1965) to broader frameworks that include informal and cultural aspects (Efferin, 2016; Efferin & Hopper, 2007; Efferin & Soeherman, 2010; Malmi & Brown, 2008; Merchant & Van der Stede, 2023; Simons, 1994; Soeherman, 2017). An appropriate framework is essential to ensure that the analysis is comprehensive, relevant, and aligned with the organization's unique characteristics. For example, a traditional framework may suit organizations with highly structured, performance-driven systems. In contrast, a broader package-based approach may better address organizations with complex, decentralized, or culturally nuanced environments. Here are some developed MCS frameworks, as shown on Table 4, we suggest to choose as the basis of MCS analysis process.

By grounding the analysis in a specific framework, researchers can systematically evaluate the MCS's design, implementation, and effectiveness of the MCS in supporting organizational goals. Without a clear framework, the analysis risks becoming fragmented or biased, as different aspects of MCS may be overlooked or overemphasized. The chosen framework also serves as a benchmark for identifying deficiencies and opportunities for improvement, providing a structured path for evaluating how well the MCS aligns with the organization's objectives, nature, and operational context. This clarity ensures that the analysis identifies symptoms of control problems and provides actionable insights into their root causes, enabling the development of targeted and effective solutions.

Table 5. Suggested Data Collection Method to Understanding Organization's Existing MCS

Situations	Suggested Data Collection Method		
	Interview	**Observation**	**Document Analysis**
Formal organization	Semi-structured interviews with top management and/or middle level management, and key employees.	Participant/non-participant observation of data reporting processes, performance reviews, and control system usage.	Analyze system manuals, performance reports, audit records, and policy documents.
	Purpose: To understand the design, implementation, and perception of MCS effectiveness.	**Focus on:** Practical application of MCS, decision-making, and system adherence.	**Focus on:** Identify formally designed MCS.
Less formal or semi-formal, or informal organization	Semi-structured interviews with owners, managers/supervisors, and employees.	Participant/non-participant observation of daily operations, meetings, and organizational interactions.	Review informal documents (e.g., internal memos, spreadsheets) and operational logs only if available.
	Purpose: To uncover informal control mechanisms and perceived strengths or weaknesses of the MCS.	**Focus on:** Informal control practices, adaptability, and reliance on interpersonal relationships.	**Focus on:** Identify informal control processes, key indicators, and flexibility in system application.

Understanding the form of an existing MCS and evaluating its effectiveness requires a tailored approach to data collection Jukka & Pellinen (2020), as demonstrated by the six students' research across diverse organizational contexts. Each methodology (interviews, observations, and document analysis) plays a unique role in uncovering the MCS's strengths, weaknesses, and practical applications, ensuring a comprehensive evaluation aligned with the specific nature of each organization. MAT, BIN, TAS, NAF, and MIS choose MCS framework developed by Merchant & Stede (2023) as a basis for evaluating their research objects' MCS because of its suitability to the organizations' form. However, JAE, because the object of its research is a spiritual-based organization, uses the Efferin (2016) framework. For instance, TAS, who researched a franchisor company operating under strict franchisee constraints, utilized document analysis of franchise agreements, SOPs, and operational manuals to assess the formal structure of the MCS. This method revealed how compliance-focused controls were enforced, leaving minimal room for managerial innovation. Meanwhile, interviews with managers highlighted challenges in adapting these rigid controls to unique local circumstances, such as market variations or workforce

dynamics. In contrast, MAT, examining a globally operating company, relied on interviews with senior management to understand how international control standards influenced local practices (Kornacker et al., 2018). Observations of day-to-day operations provided additional insights into how MCS components, such as performance metrics and reporting systems, were integrated across borders. This approach helped evaluate the alignment between global objectives and localized implementations of the MCS (Baird et al., 2019; Pfister et al., 2023). Similarly studying a multinational corporation, JAW used participant observation to assess how globally standardized control systems were enacted within the housekeeping department. This allowed for a practical evaluation of how spiritual and corporate values were integrated into the control framework. Document analysis of global policies further validated the consistency and applicability of these controls across different cultural contexts.

For individual businesses, such as those studied by BIN, NAF, and MIS, the absence of formalized MCS documentation made interviews and observations indispensable. For example, BIN interviewed owners and managers to understand informal control mechanisms, such as verbal directives and relationship-based accountability. Observations of restaurant operations provided a direct view of how these informal controls shaped employee behavior and decision-making. Similarly, NAF and MIS used interviews to explore how owner-driven controls influenced daily operations, while observations revealed gaps between stated controls and actual practices.

By combining these methods on Table 5, each student could evaluate not only the design and implementation of the MCS but also its effectiveness in achieving organizational goals. This triangulation ensured that the findings reflected formal structures and practical realities, providing actionable insights into how control systems could be improved to address specific organizational challenges. This methodological flexibility highlights the importance of adapting data collection strategies to each organization's unique context, ensuring a robust understanding of the MCS and its impact.

The effectiveness of an MCS is determined by its alignment with organizational goals and nature. Organizations with well-documented control systems (e.g., JAW, MAT) exhibited structured compliance mechanisms, whereas informal businesses (e.g., BIN, NAF, MIS) operated with flexible, behavior-driven controls. The analysis also found rigid franchise constraints (e.g., TAS) limited managerial control innovation. Interviews helped identify whether employees and managers perceived the control system as effective, fair, and supportive of organizational goals. Divergent perceptions suggested motivational control issues, where employees resisted or misunderstood controls. Observation was critical in assessing whether controls were implemented as intended. Non-compliance, employee workarounds, or procedural inefficiencies observed in daily operations highlighted control design or enforcement deficiencies. Document analysis provided an objective basis for evaluating control system design, including how well SOPs, performance measurement tools, and reporting mechanisms aligned with organizational objectives. Where discrepancies existed between documented controls and actual practices, they indicated gaps in control system integration. So, a structured analysis of existing MCSs reveals whether control problems arise from flawed system design, misalignment with organizational goals, or poor enforcement. Managers and researchers should conduct periodic assessments integrating qualitative assessments (interviews, observations) with document-based reviews to detect and resolve control inefficiencies.

Final Step: Discover The Control Problems

The final step in identifying control problems focuses on synthesizing insights from the previous three steps to move from identifying symptoms to uncovering the root causes of control problems. Each step provides valuable, incomplete, perspectives on the organization’s challenges. When integrated systematically, these insights form a coherent narrative highlighting the organization's underlying control problems. This step transforms fragmented symptoms, such as misaligned objectives, inefficiencies in structure, or deficiencies in MCS design, into a clear understanding of the broader issues undermining the organization's performance. For instance, identifying organization’s goals reveals potential gaps in alignment or communication of objectives, which may manifest as a lack of direction within the organization. However, these symptoms alone do not explain whether the problem stems from the organizational structure, cultural dynamics, or flaws in the existing MCS. Similarly, understanding organization’s nature highlights how structural complexities or cultural norms influence control mechanisms, while analyzing existing MCS identifies operational inefficiencies, poorly integrated systems. By combining these findings, researchers can only trace how these elements interact and pinpoint the root causes of control problems (Sridharan, 2020).

The role of data collection methodologies is pivotal in this integrative process. Interviews provide qualitative insights into individual and managerial perspectives, uncovering subjective experiences that hint at underlying issues. For example, interviews may reveal that employees perceive organizational goals as unclear or unattainable, which could be a symptom of misaligned communication. On the other hand, observations add depth by showcasing how controls are enacted in real-world settings, capturing behaviors and practices that deviate from intended procedures. This helps validate or challenge interview findings by comparing stated objectives or processes with actual practices. Meanwhile, document analysis provides a formal, objective lens to examine whether the organization's policies, strategic plans, and operational frameworks align with its stated objectives. Documents serve as benchmarks to compare against both interview narratives and observational findings. To strengthen the analysis, questionnaire surveys can complement these methods by capturing collective employee perspectives on the effectiveness of MCS and identifying potential motivational or capability-related issues. Quantitative data from surveys provide a broad view that supports or contrasts with qualitative insights (Sekaran & Bougie, 2019), ensuring a balanced understanding of control problems. Triangulation is essential in weaving these disparate data points into a reliable and comprehensive picture of control problems. Researchers can reduce biases, confirm inconsistencies, and establish robust conclusions by cross-referencing findings from interviews, observations, document analysis, and surveys (Neuman, 2009; Sekaran & Bougie, 2019; Sridharan, 2020). For example, gaps between strategic plans and operational actions identified through document analysis can be validated by employee feedback from surveys and observations of day-to-day practices. This integration of methods ensures that the identified control problems are not only rooted in fact but also actionable. Ultimately, this final step brings coherence to the insights from previous steps, moving beyond symptoms to uncover the true nature of control problems. By systematically integrating and validating data, organizations can develop targeted solutions that address both structural and behavioral issues, ensuring that their MCS effectively supports achieving strategic objectives.

By synthesizing insights from the first three steps, control problems were categorized into lack of direction, motivational problems, and personal limitations (Merchant & Stede, 2023). Organizations with poorly communicated objectives exhibited direction-related control issues, while businesses relying on informal controls faced motivational inconsistencies. Personal limitations were evident where employees lacked the skills or resources necessary to perform effectively within the MCS. Interviews uncovered subjective perspectives on challenges related to unclear expectations, inadequate training, or lack of motivation. Patterns in responses across different levels of the organization helped confirm whether issues were systemic or localized. Observation validated whether stated problems were visible in employee behavior, task execution, or compliance with established procedures. Direct observations confirmed gaps in adherence, inefficiencies in process execution, and instances of informal workarounds. Document analysis served as an empirical benchmark, verifying whether stated control mechanisms were properly defined, monitored, and enforced. Inconsistencies between documented controls and real-world execution reinforced findings from interviews and observations. Survey (where applicable) added quantitative validation, capturing employee perspectives on the effectiveness and fairness of control measures. This method strengthened reliability by identifying trends in control issues across a broader sample. This integrated methodology ensures that control problems are diagnosed systematically rather than inferred from isolated observations. The triangulation of data sources enhances reliability, reducing bias and increasing confidence in findings. Organizations should adopt a multi-method approach when assessing control effectiveness, integrating employee feedback with real-world observations and policy evaluations.

Figure 1 shows the conceptual framework for discovering organizational control problems based on our findings. The figure illustrates the interconnected steps necessary to diagnose and address control problems systematically. The framework begins with the first step, laying the foundation by clarifying strategic, tactical, and operational goals. This step ensures that all control efforts are aligned with the organization's overarching vision and mission. The second step is about understanding the organization’s structural, cultural, and environmental characteristics. This step contextualizes the objectives within the realities of the organization, ensuring that the control mechanisms are suitable for its specific operational and cultural dynamics. The third step is about understanding the existing MCS on an organization and evaluating their design and effectiveness. This step bridges the organization's goals and practical implementation of control measures by identifying deficiencies, such as gaps in performance monitoring or outdated controls.

The arrows connecting these steps emphasize their reciprocal relationships. Insights from each step inform the others, creating a dynamic flow of information. Arrow which connecting the first step to the second step, we call it goal alignment check, explains that organizational objectives provide a benchmark to evaluate whether the organization's nature (including structure, culture, and environment) supports achieving these goals. However, opposite direction of the arrow, we call it contextual adaptation check, explains that the organization's nature informs whether objectives are realistic, achievable, and aligned with the internal and external context.

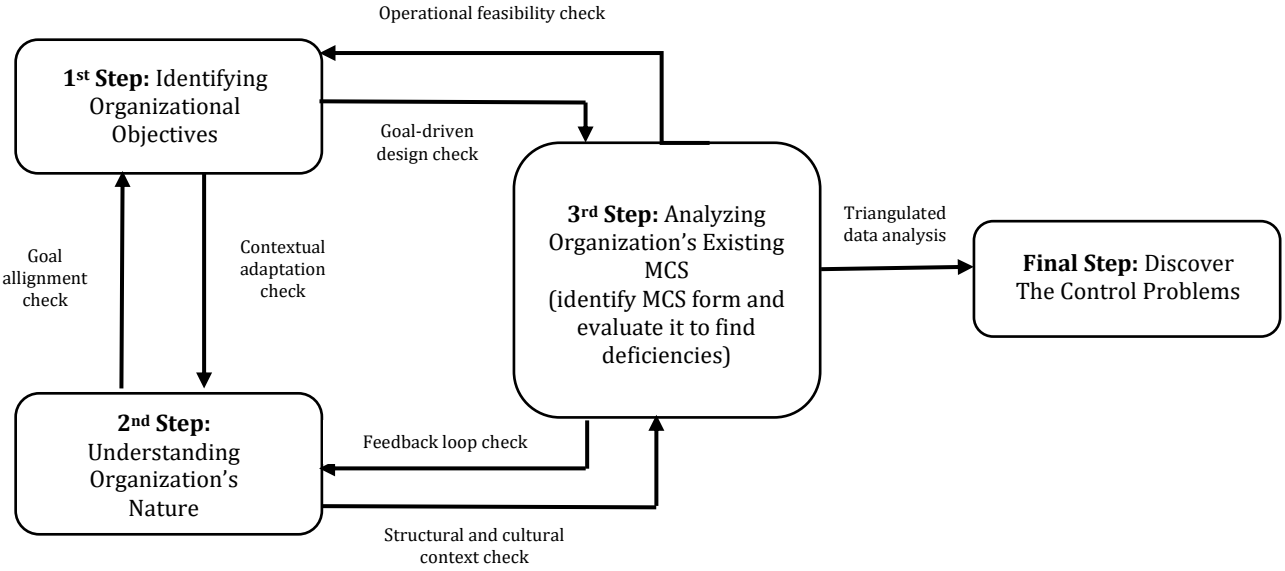

Figure 1. Conceptual Framework for Discovering Control Problems in Organizations

Arrow which connects the second step to the third step, we call it as structural and cultural context check, explains how understanding the organization's nature helps evaluate whether the existing MCS aligns with the organization's structure, culture, and operational needs. Nevertheless, opposite direction of the arrow, we call it feedback loop check, explains how to analyze the existing MCS provides insights into how well it reflects and addresses the organization's structural and cultural dynamics. Arrow which connects the first step to the third step, we call it goal-driven design check, explains that organizational objectives define what the MCS should achieve, guiding the evaluation of its design and effectiveness. However, opposite direction of the arrow, we call it operational feasibility check, explains how the analysis of the existing MCS reveals whether it effectively supports the achievement of the organizational objectives or if adjustments are needed.

Finally, the steps converge in the final step, where data from the previous stages is synthesized through triangulation to uncover root causes of control issues. This integrated approach ensures a comprehensive understanding of the organization's control challenges, providing actionable insights for developing targeted and effective solutions. The framework underscores the importance of systematic evaluation and iterative feedback in discovering organizational control problems.

CONCLUSION

This study develops a conceptual framework for discovering organizational control problems by integrating three key steps: identifying organizational objectives, understanding the organization's nature, and analyzing the existing MCS. The framework emphasizes the importance of aligning objectives with organizational structure, culture, and MCS, highlighting the role of triangulation in synthesizing data from interviews, observations, document analysis, and surveys to uncover root causes of control problems. To enhance the applicability of this research, practical recommendations should be provided for both practitioners and academics. For managers, implementing this framework requires a structured assessment of their existing MCS. First, organizations should conduct a goal alignment review by ensuring that strategic, tactical, and operational objectives are well-communicated across all levels. This can be achieved through regular strategic planning sessions, employee feedback mechanisms, and performance review meetings. Second, organizations must assess their structure and culture to determine whether their control mechanisms are suited to their operational environment. Businesses operating in highly structured industries may benefit from formalized, process-driven controls, while

those in dynamic markets should consider flexible, adaptive MCS frameworks. Third, companies should assess their existing MCS by integrating employee feedback with direct performance evaluations, ensuring that control measures are well-designed and effectively implemented and adhered to.

Consider a franchise-based organization struggling with inconsistencies in service quality across different outlets. Applying this framework, management could start by identifying misalignment in objectives. For example, while corporate leadership emphasizes customer satisfaction, individual outlets may prioritize cost-cutting. Next, an assessment of organizational nature could reveal structural limitations, such as rigid franchise policies preventing managers from adapting service strategies to local customer expectations. A review of the existing MCS might show a disconnect between performance evaluations and actual service quality, leading to ineffective control enforcement. Using this framework, management could redesign the MCS by introducing balanced performance metrics that align financial goals with service excellence, implementing periodic staff training to reinforce standards, and allowing for greater managerial autonomy within pre-defined quality benchmarks. By integrating these recommendations, organizations can systematically diagnose and address control issues, improving operational efficiency and strategic goal attainment. This framework provides a structured approach for diagnosing and assessing control problems across various organizational contexts.

For academics, this framework provides a structured approach to diagnosing control problems systematically. Future research can apply this model across different industries, comparing how control issues manifest in sectors with varying regulatory environments, levels of technological integration, and workforce compositions. This will allow further refinement of the framework to enhance its generalizability and effectiveness in diverse organizational settings. The developed MCS frameworks provide concrete solutions to each control problem but do not provide a mechanism for revealing control problems. Theoretically, it fills gaps in existing MCS literature by offering a comprehensive mechanism to discover control problems effectively, from symptoms to root causes. However, this study has limitations on specific research objects, so it cannot be generalized but can be developed for further research to test the robustness of this conceptual framework. While the findings are highly relevant, further research can be developed on different sample objects. Because MCS is like an art, each organization is unique and has a different condition. So, future research should explore how informal organizations can institutionalize objectives without compromising operational flexibility; examine how businesses transition between control structures as they scale or operate in diverse cultural settings; explore adaptive control systems that balance structure and flexibility in dynamic business environments; and refine this framework for industry-specific applications, particularly in sectors with rapidly changing regulatory or operational conditions.

STATEMENT OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

ACKNOWLEDGMENT

Special thanks to our students, who have inspired us through their thesis journey in the MCS area. Your mission in providing recommendations to the research objects is a noble, as academicians. Also, special thanks to the School of Accounting University of Surabaya which has facilitated the meaningful guidance process between lecturers and students as part of this research.

REFERENCES

Ammar, S., & Hassan, M. K. (2024). *Entrepreneurial Cognitive Styles And Configurations Of Management Control Systems In Smes* (Pp. 145–191). https://doi.org/10.1108/s1474-787120240000036006

Anthony, R. N. (1965). *Planning And Control Systems: A Framework For Analysis*. Boston: Harvard University.

Baird, K., Su, S., & Munir, R. (2019). Levers Of Control, Management Innovation And Organisational Performance. *Pacific Accounting Review*, *31*(3), 358–375. https://doi.org/10.1108/par-03-2018-0027

Baird, K., Tung, A., & Moses, A. (2023). *The Corporate Social Responsibility Disclosure-Action Portrayal Gap: The Influence Of Management Control Systems And The Association With Organisational Performance* (Pp. 83–116). https://doi.org/10.1108/s1474-787120220000034004

Bauer, P., & Greiling, D. (2024). Management Controls For Contributing To The Promotion Of Sustainable Development In Public Sector Organizations—Status Quo And Further Research. *Sustainable Development*. https://doi.org/10.1002/sd.3292

Bedford, D. S. (2020). Conceptual And Empirical Issues In Understanding Management Control Combinations. *Accounting, Organizations And Society*, *86*, 101187. https://doi.org/10.1016/j.aos.2020.101187

Bedford, D. S., Malmi, T., & Sandelin, M. (2016). Management Control Effectiveness And Strategy: An Empirical Analysis Of Packages And Systems. *Accounting, Organizations And Society*, *51*, 12–28. https://doi.org/10.1016/j.aos.2016.04.002

Burghardt, J., & Möller, K. (2023). The Use Of Management Controls To Enhance The Perception Of Meaningful Work – A Systematic Literature Review And Conceptional Model Development. *Journal Of Accounting Literature*, *45*(2), 209–255. https://doi.org/10.1108/jal-07-2022-0073

Chapman, C. S., Grabner, I., & Moers, F. (2020). Introduction To The AOS Special Issue On Management Control As System Or Package. *Accounting, Organizations And Society*, *86*, 101194. https://doi.org/10.1016/j.aos.2020.101194

Chenhall, R. H., & Moers, F. (2015). The Role Of Innovation In The Evolution Of Management Accounting And Its Integration Into Management Control. *Accounting, Organizations And Society*, *47*, 1–13. https://doi.org/10.1016/j.aos.2015.10.002

Cooper, C. (2015). Entrepreneurs Of The Self: The Development Of Management Control Since 1976. *Accounting, Organizations And Society*, *47*, 14–24. https://doi.org/10.1016/j.aos.2015.10.004

Deore, A., Gallani, S., & Krishnan, R. (2023). The Effect Of Systems Of Management Controls On Honesty In Managerial Reporting. *Accounting, Organizations And Society*, *105*, 101401. https://doi.org/10.1016/j.aos.2022.101401

Efferin, S. (2016). *Sistem Pengendalian Manajemen Berbasis Spiritualitas*. Jakarta: Rumah Peneleh.

Efferin, S., & Hopper, T. (2007). Management Control, Culture And Ethnicity In A Chinese Indonesian Company. *Accounting, Organizations And Society*, *32*(3), 223–262. https://doi.org/10.1016/j.aos.2006.03.009

Efferin, S., & Pontjoharyo, W. (2006). Chinese Indonesian Business In The Era Of Globalization: Ethnicity, Culture And The Rise Of China. In *Southeast Asia's Chinese Businesses In An Era Of Globalization: Coping With The Rise Of China* (Pp. 102–161). ISEAS–Yusof Ishak Institute. https://www.cambridge.org/core/product/0cc927f176dbaa9b0d1aed5763fc4e90

Efferin, S., & Soeherman, B. (2010). *Seni Perang Sun Zi Dan Sistem Pengendalian Manajemen: Filosofi Dan Aplikasi*. Jakarta: Elex Media Komputindo.

El Masri, T., Tekathen, M., Magnan, M., & Boulianne, E. (2017). Calibrating Management Control Technologies And The Dual Identity Of Family Firms. *Qualitative Research In Accounting & Management*, *14*(2), 157–188. https://doi.org/10.1108/qram-05-2016-0038

Eriksson, K., Häyrén, A., & Wittbom, E. (2024). Management Control Shaping Dialogues: Attaching Differences And Reducing The Scope Of Dialogs And Pluralism. *Financial Accountability & Management*. https://doi.org/10.1111/faam.12417

Fullerton, R. R., Kennedy, F. A., & Widener, S. K. (2013). Management Accounting And Control Practices In A Lean Manufacturing Environment. *Accounting, Organizations And Society*, *38*(1), 50–71. https://doi.org/10.1016/j.aos.2012.10.001

Henri, J.-F. (2006). Management Control Systems And Strategy: A Resource-Based Perspective. *Accounting, Organizations And Society*, *31*(6), 529–558. https://doi.org/10.1016/j.aos.2005.07.001

Jukka, T., & Pellinen, J. (2020). Exploring Management Control System Typologies: An Organisation-Level View. *Journal Of Accounting & Organizational Change*, *16*(3), 427–445. https://doi.org/10.1108/jaoc-11-2019-0116

King, R., & Clarkson, P. (2015). Management Control System Design, Ownership, And Performance In Professional Service Organisations. *Accounting, Organizations And Society*, *45*, 24–39. https://doi.org/10.1016/j.aos.2015.06.002

Kornacker, J., Trapp, R., & Ander, K. (2018). Rejection, Reproduction And Reshaping – A Field Study On Global Budget Control Practices In Multinational Companies. *Qualitative Research In Accounting & Management*, *15*(1), 24–52. https://doi.org/10.1108/qram-02-2017-0011

Kraus, K., Kennergren, C., & Von Unge, A. (2017). The Interplay Between Ideological Control And Formal Management Control Systems – A Case Study Of A Non-Governmental Organisation. *Accounting, Organizations And Society*, *63*, 42–59. https://doi.org/10.1016/j.aos.2016.02.001

Kurtmollaiev, S., & Aas, T. H. (2023). Repurposed: Management Control In Innovation Leadership. In *Innovation Leadership In Practice: How Leaders Turn Ideas Into Value In A Changing World* (Pp. 243–257). Emerald Publishing Limited. https://doi.org/10.1108/978-1-83753-396-120231013

Malmi, T., & Brown, D. A. (2008). Management Control Systems As A Package—Opportunities, Challenges And Research Directions. *Management Accounting Research*, *19*(4), 287–300. https://doi.org/10.1016/j.mar.2008.09.003

Merchant, K. A., & Van Der Stede, W. A. (2023). *Management Control Systems: Performance Measurement, Evaluation And Incentives* (5th Ed.). Harlow: Pearson Education.

Neuman, W. L. (2009). *Social Research Methods: Qualitative And Quantitative Approaches* (7th Ed.). Harlow: Pearson Education Limited.

Neuman, W. L. (2019). *Social Research Methods: Qualitative And Quantitative Approaches* (8th Ed.). Harlow: Pearson Education Limited.

P N, S., & Kunnathur, A. S. (2015). Information Security In Supply Chains: A Management Control Perspective. *Information & Computer Security*, *23*(5), 476–496. https://doi.org/10.1108/ics-07-2014-0050

Pagliarussi, M. S., & Leme, M. A. (2020). The Institutionalization Of Management Control Systems In A Family Firm. *Qualitative Research In Accounting & Management*, *17*(4), 649–673. https://doi.org/10.1108/qram-12-2019-0128

Pfister, J. A., Peda, P., & Otley, D. (2023). A Methodological Framework For Theoretical Explanation In Performance Management And Management Control Systems Research. *Qualitative Research In Accounting & Management*, *20*(2), 201–228. https://doi.org/10.1108/qram-10-2021-0193

Sekaran, U., & Bougie, R. (2019). *Research Methods For Business: A Skill Building Approach* (Vol. 8th). West Sussex: Wiley.

Simons, R. (1994). How New Top Managers Use Control Systems As Levers Of Strategic Renewal. *Strategic Management Journal*, *15*(3), 169–189. http://www.jstor.org/stable/2486965

Soeherman, B. (2017). Ramayana Walmiki: Eksplorasi Holistik Sistem Pengendalian Manajemen. *Jurnal Akuntansi Multiparadigma*. https://doi.org/10.18202/jamal.2017.04.7040

Sridharan, V. G. (2020). Methodological Insights Theory Development In Qualitative Management Control: Revisiting The Roles Of Triangulation And Generalization. *Accounting, Auditing & Accountability Journal*, *34*(2), 451–479. https://doi.org/10.1108/aaaj-09-2019-4177

Tucker, B. P., & Alewine, H. C. (2024). Like A Phoenix From The Ashes: Management Control And Organizational Resilience During NASA's Apollo And Space Shuttle Programs. *Abacus*. https://doi.org/10.1111/abac.12325

Voyant, O., Bonnet, M., Tabchoury, P., & Datry, F. (2017). Contribution Of The Socio-Economic Management Control To Steering Balanced And Sustainable Company Overall Performance. *Society And Business Review*, *12*(2), 216–234. https://doi.org/10.1108/sbr-11-2016-0067