THE ROLE OF MANAGEMENT CONTROL IN THE OPERATIONALIZATION OF CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

This article contributes to the currently underdeveloped reflection on the operationalization of Corporate Social Responsibility (CSR) and its integration into corporate performance management systems. It mobilizes the Actor-Network Theory as an analysis framework. Through the study of two management situations in French companies in the real estate sector, it highlights the role of management control as translator for stakeholders of sustainable development recommendations. The change management necessitated by sustainable development requires efforts entailing long term planning, but also permanent strategy adjustment, as knowledge is gradually capitalized. The results of the two cases studied show that in CSR, the role of management control cannot be limited to the deployment of the strategic directions of the company. It contributes to the formulation of organizational strategy by managing innovation required for sustainable development, through the coordination of stakeholders contributing to the realization of this innovation, and through the new knowledge generated by innovation.

Keywords: Corporate Social Responsibility, Management control, Actor-Network Theory, Operationalization

1. A first version of this manuscript was presented at the Association Francophone de Comptabilité congress in 2015.
RÉSUMÉ

Cet article contribue à une réflexion actuellement encore peu développée sur l’opérationnalisation de la responsabilité sociale des entreprises (RSE) et son intégration dans les systèmes de gestion de la performance. Il mobilise la théorie de l’acteur-réseau en tant que cadre d’analyse. À travers l’étude de deux situations de gestion au sein d’entreprises françaises du secteur de l’immobilier, il met en évidence le rôle du contrôle de gestion en tant que traducteur des recommandations de développement durable auprès des parties prenantes internes et externes des entreprises. Le management du changement qu’implique le développement durable nécessite des efforts de planification à long terme, mais également un ajustement permanent de la stratégie, au fur et à mesure que les connaissances sont capitalisées. Les résultats des deux cas étudiés montrent qu’en matière d’opérationnalisation de la RSE, le rôle du contrôle de gestion ne peut être limité au déploiement des orientations stratégiques de l’entreprise. Il contribue également à la formulation de la stratégie organisationnelle, en traduisant les innovations nécessaires au développement durable, en coordinant les parties prenantes contribuant à la réalisation de ces innovations et en capitalisant les nouvelles connaissances générées par ces innovations.

Mots-clés : Responsabilité Sociale de l’Entreprise, Contrôle de gestion, Théorie de l’acteur-réseau, Opérationnalisation

INTRODUCTION

Corporate social responsibility (CSR) is a concept that makes humans and their environment part of corporate concerns. For Carroll (1979, 500), “The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectation that society has of organizations at a given point in time”. Indeed, with the 1970s, the company faced claims of all kinds by social groups that strategic management will theorize, starting in 1984 with Freeman as stakeholders of the company.

Taking into account the company’s expectations of these stakeholders will generate multiple impacts. On the one hand, this implies a strategic formulation that identifies the stakeholders of the organization and that takes into account their expectations. On the other hand, it redefines performance and undermines the rule of shareholders. The performance becomes global and incorporates a social dimension. The approach by stakeholders is also exposed to two difficulties. On the one hand one can question the identification of stakeholders of the company and prioritization (Donaldson and Preston 1995; Pesqueux 2006). Once identified stakeholders, arises on the other, the question of arbitration between their disparate expectations. This article attempts to provide some answers to these questions.

To produce tangible results CSR must be implemented. It is therefore necessary to go beyond the discursive and communicative dimension of CSR and
reflect on multidimensional implementation performance conditions (economic, social and environmental) in management of the company. Little has been said in the literature about implementation of CSR discourse in concrete managerial action. Indeed, research dealing with CSR management is relatively recent, having appeared in the last decade [Essid and Berland, 2011]. My article aims to contribute to this debate.

To do this, I have taken the role of management control as my analytical perspective. Several researches were interested in the relationship between management control and business strategy including those of Simons (1987, 1990, 1994), Langfield-Smith (1997), Chenhall (2003), Chenhall and Euske (2007), and more recently, the studies analyzing the link between Management Control System (MCS) and the operationalization of CSR as those of Arjaliès and Mundy (2013), Hosoda and Suzuki (2015), Garcia et al. (2016), Lueg and Radlach (2016), Wijethilake et al. (2018).

According to Arjaliès and Mundy [2013], there is little knowledge of the role of MCS in managing the strategic processes that underpin CSR. Simons (1987, 1990, 1994) conducted a series of research studies on the link between strategy and management control system (MCS). In 1987, he studied the differences between corporate control systems based on their business strategies. In 1990 and 1994, he showed how senior managers use formal control systems to guide the emergence of new strategies. He said that the MCS are not only important for the implementation of the strategy, but also for the formation of the strategy. He suggested that control systems are important levers for managing changes.

In the same vein, Langfield-Smith (1997) examined the importance of managers’ perceptions to influence the relationship between MCS and strategy and role in influencing strategic change. For Chenhall (2003), the MCS can help managers formulate a strategy for markets and products, required technologies and appropriate structures. MCS can be involved in implementing and monitoring strategies, providing feedback for learning and interactive use of information for strategy formulation. Chenhall and Euske (2007) investigated the role of MCS in planned organizational change by combining technical approaches of management control system change with a behavioral approach.

My research follows the same logic as those mentioned above but with the particularity of focusing on the role of management control in the operationalization of a sustainable development strategy. How does management control contribute to the mobilization of internal and external business partners to achieve sustainable development goals?

I will start by discussing the theoretical frameworks used for reflection. I will analyze the operationalization of CSR through the lens of the Actor-Network Theory [Callon 1986; Callon and Latour 1991; Akrich et al. 2006]. It is mobilized to understand the underlying mechanisms in the operationalization of CSR. I will then discuss the organizational control system to understand the place of management control in this system. In the second part of this work, I will present the empirical studies undertaken in this research. The theoretical dimension is implemented in an empirical study of two companies to observe,
in situ, the operationalization dynamics of CSR. An explanation of the epistemology and my research methodology will be presented to support the scientific nature of my approach. In the final section, I will present les lessons learned from my research.

THE MOBILIZED THEORETICAL FRAMEWORKS

The idea of corporate social responsibility raises the fundamental question of the role and responsibility of business in society. It aims to be a theory of management and ethics. In this context, it redefines a company's objectives, transforming the focus from profit maximization to taking into account the social impact of the business. Originally founded on religious values (Capron and Quairel 2007), CSR is situated between two differing principles. One is based on market efficiency that admits no corporate moral responsibility and assigns the creation of profits for the benefit of shareholders as the function and goal of a company (Friedman 1971). The other premise upholds the notion that the company has a moral responsibility to future generations, and must take responsibility for its actions in regard to its stakeholders.

This article supports a vision of CSR that combines institutional regulation and a managerial perspective (Gendron 2013). The goal is to go beyond the discursive and communicative dimensions of CSR and reflect on multidimensional implementation performance conditions (economic, social and environmental) in the management of the company. This requires considering CSR operationalization.

Analysis of CSR Operationalization via the Actor-Network Theory

I want to analyze CSR operationalization through the lens of the Actor-Network Theory. Other researchers also mobilized sociological theoretical frameworks to analyze the place of the MCS in the formulation and implementation of a strategic vision. For example, Chenhall and Langfield-Smith (2003) mobilized the theoretical framework of organizational and individual trust to study the role of systems performance measurement and incentive in the formulation and implementation of strategies of organizations. Cho, Deng and Ho (2000) examined empirically the interaction effects of national culture and contextual factors (nature of the knowledge and the relationship between the knowledge sharer and recipient) on employees' tendency to share knowledge with coworkers. Sunder (2002) mobilized contract view of organizations as theoretical framework to explore an expectational theory of control. For my part, I decided to use Actor-Network Theory because this theoretical choice sheds light on agreement mechanisms constructed by businesses with their stakeholders. Indeed, operationalized CSR places the company at the heart of a
set of relationships with the stakeholders implicated in its activities (Capron and Quairel 2007). Shareholders are no longer given higher consideration than other stakeholders, but are taken into account along with employees, unions, suppliers, customers, etc. The goal of the company thus becomes protecting the interests of its stakeholders by conducting its activities in a value chain that is no longer primarily defined by financial gain.

Without being exhaustive, a number of authors (Freeman 1984; Hill and Jones 1992; Clarkson 1995) have attempted to define the concept of stakeholders using different criteria. They all agree on the concept of plurality of actors linked by common interests that may affect the activity of the other involved parties. Thus, the presence of several interrelated actors with sometimes conflicting interests and unequal power relationships leads us to question the means by which stakeholder expectations can be integrated in company management. Therefore, operationalizing CSR requires translation in order to generate stakeholder cooperation that will contribute to the same value chain.

Callon and Latour (1991) developed a theory concerning the construction conditions of cooperation agreements and processes. These authors showed how and under what conditions the actors reach convergence despite different, even divergent, initial positions. Indeed, Actor-Network Theory is primarily concerned with the varied forms of compromise and agreement that exist between stakeholders. To achieve compromise and agreement, there must be a base of common interest. Applying their idea of translation, Akrich, Callon and Latour (2006) pointed out that no project can succeed without the consent of a plurality of actors located within the project structure, who translate it to ensure adoption. Once adopted, the project is suitable to its context and environmental setting. With this in mind, the project of CSR operationalization in an organization is constantly changing / being adapted / being adopted by actors who adjust and adapt the project by rethinking it.

Rasolofo-Distler (2010) identified three vectors for CSR operationalization. The first is described as strategic. The top-managers of the organization (the strategic apex) provide the impetus and this vector translates stakeholder expectations to develop a strategic vision for the company. To mobilize the actors within the organization, this strategic vision must be re-translated into management objectives by unit, via the structural vector. Finally, monitoring implementation of the strategic vision, that is to say, its effectiveness is done using the instrumental vector, namely implementation of a performance measurement system capable of surpassing the supposed divide between financial and social performance. Thus, my analysis of the role of management control in operationalizing CSR integrates the strategic, structural and instrumental vectors. It is now necessary to examine the theoretical framework related to control systems within a company.

The Control Systems of an Organization

To analyze the role of management control in the operationalization of corporate social responsibility, Rasolofo-Distler and Distler (2015) identified three levels of actors in an organization’s internal environment that interact in this
dynamic operationalization: macro-actors, meso-actors and micro-actors. Thus, at the macro-level, they place the strategic apex of companies that will identify stakeholder expectations and translate them into goals to be achieved by the actors of the company. At the meso-level are found the intermediate bodies of the management system that will ensure that individual actions converge to achieve the overall objectives. Finally at the micro-level, we find each actor in the company who will take concrete action in performing their duties and responsibilities as assigned.

![Diagram of actors in the organization's internal environment](translated into English)

If I adhere to the three levels of management cited by Anthony (1993), management control is located at the "meso-actors" level. Indeed, by defining the organization as a group of people working together to achieve one or more goals, the author distinguishes between three activities, namely the planning and management processes in an organization: strategic planning, management control and operational control.

The first management activity is the process of finalization, identifying the goals of actions taken by the company and translating them into strategic objectives. Löning and Pesqueux (1998) liken the goal to a commitment, a stated desire. The fixed targets must be consistent with management’s commitment. This is what ensures the practical implementation of CSR in the management of the organization and its integration in performance measurement processes. The commitment of upper management is the subjective dimension that creates accountability in the undertaking. As Bessire (2006, 56) showed, "the measure is only meaningful if it is part of an evaluation process, which itself necessarily includes a subjective dimension". It is also during this phase that action plans are developed. They determine the resources needed to achieve the objectives, define the roles of the different actors and establish...
the performance evaluation criteria. Thus, Lorino [2003, 9] defined performance as “everything that, and only that, which contributes to achieving strategic objectives”.

The second management activity in an organization occurs during the action or achievement needed to implement the action plans. Thus, the role of the management control process is to implement the strategies that the strategic planning process has set for achieving the goals of the organization (Anthony, 1993). This activity requires action supervision, performance monitoring which often leads to the implementation of corrective actions to better align the achievements with the objectives set during the strategic planning. In management control, supervision consists of “continuously performing two complementary functions: deploying the strategy as operational action rules (deployment) and capitalizing on the results and lessons learned from the action to enrich thinking concerning the objectives (lessons learned through experience)” (Lorino 2003, 11).

The third management activity is task supervision. Its purpose is to ensure that specific tasks are carried out effectively and efficiently (Anthony 1993). It includes control systems such as internal audit, quality control or cost accounting. It is with this activity that results are measured and performance is assessed, and concludes with giving rewards and penalties based on the results (performance bonuses, profit-sharing...).

To analyze the role of management control in the operationalization of Corporate Social Responsibility, I have conducted an empirical and exploratory study to further my understanding.

THE EMPIRICAL STUDY

The empirical study was conducted in two companies in the real estate industry. In the French economy, real estate makes up more than a quarter of the global wealth in France, employs more than two million people, and outweighs the financial sector². This highly wealth-creating sector is not well known by the community of management science researchers, although it is a context where the demand for training and expertise is exponential. This is reflected in the recommendations of the ALUR³ Act which established continuing education requirements for real estate professionals to enhance their skills and services provided to customers. It is also a sector highly involved in sustainable development. Indeed, among all the economic sectors in France, the construction sector consumes the most energy. It represents 42.5% of overall energy consumption and 23% of national emissions of greenhouse gas⁴. Given

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3. Access to Housing and a Renovated Urban Planning.

this situation, the State and various sector federations and confederations signed an agreement in the context of an environmental summit (Grenelle de l’environnement). Thanks to the Grenelle de l’Environnement, sustainable development has found support in the form of legal structures and incentives aimed at actors in the real estate field. The challenge is thus the integration of the various standards and rules by these same actors.

To situate the scientific framework of my research, I will briefly present my epistemological and methodological positioning.

**Epistemological and Methodological Positioning of the Research**

The role of management control in the operationalization of CSR has been little explored in the literature. It is an issue that can only be addressed through “case-based” research methodologies. However, these methodologies give rise to mistrust at epistemological and methodological levels (Rasolofo-Distler and Zawadzki 2013). This suspicion arises from an historical opposition between fundamental and applied research. Indeed, the holistic view of fundamental research holds that “because all firms are subject to the same natural laws, it must be assumed that all businesses are rationally led to adopting the same behavior as other businesses” (Marchesnay 2007, 16). However, applied research aims to provide a solution to very specific problems (Usunier, Easterby-Smith and Thorpe 2000). In applied research, the researcher provides answers to contextualized empirical issues. The results of applied research in management science have a high level of internal validity, but suffer due to an inductive methodology and the difficulty of generalizing results. The contrast between the two types of research results from, among other things, the fact that fundamental research has no pre-determined economic purpose at the time of the work, unlike applied research where the researcher’s host company is often the primary funder of the research.

This article stems from a research project funded by the Lorraine Region (France) and deals with the reception and appropriation by real estate stakeholders of real estate policy in the Lorraine region in terms of sustainable development. Thus, this project is positioned in a dynamic of evaluation of the integration of sustainable development in the system of corporate management using a field survey among real estate actors in the Lorraine region. Its purpose is to analyze potential bottlenecks and non-compliance related to technology, and thus proposes solutions for professionals to enable them to respond more quickly to public policy requests and objectives. Additionally, “case-based” researches will help us identify “best” practices in sustainable development and learn lessons that can be applied to other company cases.

It is in this context, and to analyze the role of management control in the operationalization of CSR, that I have studied two management situations presented below. Hopwood (1983) made calls for a greater commitment to more in-depth (case-based) research, a commitment to study, analyze and interpret accounting in the contexts in which it operates. As noted by Choudhury
Management accounting research and practice are products of the social knowledge system and thus cannot be dissociated from the social processes occurring both inside and around the organization. Moreover, as indicated by Langfield-Smith (1997, 228), in studying MCS and strategy the interactions are complex and perhaps only in-depth research can help to understand the complex nature of these relationships. It is difficult to envisage how Simons’ theory of the dynamic interactions between MCS and the strategy formation process could have resulted from survey-based research.

The methodology I mobilized is that of a case study utilizing an empirical and inductive approach. The case study is defined as empirical research that investigates a contemporary phenomenon in a real context, when the boundaries between phenomenon and context are not clear and in which multiple empirical theory sources are employed (Yin 1989). In this case, it helps us make comparisons between the companies being studied, and it is the accumulation of corroborating evidence or lack of counter-examples from the results of these case studies that is then used to increase the level of certainty about the produced knowledge (Rasolofo-Distler and Zawadzki 2013).

Among the “case-based” researches done in my project research, I selected two situations that seemed interesting in the sense that the companies concerned showed clearly in their strategic orientation a vision of sustainable development. My goal is to detect how these strategic visions can be operationalized and what might be the role of management control in this process. Both situations were validated by the investment committee of the company. My research was done in three stages: 1) I attended meetings of the investment committee that led to the validation and launch of the two operations. 2) Thereafter I diagrammed operational management process of a real estate transaction to detect the main actors of the process and to understand the role of the Management Controller in this process. 3) Finally, I conducted semi-structured interviews with the Management Controllers invested in piloting the two operations.

Presentation of the Studied Situations

I studied management situations within two organizations that own real estate assets held for leasing, but that have different social goals: the first is a for-profit organization and the second organization attempts to serve the public good.

**Situation 1: Management of an Energy Improvement Renovation Project for a Private Landlord**

The first studied situation occurred within a private for-profit company. It concerns the management of a renovation project following an energy performance diagnosis (EPD) performed on a real estate property for rent. An initiative resulting from the French environmental summit (Grenelle de l’Environnement), an EPD evaluates the annual energy consumption and greenhouse gas emissions of a building. An EPD results in recommendations...
for achievable energy savings in buildings. The company in my study, as a result of the EPD of its real estate assets, chose to analyze the investments necessary to implement the recommended energy saving initiatives. The management control department is an integral actor in the budget estimation process, as well as later budgetary control related to the execution of the work. Management of each operation is done using three indicators: cost, expected savings and expected return on investment. Process control requires reporting on capital expenditures, but also regular energy consumption analysis of the sites to assess changes from one period to another.

Managing a renovation project focuses on four key success factors: the financial factor, the technical factor, the completion deadline, and energy performance. These factors are linked by cause and effect. For example at the technical level, one can ensure that the materials used will result in obtaining the corresponding BBC (Low Consumption Building) performance label. The building’s thermal quality will affect the energy consumption, and thus the resulting expenditures for future occupants. This implies collaboration between all the involved services.

**Situation 2: Management of a New Construction Project within a Social Housing Company**

Low Income Housing companies (Entreprises Sociales pour l’Habitat (ESH)), formerly known as Sociétés Anonymes d’Habitation à Loyer Modéré (HLM), are private companies whose purpose is to create and manage a property portfolio serving low-income populations. These companies are among those enterprises that are on the border between private and public sector: companies under private law, subject to the laws controlling commercial companies, but whose corporate purpose is to serve the common good. They are an interesting field of research for CSR, as their status leads them to ensure a social mission while still ensuring financial performance, namely proof of solvency for their investors.

I wanted to study the management of a new construction project in this type of business. Given the corporate purpose of the ESH, a new building construction project must be part of a public housing and rent policy that takes into consideration the demographic, economic and social environments. Two questions arise: 1) How can the three dimensions of CSR (economic, social, and environmental performance) be reconciled, and 2) What role can management control play in this management process? Within an ESH I identified two key actors in the management of a new construction project. The first principal actor in a real estate transaction is the “program or operations manager.” This individual has overall responsibility for all aspects of the construction program (technical, legal, commercial, financial, and social). Their task is to mount the project, coordinate and monitor the program, from drafting the initial proposal through to the delivery of the constructed building, including the choice of contractor.

The management controller is the second principal actor. This individual will contribute to the definition of the provisional budget, that is to say,
the projected cost of the project, the financing plan and capital requirements. Their task begins with development of the Strategic Plan for Real Estate. The objective is to control capital expenditures while ensuring that every transaction represents sustainable property value for the company.

LESSONS LEARNED FROM THE RESEARCH

In the management levels mentioned by Anthony (1993) that I have developed above, management control lies at the interface between strategic planning and operational control. Its role is to deploy the overall objectives in the operational activities conducted within the various business areas and corporate functions (Demeestere, Lorino and Mottis 2006). However, other authors (Simons 1990; Otley 1999; Ferreira and Otley 2009) find this vision of the role of management control to be reductionist. Thus, Simons (1990, 128) indicated that MCS “are more than devices of constraint and monitoring: management control systems are the formalized procedures and systems that use information to maintain or alter patterns in organizational activity”. In the same vein, Ferreira and Otley (2009) have considered the system of performance management as a set of mechanisms, processes, systems and formal and informal networks used by organizations to achieve their goals and to support the strategic planning process to manage overall performance and facilitate organizational learning and change.

Management Control and Capitalization of Experiences

In my field of research, the real estate industry, recommendations for sustainable development appear as innovative provisions. In this context, management control must ensure compliance with these provisions while managing the innovations they imply. As noted by Bollecker (2007, 90) “the management sciences have witnessed the appearance of recurrent performance and management problems (which) are attributable to different transformations of socio-economic environments”. The neo-institutional analytical framework helps us understand these issues through the three functions of institutions mentioned by Scott (1995), namely the regulatory, normative and cognitive functions. As noted by Ma and Tales (2009, 473) “it has the potential to advance our understanding of the interaction between the wider social, environmental and political pressures for change and organizational behavior”. Antheaume (2012, 2013) subsequently suggested the existence of “compulsory actions” imposed by the institutional environment that involve putting in place “tools to ensure project management and compliance monitoring of actions and results” and “optional

5. This document sets out the development strategy of the real estate assets of an ESH for the coming 5-10 years.
actions” that are at the discretion of companies and involve establishing “management tools in a perspective of organizational learning” (2013, 16).

The situations I have studied possess both “compulsory” and “optional” aspects of operationalizing CSR. In this case, the Grenelle de l’Environnement advocates different devices (EPD, BBC…) for corporate real estate. Companies integrate these devices into the strategic planning of their properties. The lessons learned from experiences in the implementation of compulsory institutional provisions allows companies to adjust their strategic direction and create leeway for making sustainable development a differentiation strategy and a source of competitive advantage. The two following interview extracts relate anecdotes regarding the use of low-consumption light bulbs in buildings.

Sample interviews 1
From Situation 1: Management of an energy improvement renovation project for a private landlord

“Following the results of the EPD, we took the initiative to change the bulbs in the public areas of the buildings. We believed that using energy saving light bulbs would allow us to improve our energy efficiency while lowering energy bills. A few months after the operation we found an unusual increase in our maintenance and repair expenses: a series of thefts of these bulbs led us to reflect on a better way to install them.”

From Situation 2: Management of a new construction project within a Social Housing Company

“Respecting the thermal regulations is one thing. Reconciling this with the comfort needs and habits of the tenants, that’s what makes the difference. Energy efficiency should not rhyme with loss of comfort and well-being. For example, satisfaction surveys we conducted with our tenants have shown that with the energy saving bulbs, the hallways are dark and poorly lit. Some tenants have fallen or are simply afraid to walk down the hall...”

These anecdotes reveal the role of management control in the capitalization of experience and learning. The information provided by the control system adjusts the technical knowledge. In the first situation under review, budget monitoring maintenance costs and repairs revealed anomalies that led to a reflection on better bulbs installed to prevent possible theft. The control system also serves to provide feedback on the relevance of the actions. In the second situation under review, the monitoring of the performance indicator that is tenant satisfaction has allowed to trace the difficulties encountered by customers as a result of actions taken by the company. As suggested by one interviewee (a management controller), “my role is to understand (and express) the difference between what is feasible and what is not”. It is the accumulation of these feedback and capitalization which allow the company to no longer suffer the obligations of sustainability but to make it a source of competitive advantage to ensure their sustainability.
Management Control and Change Management

The questions that present themselves are how can a company drive the changes implied by sustainable development and how can management control contribute to these changes? The situations I studied show that management control contributes to the mobilization of internal and external business partners to achieve sustainable development goals in different ways:

First, management control helps coordinate “different business functions and entities, as well as external partners participating in the same value chain... to effectively drive change toward the companies’ priorities” (Demeestère, Lorino and Mottis 2013, 9). The Actor-Network Theory allows us to understand the role of management control as “coordinator” of stakeholders in order to gather actors (having diverse activities) around the same concern, namely integrating sustainable development concerns. The interview excerpts below illustrate the role of management control in the coordination of an organization’s internal and external stakeholders. They highlight the instrumental vector of management control in operationalizing CSR. In both situations studied, the management control has an automated scorecard system that allows transverse following (technical, legal, financial) of operations and a global performance management integrating economic, social and environmental vision.

Sample interviews 2

From Situation 1: Management of an energy improvement renovation project for a private landlord

“It’s a long process that requires coordination between the technical, legal, financial services, etc. A misdiagnosis can generate a complete revision of the estimated budget, a delay in the work schedule can impact the return on investment and therefore the financial balance of the operation, or even of the company itself. We are forced to optimize the automation of our information system to avoid data entry errors, calculation errors.”

From Situation 2: Management of a new construction project within a Social Housing Company

“Social and environmental standards in recent years have increased the number of public and private partners... More specifically, I work with a variety of stakeholders during the real estate prospecting phase right and through delivery of the goods... I am fortunate today to have an information system that allows me to control my property programs, to have visibility about their technical, legal and financial developments. I have quantitative and qualitative indicators in my management control system. I save time and have fewer conflicts to manage...”

However, the situations I studied also revealed the limits of both formalized and automated management tools. As suggested by Boitier (2008, 37), the
sociopolitical and cognitive parameters of the actors can make effective integration of CSR “much longer and more uncertain.” For example, in Situation 2, the management controller referred to the personal and professional need to assimilate technical knowledge of thermal regulations. He insisted on the importance of re-translating these technical concepts in plain language by stakeholder category, in this case the tenants, so that the companies’ actions were not in vain. The aim was to raise awareness among all the stakeholders in the value chain concerning the need for sustainable development.

Sample interviews 3
From Situation 2: Management of a new construction project within a Social Housing Company

“As management controller, I am increasingly required to familiarize myself with the technical terms, references, thermal regulations, etc. to be able to understand and analyze the differences between my estimates and the tangible results. Then, there is all the educational work to do with the tenants, because it is a whole. You can build Low Consumption Building labelled housing, but if the occupants continue to heat at 22° or 23° instead of the recommended 21°, we won’t manage to save money. When you tell a tenant that 1° extra increases heating bills by 7%, its concrete; that speaks to them.”

This interview excerpt highlights the role of management control as one of “translator” of the provisions of sustainable development to stakeholders. This means taking into account, beyond the formal control mechanisms, the importance of educational activities to be implemented so that the actions, attitudes and behaviors of stakeholders converge towards the goal of sustainable development. As said by Simons (1994), in situations of strategic change, control systems may be used to formalize beliefs, set boundaries on acceptable strategic behavior, define and measure critical performance variables, and motivate debate and discussion about strategic uncertainties. In addition to traditional measuring and monitoring functions, control systems may be used to overcome organizational inertia; communicate new strategic agendas; establish implementation timetables and targets; and ensure continuing attention to new strategic initiatives.

CONCLUSION

I have used the role of management control as an angle of analysis to contribute to the discussion on the operationalization of Corporate Social Responsibility. To this end, I studied two management situations within businesses engaged in real estate leasing. The first situation studied involves management of an energy improvement renovation project for a private for-profit company. It highlighted the role of management control in the coordination
of various stakeholders involved in the project to help them adopt a common goal of undertaking actions to support sustainable development. The second situation under study took place in a private company that has a mission to serve the common good. The study focuses on the management of a construction project to create new low-income rental properties. From the results of this study, it appears that formal management is not enough to mobilize and engage stakeholders in sustainable development concerns. It is necessary to translate CSR into a language understood by all stakeholders.

The change management necessitated by sustainable development requires efforts entailing long term planning, but also permanent strategy adjustment, as knowledge is gradually capitalized. As said by Simons (1990, 140), "interactive management control processes can be used to manage emergent strategy: rather than focusing on what the organization already understands and does well, these systems direct organizational attention to emerging threats and opportunities". The results of the two cases studied show that in CSR, the role of management control cannot be limited to the deployment of the strategic directions of the company. It contributes to the formulation of organizational strategy by managing innovation required for sustainable development, through the coordination of stakeholders contributing to the realization of this innovation, and through the new knowledge generated by innovation. I join Renaud (2013, 103) when she considers that "the environmental area seems suitable to interactive management due, on the one hand, to strategic uncertainties that characterize it (environmental regulations) and on the other hand, to the numerous exchanges or confrontation of ideas generated by it between the company and its internal and external stakeholders".

My research has focused on the role of management control in the operationalization of a sustainable development strategy. To do this I focused my study on a main actor that is the management controller. However, as mentioned by Langfield-Smith (1997) the focus of most of the empirical and case studies reviewed was on senior management – divisional heads, profit center managers and business unit managers meaning managers who usually formulate and often implement business strategy. Moreover, as pointed out by Hosoda and Suzudi (2015), the operationalization of CSR by MCS goes through three factors: employee engagement, consensus decision-making and long-term management. It may also be interesting to study the experiences of people controlled by the management controllers. What could be their adoption of CSR measures implemented by the company?

My research contributes to the currently underdeveloped reflection on the operationalization of CSR and its integration into corporate performance management systems. The lessons I have learned result from an empirical and inductive approach. In the future, my results will be compared with those of other case studies that will either corroborate or relativize my findings in order to move towards generalizable lessons.
REFERENCES


THE ROLE OF MANAGEMENT CONTROL IN THE OPERATIONALIZATION...


Fana RASOLOFO-DISTLER is a senior lecturer in management sciences and her research topics are Management control, Corporate Social Responsibility and Real Estate Management.