

Management Control Systems for Creating Shared Value

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ABSTRACT—With creating business value based on Creating Shared Value (CSV) by Porter and Kramer (2011), CSV principle would be embodied in Management Control System (MCSs). The purpose of this study is to describe and analyze how Creating Shared Value integrates with a company's management control systems. To consider, the researcher conducted a qualitative research throughout single case study to examine the incorporating of CSV and management control systems. The collecting data has been applied the semi-structured interviews with Bangchak Petroleum PLC, the leading company who create business wealth with due regard for social and environmental stewardship as well as elevating domestic corporate governance. The findings suggest that CSV integrates with several of the company's management control system. Subsequently, organizational structure relied on business fields and strategic management. Moreover, CSV integrates with policies and procedures through BCP Knowledge Management System (KM), developed shared commitments, and workshops and training. Thus, to create social value while contributing economic growth simultaneously, there is essential to embed with the three dimensions of MCSs consisting of cognitive, organizational and technical.

Keywords—Creating Shared Value, Management Control Systems, Case Study

1. INTRODUCTION

According to an extensive literature review stress that business ought to deal with the integration of social, environmental and economic aspects of strategy and management control. Most research seemingly addresses definitions and motivation for organizations' interest in social and environmental concerns (Parisi, 2013). In essence, It has been described that creating shared value (CSV) by Porter and Kramer (2011) approach could be undertaken in order to create both economic and societal value, thus contributing to society's broader sustainability agenda in a way beyond rhetorical sustainability statements. By examining how an organization's CSV work integrates with its management control systems (MCSs), contributes to knowledge of how societal and environmental challenges can be addressed. Since the CSV concept is relatively newly defined, there has been a lack of research in this area. Porter and Kramer also mention that it is not completely clear how to define if a company is pursuing CSV in contrast to the overlapping area of CSR. However, Porter et al. (2012) describe that several organizations have embraced the CSV concept. As a response to calls for research in this area, it is therefore of interest to examine how CSV are integrated into a company's MCSs.

Owing to Management Control Systems (MCSs) are essential elements in ensuring that employee behavior is consistent with the organizational objectives and strategy. Meanwhile previous research has pinpointed the role of MCSs in companies CSR strategies, the measuring and monitoring of social responsibility within MCSs, and the integration of sustainability within MCSs (Arjaliès and Mundy, 2013, Durden, 2008; Moon et al., 2011). It remarks that it is interesting to examine how CSV are integrated into a company's MCSs. Consequently, the purpose of this study is to describe and analyze how CSV integrates with a Company's MCSs. By applying the three dimensions of integration in the light of Moon et al. (2011) study, factors that facilitate as well as the hinder integration of CSV and MCSs can be identified and analyzed and thus provide an indication of how CSV integrates with Company's MCSs.

In order to get as thoroughly insight as possible regarding how CSV is integrated into a company's MCSs, therefore this study is necessary to specify a company that undertakes the CSV approach in its business model. As Bangchak Petroleum Public Company Limited has definitely succeeded to embed CSV strategy as part of business core thinking as well as able to be the best exemplify efforts for the prototypical case study (Kramer, Shared Value Opportunities in Thailand Forum 2015). This study has examined contribute how CSV integrates with MCSs of Bangchak, and the results would have expected as CSV integrates with several of the company's MCSs. These seemed to demonstrate the dynamic of development impact within the corporation based on the distinct purpose. Toward gathering creating shared value (CSV) into a company's Management Control Systems (MCSs), the company can increase understanding of creating

shared value (CSV) and drives force the corporate to contribute the value and virtue for the society while also generates the business wealth.

2. LITERATURE REVIEW

2.1 Management Control System (MCS)

With variances in the scope of their controls, a broad array of MCS frameworks has been advanced in recent years. According to the formal controls, organization structure and less formal controls are the three distinct control forms that have been identified by past researches. Meanwhile, the performance planning, budgeting and a few further formal procedures of management control are included in formal management controls while responsibilities and reward systems are controls of organizational structure. Corporate culture and learning are elements of less formal controls. In essence the purpose of the control structure, some authors separate controls into the result, action and personnel controls. When accomplishment can be measured, the controls resulting regularly embrace rewards and favorable. Whereas the personnel controls consist of training and support of standards, action controls have been employed to limit performance. Regarding various further MCS frameworks and typologies are existed. Recently, Malmi and Brown (2008) offered a structure based on a wide-ranging literature review of nearly forty years of MCS research, called “MCSs as a package”. Malmi and Brown (2008) show that "the diagnostic origin of MCS as a package gives a satisfactorily extensive, yet economical method for studying the occurrence empirically". Despite various conceptions of MCSs packages appearing in recent decades, Malmi and Brown (2008) dispute whether they leave out key MCSs managers may find useful. We have decided on Malmi and Brown’s MCSs package this work accomplish our intentions in line with their arguments as well as to construct a systematic examination of how creating shared value (CSV) is incorporated with a company’s MCSs. We deem Malmi and Brown’s package has offered a complete framework which is precise with regard to the actual MCSs that can be used. Malmi and Brown’s (2008) MCSs package are detailed in further section as well as Simons (1995) has leveraged the control framework which is also debated in later sections within the interplay to Malmi and Brown’s (2008) package because past researches of interest have employed Simons’ framework for study purposes.

2.2 Management Control and the Levers of Control Perspective

In the MCSs as a package framework, Malmi and Brown (2008) built the conventional controls consisted of budgets and financial performance measures beyond the socially-based controls as cultural controls. Because most contemporary organizations use more than a few different MCSs, most often having been initiated at dissimilar times and thus not having been created as one harmonized system, the label package is employed. The force of the typology seems to be the extensive capacity of controls rather than any profound dialogue of an individual MCS, as stated by Malmi and Brown (2008), where several are correlated to a representative research stream. A distinction is also made by the authors between the decision-making and controls brought to express behavior, with the explanation for MCS being "those systems, rules, practices, values and other activities management put in place in order to direct employee behavior" (p. 290). Generally, the uncomplicated rules should not be identified as MCSs. The purpose of the discrimination from the typology has emphasized the control relate to the directors guaranteeing certain conduct from representatives and other pertinent parties in line with the organization's goals and plans. Five overall types of controls comprise the divisions of MCSs package conceptual framework by Malmi and Brown (2008). Since they supply a contextual frame for the rest of the controls, cultural controls are shown at the top of the typology. Consequently, Malmi and Brown (2008) have presumed to emerge in the contemporary organizations; the authors depict planning, cybernetic in addition to reward and compensation controls. These controls are often thought to be connected in accordance with they generate the fundamental articulating the set of planning, cybernetic, and rewards and compensation controls, while the administrative controls are located at the bottom (see figure 1).

Cultural Controls						
Clans		Values			Symbols	
Planning		Cybernetic Controls				Reward and Compensation
Long range planning	Action planning	Budgets	Financial Measurement Systems	Non Financial Measurement Systems	Hybrid Measurement Systems	
Administrative Controls						
Governance Structure		Organisation Structure			Policies and Procedures	

Figure 1: Management Control Systems Package (Malmi and Brown, 2008)

Toward both traditional controls including Simons' (1995) notion of management control systems, Malmi and Brown (2008) have incorporated and cultivated that the manipulation of information-based routines and procedures managers are adopted to keeping and modify the conformation of organizational activities. Except for Simons' more constricted focus on information based routines, Malmi and Brown (2008) deem their MCS explanation truly comparable with Simons. However, Simons (1995) stated which the information-based systems have transformed to be the control systems when they have been utilized to serve the purposes of manipulating even adjust models of organizational activities. Considered as four contrasting forces to efficiently execute strategy, four distinct systems including belief, boundary, interactive and diagnostic comprise the divisions of Simons (1995) that is the levers of control framework. Owing to the belief systems these are utilized to motivate representatives and intuitive control frameworks to animate firm learning in addition to supporting innovation and policies. To guarantee conformity, boundary systems provide restrictions. When goals are accomplished, diagnostic control systems are used to inspire, observe and recompense employees. Belief systems are an integral element of the levers of control according to the four controls have been operated collectively, simultaneously the belief systems emphasize to the manner that enable work with other systems. (Widener, 2007, in Arjaliès and Mundy, 2013). In essence, value controls of Malmi and Brown (2008) have been drawn and found on Simons represents the belief systems and correspondent in both MCS frameworks, as previously stated. Simons (1995) goes on to explain that business plans and budgets are diagnostic control systems. Therefore, diagnostic controls as described by Simons are equal to Malmi and Brown (2008) have separated into the planning, cybernetic, and rewards and compensation controls. Partially developed from Simons' frameworks, Malmi and Brown (2008) express them as policies and procedures. For the reason that they may perhaps be claimed to comply with the policies and procedures which Malmi and Brown (2008) have labeled as contained by administrative controls, rules and procedures include Simons' (1995) boundary systems. It might be more difficult to identify a counterpart of management control systems as Malmi and Brown's MCSs package to Simons' interaction of control system. On the other hand, as Simons (1995) has also explained that the several diverse of MCSs could fill this role ever since the interaction of control systems have been employed to promote managerial knowledge and the innovation and strategies improvement.

2.3 CSV, CSR and MCSs

Creating shared value (CSV) is a relatively newly defined concept, and prior research has not been focused on how MCSs integrates with CSV. Arjaliès and Mundy (2013) employ Simons' levers of control framework to investigate how companies use MCSs to manage their CSR strategy. The diagnostic processes are important in order to successfully achieve CSR objectives. Compensations are important to encourage managers to devote themselves to CSR activities. However, Arjaliès and Mundy (2013) found in their study that there often were incomplete measures and lack of compensation in regards to CSR. With regards to belief systems, the authors describe that this type of process can in relation to CSR integrate values to the objectives of an organization. Belief systems are used through a shared vision to commit employees to CSR plans to inspire them when implementing the CSR initiatives. Boundary systems in regards to CSR can, for example, be voluntary guidelines and codes of conduct and, therefore, set acceptable levels of behavior in regards to CSR. Intranet systems are according to the authors the MCS that is used both for interactive processes, but could also be used as a belief system in regards to CSR activities. Moon et al. (2011) examine the integration of sustainability/CSR and MCSs in their case study of three companies. In order to investigate to what extent sustainability/CSR are integrated with MCSs, the authors identify barriers and enablers to integration, which are derived from other scholars (Hoffman and Bazerman, 2007 in Moon et al., 2011). These are termed as cognitive, organizational and technical dimensions of integration. The cognitive dimension of integration refers to how people think, the organizational dimension of integration refers to how processes are structured and organized and the technical dimension of integration refers to how different tools are used (Moon et al., 2011). Enablers and barriers identified by Moon et al. (2011) will be presented below, which also clarifies the meaning of different dimensions. These possible enablers and barriers to integration will subsequently be applied in our analysis. In their study, companies differed both in size and core knowledge, but the findings were quite consistent regarding identified enablers and barriers of integration. We acknowledge the different context compared to our study. However, we believe comparable parallels can be made with Moon et al. (2011) findings in order to analyze how CSVs integrates with Bangchak's MCSs. Cognitive enablers involved awareness of the potential value of sustainability/CSR among the employees. To constantly work and support with a cultural shift with regards to sustainability, as well as interacting with different stakeholders e.g. customers, were also identified as possible cognitive enablers. An indicated cognitive barrier, on the other hand, was lack of engagement and understanding of sustainability among the employees. An overall encouraging sustainability culture was identified as an organizational enabler. Organizational enablers also involved clearly specified organizational goals regarding sustainability as well as a conducive corporate governance for CSR/sustainability. Organizational silos with disconnected CSR staff were seen as an organizational barrier on the other hand. Staff training programs across different departments could, however, help overcome this barrier. Technical enablers involved the use and capacity of the company's intranet. Well-developed metrics for CSR/sustainability were also identified as technical enablers. Technical barriers, on the other hand, included difficulties in developing appropriate metrics as well as challenges with measuring and accounting for various sustainability impacts.

3. METHODOLOGY

For the purpose of this study, Malmi and Brown's (2008) MCSs package will be used as a framework when describing and analyzing how CSV integrates with a Bangchak's MCSs. Prior related research in this field, that have employed Simons' levers of control framework can still be used in our analysis since there are the several congruence between the two MCSs frameworks as discussed above. Since Arjaliès and Mundy's (2013) also take the perspective that CSR is an essential part of a company's core business, their study of how MCSs are used in CSR strategy will, therefore, be applied in the analysis of our empirical data. Drawing upon the study by Moon et al. (2011), enablers and barriers will also be applied to our empirical data. By applying the three dimensions of integration in the light of Moon et al. (2011) study, factors that facilitate as well as the hinder integration of CSV and MCSs can be identified and analyzed and thus provide an indication of how CSV integrates with Bangchak MCSs.

This study "Management Control for Creating Shared Value" has conducted the unit of analysis toward on a single case study approach. The CSV concept was written by Porter and Kramer (2011) related to the study's questions and propositions by the response to the study. To better understand, researchers have conducted a single case study with using the interview to collect the data, which covered the main questions that were relevant in order to fulfill the purpose of the study. In order to respond to the purpose of this research, how questions are was most suitable since researcher examine how CSV integrates with MCSs. Due to the purpose of this study, Malmi and Brown's (2008) MCSs package will be used as a framework when describing and analyzing how CSV integrates with a Bangchak's MCSs. Prior related research in this field, that have employed Simons' levers of control framework can still be used in our analysis since there are the several congruence between the two MCSs frameworks as discussed. Since Arjaliès and Mundy's (2013) also take the perspective that CSR is an essential part of a company's core business, their study of how MCSs are used in CSR strategy will therefore be applied in the analysis of our empirical data. Drawing upon the study by Moon et al. (2011), enablers and barriers will also be applied to the data analysis. By applying the three dimensions of integration in the light of Moon et al. (2011) study, factors that facilitate as well as the hinder integration of CSV and MCSs can be identified and analyzed and thus provide an indication of how CSV integrates with Bangchak MCSs.

According to the chosen case in this study, the Bangchak Petroleum Public Company Limited enables local cluster development by having a focus on business ethics, diversity, training and educating its employees and taking part in several research projects. Based on case study and interviews shared value creation has potential to create new business opportunities, improve quality, cost-effectiveness, sustainability and collaboration in a construction project. In the case shared value creation components emerged, yet more benefits would have been gained if shared value creation would have been implemented intentionally and strategically. Since the company was established, Bangchak Petroleum Public Company Limited has adopted its businesses with values and cultures coherently with national energy security and the development of the Thai society. As first started, corporate vision, culture, and missions have been fully aligned with the principle of CSV, business sustainability with environment and society. This principle demands clear alignment and strong adherence between business activities and the environment and society, as well as the adoption of the sufficiency economy philosophy, corporate governance principles, and principles of social responsibility. These principles have been integrated and applied to drive Bangchak toward creating shared value and sustainable growth under the corporate vision of creating an energy business that is environmentally friendly for sustainable development, or Greenergy Excellence. Regarding this stated it deemed to interpret that Bangchak has conducted and emphasized its organizational culture to express harmony with environment and society while contributed sustainable business. Likewise, Bangchak and its employees are committed to work to the best of their abilities with responsibility towards the environment and society with building high performance culture. The company has defined the competencies for each position to develop professionalism fitting each duty and position through properly prepared training processes. Meanwhile, all employees, management or specialist such as specialist in Refining have opportunities to progress in the lines and professions of their choice throughout the career path and learning development program. Furthermore, the company has set the building effective leadership to reinforce the potential and capability of the executives at all levels as well as establish the leadership DNA. As the executives are the key corporate successors, thus one extracts the ability or caliber of all executives to achieve corporate success. To make its peaceful workplace and build a high performance culture one filled with contented people that force great collaboration, the company has consistently promoted rapport among employees as well as between employees and the company. Its assorted activities have one common goal to cultivate virtues and a keen awareness of fellow employees, the organization, and society as a whole. Bangchak is continuously focusing on employee's development in order to promote potentiality, competitiveness at the international level and valuable society members. In addition, the company emphasized on knowledge management, so that it has set an objective of being a learning organization, defining the direction by searching for and setting the structure and scope, managing, collecting and transferring knowledge, as well as promoting knowledge sharing among employees and to external organizations. Simultaneously, the ultimate aim was to apply the knowledge gained and evolve it into best practices to create innovations useful for Bangchak's businesses and business improvement. Bangchak's business growth has expanded into various alternative/renewable energy sources to meet changing demand of stakeholders and correspond to the national and global changes on society and the environment. As a good corporate citizen, Bangchak is fully committed to growing invariantly to its original work philosophy in creating value for society and the environment with CSV and both CSR in-

process and CSR after-process activities, designed and executed at all levels from local communities, communities surrounding the refinery and the nation. All work activities promote stability and strengthen preventive capability toward better, sustainable economy, society, environment, and energy security for Thais. These missions are adhered to by executives and all employees of all units under the employee culture of "to be virtuous, knowledgeable, and contributive to society".

4. ANALYSIS AND DISCUSSION

As the purpose of this study, the described initiatives are merely some examples of how Bangchak Petroleum PLC creates shared value. In this discussion, the empirical data will be analyzed by applying concepts and prior research from the literature review. CSV work that is connected to several different MCSs will be discussed in regards to their interdependence. The MCSs package by Malmi and Brown (2008) that including the analysis of three dimensions consist of cognitive, organizational and technical will be used as a framework when analyzing how CSV integrates with the company's MCSs.

4.1 Cultural Controls

Cultural controls provide a contextual frame for all other control systems (Malmi and Brown, 2008). Value-based controls are communicated in the organization to establish values, purpose and direction for the organization. According to Malmi and Brown (2008), they revealed that the Symbols could also be used as a control mechanism for considering the employee behavior directly. Arjaliès and Mundy (2013) found that companies use values to establish a shared vision of CSR, which also has been revealed at Bangchak but in regards to CSV. It is explained that CSV is a core of Bangchak's DNA that is emerged on CSR-in process and sustainability, and that increased awareness has been created among the employees. Previous scandals are a factor to the increased communication and sharing of CSV work. Although, these principles have also been updated several times to be more consistent with the company's CSV approach. It has been explained that it has been a major shift in the corporate culture. These findings are in line with Moon et al. (2011) findings of the maintenance of a cultural shift as a cognitive enabler. It is explained that the employees feel proud of the company's CSV work and Bangchak really that wants to create this culture. This is also in the alignment of a cognitive enabler in Moon et al. (2011) findings, due to the awareness among the employees of the value of Bangchak's CSV. Moon et al. (2011) also found that a conducive culture was an organizational enabler, which is in line with the shared value creation culture at Bangchak. Moon et al. (2011) found that underdeveloped shared engagement and understanding of sustainability could be a cognitive barrier. However, in regards to CSV, the opposite could be identified at Bangchak. The employees are both aware and collectively committed to CSV, which therefore could be seen as a cognitive enabler in the MCSs.

4.2 Planning Controls

Regarding Malmi and Brown (2008) referred to the long range planning, which has a strategic focus. Much of the shared value creation planning conducted through contributes business wealth while hand in hand with environmental and social stewardship. Long range planning and associated goals are also presented in the company's CSV throughout the sustainable business model. According to Bangchak's CSV model and implementations are explicitly specified in the long-range planning, this is aligned with Moon et al., (2011) description of an organizational enabler of integration. The long-term relationships with its suppliers are vital in Bangchak's long-term planning in order to secure and parallel improve all partners in the future. As the long-term relations throughout the partnership with agricultural cooperative by launched the community service stations project, therefore, Bangchak had an intensive role in community participation and social development, by various initiatives and actions through communities to form a learning process and develop community's self-reliance capability. This deemed consequence with the findings by Moon et al. (2011) that engaging with stakeholders could be a cognitive, organizational, and technical enabler. The second aspect of Malmi and Brown (2008) in regards to planning refers to action planning, which has a more tactical focus. Action controls are used to ensure that the long range plans and goals are fulfilled. Recognizing that its oil refining business belongs to the energy-consuming industry, the company strives to become a Green Society through establishing an organizational model; ranging from Green Process to Green Products and onto a Green Network; and the leader of low-carbon company by emitting minimal volumes of carbon dioxide to minimize environmental impacts arising from its business. In addition, Bangchak has aimed to be the leader in renewable/alternative energy and non-oil businesses. As Bangchak committed that the company has instituted management practices to diversify income to businesses with more stable income in harmony with environmental stewardship. In contrast to Moon et al. (2011) findings that underdeveloped shared commitments could be a cognitive barrier, the planning controls with regards to CSV at Bangchak are more aligned with the opposite. The commitments are shared through long range as well as action planning, and could therefore be seen as a cognitive enabler of integration within the company's CSV work.

4.3 Cybernetic Controls

Porter et al. (2012) also acknowledge the importance of measuring CSV. If companies are incapable of measuring their CSV work, they are unable to know how much shared value they are creating. If companies do not evaluate the

interrelationship between social and business results, they can forfeit opportunities such as growth and social impact (Porter et al., 2012). Toward CSV concept and sustainable management to strike a balance between value and merit, Bangchak has introduced sustainable management as its key component, ranging from its strategic planning, where social and environmental KPIs are made operating goals on top of business ones (financial, customer, process, and people). Regarding the technical enabler, KPIs are made for an indicator and assessment. Meanwhile, the resulting would have affected the company to aware and recognize in compliance with KPIs. An attempt to justify KPIs determining, the KPIs are emerged and deployed into organizational, division, and individual level respectively which advocate contributing to the organizational structure management. This seemingly intertwines and aligns with an Administrative and Planning Controls, consequently Reward and Compensation Controls is included. Likewise, Malmi and Brown (2008) also narrated that the conceptual of purpose enlighten the link to various controls.

4.4 Reward and Compensation Controls

Compensations are important to motivate managers in order to devote themselves to CSR activities (Arjaliès and Mundy, 2013). Regarding employees as a vital component of business success, Bangchak continuously looks after and develops employees' capability, including their compensation, which is derived from benchmarking outcomes within the petroleum industry (upstream, midstream, and downstream) and peer industries, welfare, which is far superior to legal requirements. Malmi and Brown (2008) also state that reward and compensation systems often are linked to other cybernetic controls, which is also the case of Bangchak. It remarks that the turnover rate is low resulted as 0.15 percentages in comparable with the other same industries. In essence, these seemed to indicate the apparently purpose of reward model by Bangchak. Bangchak organized activities and supported corresponding to the employee through the career planning and career growth; suitable welfare compatible with economic conditions and comparable to industry peers; and engaged in succession management to retain good personnel and develop them to cope with change that entailing the organizational enabler in MCSs. The rewards of this CSV initiative is therefore well integrated into the several different MCSs and could in line with Moon et al. (2011) findings be seen as a technical and cognitive enabler since appropriate performance measures have been developed and integrated. This could be put in contrast to the findings by Arjaliès and Mundy (2013), where the studied companies both struggled with incomplete measures as well as the lack of compensations in regards to CSR initiatives.

4.5 Administrative Controls

Follow the operational policy and sustainable economy philosophy considering the benefits of the stakeholders, staff, community and society, business partners; Bangchak raised the management of environment and society responsibility by specifying the policy for business process operation which under the related law and regulations with transparency. Malmi and Brown (2008) revealed that the governance structure consists of board structure including the systems for coordination such as meetings. According to Bangchak corporate governance policy, the Board of Directors is fully committed to conducting its business under the principles of good corporate governance to ensure that the company performs its operations with efficiency, transparency and accountability toward all stakeholders. In corporate governance, there are various groups of stakeholder which the company takes into consideration their rights over and above those stated by the law, as well as not taking actions which might violate the rights of stakeholders and intellectual properties. Subsequently, Malmi and Brown (2008) have stated that the organizational design can also apply for control the behavior of the employees. Furthermore, Bangchak has strategic business units as the company set up a Co-op Business Development Division for stewardship and to develop such service stations for sustainable growth, which enacts the role in supporting local subsidiaries. Moon et al. (2011) found that organizational silos could create organizational barriers. However, the strategic business units that support local subsidiaries with shared value creation related questions could be seen as an organizational enabler of CSV integration. In addition, another administrative control in Malmi and Brown's (2008) package is policies and procedures, which can control employee behavior through standard operating practices and policies. The researcher also describes that training could be an administrative control if it involves following policies and procedures. This is the situation for Bangchak since it is mandatory for all employees to follow Bangchak's business principles. The company recognizes that employees are the driving force, and encourages the training of employees to increase their competency. Moreover, the company ensured that employees were fairly treated and received suitable, fair compensation and welfare compatible with their performance assessment levels and the company's performance outcomes in comparison with market and industry peers. This included a provident fund, medical welfare, commuter buses, labor relations activities, and an employee's association consisting of assorted clubs for their recreation after a day's work. Through training as well as a thoroughly understanding of Bangchak business principles among the employees, indicates a cognitive enabler of integration with CSV that contributes the value and virtue for society while also generate the business wealth. Bangchak has defined efficient work processes for communication and support of innovation and learning in the corporation, together with the establishment of channels for accepting recommendations about innovation for the fruitful application. Data of various innovation projects and lessons learned from day-to-day task performances are compiled in the BCP Knowledge Management System (KM) for all to examine and apply them to their own work improvement anytime. Simultaneously, communicated and shared knowledge with all employees on the corporate governance policy via KM web and launched an 18-item test on the policy via the KM Happy Quiz. The 2014

outcomes were 100 percentages for awareness and acknowledgment by executives and employees, and 100 percentages passed the test. These outputs form the basis of stringent, efficient practices and communication channels. Likewise, the company considers health and safety and the environment an integral part of the business, and has a written guideline on health, safety and the environment for the directors, executives, and employees to uphold. This includes promotion of efficient resource consumption and employee training on occupational health, safety, environmental, and energy matters under the “develop sustainable business, while safeguarding the environment and society” corporate culture. Owing to the company’s organizational environment and structure favor implementation of the internal control system. Its business goals are deliberated by the board in a clear and measurable way for use as concrete guidelines for employees. Employee incentives or compensation has undergone a critical analysis of sensibility. A proper organizational structure favors efficient business execution by the management. Supporting assorted projects on alternative-energy promotion and CSV/CSR-in process alike, which illustrate systematic social and environmental responsibility, the management also consistently values business integrity and ethics. Bangchak has stressed to employees the issues of fraud risk and conflicts of interest by improving how information on employees’ conflicts of interest is given through the e-HR system for greater convenience and information timeliness. This deemed consequence with the findings by Moon et al. (2011) that could be a cognitive, organizational, and technical enabler. According to the governance structure and organization structure has appeared organization enabler; simultaneously the cognitive, organizational, and technical enabler has occurred in the policies and procedures.

5. CONCLUSION

5.1 Summary of the Study

Toward generating virtue for society in parallel with creating business value based on Creating Shared Value (CSV) by Porter and Kramer (2011), CSV principle would be embodied in Management Control System (MCSs). The purpose of this study is to describe and analyze how Creating Shared Value integrates with a company’s management control systems. To consider, the researcher conducted a qualitative research throughout single case study of Bangchak Petroleum PLC, the leading company who create business wealth with due regard for social and environmental stewardship as well as elevating domestic corporate governance. The findings suggest that CSV integrates with several of the company’s MCSs. In cultural controls, CSV integrates through an increased CSV culture, awareness of the value of CSV, a sense of a conducive CSV culture. It integrates with planning controls through explicit goals, engagement of partners and developed shared commitments. The financial and non-financial measurement systems are integrated into company KPIs. Meanwhile, as the rewards and compensation controls, CSV integrates through adequate performance measures. With the administrative controls structure has worked through organizational structure and specialize division. Subsequently, organizational structure relied on business fields and strategic management. Moreover, CSV integrates with policies and procedures through BCP Knowledge Management System (KM), developed shared commitments, and workshops and training. Thus, to create social value while contributing economic growth simultaneously, there is essential to embed with the three dimensions of MCSs consisting of cognitive, organizational and technical. After having analyzed how CSV integrates with the Bangchak’s MCSs, several enablers are displayed in Figure 2.

Cultural Controls								
			Value			Symbols		
			<u>Cog. enabler</u>	<u>Org. enabler</u>	<u>Tech. enabler</u>	<u>Cog. enabler</u>		
			✓	✓	✓	✓		
Planning Long range & Action planning			Cybernetic Controls Financial & non-financial measures system			Reward and Compensation		
<u>Cog. enabler</u>	<u>Org. enabler</u>	<u>Tech. enabler</u>	<u>Cog. enabler</u>	<u>Org. enabler</u>	<u>Tech. enabler</u>	<u>Cog. enabler</u>	<u>Org. enabler</u>	<u>Tech. enabler</u>
✓	✓	✓	✓	✓	✓	✓	✓	✓
Administrative Controls								
Governance Structure			Organization Structure			Policies and Procedures		
	<u>Org. enabler</u>			<u>Org. enabler</u>		<u>Cog. enabler</u>	<u>Org. enabler</u>	<u>Tech. enabler</u>
	✓			✓		✓	✓	✓

Note. Cog.-Cognitive; Org.-Organizational; Tech.-Technical

Figure 2: Management Control Systems for Creating Shared Value

5.2 Theoretical Implication

Bangchak Petroleum Public Company Limited has its key missions on the enhancement of energy security and has adopted its businesses with values and cultures coherently with national energy security and the development of the Thai society. Thus, to generate virtue for society in parallel with creating business value based on Creating Shared Value (CSV) by Porter and Kramer (2011), CSV principle would be embodied in Management Control System (MCSs). This research has studied contribute how CSV integrates with MCSs of Bangchak, and the results would have expected as CSV integrates with several of the company's MCSs. By integrating CSV into a company's MCSs indicates that company can incorporate social and environmental matters into its core business, and thus contributing to societies broader sustainability agenda beyond discourses of sustainability. The resulting has been identified the specific context, a relatively broad scope of enablers of CSV integration into MCSs wherewith, to create social value while contributing economic growth simultaneously, there is essential to embed with the three dimensions of MCSs consisting of cognitive, organizational and technical. Hence, how CSV integrates with several of the organizations MCSs, can be beneficial to other organizations interested in adopting the CSV approach or initially have done, which could initial consider to integrate CSV into their MCSs.

5.3 Limitation

Nevertheless, the limitation in this study in accordance with this is qualitative research and conducted by the interview for collecting and analyzing data. The results are based on a single case and the ability to simplify the findings is limited. According to the case of Bangchak, the company has probably found some limitations of the communication and inherently potential of understanding the concept of CSV even though the contribution of this research, CSV integrates with several of the company's MCSs. Toward these limitations, it has significant affected to consider the business's vision and organizational culture engaging to business operation.

5.4 Future Research

Toward gathering creating shared value (CSV) into a company's Management Control Systems (MCSs), the company can increase understanding of creating shared value (CSV) and sustainable business models those are congruent to its key missions on enhancement of energy security and has adopted its businesses with values and cultures coherently. In essence, the empirical part of this study was accomplished by an interview with the organizational both of business sector and business consultant sector; they involve and support the unique interviews including with accessing to archival records thus the data can be realized authenticity. Bangchak has definitely succeeded to embed CSV strategy as part of business core thinking. To serve the future study, Bangchak able to be the best exemplify efforts or the prototypical case study to the other corporations who initially contributes shared value creation or even is entering to a transitional change. Those corporations can utilize adjusting and further emerge Bangchak context of creating financial and social value into their own characteristic. Simultaneously, they can realize how Bangchak has achieved whether or not the corporation will be thrived like Bangchak. In other instance, the other business industries probably would study how CSV integrates with Management Control Systems that consists of the three dimensions: cognitive, organizational and technical enablers; in which the resulting have been better than most observers would have expected or how differ the effecting will be.

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