

Corporate Strategy: Impacts of Environment, Leadership & Organization Design (With Reference to Afghan Companies 2019)

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ABSTRACT--- This paper studies the relationship between management control systems (MCS) and business strategy success in three economic zones of Afghanistan (Center, North and West). Empirical research studies that use contingency approaches and case study applications are examined focusing on specific aspects of MCS and their relationship with strategy. These aspects include cost control orientation, performance evaluation and reward systems, the effect of resource sharing, the role of MCS in influencing strategic change and the choice of interactive and diagnostic controls. However, it can be inferred from the contemporary approaches to the relationship between control measurement systems and corporate strategy success that our knowledge of the relationship between MCS and strategy is limited, providing considerable scope for further research. In this research we aim to introduce a comprehensive descriptive analysis of strategy control measures for success.

Keywords—Financial Control, Strategy Control, Operations Control, Corporate Success Measure.

I. INTRODUCTION

The issue of identifying strategy success factors and aligning controlling measures with corporate strategy success has long been debated from various perspectives among scholars in the fields of Business Administration and Economics. The two competing approaches which has an equivalent use in studying the relationship between strategy success and controlling measures are “Balancing” and “Alignment”. According to Lawrence and Lorsch, (1967); Prahalad and Doz, (1987), in balancing approach guidance related to balancing corporate and business strategy level requirements are studies. Whereas in its competitive study approach, alignment, advice is provided to executives and strategists to consider what parts or elements of the strategies need to be aligned differently to contribute to the competitiveness of the firm. In our research, however, we aim for addressing the balancing approach where it is suitable for the context of newly established and mostly

family owned businesses in Afghanistan. The competition level within an industry is much feeble in Afghanistan (2019) where security issues pose restrictions for a competitive market environment. Henceforth, our main objective in doing this research is to be the first attempt towards checking the controlling environment versus strategy success factors using balancing approach which in turn lays a strong foundation for future studies on comparing balancing approach results with that of an alignment study.

II. LITERATURE REVIEW

Vast researches have been conducted on the effects of controlling measures for corporate performance and strategy success. In here we introduce some important literatures done on the topic.

2.1 The Concept of Management Control System and Its Relation to Performance Measurement

Ladislav Siska (2015) from university of Economics, Prague: Department of Management Accounting used a survey conducted by Straub and Zecher (2013) to write an article focused on answering two research questions: what is meant by “Management Control System” (MCS) and whether there is any difference between the term MCS and the similarly used term “Performance Measurement”. The study finding reveals that MCS is perceived as a set of controls which managers have at their disposal to steer the organization towards the predetermined goals. It is also possible to view MCS and PM as synonyms.

2.2 Management Control Systems and Performance in Small and Medium Family Firms

Antonio Durendez, Daniel Ruiz-Palomo et.al (2016) from Department of Accounting & Finance, Faculty of Economics & Business Administration, University of Malaga, Spain has presented a paper to analyze whether family influence impacts on the degree of utilization of the management control systems (MCS), and the relationship between the former and performance. Using a sample of 900 Spanish SMEs, both family and non-family businesses, the findings shows that family businesses use less management control system than non-family firms and that the use of MCS has a positive influence on business performance. This

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study is useful for firm managers and practitioners as it can encourage them to develop systems that allow control of the firm direction and improve the firm's competitiveness.

2.3 Aligning Corporate and Business Strategy: Managing the Balance

Pontus Wadstrom (2018) an independent adviser based at Industrial Economics and Management, KTH Royal Institute of Technology Stockholm, Sweden conducted a study on the firms' growth. Exploring the questions of what businesses should be a part of the organization and how to ensure the incorporated businesses contribute to a greater good of the whole firm, a study by Lawrence and Lorsch, 1967; Prahalad and Doz, 1987) is used to assess balancing corporate strategy integration with business strategy differentiation. This study expands our theoretic understanding of strategy and alignment. Practically it offers organizations guidance in balancing corporate and business strategy level requirements. To make such contributions, the process of translating the corporate strategy of one multi-business firm, into business strategies for the 11 business units incorporated, is studied. The researcher suggests a competitive approach to be taken on alignment. Alignment should lead to greater competitiveness. As for practical implications, the author argues that taking a competitive approach on alignment is superior to set a proper balance between corporate and business level strategies. Advice to executives and strategists is to consider what parts or elements of the strategies needs to be aligned differently to contribute to the competitiveness of the firm.

2.4 Corporate controls, geographic dispersion, and their effect on corporate financial performance in related diversified corporations

Pouya Seifzadeh (2017) presents a research on corporate control measures. An important finding of the research is that manager should be more aware of the implications of selecting the geographic location of the subsidiary that they either acquire or establish. According to Seifzadeh there is a triple interaction effect between corporate strategy (diversification Approach control mechanism and extant of geographical diversification influence.

2.5 Strategic management system and methods of controlling as key elements of military expenditure policy-making process

Maritana Sedysheva (2012) in their research paper discuss about the Balanced Scorecard application. They argue that using the "utility function" will allow the Estonian Defence Forces to overcome important barriers to strategy implementation by interrelation of military planning and budgeting processes. One suggestion for further research might be established as a way of improvement and development of methods directed to application of the utility function in the decision-making process. This approach will improve calculations of strategic perspective plans and will reveal the essence of the budgetary policy on the whole by taking into consideration expenses features of the business and non-profit organizations. Practical implication of this research is that by using the Balanced Scorecard the paper offers a new strategic method of planning and controlling the military expenditure in the Estonian Defence Forces.

The present paper provides direct evidence of the alternative methods forecast measures and the possibility of using mathematical models in the strategic planning process.

2.6 Assessment of business strategy: implication for Indian banks

Dhananjay Bapat & Deepa Mazumdar (2015) has conducted a study on Indian banks. The purpose of this paper is to explore the business strategy and its strategic orientation in the context of Indian banking sector. While past research has focused on internal factors, organizational performance and organizational design, present research intends to fill the gap by assessing the strategic archetypes for Indian banking. Using factor analysis, the 14 items are reduced into four major factors: competition, cost, innovation and customer need. In terms of strategic preferences, the finding indicates that respondents have given higher rating for both market share (25 percent) and new products (25 percent), followed by cost (16 percent), competition (15 percent) and service (13 percent).

With the dominant preference for market share and new products, authors proposed a market share-new product matrix and identified four quadrants: low return, resource constraint, complacency and optimal performance. The study offers guidance to managers to frame and assess the bank strategy.

2.7 Corporate Strategy, Organizations and Subjectivity: A Critique by Knights, David & Morgan, Glenn. (1991)

This paper attempts to develop a new approach to the study of corporate strategy. It draws on the methodology of Michel Foucault to suggest that corporate strategy can be seen as a discourse which has its own specific conditions of possibility. These are traced historically to various exercises of power within the conduct of war and the development of business organizations. Strategy is located as an emergent set of practices which has distinctive power effects on organizations and subjectivity. Analyses of strategy cannot be reduced either to rationalist accounts of markets and environments nor interpretive understandings of actors' frames of reference. The emergence and reproduction of 'strategy' as an essential element in managerial discourse needs to be located in specific changes in organizations and managerial subjectivity, because it is a mechanism of power that transforms individuals into particular kinds of subjects who secure a sense of well-being through participation in strategic practices. Conflict over 'strategy' is therefore more than just a question of career politics and market competition. It touches on the very sense of what it is to be human as well as having effects that readily legitimize prevailing relations of inequality and privilege in contemporary organizations and institutions.

2.8 Understanding Control in non-profit organizations: moving governance research forward? Terri Byers, Christos Anagnostopoulos, Georgina Brooke-Holmes, (2015)

The purpose of this paper is to introduce the concept of



organisational control and both its importance and utility for understanding non-profit organisations. This paper uses a critical realist (CR) methodology to discuss the concept of control and its utility to research on governance of non-profit organisations. The current study offers a conceptual framework that presents a holistic view of control, relevant for analysing non-profit organisations, and a methodological lens (CR) through which this framework can be implemented. This paper suggests that studies of governance should consider different levels of analysis, as suggested by examining the concept of control using a CR framework. This notion has yet to be tested empirically and a framework for examining governance from a CR perspective of control is suggested. Context is highly relevant to understanding control, and thus, this model requires testing in a wide diversity of non-profit sectors, sizes of organisations and time periods. The literature on organisational control provides useful insights to advance our understanding of non-profit organisations beyond the notion of governance, and this paper proposes both conceptual and methodological underpinnings to facilitate future research.

2.9 Sustainable Leadership: management control systems and organizational culture in Novo Nordisk A/S. Dennis Oswald, (2009)

In this research paper issues related to sustainability is explored. How senior executives can provide the necessary leadership inside their organizations when one of the primary objectives of their organization is to be sustainable? The purpose of this paper is to demonstrate how top managers seek to provide the necessary leadership inside an organization when sustainability is a primary strategic objective, and the paper seeks to ask to what extent it is possible to influence sustainability at the operational level by contemporary management control systems as it proposes to integrate the perspective of organizational culture. Exploring the key terms of Economic sustainability, control systems and organizational culture, a single case study of Novo Nordisk A/S is observed. The paper concludes by asking questions to managerial practice as well as to theory, concerning to what extent sustainability practices are measures by concurrent management control systems, and to what extent organizational culture perspective is a necessary prerequisite to manage and control sustainable leadership practice.

2.10 Does better corporate governance increase operational performance?, Eduardo Contani, José Roberto Ferreira Savoia, Daniel Reed Bergmann, (2017)

In this research paper the aim is for restructuring the traditional firms. The research question is about what is the association between the adoption of corporate governance practices and operational performance in companies listed on the Brazilian Stock Exchange. This study aims to examine the association between the adoption of corporate governance practices and operational performance in companies listed on the Brazilian Stock Exchange. The sample comprises the 80 largest companies in the market value present in the Brazil stocks index in 2014. Principle component and cluster analysis used to evaluate performance and capital structure. The results from

Regression analysis show that the incidence of high level corporate governance in Brazil occurs among smaller companies with less desirable operational performance rather than biggest companies.

III. RESEARCH METHODOLOGY

3.1 Statement of Problem:

The following reasons are introduced for choosing our constructs/ variables from controlling measures for corporate strategy success:

1. Weak corporate performance and factors affecting success of a business greatly depend on controlling factors. Many companies have issues with identifying controlling problems and setting a proper plan for controlling their scope, strategy & budget.
2. It is also supported by numerous academic works that strategy without controlling measures fails to succeed and achieve the vision.
3. We aimed for a comprehensive and complete picture of controlling system involving all levels of management in a company. Therefore, we selected seven controlling measures from seven managerial departments along with demographics of company representatives.
4. In our next research studies, we are planning to compare controlling measures in a given industry & provide strategy suggestions for companies participated in the study.

3.2 Research Gap:

What is left out in earlier researches scope is a comprehensive and all-inclusive study of companies' factors of controlling. Whereas strategy deals with a comprehensive picture, thus studies for controlling measures of success require a great deal of work in balancing tradeoffs between departmental and managerial divisions in a corporate.

This research builds on previous research gaps in the field of corporate success in Afghanistan and aims for introducing a platform of research study about Afghan companies. Also this research admits the data gap and scope limitations associated with studies in this field. Thus our proposition is to encourage more primary research and data gathering projects.

3.3 Research Questions:

In this study we aim for answering the following research questions:

1. How strong is the corporate controlling environment in Afghanistan?
2. What is the relationship between corporate strategy success and controlling measures used by the corporate?
3. How leadership and organizational design/culture can improve controlling measures for strategy success?

3.4 Research Objectives:



In this research our main objectives are:

1. Assessing corporate strategy impact on business environment in Afghan industries
2. Identifying the corporate strategy success in Afghan industries
3. Assessing the relationship between corporate strategy success and controlling measures
4. Assessing the effects of leadership and organizational design/culture for corporate strategy success
5. Analyzing employee and managers' perceptions about corporate strategy and controlling environment

3.5. Statistical Tools:

For the purpose of a descriptive research study we used frequency analysis for the controlling constraints. We took a survey from twelve companies representatives (n:100) to draw conclusions about the population of corporate controlling schemes in Afghanistan.

3.6 Scope of Study:

We admit that our scope of study is limited to perceptions of a hundred employees and managers from twelve companies of seven industries across the nation. The scope of study is only concerned with descriptive analysis and couldn't capture complete details on a single corporate's living organism. Also we admit that our scope is limited to general controlling measures for corporates and it is advised for future researches to choose a variety of specific industry related controlling measures. It is also recommended for future researches to take in-depth interviews and field observation studies rather than a perception based study.

3.7 Study Limitations:

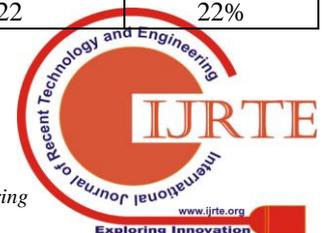
This study is conducted in a limited duration of one month and the questionnaires were circulated online through google forms. Thus we admit that our findings reflect limitations in time and content. This study is conducted from India and we couldn't visit companies for taking interviews and field observations to enrich our content enough

IV. DATA ANALYSIS

4.1 Frequency Analysis Table

Table 1: (Prepared as of 23rd Feb. 2019)

Serial No.	Constructs/ Variables	Constructs/ Variables Particulars	Response Population (100)	Percentage Values
Demographics				
1	Company (12)	Herat Armaghan Industrial Company	14	14%
		Herat Saffron Retail Company	11	11%
		HeryDonya Food Production Company	4	4%
		Puzzle BDN Company	7	7%
		Paya Travel Agency	1	1%
		ASMZQ	1	1%
		Mazaar Milk Industry	10	10%
		Mazaar Transportation Company	10	10%
		Kabul Balkh Security and Safety Company	10	10%
		Pamir Hindukosh Construction Company	10	10%
		Marefat Civil Capacity Building Organization	12	12%
		Soroush Construction Company	10	10%
2	Economic Zone (3)	Kabul (Capital, Center Zone)	32	32%
		Herat (West Zone)	38	38%
		Balkh (North Zone)	30	30%
3	Current Designation	CEO	6	6%
		Director	4	4%
		Operations Managers	26	26%
		Finance Managers	5	5%
		Head of Assessment & Controlling	1	1%
		HR Managers	3	3%
		IT Managers	5	5%
		Marketing Managers	5	5%
		Employee	45	45%
4	Gender	Female	54	54%
		Male	46	46%
5	Age	Below 25	8	8%
		25-35	68	68%
		36-45	22	22%



		46-55	2	2%
6	Current Salary	7000-21000 AF	37	37%
		21000-28000 AF	48	48%
		28000-40000 AF	13	13%
		Above 40000 AF	2	2%
7	Education Qualification	Diploma	27	27%
		Associate Degree	13	13%
		UG Degree	48	48%
		PG Degree	11	11%
		Multiple PG Degree	1	1%
8	Work Experience	0-1 Year	18	18%
		1-3 Year	41	41%
		3-5 Year	26	26%
		5-7 Year	5	5%
		Above 7 Year	10	10%
Strategy Control Measures				
1	Market Position	Start-up	14	14%
		Average	20	20%
		Growing	16	16%
		Top 10	44	44%
		The leader	6	6%
2	Type of Strategy	Growth	72	72%
		Stability	23	23%
		Renewal	5	5%
3	Strategy Scorecard Use	YES	85	85%
		NO	15	15%
4	Vision Year	2020	13	13%
		2020-2025	72	72%
		2025-2030	13	13%
		Longer than 2030	2	2%
5	Corporate Priorities (First)	Customer Objectives	45	45%
		Standardization	10	10%
		Financial Objectives	10	10%
		Innovation Objectives	5	5%
		Globalization	5	5%
		Learning & Growth	10	10%
		Localization	5	5%
6	Corporate Priorities (Second)	Employee Objectives	10	10%
		Customer Objectives	8	8%
		Employee Objectives	32	32%
		Financial Objectives	12	12%
		Globalization	7	7%
		Innovation Objectives	5	5%
		Learning & Growth	3	3%
		Localization	5	5%
7	Corporate Priorities (Third)	Operational Excellence	14	14%
		Standardization	14	14%
		Customer Objectives	16	16%
		Employee Objectives	4	4%
		Financial Objectives	5	5%
		Globalization	4	4%
		Innovation Objectives	6	6%
7	Corporate Priorities (Third)	Learning & Growth	2	2%
		Localization	3	3%

		Operational Excellence	40	40%
		Standardization	13	13%
8	Having Strategy & Plan Tracker	YES	93	89%
		NO	11	11%
9	Indicators for Strategy Success	Cost/Profit Ratio	30	30%
		Objectives Achievement Grid	12	12%
		Production Grid	13	13%
		Profitability Ratio	45	45%
10	Type of Strategy Control	Implementation Control	40	40%
		Premise Control	40	40%
		Special Alert Control	10	10%
		Strategic Surveillance	10	10%
11	Company Strategy Satisfaction	1- Zero	2	2%
		2- Minimum	9	9%
		3- Average	2	2%
		4- Maximum	87	87%
Performance Control Measures				
1	Type of Organizational Culture	Adhocracy (Creative)	10	10%
		Clan (Friendly)	60	60%
		Hierarchy (Controlling)	10	10%
		Market (Competitive)	20	20%
2	Corporate Performance Chart	YES	97	97%
		NO	3	3%
3	Colleagues Performance Satisfaction	YES	96	96%
		NO	4	4%
4	Variance in Colleagues Performance	YES	95	95%
		NO	5	5%
5	Type of Variance in Performance	Improving	97	97%
		No change	3	3%
6	Organization Behavior Satisfaction	Zero Satisfaction-0	1	1%
		Minimum Satisfaction-1	2	2%
		Average Satisfaction-2	6	6%
		Adequate Satisfaction-3	4	4%
		Maximum Satisfaction-4	84	84%
Financial Control Measures				
1	Type of Financial Control Measure	Account Payable Control	20	20%
		Cash Control	50	50%
		Collection Control	15	15%
		Credit & Bank Control	15	15%
2	Type of Financial Database	Customized database	30	30%
		No database	10	10%
		Online Database	20	20%
		QuickBooks	30	30%
		Shared/Linked Database	10	10%
3	Balancing Control Matrix	Maybe	3	3%
		NO	9	9%
		YES	88	88%

4	Type of Balancing Control	By Audit	60	60%
		By Report	20	20%
		Others	10	10%
		Internal Control	10	10%
5	Financial Controller Hired	YES	20	20%
		NO	80	80%
6	Net Margins & Key Financial Ratios Improving	Haven't measured yet	10	10%
		No	10	10%
		Yes	80	80%
7	Overhead Cost in line with Industry Norms	Never	6	6%
		Slightly	50	50%
		Strongly	44	44%
8	Working Capital Management	Never managed	0	0%
		Slightly	48	48%
		Very well	52	52%
9	Days Sales Outstanding (DSO) Improving	Never measured	6	6%
		Slightly	50	50%
		Very well	44	44%
10	Absences Allowed Per Month	1-3 days	30	50%
		3 -10 days	20	2%
		Flexible	32	45%
		Zero	18	7%
Innovation Control Measures				
1	Budget for Innovation	NO	90	90%
		YES	10	10%
2	Raising Funds for Innovation	NO	82	82%
		YES	18	18%
3	Type of Innovation Appreciated	Cultural Innovation	10	10%
		Marketing Innovation	10	10%
		Production Innovation	40	40%
		Technology Innovation	20	20%
		Research & Development	20	20%
4	Innovation Record (Past two years)	Maybe	20	20%
		NO	10	10%
		YES	70	70%
5	Encouraging Innovation	Always	80	80%
		Often	10	10%
		Rarely	10	10%
6	Employee Work Routine Innovation Involvement	Minimum-1	5	5%
		Average-2	10	10%
		Adequate-3	10	10%
		Full-4	75	75%
Risk Control Measures				
1	Risk Control System	NO	13	13%
		YES	87	87%
2	Risk Assessment Matrix Used	Always	9	9%
		Never	3	3%
		When required	88	88%
3	Risk Control System	Physical Risk Control	40	40%
		Technology Risk	20	20%
		Compliance Risk Control (Staffing)	10	10%
		Human Risk Control (Safety, Background Check)	10	10%

		Strategic Risk Control	5	5%
		Financial Risk	15	15%
4	Risk Management Technique	Avoidance	40	40
		Diversification	14	14
		Duplication	16	16
		Loss Prevention	15	15
		Separation	15	15
Operations Control Measures				
1	Type of Organization Design	Departmental	1	1%
		Functional	50	50%
		Network	4	4%
		Team	41	41%
		Matrix	4	4%
2	Type of Product or Service	Construction	20	20%
		Machines	20	20%
		Food & Agriculture	20	20%
		Security & Safety	10	10%
		Education & Consultancy	12	12%
		Transport	10	10%
		Travel Guide	8	8%
3	Average Weekly Market Demand	500-1000	65	65%
		1000-5000	22	22%
		5000-10000	10	10%
		Above 10000	3	3%
4	Average Weekly Production/ Service	50-100	55	55%
		100-500	10	10%
		500-1000	10	10%
		1000-5000	15	15%
		Above 5000	10	10%
5	Type of Production/ Service Control Measure	Capacity Planning	20	20%
		Chemical control measures	10	10%
		Environmental control measures	10	10%
		Standardization	20	20%
		Total Quality Management	20	20%
		Day to Day Operations (Energy, Waste & Production Capacity)	10	10%
		Preventive Maintenance	10	10%
6	Operational Control Chart Used	YES	89	89%
		NO	11	11%
7	Operations Control Satisfaction	Minimum Satisfaction-1	10	10%
		Average Satisfaction-2	15	15%
		Adequate Satisfaction-3	10	10%
		Maximum Satisfaction-4	65	65%
Leadership Control Measures				
1	Type of Leadership	Assertive	10	10%
		Beurocratic	5	5%
		Centralized	10	10%
		Charismatic	60	60%
		Democratic	10	10%
		Transformational	5	5%
2	Leadership Assessment Survey Used	YES	12	12%
		NO	88	88%
3	Leadership Quality Satisfaction	Minimum Satisfaction-1	5	5%
		Average Satisfaction-2	10	10%
		Adequate Satisfaction-3	30	30%

		Maximum Satisfaction-4	55	55%
4	Change in Leadership Observed	Not Observed-0	5	5%
		Minimum Observed-1	10	10%
		Average Observed-2	20	20%
		Adequate Observed-3	15	15%
		Maximum Observed-4	50	50%
5	No. of Directors	From 1 -2	10	10%
		From 2-3	70	70%
		From 3-5	20	20%
6	Leader Motivation	Least Motivator-1	10	10%
		Average Motivator-2	20	20%
		Good Motivator-3	45	45%
		Highly Motivator-4	25	25%
7	Type of Controlling Used by Leader	Corrective Control	16	16%
		Detective Control	25	25%
		Preventive Control	59	59%

V. INFERENCES

In this study we classified our sample variables/constraints according to:

1. Demographics
2. Strategy control measures
3. Performance control measures
4. Financial control measures
5. Innovation control measures
6. Risk control measures
7. Operations control measures
8. Leadership control measures.

From an online survey using google questionnaires we sent forms to **13** company representatives who were well known to us and have given their consent for filling up the questionnaire according to schedule designed. From those representatives we got responses from **12** company general employees, CEO, Directors & Managers. The demographic constraints reveal interesting information about the respondents' involvement in the strategy control process in the given companies.

The 12 companies represented seven industries from three important economic zones in the country (North which borders with Central Asia, Center: Capital & West which borders with Iran):

1. Construction
2. Machines
3. Food & Agriculture
4. Security & Safety
5. Education & Consultancy
6. Transport
7. Travel Guide

5.1 Demographics:

From a **104** total responses that we received, we were able to identify the following information about the respondents' demographic details:

1. Rectifying the outlier responses, we were able to finally select **100** responses which were complete and belonged to the selected **12** companies.

2. Our **100** respondents included **45%** general employees, **26%** operations/service managers, **6%** CEOs, **4%** directors, and the remaining were finance, human resources, marketing, IT managers and a head of Controlling & Assessment department.
3. An approximately equal responses received from both female and male company representatives (**54%** Females & **46%** Males).
4. Our respondents were from young professionals who were in major between the ages 25-45 with **8** respondents below 25years old and **2** between 46-55 years old.
5. More than **60%** of the respondents receive a salary range of 7000 Afs to 28000 Afs.
6. Majority of our respondents hold UG degree (**48%**).
7. Majority of our respondents had 1 to 3 years of work experience (**41%**).

A general inference from the demographics can introduce our sample population to be from young, novice professionals (both female & male) who have in majority UG level education or less and receive a mean salary of ($\mu=13000$ Afs).

5.2 Strategy Control Measures

- 1- Market Position: From **100** respondents we received diverse responses about how they perceive their company's market position. The main reason behind this disparity of responses is that information about the companies' market position is not communicated equally to different levels of management and subordinates in a company. The responses indicate that in major respondents perceive their company belong to Top 10 ranking in their respective industries (**44%**), **20%** from average position, **16%** from growing position, **14%** start-ups and **6%** from leader companies.
- 2- Type of Strategy: **72%** respondents perceived their company strategy type to be growth strategy, **23%**



stability and 5% renewal. Again it can be inferred from the data that the type of strategy is not communicated equally with all levels involved in the company because the dispersion of perception about type of strategy significantly varies within each company's respondent group.

- 3- Strategy Scorecard Used: 85% of responses reveal a confirmation for using strategy scorecard in their respective company, however, it has been commented in the suggestions section that they use their own scorecard matrices and some use the scoring matrices provided by Ministry of Industry and Commerce as well as Ministry of Economy.
- 4- Vision Year: 72% perceived that their company strategy holds a 5 years' vision for 2020-2025. 13% perceive 2025-2030 and 13% 2020. Only 2 respondents perceive their vision year to hold for longer than 2030. This finding to a great deal reflects the market insecurity and uncertainty in Afghanistan which hinder the strategy makers and subordinates to have a long term vision for their company's survival.
- 5- Corporate Priorities: For their first priority, 45% chose Customer Objectives, 32% Employee Objectives for second priority and 40% Operational Excellence for their third priority. It can be inferred that the majority of respondents perceive their companies to have customer, employee and operational excellence priorities comparing to financial, globalization, localization, standardization, learning & growth or innovation objectives.
- 6- Having Strategy & Plan Tracker: 89% responded YES for having strategy and plan tracker in their respective companies.
- 7- Indicators for Strategy Success: 45% perceive their company to use Profitability ratio, 30% cost/ profit ratio, 13% production grid and 12% objectives achievements grid.
- 8- Type of Strategy Control: 40% perceive their companies to use implementation control, 40% premise control, 10% special alert control and 10% strategic surveillance. It can be inferred that respondents associate the perception of strategy control with their daily observation from work control.
- 9- Company Strategy Satisfaction: 87% of responses were in favor of their current company strategy and they expressed maximum satisfaction from their company strategy. It can be inferred that young professionals are optimistic about their company's strategic position and controlling measures.

5.3 Performance Control Measures

Majority perceive their company to be clan (friendly) by type of culture and to an extend market (competitive) (60%&20% respectively). 97% perceive that they use corporate performance chart and they expressed a 96% satisfaction from their colleagues' performance. Variance in colleagues' performance was perceived 95% satisfactory. The type of variance indicates improvement

with 97% responses. Overall satisfaction with organization behavior is 84% indicating maximum satisfaction.

5.4 Financial Control Measures

50% responded that cash control measures are used by their companies. QuickBooks and customized databases are perceived of equal use (30% each). 88% perceive using balancing control matrix. Type of balancing control is perceived 60% by respondents to be by audit. 20% only perceived to have a financial controller hired in their company. 80% responded YES that use of net margins and key financial ratios reveal improvement. 50% responded that Overhead costs in line with industry norms are slightly used. 52% responded "very well" to working capital management. 50% responded "slightly" to day sale outstanding improvement. 32% perceived their absence allowance in HR to be flexible.

5.5 Innovation Control Measures

10% responded "YES" to having budget for innovation control measures. 18% perceived to have raising funds for innovation. 40% responded for production innovation as their type of innovation appreciated. 70% responded "YES" to perceiving innovation records in the past two years. 80% perceive their companies to have always appreciated innovation. 75% responded "Full" to employee work routine innovation involvement.

5.6 Risk Control Measures

87% responded "YES" to having risk control system. 88% perceived having risk assessment matrix used when required by their companies. 40% responded to physical risk control system used by their organization. 40% responded "Avoidance Risk Management Technique" as their organizational tool.

5.7 Operations Control Measures

50% perceived their organizational structure to be functional. Average weekly demand is perceived by 65% respondents to be between 500-1000 units. Whereas Average weekly production or services rendered is perceived by 55% to be between 50-100 units. The shortcoming in production or service either reflects market competition or inadequate capacity of the company to fulfill the market demand. Capacity Planning, Standardization & Total Quality Management production control measures are perceived by 20% respectively and equally. 89% responded "YES" to operational control chart used in their company. 65% responded maximum satisfaction to operational control system satisfaction.

5.8 Leadership Control Measures

60% of the respondents perceived their corporate leadership to be charismatic. Only 12% responded "YES" for perceiving a leadership assessment survey used by their company. 55% expressed maximum satisfaction to their corporate leadership quality. 50% expressed maximum observed for changes in leadership.



70% identified their number of directors to be between 2 & 3. 45% identified “good motivator” for their leaders.

59% expressed to have preventive control used by their leaders.

5.9 Data Analysis Summary

Table 2: Constructs & Inferences (Prepared as of: 23rd Feb. 2019)

Constructs	Inferences
Demographics	Young & novice professionals tend to have positive outlook and flexible approach towards controlling.
Strategy Control Measures	Disparity in information, short vision, human oriented strategy, strategy control measures are perceived as observed daily are hindering the businesses from success.
Leadership Control Measures	Charismatic leadership, less use of assessment survey, frequent changes in leadership and the use of preventive control measures by the leaders has resulted to 45% dissatisfaction among workers.
Performance Control Measures	Performance control measures in these companies reveal that young professionals tend to have a friendly work environment and they appreciate their colleagues’ improvement. Due to friendship bonds they tend to neglect each other’s shortcomings and weak performance which in turn leads to choosing weak performance control measures.
Financial Control Measures	Financial Control Measures are perceived slightly weak in these companies and less use of financial ratios has led to weak financial control performance. Most of the companies don’t have financial controller.
Innovation Control Measures	These companies appreciate innovation but it is yet to be put into budgets and backed up with controlling measures.
Risk Control Measures	Using Avoidance Risk Management tool and focusing more on physical risk management rather than operations risk control and environmental risk scanning has led to weak use of risk control measures in these companies.
Operations Control Measures	The shortage of supply and limited production capacity has made the operations control measures performing weak. Functional operations design hinders the companies from success.

VI. CONCLUSION & SUGGESTIONS

The study findings from twelve Afghan company respondents reveal interesting relationships between how young professionals perceive strategy success and controlling measures in their respective companies.

1. The relationship between management control systems (MCS) and business strategy success in three economic zones of Afghanistan (Center, North and West) is perceived to be strong among these young professionals who have a positive outlook towards their company strategies.
2. Using balancing approach for assessing the relationship between strategy levels in management and controlling measures used in different managerial levels we found that our sample study from Afghan companies respond positively to the balancing method used in their respective companies.
3. It can also be inferred from their responses and, for some, in their suggestions, that they perceive their company to be more inclined towards balancing approach for strategy and control measures in different organizational level.
4. Competition and alignment of new businesses were not addressed either directly or indirectly by the respondents.

Thus, a final conclusion on the subject study can be that using balancing approach for the Afghan companies

can best represent their current industrial status where there is less competition and the strategic tendency is towards structural growth.

Suggestions: For future researches in this subject we recommend:

- Using correlation, regression and F-tests
- Related future researches on a specific industry
- A comparative study on the alignment approach used by companies in relation to
- Controlling measures and strategy success.

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