

Appendix I – Data collection instrument

Part 1 – Please read the following information and indicate the answer you think most suitable for each situation. There are no right or wrong answers; we are interested only in your insight on the decisions.

Case 1						
<p>Scenario 1 – You are the executive vice-president of a public manufacturing company. Your company stops closes annually for the last two weeks in December for recess. During these two weeks, extensive maintenance is undertaken on the manufacturing equipment. Maintenance is costly, but has always been recorded in the past as a normal operating expense due to its recurring nature. Due to economic slowdown, the company's profits are significantly lower than the previously published profit forecasts. The CEO is concerned that the failure to obtain the expected profits will seriously affect the share price and the company's risk ratings.</p> <p>This year, in an effort to achieve the expected earnings, the company is considering delaying to next March all maintenance scheduled for the last two weeks in December. The cost of maintenance will be practically the same but this year's earnings will be increased because expenses will not be incurred in calculation the result in December.</p> <p>Indicate your support or opposition to the proposal of postponing maintenance until next year.</p>						
1	2	3	4	5	6	7
Strongly opposed to postponement	Opposed to postponement	Slightly opposed to postponement	Neither for or against	Slightly in favor of postponement	In favor of postponement	Strongly in favor of postponement
()	()	()	()	()	()	()
Case 2						
<p>Scenario 2 – You are the executive vice-president of a public trading company. The company does not have a policy offering its customers discounts and better credit conditions during the Christmas season. However, this year, due to an economic slowdown, your company's profits are significantly lower than forecast. The CEO is concerned that the failure to obtain the expected profits will severely impair the company's share price and risk ratings.</p> <p>So this year, in an effort to achieve the expected profits, the company is considering offering its customers a better discount policy and credit conditions in December, in order to boost sales. The decision to implement special discount policies will reflect in an increase in the profits for this year, despite a lower profit margin.</p> <p>Indicate your support or opposition to the implementation of the discount policy in December.</p>						
1	2	3	4	5	6	7
Strongly against	Against	Slightly against	Neither for or against	Slightly in favor	In favor	Strongly in favor
()	()	()	()	()	()	()
Case 3						
<p>Scenario 3 - You are the executive vice-president of a public industrial company. Every year you have a production policy that meets the sales demand and normal stock levels. However, this year due to an economic slowdown, your company's profits are significantly lower than expected. The CEO is concerned that the failure in obtaining the forecast profits will severely impair the company's share price and risk ratings.</p> <p>In December this year, in an effort to achieve the profits, the company is considering to produce more than the required quantity to meet the sales demand and normal stock levels. The decision will cause a drop in the average production costs, and the production surplus will allow a higher than normal fixed costs allocation to the stocks, thereby cutting the unit cost of the sold merchandise. Cutting costs of the sold merchandise will result in an increase in the current year's profit, because cutting costs of sold merchandise by overproduction will give a higher profit margin for the period.</p> <p>Indicate your support or opposition to the proposed boosted production in the last month of the current year.</p>						
1	2	3	4	5	6	7
Strongly against	Against	Slightly against	Neither for or against	Slightly in favor	In favor	Strongly in favor
()	()	()	()	()	()	()

Source: Adapted from Greenfield, Norman and Carolyn Strand (2008).

Part II – Use the scale from 1 to 5 – Never and Always.

Personal Behavior Variables	Likert Scale				
Empowerment	1	2	3	4	5
You have considerably autonomy to determine the execution of your work.					
You decide for yourself the executive procedures of your work.					
You have many chances for independent free decision-making on how to do your work.					
You are free to take major decisions on how the company should operate					
A high degree of initiative is permitted in performing your tasks and in your work.					
Creativity	1	2	3	4	5
When obstacles arise, you think of alternative ways in how to do your work.					
You have new troubleshooting ideas in your work.					
You manage to easily deal with new ideas and problems at the same time in your work.					
You continuously help others to develop new ideas.					
You often continuously create new ideas that are adopted in your work					

Use Variables of Management Control Systems	Likert Scale				
Boundary (Limit) Control	1	2	3	4	5
The organization's code of conduct clearly defines the proper behavior for the workforce.					
The organization's code of conduct clearly defines boundaries for the workforce behavior.					
The organization informs the workforce which risks should be avoided.					
The workforce is aware of the organization's code of conduct					
Diagnostic Control System	1	2	3	4	5
The senior management uses key performance indicators...					
To follow up the progress toward the targets.					
To monitor the results.					
To compare the results with the expectations.					
To evaluate organizational performance.					
Beliefs System	1	2	3	4	5
The mission statement communicates with the organization's fundamental values.					
The senior management communicates with the organization's fundamental values.					
The workforce is aware of the organization's fundamental values.					
The mission statement inspires the workforce.					
Interactive Control System (Inspiring)	1	2	3	4	5
It enables discussions at meetings of supervisors, subordinates and peers.					
It permits an ongoing challenge and debate regarding data, suppositions and action plans.					
It provides a shared view for the whole organization.					
It enables the organization to concentrate on ordinary problems.					
It develops a common vocabulary for the whole organization.					
Interactive Control System (Involvement)	1	2	3	4	5
The senior management considers on a daily basis business unit performance measures.					
The senior management interprets information produced by the business unit performance measures.					
The business units are involved with information from the performance measuring system.					
Interactive Control System (Strategic Focus)	1	2	3	4	5
It offers a sign of improvement in the main strategic areas.					
It offers new strategic challenges that the organization needs to face.					
It discusses the impact of change on the environment.					

Source: Adapted from Speklé, Elten and Widener (2017).

Parte III – Demographic Section**Age:** _____**Profession/ Position:** _____**Gender:** Male Female**Are you Manager/Responsible for the Financial Statements of the company where you work?** Yes No**How much experience (years) do you have in business administration?** _____**In which branch of activity in the company do you work?** Commerce Industry Service**What is the size of the organization where you work (based on typical criteria of the sector of the company where you work)?** Small Medium Large**How many employees are in the company? -----****In the scenarios you have just read, your remuneration (salaries+bonus) may be positively affected by the decision to cut maintenance costs, so do you agree to offer customers the discount policy and boost production?** Yes No