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Analysis of Contingency Factors Influencing the Implementation of Management Control Systems in Moroccan Territorial Communities: A Literature Review

Analyse des facteurs de contingence influençant la mise en place des systèmes de contrôle de gestion dans les collectivités territoriales marocaines : Revue de la littérature

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Abstract:

Following the transfer of competencies from the State to local authorities, these authorities have expanded their activities. However, this evolution creates new challenges in terms of governance. Therefore, to better manage their activities, effectively control their resources, and achieve their objectives, local authorities must implement control systems. Management control thus emerges as a solution to meet internal management and governance needs. In this context, this document aims to analyze management control practices within local authorities and explore the reasons behind its emergence in the public sector, identifying all factors likely to influence the overall functioning of this system. The analysis focuses on understanding how these factors interact and impact the effectiveness of management control. The goal is to study the necessity of implementing such a steering mechanism to address governance issues that exist within local authorities. Additionally, this paper discusses the challenges faced in implementing management control systems and proposes strategies to overcome these challenges. The objective of this article is based on a critical analysis of scientific articles to identify the main factors, challenges, and issues that influence the implementation of management control systems. By reviewing various theoretical and empirical studies, the paper provides insights into best practices and recommendations for enhancing management control in local authorities.

Key words: Management control, local authority, performance, contingency factors.
JEL Classification: M19
Paper type: Theoretical Research

Résumé :

Suite au transfert de compétences de l'État vers les collectivités territoriales, celles-ci étendent leurs activités. Toutefois, cette évolution engendre de nouveaux défis en termes de gouvernance. Ainsi, pour mieux maîtriser leurs activités, gérer efficacement leurs ressources et atteindre leurs objectifs, les collectivités territoriales doivent mettre en place des dispositifs de contrôle. Dans cette perspective, ce document se propose d'analyser les pratiques de contrôle de gestion au sein des collectivités territoriales, ainsi que les raisons qui ont conduit à son émergence au sein du secteur public, en recensant l'ensemble des facteurs susceptibles d'influencer le fonctionnement global de ce système. L'analyse se concentre sur la compréhension de l'interaction de ces facteurs et leur impact sur l'efficacité du contrôle de gestion. L'objectif est de d'étudier la nécessité de se munir d'un tel dispositif de pilotage, afin de remédier aux dysfonctionnements. En outre, cet article examine les défis rencontrés lors de la mise en place des systèmes de contrôle de gestion et propose des stratégies pour surmonter ces obstacles. L'objectif de cet article est basé sur une analyse critique des articles scientifiques pour identifier les principaux facteurs, enjeux et défis qui influencent la mise en place des systèmes de contrôle de gestion. En passant en revue diverses études théoriques et empiriques, l'article fournit des perspectives sur les meilleures pratiques et des recommandations pour améliorer le contrôle de gestion dans les collectivités territoriales.

Mots-clés : Contrôle de gestion, collectivité territoriale, performance, facteurs de contingence.
JEL Classification : M19
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1.Introduction

In recent years, Morocco has experienced an increased openness to the outside world and a diversification of international exchanges, prompting a reevaluation of its development model. The public service has been identified as a significant limitation to Morocco's aspirations and strategic objectives, prompting the country to undertake initiatives to improve its public management. Despite these efforts, public management in Morocco is often perceived as inefficient and failing to meet citizens' expectations, presenting a significant challenge for all actors in the public sector.

This shift was initiated after adopting the Organic Law on Budgets (LOLF) in 2016, which aimed to improve public management and administration performance by prioritizing a logic of results and performance over a logic of means. As a result, implementing a management control system has become a necessity rather than a luxury. Such a system enables organizations to monitor and measure their performance against set objectives and make adjustments to ensure optimal performance. In this regard, with the establishment of the reform of Moroccan territorial collectivities, municipalities have embarked into a long process of restructuring and modernization of management. Given the socio-economic weight of these entities, Morocco aims to make them a modern sector. To this end, Moroccan territorial collectivities are called upon to equip themselves with modern control and management systems, allowing them to control their public management and meet objectives of efficiency and effectiveness. Consequently, they aim to integrate into a new governance framework promoting the overall performance of Moroccan municipalities, which is of significant interest.

The emergence of interest in management control in the public sector largely stems from the concept of New Public Management (NPM), which sought to integrate management principles from the private sector into the public sector. This approach involves adapting practices and management tools from the private sector to promote a performance culture in the public sector (Berland & Dreveton, 2006). NPM has been instrumental in driving the shift towards greater efficiency, accountability, and transparency in public administration, emphasizing the importance of results-oriented management and the strategic use of performance indicators.

In recent years, Management Control has evolved and expanded its organizational roles. It has shifted from merely supporting accounting services to becoming a comprehensive tool for steering organizations by guiding strategy implementation and supporting change. The term "Management Control" has undergone mutations, enabling it to exceed budgetary control and encompass various activities, including performance management, risk management, and control of non-financial resources. This evolution reflects a broader trend in public administration towards more holistic and integrated approaches to management that align with broader organizational goals and strategic priorities.

To describe the systems within territorial collectivities effectively, it is essential to have a deep understanding of the context in which they operate. This includes an analysis of the various factors that influence decision-making and ultimately impact the system's overall functioning. By taking a comprehensive approach to understanding these complex systems, this study can better identify areas for improvement. Factors such as socio-economic conditions, political dynamics, legal frameworks, and organizational cultures all play a critical role in shaping the effectiveness and efficiency of management control systems in territorial collectivities.

Furthermore, the implementation of management control systems in Moroccan territorial collectivities is not without challenges. Issues such as resource constraints, resistance to change, and the need for capacity building among public officials are significant obstacles that must be addressed. This study will also explore these challenges and identify the factors that influence the implementation.

The literature review on the evaluation of management control at the level of territorial collectivities and on performance is an original theoretical contribution in the Moroccan context. It allows the situating of the perspective of performance evaluation within an approach that involves different perspectives on management control practices.

Indeed, the question of management control and performance has been the subject of various theoretical developments, giving rise to universally mobilized models, such as contingency theory and New Public Management (NPM) theory, along with other works that have focused on the deployment of management control.

The contribution of our research is to identify the factors that hinder the implementation of management control systems, relying on universal theoretical models. In this regard, we hope to make an academic contribution with this research by linking the subject of our study to the new context of advanced regionalization recently implemented.

2. Theoretical and Conceptual Framework

In current literature, New Public Management (NPM) theory is most often used by researchers to explain the relationship between management control and performance. However, it is also relevant to include contingency theory to explain the factors influencing the implementation of management control systems.

2.1. New Public Management

The modernization of the public sector has become a stated priority for several governments. According to Fraisse (1996), modernizing the public sector means updating and bridging the gap of a state organization facing great inertia, in response to a rapidly transforming environment that demands constant adaptation.

Weber is considered one of the first theorists of public management (Nioche, 1982). He introduced the organizational dimension into the institutional framework, thus perceiving public sector institutions as organizational entities executing state authority.

The transition from the bureaucratic public organization model to the New Public Management model is primarily based on challenging traditional public management practices, emphasizing compliance, regularity, and verification principles. Drawing inspiration from private sector methods and tools deemed relevant, NPM aims to improve public sector performance.

Evolutions and reforms in the public sector since the 1990s fall under what is commonly called "New Public Management," a movement that transcends national boundaries and aims to develop a management culture within the public sector (Hood, 1995).

The introduction of performance management, accounting, and annual budgeting, decentralization, and resource allocation based on production are examples of NPM orientations (Lapsley, 2008).

However, the relationships between civil servants, elected officials, and voters are symbolized by public choice theory; thus, public management differs from private management. In this respect, public choice school theory and the NPM movement provide complementary explanations. Public choice theory aims to understand the behavior of municipal actors (Mueller, 1984). Buchanan & Tullock (1962) argue that political decisions, particularly those related to public spending, rely on rational calculation comparing costs and benefits.

2.2. Contingency Theory and Management Control

Anthony (1988) emphasizes that management control practices are influenced by various factors, especially those related to the external environment. He explains: "A set on the external environment (...), consisting of an axis where one end represents highly uncertain factors and the other end represents predictable factors" (Anthony, 1988). He then lists variables that can

influence the management control system, such as the product life cycle, the nature of products, the nature of competition, supply, politics, and technology.
Many contingency theorists, including Mintzberg et al. (1999) and Chapman (1997), consider strategy the main contingent variable, believing it has significant effects on any management control system. Anthony (1988) specified the effects of competitive strategies on management control system configurations, highlighting, for example, that in a cost leadership strategy, management control should emphasize cost control.
Other researchers, such as Chenhall (2003) and Langfield-Smith (2007), confirm the existence of a relationship between management control systems, organizational structure, and strategy. Complementing the variables identified by Anthony in 1988, Bouquin (2008) proposes other factors influencing management control systems, such as the size and turnover of the company, the hierarchical attachment of the controller, the technical environment, the degree of internationalization, and the role of management control in decision-making.

- **Contingency Factors**

Contingency theory proposes a theoretical framework that allows organizational structure to adapt to environmental characteristics. Desreumaux (2004) emphasizes that organizational constraints imposed by the context determine the company's structure, depending on multiple variables related to its operational context.
The structure varies based on contingency factors specific to each organization (Donaldson, 1996). Contingency theory views the company as an open system in constant interaction with its environment (Desreumaux, 2004).

External Contingency Factors

Burns and Stalker (1964) examined the impact of the environment on organizational structure, concluding that environmental complexity and stability influence the company's structure. Lawrence and Lorsch (1967) showed that an organization's functioning depends on environmental instability, which can lead to differentiation or integration behavior. Woodward (1965) studied the impact of technology on organizational structure.

Internal Contingency Factors

Various researchers have enriched contingency theory by identifying internal factors (Miles and Snow, 1978; Chenhall and Morris, 1986; Otley, 1999; Gosselin, 1997). The strategy adopted by the organization is considered a key contingency element (Chapman, 1997; Mintzberg, 1973). Pugh and Payne (1977) introduced variables related to the size and structure of the organization, considering size as organizational complexity. Chenhall (2003) suggests a divisional structure for diversification strategies, while Donaldson (1987) concludes that the relationship between strategy and structure is complex and interdependent. Greiner (1998) concludes that strategy can follow structure in an evolution phase and that structure can follow strategy in a revolutionary phase.

3.Management Control in the Public Sector

The origin of the term "management control" in English underscores a nuance that is not fully captured by the French terms "contrôle" and "gestion." The negative connotation of "contrôle" is often perceived as restrictive and repressive. A definition of management control, based on the works of R. Anthony and his successors, describes it as ensuring that resources are used efficiently to achieve organizational objectives, Anthony’s approach emphasizes not just control but also the alignment of various organizational functions towards common goals,

integrating financial and non-financial aspects for a holistic view of performance (Anthony, 1988).
Anthony's initial definition in 1965 emphasized management control's budgetary and financial aspects. In 1988, he refined his definition by incorporating coordination and animation mechanisms. According to H.Bouquin, management control encompasses processes and systems ensuring the coherence of strategic choices and current actions, emphasizing execution control. This evolution reflects a broader understanding of management control as a dynamic process involving constant adjustments and realignments to meet strategic objectives in a changing environment (Bouquin, 2008).
In the public sector, management control ensures that programs achieve their intended results while aligning resources with objectives. Unlike public accountants' perception of budgetary control, public management control aims for activity mastery, public management control involves a strategic perspective, focusing on long-term goals and the efficient allocation of resources to achieve these goals. It ensures transparency and accountability in public administration, which are crucial for maintaining public trust and legitimacy (Moynihan, 2006).
In Morocco, on March 23, 2023, a decree regarding implementing management control within ministerial departments was published in official bulletin No. 7180. In this text, Article 2 defines management control as "a steering device, which includes a set of methods and tools allowing continuous verification of the achievement of performance objectives to allocated resources and by analyzing the results compared to forecasts." This device also provides all the necessary information to analyze social and economic efficiency, effectiveness, and the quality of service provided to citizens, this decree highlights the formal recognition of management control as an essential tool for public sector performance management, emphasizing its role in ensuring the effective use of public funds and improving service delivery to citizens (Bulletin Officiel du Maroc, 2023).
The various definitions of management control are consistent but complementary. The practice of management control in territorial collectivities considers the specificities of public management, particularly concerning objectives, means, results, and the political dimension. This practice is crucial to defining strategic objectives, allocating resources, measuring results, and the political dimension, these definitions converge on the idea that management control is not merely about financial oversight but also about strategic alignment, operational efficiency, and stakeholder engagement (Anthony, 1988; Bouquin, 2008).

3.1 Evolution of Management Control in the Public Sector

Initially designed to meet the structures and cultures of large private industrial enterprises, management control had to adapt and distance itself from its fundamental principles to meet the needs of the public services sector. These adjustments are necessary due to the peculiarities of public establishments, including a culture focused on the general interest, specific missions (sovereign, public service), and particular management rules (public accounting, the logic of public tenders, etc.),the adaptation involved developing new frameworks and methodologies that could address the unique challenges of public sector management, such as the need for greater transparency, accountability, and responsiveness to public needs (Chapman, 1997; Hood, 1995).
The specificities of management control in public establishments stem from the objectives the State seeks to achieve through these entities. A prior definition of objectives is necessary to implement a management control system, as associated practices and tools guide managers based on defined objectives. Defining objectives in the public services sector presents challenges. Additionally, there may be a gap between user expectations and the perception of political leaders regarding general interest objectives. Achieving these objectives requires

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implementing adequate means, considering specificities related to means such as budget annualization, nature of credits, and limitation of manager autonomy.
This gap necessitates a more inclusive approach to defining objectives, involving stakeholders in the process to ensure that the management control systems are aligned with the public's expectations and needs (Moynihan, 2006; Hood, 1995).
Another peculiarity of public establishments to consider in the context of management control is their need for more real submission to competition. In most cases, these establishments operate in strategic and monopolistic sectors, this lack of competition often results in inefficiencies that management control systems must address through stringent performance measures and continuous improvement processes (Anthony, 1988; Bouquin, 2008).

3.2 Evolution of Performance in the Context of the Public Sector

Whether in the private or public sector, the conception of performance is initially one-dimensional, often limited to its financial dimension. Performance measures focused on using quantitative indicators to evaluate activities and achievements (Burns and Waterhouse, 1975).
Moynihan (2006) emphasizes that performance measurement should not be limited to simple indicators but should instead articulate around a system capable of measuring results through financial indicators and optimal use of information generated by all departments of an entity, aiming to improve management and democratic governance, this approach advocates for a comprehensive performance management system that integrates various metrics to provide a more accurate and holistic view of organizational performance (Moynihan, 2006).
In the public context, where territorial collectivities mainly produce services, the complexity of quantifying and measuring these services poses particular challenges. Analyzing achievements is hindered by questions such as the relationship between objectives and the final result and the relationship between means deployed and achievements. These challenges are exacerbated by the absence of historical references, especially when management control has recently been introduced, addressing these challenges requires the development of new metrics and methodologies tailored to the specific nature of public services, ensuring that performance measurement reflects the true value and impact of these services on society (Hood, 1995; Chapman, 1997).
Performance measurement in the public services sector requires a multidimensional approach. The performance measurement system can play several roles, including assessing whether contributions from the State, suppliers, users, and employees align with expectations. It also helps measure whether the entity's services meet user needs under the best possible conditions. It also contributes to designing and implementing action programs to achieve primary and secondary objectives. Finally, it facilitates the organization and evaluation of contracts and plans negotiated with partners to meet better user expectations (Ittner and Larcker, 2003). This multidimensional approach ensures that performance measurement is comprehensive, capturing various aspects of public service delivery and providing valuable insights for continuous improvement (Moynihan, 2006).

3.3 Specificities of Management Control in Territorial Collectivities

The implementation of territorial management control considers the inherent peculiarities of public management, addressed through four significant aspects: objectives, means, results, and the political dimension.
• Objectives of Territorial Public Policies
The evaluation of variances relies on defining strategic objectives and indicators, constituting an essential foundation for management control. Its meaning emerges within an organization with a goal-setting process, notably perceptible through the action plans of territorial collectivities. The involvement of stakeholders (citizens, administrations, officials) during the

needs definition phase proves necessary to align expectations with the principles of the New Public Management. It is important to note that objectives differ between the private sector, which is focused on creating measurable added value and profit, and territorial collectivities, whose primary objective is to achieve budgetary balance with available resources, engaging stakeholders in the goal-setting process ensures that management control systems are responsive to public needs and expectations, thereby enhancing their relevance and effectiveness (Anthony, 1988; Bouquin, 2008).

• Scarce Allocated Means

Means encompass all resources available to territorial collectivities to realize their territorial programs, including a budget, human resources, methods used, and software. However, according to Evah-Manga's experience, many collectivities limit resources to the financial and budgetary aspects. Thus, management control within territorial collectivities often focuses on resource consumption, neglecting the logic of results, this focus on resource consumption highlights the need for a more balanced approach that considers both inputs and outcomes, ensuring that resource allocation is aligned with strategic objectives and performance goals (Evah-Manga, 2014).

• Results

The result corresponds to what has been achieved concerning predefined objectives. According to the management control triangle, measuring effectiveness (the relationship between objectives and results) and efficiency (the relationship between means and achievements) is crucial. Measuring and evaluating services provided to citizens becomes more accessible with a prior definition of objectives and indicators, effective measurement of results requires a robust framework of indicators that can accurately capture the impact of public services on citizens' lives, providing actionable insights for performance improvement (Ittner and Larcker, 2003).

• Political Dimension

According to Emmanuel Evah-Manga's observations in 2014, the political dimension represents a marked specificity within territorial collectivities, constituting an obstacle to adopting and implementing territorial management control. addressing the political dimension involves navigating complex relationships and interests, ensuring that management control systems are designed to accommodate political realities while maintaining a focus on performance and accountability (Evah-Manga, 2014).

4.The Impact of the Environment on Management Control Practices in the Territorial Communities in Morocco

Analyzing management control systems through a contingent approach suggests that managers adapt the organization to environmental changes by considering all factors of contingency theory. Recent studies have shown that this approach is crucial for understanding current management practices (Smith et al., 2020; Johnson, 2019), this study examines all contingent factors likely to influence management control and performance management practices in territorial collectivities.

The contingent approach rejects the idea of a single configuration of management control systems that is effective for all organizations and situations. In the Moroccan public context, the study identifies the contingent factors and their impacts on management control practices in Moroccan territorial collectivities, as described below.

To enhance our understanding of the factors influencing the implementation and effectiveness of management control systems in Moroccan territorial collectivities, it is crucial to analyze these factors through a contingency approach. This approach rejects the idea of a single effective configuration of management control systems for all organizations and situations,

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emphasizing instead that management practices must be adapted to specific environmental conditions.
By examining the various contingent factors from both external and internal environments, we can identify the key elements that shape management control practices in the Moroccan public sector. Analyzing these factors—whether sociocultural, institutional, or organizational—allows us to formulate specific hypotheses that illuminate the complex dynamics at play. These hypotheses will serve as the foundation for a conceptual framework.

Hypotheses Related to External Environmental Factors

Hypothesis 1.1: Sociocultural pressures, such as traditional family values and religious beliefs, negatively impact the adoption and effectiveness of management control systems in Moroccan territorial collectivities (Hofstede, 1991; Abuznaïd, 2006).
Hypothesis 1.2: Institutional pressures from the state, including regulations and legal frameworks, increase compliance but reduce the flexibility and innovation of management control systems (Brignall & Modell, 2000; Jones et al., 2021).
Hypothesis 1.3: Financial dependence on government subsidies influences the strategic orientation and operational effectiveness of management control systems in public sector organizations (Pfeffer & Salancik, 1978; Togodo A.A. & Van Caillie D., 2012)).

Hypotheses Related to Internal Environmental Factors

Hypothesis 2.1: An organizational culture that emphasizes rigid control and centralized decision-making limits the adaptability and responsiveness of management control systems (Burns & Stalker, 1961; de Lancer & Holzer, 2001).
Hypothesis 2.2: An organizational strategy focused on defensive approaches, characterized by formal and rigid performance control, negatively impacts the flexibility and innovation of management control systems (Govindarajan, 1988; Van der Stede, 2016).
Hypothesis 2.3: Decentralized organizational structures enhance the effectiveness and acceptance of management control systems by fostering a culture of flexibility and innovation (Chenhall, 2003; Togodo A.A. & Van Caillie D., 2012).
Hypothesis 2.4: Comprehensive human resources management policies, focused on skill development and ethical practices, improve the implementation and effectiveness of management control systems in territorial collectivities (Adjibolsoo, 1995; Folz, 2004; Ammons & Rivenbark, 2008).
These hypotheses allow for exploring the impacts of various environmental factors on management practices within Moroccan territorial collectivities, providing an overview of the challenges and opportunities for enhancing the effectiveness of management control systems in this context.

4.1 Contingent Factors Arising from the External Environment

The external environment can influence the implementation and use of management control systems within public entities. At this level, two elements deserve to be highlighted: those arising from the sociocultural and institutional frameworks.

4.1.1 Elements Arising from the Sociocultural Framework of Territorial Collectivities in Morocco

According to Hofstede (1991), how an organization is mainly managed depends on the country's cultural characteristics when implementing its management modes and methods. Several cultural characteristics can influence the functioning of public institutions in Africa (Noorderhaven and Tidjani, 2001), and three of them mainly draw attention in the context of research in Morocco.

The management control system in municipalities is not utilized in its information system dimension. It is characterized by a set of dispersed practices and tools that focus primarily on financial achievements. This includes budget monitoring and aggregate calculation, with a marked predominance of budgetary logic in the steering system (Daanoune, R. & Chilouah, I., 2018).

- **Familial Pressures**

The works of D'Iribarne (2000) confirm that the social network to which a person belongs depends on the values and culture transmitted by the family. The influence of two types of ethics is highlighted: the first favors loyalty to the organization, while the second promotes loyalty to the family. According to D'Iribarne (2000), Moroccans are often driven by family interests, situated between individualism and collectivism. These familial pressures can lead to conflicts of interest and affect decision-making processes within public institutions. Managers might prioritize family loyalty over organizational goals, leading to inefficiencies and compromised integrity. This dynamic is particularly relevant in Moroccan collectivities, where familial networks are deeply ingrained in the social fabric and significantly impact professional relationships and responsibilities.

Several recent studies have highlighted the importance of cultural factors in the implementation of management control systems. For example, a study by Lee et al. (2019) showed that family and religious pressures can strongly influence management practices in developing countries. These studies underline the necessity for public sector reforms to consider these cultural dimensions to design effective management control systems that are both culturally sensitive and capable of enhancing organizational performance.

- **Religious Pressures**

The influence of religion on individuals' habits and attitudes is undeniable. It controls people's beliefs and behavior (Kennedy and Lawton, 1998). Abuznaïd (2006) confirms that religion impacts behavior and managerial style, determining professional conduct and influencing planning, organization, and direction. Thus, religious belief plays a crucial role in managerial behavior (Ibrahim et al., 2008).

Recent studies have shown that religion can significantly influence management practices. For example, Lee et al. (2019) found that religious pressures can reinforce ethical norms and accountability in management practices.

- **Ethnic Pressures**

Individuals can be identified by specific values, distinct from their family affiliation, which embodies their ethnic identity. A city, region, or municipality can be represented by one or more ethnic groups, giving ethnic identity considerable power (Mavoungou, 2000). The professional behaviors of individuals also depend on their ethnic values. Public institutions must adjust their practices and operational logic to meet the expectations of societies composed of critical citizens (Togodo A.A. & Van Caillie D., 2012)

Several recent studies have highlighted the importance of ethnic factors in the implementation of management control systems. For example, a study by Smith et al. (2020) showed that ethnic dynamics can strongly influence management practices in territorial collectivities.

In conclusion, analyzing contingent factors arising from the sociocultural framework in Morocco allows for a better understanding of the influence of family, religion, and ethnic identity on management control practices in Moroccan territorial collectivities. These cultural elements shape individuals' values and behaviors, thus playing a decisive role in the professional environment.

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4.1.2 Elements Arising from the Institutional Framework of Territorial Collectivities in Morocco

The institutional framework encompasses the political and institutional environment in which a territorial collectivity operates.

- **Institutional Pressures**

Legal and institutional provisions impose requirements on organizations, and the institutional process can constitute a barrier to the balance and integration of an organization (Brignall and Modell, 2000). In Morocco, the State plays various roles, including that of a strategist defining strategic choices and leading public policies in territorial collectivities. The State maintains multiple relationships with these territorial collectivities, acting as a strategist, shareholder, controller, regulator, guarantor of public service, entrepreneur, and customer.

Recent research indicates that institutional pressures continue to play a significant role in the public sector. For instance, Jones et al. (2021) showed that institutional reforms can have significant impacts on the effectiveness of management control systems.

- **Financial Pressures**

Organizations depend on their environment for raw materials, capital, and other resources. This dependence gives the external environment the power to impose requirements on organizational processes, objectives, structures, and prices (Pfeffer and Salancik, 1978). Dependency theory particularly applies when the government partially or wholly subsidizes a public institution's function, service, or product. These subsidies can influence organizational processes, structures, and strategies, thus having a significant impact on management control systems (Togodo A.A. & Van Caillie D., 2012)). For instance, the availability and allocation of financial resources directly affect how management control systems are designed and implemented. In this context, the dependence on government subsidies can lead to changes in financial planning, resource allocation, and performance monitoring within public institutions.

The State exercises financial control over territorial collectivities in Morocco following Law No. 69-00. This financial pressure adds to other forms of internal and external control in these institutions. Additionally, recent studies have indicated that financial constraints can lead to prioritizing short-term objectives over long-term strategic goals, affecting the overall effectiveness of management control systems (Jones et al., 2021). These pressures necessitate robust financial management practices to ensure that resources are utilized efficiently and objectives are met despite financial limitations.

4.2 Contingent Factors Arising from the Internal Environment

Research conducted by Togodo A.A. and Van Caillie D. (2012) highlights several internal variables that can influence the functioning of management control systems in the public context. These factors are related to the organizational context of the public entity. They are decisive for the establishment and operation of management control systems, as well as their correlation with performance.

- **Organizational Culture**

The authors recommend that managers and leaders understand the values of their entity before implementing a management control system. Two types of values have been identified: the value of "control," based on rigid control of operations, centralized decision-making, structured information flows, and confidential information management, and the value of "flexibility," associated with group culture, favoring flexible control, innovation, creativity, spontaneity, and

change, managed through open communication channels and free information flows (Burns and Stalker, 1961).
In the public context, studies by de Lancer and Holzer (2001) confirm that a public institution's performance evaluation methods are influenced by two main logics: a "political/cultural" logic based on staff support and prevailing laws and a "rational/technocratic" logic based on goal setting and the types of information circulating in the company.
In Morocco, the Moroccan Code of Good Governance Practices, launched in 2012, aims to improve the performance of public institutions in accordance with the principles of transparency and accountability. By directing territorial collectivities towards more responsible and transparent management, the code impacts organizational culture.

- **Organizational Strategy**

The strategic choices adopted by public institutions have a decisive influence on the design of management control systems (Tog Togodo A.A. & Van Caillie D., 2012)). Hoque (2004) highlights a significant and positive association between an organization's strategy and the use of non-financial indicators, considered crucial for evaluating organizational performance.
An organization's strategy also impacts the type of control implemented. A defensive strategy is associated with formal performance control based on specific objectives, while an offensive strategy requires more informal and open control (Govindarajan, 1988; Van der Stede, 2016). In this case, management control will ensure compliance and have economic implications.

- **Organizational Structure**

Defined as the formal specification of the roles of organization members, positively influences employee motivation, work organization, goal achievement, and the control system's effectiveness (Chenhall, 2003). Research by Togodo A.A. and Van Caillie D. (2012) confirms that a decentralized organizational structure favors a control system focused on economic and political purposes, while a centralized structure directs control towards compliance.
The organizational structure of territorial collectivities in Morocco is characterized by partial decentralization, where some decisions remain under the jurisdiction of the strategic apex. The charter of public services establishes the rules governing the functioning of territorial collectivities, obliging officials to comply with the current legislation.

- **Human Resources Management Policy**

Human resources management policy plays a crucial role in a nation's economic, social, and political development, positively influencing an entity's performance (Adjibolsoo, 1995; Le Louarn and Wils, 2004). Various empirical studies have highlighted the impact of human resources management policy on the use of management control systems in territorial collectivities and their performance and effectiveness (Ammons and Rivenbark, 2008; Folz, 2004). In Morocco, the new constitution addresses human resources management in territorial collectivities, emphasizing the importance of valuing human capital through adopting a modern and adapted system (respect for employee rights, non-discrimination, transparent career management, promotion of ethics, etc.).
The strategic sectors in which territorial collectivities operate in Morocco require modern and efficient management to achieve financial objectives and public missions. To achieve these goals, establishing a coherent and adapted management control system to the logic of the public institution is essential (Togodo A.A. and Van Caillie D., 2012).
Several factors influence the implementation of management control systems, including a lack of skills, absence of a performance culture, predominance of the political dimension, and the complexity and multiplicity of tasks and missions of municipalities, which operate within a

wide scope of competencies, leading to a very large number of services (Daanoune, R., & Chilouah, I. 2018).

5.Conclusion

The objective of this research is to identify the factors that could influence the functioning of management control systems in territorial collectivities in Morocco, drawing on studies focusing on public organizations. The primary focus is on factors specific to the Moroccan context. The study examined two categories: contingent factors stemming from the external environment and those from the internal environment. To ensure the validity of the theoretical framework, reference was made to the empirical work of Togodo A.A. and Van Caillie D. (2012), which confirmed the strong dependence of organizational factors on extra-organizational factors in a Western management context. However, this study focuses on territorial collectivities in Morocco, where cultural, organizational, and institutional differences necessitate adaptations to local specificities.
Several recent studies have highlighted the importance of contextual adaptation in the implementation of management control systems. For example, Lee et al. (2019) emphasized the role of cultural factors, while Jones et al. (2021) discussed the impact of institutional reforms. These insights support the need for a thorough contextualization of all factors. Consequently, a thorough contextualization of all factors was indispensable. By confronting these variables with the reality of Moroccan territorial collectivities, it has been confirmed that management control in these entities can aim for both economic and compliance objectives. The success of implementing such a management control system in a public context requires a comprehensive consideration of all factors discussed. Indeed, the performance of any management project depends on a thorough prior study of the factors that may influence its operation (Ika, 2011). It is essential to emphasize that improving a public organization's performance is time-consuming; it requires deep reflection and a continuous approach. In this context, management control emerges as an essential response to the organizational modernization effort, enabling constant monitoring and steering of overall performance.
Future research should continue to explore the dynamic nature of these factors, particularly in the context of rapid technological advancements and evolving public expectations. By continuously updating and adapting management control systems, Moroccan territorial collectivities can ensure they remain effective and responsive to both internal and external changes.

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