

The difficult introduction of management control systems in local authorities: A literature review of the main constraints

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Abstract

Local authorities, like all public organizations and services, have gradually come under pressure to shift their operations from an administrative to a more managerial logic. Traditionally administered based on a priori budget allocation, and framed by regulations that protect their operations, the transformation of local authorities took place in the early 1990s against a backdrop of emerging trends in new public management.

The main aim of the LOLF (french acronym for “organic law on the finance laws”) was to establish a genuine performance culture within the administration and to make public management more efficient. This has resulted in a profound change in operating methods throughout the State's public services, and a sharp increase in the need for management tools and trained personnel. Local authorities have not escaped this wave, and have seen their operating principles change.

Local authorities are an obvious example of an organization whose mode of operation and objectives make cybernetic control methods unsuitable. In his view, the local authority cannot be the object of cybernetic control or an alternative model of the "organized anarchy" type. Indeed, this is an extreme case of organization in which power is widely distributed between different groups pursuing widely divergent objectives, making it difficult to achieve measurable performance in quantitative terms.

This paper shows that management control is an important means of steering the performance of local authorities, it also highlights that the specific features of local authorities - such as ambiguity over both the expression and definition of objectives, the double production function of local authorities, and their multiple modes of action, etc. – need to be taken into consideration as sources of difficulty in setting up management control systems within these entities.

Keywords: local authorities, management control system, performance, new public management.

JEL Classification: H11, H00, H79, M00, M10, M19, M40, M49, M48

Paper type: Theoretical Research

1. Introduction

In many countries, performance management systems are helping to restore balance to public finances. As Henri Guillaume explains, the implementation of a performance management system leads to more rigorous management of public finances; there is a strong correlation between the two. These practices are commonplace throughout the world and produce satisfactory results. A study carried out by the OECD in June 2002 demonstrates the benefits of this approach abroad. It points out that, after experiencing successive deficits in their public administrations from 1991 to 1997, the various countries concerned recorded financial surpluses from 1998 onwards, thanks to the introduction of this type of system. The trend from 2003 onwards is for these countries to show a positive financial balance as a percentage of gross domestic product.

Local authorities have become key players in economic development. They are responsible for making major public investments, providing high-quality public services, and contributing to their local area's economic and social development. While it is true that the local authority must fulfill this economic function to the full, it remains a social institution, a public service.

Despite the reforms they have undertaken, local authorities are called upon to do more in many areas. Indeed, several recommendations have been made. These include, in particular, the need to strengthen the direction and mode of their management, to better organize the service offer, to redefine relations with the State level, and to achieve greater efficiency in the management of local public finances. As a result, territorial performance measurement has become an indispensable, if not vital, condition for the success of these reforms.

Performance measurement implies the introduction of objective and results-based criteria, forcing local authorities to break away from traditional means-based management methods and move towards results-based ones, and hence to set up a management control system as a means of measuring performance.

However, it cannot be said today that management control in local authorities, in terms of both its nature and its implementation, is developing as easily as in the private sector, where it originated. Indeed, it has to be said that little progress has been made to date, and the "meager" results achieved over the last thirty years of modernization drive stem from the difficulties encountered in developing management control in public services. This function is far from being the scene of "dazzling successes".

Many works by several authors (Patrick Gibert (1994, 2009), Christian Guyon (1994, 1998, 2003), Pierre Pariente (1998), François Meyssonier (1993), Olivier Roussarie (1994), Valérie François-Noyer (1994)) indeed paint a mixed picture of management control in public services. Moreover, in an article reviewing 20 years of management control in local authorities, Marc Beaulieu and Yves Saliery (2006) confirm this observation, highlighting a relatively low level of development.

Local authorities, like all public organizations and services, have gradually come under pressure to shift their operations from an administrative to a more managerial logic. Traditionally administered based on a priori budget allocation, and framed by regulations that protect their operations, the transformation of local authorities took place in the early 1990s against a backdrop of emerging trends in new public management.

For Hofstede (1978), the local authority is an obvious example of an organization whose mode of operation and objectives make cybernetic control methods unsuitable. In his view (Hofstede, 1981), the local authority cannot be the object of cybernetic control or an alternative model of the "organized anarchy" type (Cohen, March & Olsen, 1972). Indeed, this is an extreme case of organization in which power is widely distributed between different groups pursuing widely divergent objectives, making it difficult to achieve measurable performance in quantitative terms.

In this paper, which falls within the scope of traditional and narrative literature review, we consider it important to present, in the first place, the new public management as a framework for management control within local authorities, and in second place management control as a means of steering the performance of local authorities. Then, we'll discuss the complexity of managing performance in local authorities. Finally, we look at the specific features of local authorities as a source of difficulty in setting up a management control system.

2. The impact of New Public Management (NPM) on the rise of managerialism in local authorities

According to Offner (2006), territorialization is one of the four cardinal points of the new public action (Jean-Marc Offner, p.31.). Bezes (2002a), for his part, has shown that territorial reorganization was one of the first concerns of these policies. It acquired an increasingly central place in the implementation of reforms, particularly those relating to the civil service code and budgetary procedures. The inclusion of local government reform in the objectives of State reform essentially consists in organizing a transfer of political responsibilities (ROUBAN L. (1996), p.43).

In most OECD countries, the managerialization of local authorities is one of the main pillars of the reorganization of administrative forms. Two series of measures promoted by the NPM, but not specific to it, have fostered this evolution: the transfer of powers from the top to the bottom, and increased decision-making autonomy for local authorities (Dupuis J. and Guenoun M. (2012), p.5.). Decentralization laws have accompanied the transfer of powers with a host of regulatory changes. The latter bring local authority management rules into line with the latest initiatives taken at the state level (in human resources management, for example). With this in mind, several studies have shown that most of the components of administrative reform policies, such as new forms of budget forecasting, an analytical presentation of accounts and the emergence of multi-year management, increased citizen participation, a focus on customer satisfaction, and improved human resources management, have been implemented in local authorities.

In these cases, local authorities can either use existing performance models or initiate more or less innovative approaches. While most countries have developed initiatives to modernize local authorities using managerial concepts and tools, it should be pointed out, as Kuhlmann (2006) has shown, that local managerial initiatives in continental European states are more endogenous and voluntarist (as is the case with French local authorities) than those in Anglo-Saxon countries. In these NPM-oriented countries, reforms are mostly designed and imposed by the central government on local authorities. Change is therefore explained by exogenous, coercive factors. Saint-Martin (2000) has shown the same thing but differently, considering that, unlike in Great Britain and Canada, local authorities were the point of entry into the French public sector for management instruments and methods inspired by private management from the 1980s onwards.

Thoenig Jean-Claude (1998) believes that since the early 1980s, the internal management of municipal services, particularly in towns with more than 5,000 inhabitants, has undergone significant change. Compared with the very modest evolution that has taken place in state administrations, what is happening in municipal administration is like a laboratory for real trials and genuine in-depth progress, right down to the very bottom of the hierarchical pyramids.

For his part, Ughetto (2004) shows that in local authorities, it is quite often possible to observe a movement that comes close, without saying so (without knowing it), to a form of NPM. Without aiming to complete the realization of the managerial spirit (which would run the risk of tending towards the economicization of public action), the economic spirit seems to be penetrating in the form of an effort to specify the aims pursued and match them with measurable

means and results. Nevertheless, according to the same author, such approaches are, on the one hand, rather partial, as they do not concern all the operations carried out, and on the other hand, they do not stem from a doctrinaire concern on the part of the elected representatives or managers of these local authorities in favor of the new public management. Some local authorities, by experimenting with the adaptation of approaches that companies have shown themselves to be adept at, find themselves, in one way or another, reinventing the basic scheme of NPM. In this way, managerialism is making headway in local authorities, albeit within limits that must not be overlooked.

Internationally, the first attempts at local approaches to public performance were made in major Anglo-Saxon cities such as Charlotte, Melbourne, Sydney and Auckland, as well as at the federal level in the USA and Australia (English and Guthrie, 1997). These early initiatives were aimed at improving organizational efficiency (Christophe Maurel, David Carassus, and Damien Gardey (2011), p.421). However, as far as France is concerned, while the precise terms of the NPM were generally unacceptable during the 1980s, the decentralizing reforms initiated in the 1970s led to a gradual integration of management tools inspired by the private sector, which were subsequently enshrined at the State level. The example of the “LOLF” (the organic law on finance laws) is revealing in this respect, as many of its provisions have long been applied to local authorities.

The LOLF is part of a general drive to promote a culture of results within government departments. Referring to the methodological guide for the application of the LOLF (Coll., 2004), Carassus D. and Gardey D. (2011) consider that such an approach puts the following elements into perspective:

- It is based on the presentation of a strategy associated with programs. Objectives are then derived from these and assessed by indicators, with annual *reporting* to decision-makers. The budget is also organized around the purpose of spending, at three levels: Mission, Program, Action (MPA);
- In addition to its instrumental dimension, the LOLF also introduces performance-based management practices. The methodological guide proposes the delimitation of performance centers within the administration, and entrusting their management to public managers who enjoy greater autonomy than under the traditional system, to achieve set objectives. Management is steered according to expected results. It is carried out by program managers, department managers, and staff;

In addition, and about the transposition of these principles in the local authorities, the authors have noted that:

- Some of these LOLF provisions are already applicable to local authorities. As part of the budgetary procedure, the information generally provided for the local budget debate reflects that required at the national level by article 48 of the LOLF;
- In this way, the functional presentation of local authority budgets is close to that of the new State budgetary presentation resulting from the LOLF. What's more, the methods used to vote local budgets already allow for a degree of flexibility in the use of appropriations, as well as multiannuality. In addition, the logic of transparency, recalled in the LOLF, is already integrated into the provisions imposed on local authorities by the Decree of December 29, 1962.

3. Managing local authority performance through the deployment of a management control system

3.1. Public policy objectives

Public policy refers to a set of decisions and actions to be taken by the local government to

resolve collective problems or situations considered unsatisfactory by individuals or groups within the community. This program aims to change a certain number of characteristics of the territory concerned.

There are two possible options for the local authority to implement these public policies. The first one is to carry them out directly in-house, i.e., by relying on the expertise of the territorial administration, by making it the major orientations to be pursued, the objectives to be achieved, and the challenges. Public policies or actions must be broken down into strategic objectives, associated with performance targets, which are then broken down into operational objectives redeployed at all hierarchical levels of the chain, i.e. the internal organization, according to the players and entities involved in implementing the policy or action in question.

In the second option, the local authority entrusts or delegates all or part of the public policy actions to be implemented to peripheral organizations, associates, or partners (associations, semi-public companies, public service delegations, etc.) through partnership or objective agreements and other loan guarantees, subsidy agreements, agreements (annexes) for the provision of public employees within the organization, and various types of assistance in kind. This approach may be adopted for reasons relating, for example, to the absence of in-house expertise and skills, cost, the search for better value for money, the quest for productivity gains, or other informal political reasons.

In practice, it is clear that given these two major management modes, territorial management control will take two main directions: it will be internalized within the local authority and will focus on social activities, actions, programs, and public policies (in Weber's sense). It will also be exercised externally with the organizations involved. In both cases and in contrast to private enterprise, the territorial management control system will generally be multidimensional, both operational and strategic. It has to be said, however, that this logic is often neglected by local authorities. Some prefer only the first form of management control, while others focus exclusively on the second. Experience shows that few local authorities practice both approaches at the same time. However, given the current context, the need for consolidation, risk management, and a global, strategic vision of policies, local authorities should be moving towards both types of control. Simply put, objectives are what we want to do or achieve. It's a question of asking where the community stands, where is it going, and with what resources ?

3.2. Scarcity of resources within local authorities is a structural matter

Unlike the private sector, where resources come from shareholders and the market, and where results and performance are measured immediately and continuously on the market, in terms of profitability, profit, sales, and cost of activity, the resources of local authorities come essentially from taxation, i.e. from taxpayers. In this context, measuring public performance is more complex, given the specific characteristics of local authorities. For example, objectives, when they exist, evolve and vary, and above all, they are shifted in time. In practice, therefore, management control in local authorities is based on a logic of resources. It is essentially limited to measuring budget consumption. The logic of results is neglected.

3.3. The importance of taking into consideration the nature of the results expected from a local authority's actions

In the literature, results are an ambiguous notion that is often misunderstood. It is often confused with the notions of efficiency and/or effectiveness, particularly in the context of the optimal consumption of resources in relation to the results obtained. It can refer to the external consequences attributable in part to a given action, service, program, or policy. An in-depth study of the results chain shows that we need to distinguish three levels in time. An "immediate outcome" is directly attributable to the community's activities, to a given action, service, program, or policy; an "intermediate outcome" is one that is attributable to the production of

the concerned service. It's a result normally expected once one or more immediate outcomes have been achieved. This result is generally achieved at the end of a program, process, or project; "final", i.e. in the long term (final outcome), or ultimate result representing the finality of an action, service, program, or policy. This is the consequence of several intermediate results already achieved and corresponds to the highest level of result that can be attributed to an action, service, program, or policy. The effects and impacts may or may not be expected, positive or negative, and may be direct or indirect.

3.4. The impact of the multi-dimensional territorial environment

The territory has become the place where public action is expressed and understood, and public policies involve a wide range of players such as local authorities, the State, and other partners or associates (associations, etc.). The environment encompasses many elements, such as land, water, and air, as well as natural resources, flora and fauna, human beings, etc., and the interaction between all these elements. This definition of the environment is often complemented by a more societal aspect. Man's social environment, i.e. the interrelationships between human beings, greatly defines a person's personality and life course. The culture in which we evolve defines our values, our priorities, and our way of life. We can therefore define the societal environment here as the milieu in which the local authority operates. To be effective and useful, the practice of management control in a local authority requires the formulation and clarification of objectives (for public policies, actions, and activities) with regard to the expectations of the societal environment, scarce resources, and expected results. Without these four pillars, it is impossible to manage and control performance in a local authority.

4. The complexity of managing overall performance in local authorities

4.1. The diverse requirements of the territorial environment

Management control systems must reconcile the needs expressed by the societal environment and the public policy objectives formalized by the executive and territorial governance, in liaison with the departments to meet them. This means identifying and assessing the fit between the two poles. This is no easy task. It can be measured in three ways. The first is through the presence of departments and elected representatives on the ground, in direct contact with the population. This involves direct questioning and observation. This enables those concerned to become aware of the demands made, or not made, by local residents. The second is to use sociological surveys. Opinion surveys are "a key instrument in any psychosociological investigation" (Ghiglione and Alii, 1998). This can be seen as an analytical instrument, which is carried out either using a questionnaire designed in advance and delivered to residents by hand, by post or by e-mail, or using interviews. The third involves exploiting the various correspondence received from residents, complaint letters and e-mails, telephone calls, as well as the physical reception of residents.

In this context, the role of management control is obviously strategic. It ensures that the strategic objectives set by the territorial government are realistic and consistent with the needs of the territory's societal environment. In this way, by measuring the needs of the population, it helps to shed more light on the choices and decisions required. This concept of measuring expectations is similar to that of relevance.

4.2. The importance of focusing on the relevance of public policies

Measuring relevance is crucial. Management control ensures that explicit objectives (intermediate, final, or overall) are realistic and that they are in line with the expectations of the societal environment. In the local authority sector, practice shows that political issues are

always omnipresent, many powers are used and objectives are set for the long term, never to be achieved. This is the reason for the relevance check, which consists of comparing the objectives with the resources that the local government intends to allocate to achieve them. The idea is to assess the match between the two parameters (resources/public policy objectives). This ultimately helps maintain social cohesion. For example, an objective to improve the number of children attending daycare centers is only realistic if it is accompanied by a sufficient number of well-trained childminders and nursery assistants, both quantitatively and qualitatively.

4.3. The imperative of efficient territorial action

As in the private sector, efficiency means reconciling the results (of actions, activities, services, programs, and policies) obtained with the public resources allocated, i.e. measuring productivity by evaluating concrete achievements in terms of their costs (direct and indirect). Efficiency leads us to formulate and answer several questions. For example, could the same results have been achieved using fewer resources, or at a lower cost? Would similar resources have produced better results? Was there any waste? Were resources allocated on the spur of the moment, and consequently abused? Insofar as it is common practice for resources not always to be allocated according to the goals to be achieved. For proof of this, you only need to compare the administrative account and the local authority's initial budget, to see the sometimes significant discrepancies between the budgets actually consumed and the appropriations voted, and other budget line movements allocated by the local authority's government. Admittedly, this is an economic but restrictive vision that is not too difficult to determine. For, beyond this consideration, and in a more extensive vision, the local authority - by its very nature and purpose - must also seek social efficiency, which is less easy to determine.

However, experience shows that the logic of linking outputs and inputs is not always a major preoccupation for local authorities, including combining efficiency with effectiveness. As A. Bartoli asserts, "the main reticence [...] is based on an unfortunate association with the idea of performance in the narrow sense (i.e., in the sense of activity measured quantitatively for immediate profitability)". Yet the notion of profitability applied to local authorities is incompatible with the traditional values of public service.

4.4. The issue of territorial public policy efficiency

To be effective is to have the capacity to achieve pre-defined objectives. This raises the central issue of the relevance of the objective. An essential element of traditional management control in the private sector, it is compatible with the values of public service and local government. It makes it possible to compare the results obtained with the objectives set, in order to deduce discrepancies and implement corrective actions. In the context of territorial public management, this aspect is of relative importance. Indeed, the achievement of objectives is not a parameter in itself, as long as the degree of achievement is the consequence of a mismatch between objectives and resources. This same consequence can also be due to a poor definition of objectives, or even a total absence of objectives, as is often the case.

Furthermore, efficiency control is not only financial (e.g. aiming to stay within the allocated budget), but above all non-financial, i.e. quantitative. For example, is the number of children's days registered at day-care centers in line with forecasts? Or is the number of admissions to museums in line with what was initially defined? Or is the number of children enrolled in vacation centers in line with forecasts? It must also incorporate quality criteria. Having an objective is not an end in itself, but it must be quantifiable and quantified, measurable and measured (or estimated). The local authority is made up of hierarchical levels with inter-departmental relations. Measuring efficiency must take this cross-functional reality into account in its assessment. This is one of its special features. Efficiency control is therefore the measure

by which objectives (of actions, activities, services, programs, policies) have been (or are being) achieved.

5. Understanding the difficult implementation of management control systems within local authorities

5.1. The specific organizational features of local authorities

The local authority's missions and areas of action are not determined by an internal strategic analysis. They are the result of a system of external finalization involving citizens and elected politicians, who, through their interactions, formalize a problem of public interest. Ultimately, the latitude for entrepreneurial action by local public managers remains circumscribed, even if new public management methods have helped to extend it (Yves Emery and David Giauque, (2005), p. 77.). Likewise, the integration of the external environment requires them to take into account a multitude of interests and players, the nature and number of which depend on both the social changes affecting their territories and the emergence of new players. The strategic management of this highly diversified range of interests and players will be all the more difficult and becomes an additional constraint weighing on managers' room for maneuver. This difficulty calls for compromise and bargaining between the parties involved, to secure the broadest possible support.

The relevant parameters for managers acting in a political context are not identical to those governing the situation of an actor such as a company director, who, for his part, operates in an economic context (Michaud and Thoenig, 1993). Anticipations are based on other references, and the responses needed to reduce uncertainty involve other facets.

The first difficulty relates to the specific nature of local public services as services. The second is that, once these services have become public, they acquire a new status.

About the first difficulty, which is less exclusive to local authorities, the attributes of services provided by service companies are a priori valid for local authorities as entities that provide services on their territory, rather than manufacturing material products.

The second is linked to the public dimension of local authorities' activities. The first is economic theory, which justifies public intervention, particularly in the provision of public services, on the grounds of economic efficiency. The second current justifies the existence of "public services" by seeking equity and social justice in the distribution of public services.

Public organizations in general, and local authorities in particular, very often carry out their missions in an environment where competition is non-existent or imperfect. This has several consequences for their management systems:

- The absence of competition prevents any comparison, making it all the more difficult to assess the quality of the service produced. What's more, while in a conventional company, increased demand is seen as a positive factor for the overall result, in a public sector company, on the other hand, demand is seen as an additional burden;
- Because of their monopoly position in the provision of public services in their territories, local authorities are not motivated to develop and implement action strategies. On the one hand, this creates a form of dependence on the part of the beneficiaries of public services, and on the other, a form of management "comfort" that competitive pressure is supposed to make disappear;
- Pricing local public services according to a political logic rather than an economic one forces politicians to take into account the sometimes-schizophrenic behavior of users, who want a high level of service, while, as taxpayers of public services, they demand a reduction in the tax burden;

- How a service is financed affects both consumer and producer behavior: if a service provided to the population is entirely collectively financed, consumers will tend to consume as much as possible, and producers will have no incentive to behave efficiently since they are not paid according to the quantity sold (Laurent Christe, (1992), p.37.);
- Public service organizations respond to politically defined missions and satisfy a general interest. This has implications not only for financing but also for marketing, which in the public sector necessarily becomes specific;
- local authorities provide a public service mission that is defined outside these organizations, not in entrepreneurial but in political terms. This has two kinds of consequences for their management system (Matthias Finger, (1997), p.53). Firstly, there is the matter of leadership, or, in other words, the danger of there being several leaders: political leaders and managerial leaders. Therefore, there is a potential for conflict and competition. Secondly, the pursuit, quite logically, by these entities of general interests rather than specific ones, creates a major management difficulty in terms of reconciling general interests with specific interests.

On another note, public service is an activity of general interest, carried out by a public entity either directly, or by a third party under its control. Several alternatives are possible. For example, the service may be subcontracted or conceded to a private company. However, it should be emphasized that many of the activities traditionally presented as non-delegable are dependent on specific allocations of powers. The fact that they cannot be delegated does not depend on their nature, but on a text, usually legislative, which assigns responsibility for them to a specific person. The articulation of powers thus explains most of the limits to delegation. The other limit relates to the nature of the activities concerned, which are connected with the State's regalian missions.

Like private companies, which have a stock of resources (budget, civil servants, equipment, etc.) and go through a production process to generate products or goods, local authorities operate on the basis of a budget, often allocated after a vote by the deliberative council. They choose the combination of human, technical, and material resources, standards, methods, and material flows required for production. Cooperation and coordination between the various members are necessary to achieve a common goal: the production of goods and services for use by customers or users.

The first production function is controllable by public managers and calls for management tools similar to those used in the private sector. The management imperatives are identical, insofar as the aim is to generate products and services while consuming few resources. Nevertheless, it should be pointed out that administrative departments cannot develop autonomous production strategies, so they are not free to make decisions such as discontinuing certain services that are not in demand and offering new services that are better suited to their clientele, without first referring to the political authorities who are best placed to make this decision.

On the other hand, the management of local public policies is an externally-oriented production function that has no equivalent in the private sector, since the latter has no external purpose. The idea of an external purpose for local authorities is explained by the fact that "the result they aim for is not a result situated within themselves or intended for themselves, but a result that is external to them, situated in society" (Patrick Gibert (2003), p. 261).

The consequence of the second production function is that local authorities are strongly marked by their links with political circles, and other "stakeholders" such as citizens, associations, etc. Managing this range of actors and interests requires a detailed analysis of the power dimension, i.e. of actors, actor networks, and their struggles, both internally and externally. As Crozier and Friedberg have shown, the organization "is the realm of power relations, influence, bargaining, and calculation" (Crozier and Friedberg (1977), p.45). Power is an exchange relationship, a

negotiation, a bargain whose outcome is not fixed. It does not exist in itself. It depends on circumstances and is built on the complexity of action. It is also an asymmetrical relationship that implies a balance of power. It is defined as a balance of power from which one can gain more than the other, but where, equally, one is never totally powerless against the other. A's power over B corresponds to A's ability to obtain favorable terms of trade in his negotiations with B.

The plurality of local authorities' modes of intervention is not without impact on their management system. Indeed:

- Administrative policies are designed to define the combination between several modes of intervention, to retain only the combination that seems best. In the case of TCs, which are characterized by the plurality of their modes of intervention, the problem will be to attribute to each of them its share in the effectiveness or ineffectiveness of the policy adopted (Gibert P. (1983), p. 312.);
- The multitude of fields of action represented within the same TC does not contribute to the development of a corporate culture. It has more the profile of a conglomerate than that of a traditional company (Yves Emery and David Giaucue, (2005), p.79.);
- This peculiarity creates a tendency to verticalize problems and compartmentalize strategies. Linkage mechanisms, in Mintzberg's sense (Mintzberg H. (1989), p.170.) are overabundant and difficult to analyze.

Another consequence, indirectly linked to the plurality of local authorities' modes of action, is the heterogeneity of their competencies. Unlike private companies, which knowingly decide to diversify their activities, local authorities take on a wide variety of tasks assigned to them by law, without having any control over their nature, scope, or level of complexity. They are active in fields as varied as roads, household waste, school construction, social assistance, green spaces, culture, public safety, housing, etc. They are therefore public organizations with general jurisdiction over their territories. As David Huron and Jacques Spindler confirm, "local authorities are characterized by an extreme diversity of professions and, consequently, of services" (David Huron, Jacques Spindler, (1998), p.24).

5.2. Managerial constraints generated by external factors

Local authorities are characterized by the interference of their actions with those of other public organizations, giving rise to the production of external effects known as "linked effects" (P. Gibert, (1986), p.101). The analogy with the private sector is limited in scope, insofar as this phenomenon can only be observed in the case of groups or holding companies that relinquish part of their prerogatives to some of their subsidiaries, to achieve a rapprochement of management systems rather than interdependence of production.

The linked effects can lead local public managers to have their actions and policies judged on the results they have produced in areas for which they are not responsible, rather than based on their own objectives. Similarly, the presence of external services and public institutions in a territory poses a serious problem in terms of the coherence of public action as a whole. The need to coordinate local authorities' actions with other public bodies slows down the decision-making process and makes local decision-makers more cautious.

The existence of interlinked effects, which can affect other areas of public policy, and the complexity of the political-administrative system's relations with the environment, are two important aspects of policy evaluation. The value of such an approach is obvious insofar as the coherence of interventions or policies appears to be a particular dimension of the conduct of public affairs; the economic impact of aid granted to industrial companies for regional development can, for example, be assessed in the light of two types of concerns: those linked

to regional planning on the one hand, and those relating to industrial strategy on the other (Gibert Patrick, Andrault Marianne (1984), p.125-126.).

Another characteristic that distinguishes local authorities from private companies is their heavy dependence on political power. The legitimacy of elected politicians is the result of the electoral process, i.e., of citizens' trust. The difference between the political leaders of local authorities and the leaders of private companies is their complete dependence on two different logics: the logic of the vote and the logic of the market. The consequence of such legitimacy is that the administration and local civil servants must be subordinate to this power. This subordination creates a kind of domination of the superstructure over decision-making and management processes and creates a two-tier steering system (political and administrative management), each with its own rationality. Rationality on the part of technical specialists with a long-term commitment as public servants, and rationality on the part of elected politicians, who provide decisive impetus without often having the technical control of their departments at their disposal. According to Céline Desmarais (2011), these interferences are inescapable because the separation between the two levels is neither conceivable nor suited to local management. There are several models of the relationship between politics and administration. From this perspective, Patrick Bayeux distinguishes four models of relations between elected representatives and department heads in the case of French local authorities (Desmarais, C. p.12-13.):

- influence model: elected representatives influence strategy and policy, while civil servants manage tactics;
- distance model: elected representatives confine themselves to political management, while civil servants are autonomously responsible for objectives, resources, and tactics;
- negotiation model: elected representatives and civil servants work together on strategy;
- interference model: elected representatives intervene at all decision-making levels.

This type of operation generates some perverse effects.

Although this tendency is justified on technical grounds, the fact remains that it is largely linked to political tensions, which, by clashing with others, notably the legal and social, further complicate the decision-making framework and limit the freedom of strategic action. From this perspective, H. Mintzberg (1973) asserts that strategy in the public sector is formulated in the mode of adaptation because it depends on compromises that are constantly being called into question. As a result, strategic planning is ill-suited to the public sector, where the ability to adapt is paramount (Fouchet Robert (1999), p. 45.). R.W. Rider (1992), for his part, proposed a middle way with two fundamental principles (Ibid., p 45-46): on the one hand, planning systems and tools must adapt to a pluralistic environment where power is distributed among several players; on the other hand, the strategic plan should not be seen as the end result or final product, but as the starting point serving as a frame of reference for discussion and negotiation. What's more, in contrast to the private sector, where strategic analysis is considered to follow logically from strategy formulation, in the public sector, strategy formulation is seen as a process of experimentation, negotiation, and "bargaining". Thus, it is clear that TCs remain prisoners of their environment, and their administrative decisions remain political decisions, i.e. decisions based particularly on power relationships. They can only escape this when they are protected from external pressures by a "theory of general interest". This protection can partially reverse the balance of the relationship between administration and environment, without diminishing its importance. Fortified by all these factors, local authorities' managers limit their commitments to specific points as much as possible, adopting a managerial attitude of ambiguity aimed at producing strategies with ill-defined contours and little involvement.

This attitude distinguishes them from private managers, who seek to restrict and prioritize their objectives to maximize resource allocation.

The notion of objectives is not the same and is more complex in the public than in the private sector. In the first case, the aim is not to maximize profit, but to provide a high-quality public service under the best possible conditions. We are no longer in the context of the search for effectiveness (the relationship between objective and result), but in that of efficiency, which adds the assessment of results in relation to the means implemented, thus including the dimension of the purpose of the action" (Turlais Béatrice, 2002, pp. 147-157).

The implementation of effective management monitoring ensures the quality of dialogue through tools that facilitate decision-making by all partners with regard to compulsory expenditure, not forgetting optional expenditure. By highlighting sensitive situations, these tools provide food for thought in anticipating the effects of actions and trade-offs.

Any management monitoring system presupposes that the organization's objectives are clearly defined. Some may be very explicit: satisfying demand for services, balancing the budget, and limiting management costs. Others may be less identifiable, especially in public services where the economic nature of the activity is difficult to measure. Moreover, how public-sector accounting is presented places greater emphasis on budgets than on results, and is more conducive to coordinating resources or ensuring an overall balance than to seeking efficiency in actions. Fortunately, however, we note that management monitoring systems are gaining ground in public organizations, demonstrating the interest that decision-makers and stakeholders can find in them. However, there are obstacles to the implementation of monitoring systems.

The difficulty lies in setting objectives based on the specific missions of each department, and in being able to link indicators to responsibility. There is little or no system of positive or negative sanctions in the administration (no financial incentives, etc.). What's more, the varying degrees of lack of know-how and a real "vagueness" in the definition of the notion of responsibility can attenuate the scope of management monitoring.

In essence, because of its restrictive role, the implementation project always raises fears and often provokes rejection phenomena that can translate into ideological bias (union or political) and worries that can become fantasies. This presupposes not only clear and precise information on the purpose of management monitoring, but also unfail commitment on the part of management or the local authority.

Aware of the importance of finalizing public management in order to create a dynamic of improvement by replacing a logic of means with a logic of ends, several public organizations, particularly the most dynamic ones, have implemented management models, in particular management by objectives (Hussenot Philippe (1983), p.5-6). Nevertheless, as Hussenot P. (1983) asserts, they have most often failed to modify their management practices insofar as they have not succeeded in integrating the concept of objectives into their practical logic. The "Centre de Gestion Scientifique de l'Ecole des Mines de Paris", which carries out research and consultancy work on behalf of public organizations, concluded that "the vagueness of planning and control instruments in public organizations is necessary for the coexistence of the two antagonistic universes, the political universe and the operational universe". This conclusion confirms the work of Vickers G. (1965) in Great Britain. For Vickers, public organizations manage by establishing modes of relationships or norms rather than setting goals or ends.

Hussenot Philippe (1983) defines a quasi-objective as a result achieved by the organization in its relations with its environment, and which has a certain deterministic character insofar as it can be associated with state variables that express the conditions under which it has been produced and could continue to be produced.

The ideal of rationality has dominated Western thought since the Age of Enlightenment, and is also very prevalent in management, notably in normative decision theories. In this conception,

thought precedes action, and ends precede and justify means in a logical progression. In a broad sense, rationality defines a behavior that is (a) appropriate to the achievement of given goals, and (b) within the limits imposed by given constraints (definition adapted from Simon, 1982). Both parts of this definition highlight the two traditional aspects of rationality as a logical process (of action and decision), with regard to ends. In this context, anything that stands in the way of an objective analysis of the encountered situations, the definition of clear objectives, and the determination of concrete actions designed to generate the expected effects, is considered an obstacle. In particular, ambiguity and incoherence are seen as opaque phenomena that obscure the "organizational intelligence" of actors and hinder their rational actions (March and Olsen, 1976). At best, they reveal actors' inability to grasp the underlying logics of observed phenomena, logics whose existence is in principle beyond doubt.

Elected politicians are always seeking to differentiate themselves from their predecessors, while at the same time not passing on the positive results of their policies to their successors. This leads them to: avoid actions whose effects can only be seen in the long term, while at the same time fundamentally calling into question previously determined long-term strategies. In other words, political rationality, unlike economic rationality, favors the short-term and the most visible investments. The time constraint similarly concerns public managers and administrators, who, given structural and cultural rigidities, have only a limited amount of time in which to implement organizational strategies at the operational level.

It should also be pointed out that politicians' preference for the short term can also be explained by their constant quest for re-election. So, to achieve such an objective, public decision-makers tend to favor strategies that will produce results fairly quickly, with high added electoral value and no connection with the production cycle of the service or investment. According to Hood (2001), this attitude creates a form of bargaining between administration and politics and can lead to a detour from the organization's primary purpose (to provide services to the population). Admittedly, this phenomenon does not exclusively concern public organizations, but it is particularly prevalent within them.

Politics brings with it a certain lack of objectivity, the need to assert one's worth forcefully, the difficulty of naively acknowledging one's failures, and the need to resort to qualitative multi-criteria reasoning, which enables one to situate oneself correctly in relation to a certain number of criteria that are highlighted to the detriment of criteria in relation to which results appear to be worse. Massenet described this distortion of the objective-result pair very well: any statement concerning a public project is a petition of principle in favor of success. In the absence of a competitive environment in a world still steeped in verbalism, and in the absence of a universally recognized unit for "measuring success", public management continues to evolve, in part, in a magical universe where the complexity of decision-making circuits dilutes the notion of responsibility just as it blurs that of the balance sheet". It has to be admitted, then, that the politicians, who are governing, reason within the framework of political rationality, even though it is anti-managerial.

6. Conclusion

This research aimed to assess the role played by management control within local authorities. Our ambition was to understand the difficulty of implementing a management control system and to explain the obstacles and determinants of management control in local authorities.

The literature on management control in local authorities has shown that the specific case of local authorities and the particular nature of their activities explain why control is difficult to apply there, even when a contingency approach is taken into account.

Indeed, the implementation of management control in the territorial environment presupposes that objectives have been defined beforehand, given that the definition of objectives also

presupposes that results or outputs are knowable. Knowledge of objectives and outputs is also essential if the system is to be managed using indicators.

Similarly, autonomy plays a crucial role in the development of management control systems in local authorities.

However, this autonomy is often exercised in a relative manner or under constraints, even in the case of contractualization between local authorities and supervisory bodies. These constraints apply mainly to local authorities, most of whose funding comes from the State.

Furthermore, developing a management control system in local authorities as a performance management tool aims to meet a requirement from the external environment following a law or an imposed legal framework, which explains its failure regarding its role of effectiveness, efficiency, coordination, and learning identified in the literature.

The need to implement management control systems in the public sector raises the very broad question of their feasibility. Although today's management control is born of the need to effectively maneuver complex organizations to preserve their economic performance, the complexity of some organizations makes it difficult to control their activities.

Local authorities are an example of organizations that form a complex system. This makes it extremely difficult to measure their performance. Indeed, this paper aimed to understand why setting up a control system is no easy task, given the specificity of the context and its particularities.

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