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The contribution of management control to organizational performance: a literature review

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Abstract:

Since it first appeared in American companies in the 1920s, the management control system has continued to develop, moving from a traditional model focused on financial management to a new model focused primarily on performance management.
In this context, this contribution aims firstly to analyze the evolution of the concept of management control systems in the scientific literature, and secondly, to identify its impact on organizational performance by mobilizing the theories and scientific work carried out on the subject.
This research presents an important interest because it is in line with the work of other researchers in the field of management control.

Keywords: Management control; Organisational performance, modern management control tools.
Classification JEL: M4, M49
Paper type: Theoretical Research

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1. Introduction

Since the 19th century, organizations have paid particular attention to the notion of performance. The constantly changing organizational context has put companies in a series of challenges face to their governance. To keep pace with this changing context, management control has had to develop so that it can continue to play its role in the company and monitor its performance.
Management control is a managerial practice that appeared in the twentyhenes in the American automobile sector with the Sloan&Brown model at General Motors. Its origins came from accounting. At the time, the goal of management control was to control costs to allocate resources and achieve objectives. This is the classic management control model that emerged in American companies. Management control was first introduced by Anthony (1965) who defined it as «*the process of assuring that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives*».
Since the second half of the eighties, many studies have pointed to the insufficiency of traditional management control. Considering it as an inadequate model in the evolving environment of the modern company (Amintas, 1999). Its classical conception is based on the sequence: Plan - program - budget - monitoring - control - sanction, and only functions effectively under very restrictive assumptions. Johnson and Kaplan (1987) were among the first authors to explain the loss of relevance of management control by the decoupling of financial control systems from the operational challenges of organizations, while Chassang (1987) emphasized the need to reveal the physical flows obscured by financial flows. Following this wave of criticism, management control has developed and its scope of analysis has expanded.
Contemporary management control emerged in the mid-1980s. According to Zimnovitch (1999), the « *refoundation of management control began in 1985* ». The renewal management control aims to surpass the limitations of the traditional approach. « *It is no longer about starting from an overall financial objective to achieve analytical financial objectives through disaggregation, but rather about starting from strategic objectives to achieve operational objectives through cause-and-effect analysis* » (Lorino, 1997).
Today, the main objective of management control is to be a permanent information and steering system for the entire organization. An effective management control system is a key factor in the achievement of a company's objectives, and consequently in its global performance.
Over the years, management control has become a key factor in organizational performance, as the functions of management and control have been inseparable for over a century. Moreover, its adoption by companies is justified by the positive correlation between the implementation of this system and the strengthening of the company's organizational performance. Consequently, management control can be seen as a performance management tool (Otley 1999 & Lebas1995).
This article aims to present a theoretical and conceptual framework of management control, clarifying its transition from a traditional system whose ultimate objective is financial management to a system for managing organizational performance per excellence. To do this, we will review the background literature on management control systems in organizations. Next, we will analyze the concept of management control and the need for control systems in organizations by identifying the main definitions cited by management science authors. Finally, we will focus on the heart of our research, the study of the impact of management control on organizational performance, based on the literature review.

2. The transition from traditional management control to modern management control: a historical overview

Management control has evolved throughout the 20th century. This discipline, which has its origins in accounting, emerged in the American industrial sector after the Second World War. Since its emergence in American firms, management control has constantly been challenged until the early 1970s, when it lost its legitimacy by being seen as an inadequate model for the reality of contemporary organizations. Faced with these criticisms, a renewed model of management control emerged in the mid-1980s. This time, this managerial practice shifted towards performance management to overcome the limitations of the traditional approach.
The first part of our article will be dedicated to providing a historical overview of the evolution of management control, tracing its development over the years since its first appearance to the present day.

2.1.Origin and Development of Management Control

Management control has progressed considerably in terms of the very definition of the concept. The management control system developed throughout the 20th century. The origins of this discipline can be traced back to accounting, which is its historical precursor.
Initially, management control emerged in the American automobile sector at the very beginning of the 1920s with the Slown-Brown model, also known as the "Du Pont Model," at General Motors. This model, invented by Alfred Sloan and Donaldson Brown, forms the basis of management tools and decision-making aids within organizational entities. The majority of management science authors, including Chandler (1977), Johnson & Kaplan (1987), and Bouquin (2005), agree that it is with this model that we begin to speak of a function of management control (Chtioui, 2006).
The control and management techniques used by the General Motors Company are oriented towards financial control, as desired by Brown. These are innovative tools that had never been introduced before. We are talking about :

- Consolidated Cash Control System: This system aims to centralize financial information by consolidating the cash holdings of various departments within the company through the same network of bank accounts managed by the headquarters' financial department.
- Drastic Inventory Reduction Policy: This policy aims to better align sales forecasts with procurement.
- Forecast Reporting: Implementation covers procurement, inventory, cash flow, investments, and working capital needs, allowing Sloan to approve or adjust the following month's program to ensure better demand management.
- Standard Accounting Manual: Based on both forecast and historical reporting, it serves to predict and anticipate the market. Each entity within the company is expected to produce a summary table containing essential elements related to their procurement volume, inventory, demand variation, etc. The aim is to determine the outcome of past and ongoing transactions of each entity to produce a single report.
- Return on Investment: Considered one of GM's greatest innovations, it was implemented by Brown. It is understood as a financial ratio that measures the profitability of investments.

Management control was first defined and theorized by Anthony (1965), who founded the first management control course at Harvard in 1965, thus making management control an academic discipline (Bouquin, 2011). « *In the field of management control, no one is better than Anthony by providing the breviary that would become a reference upon its appearance in 1965* » (Zimnovitch, 1999). Anthony (1965) defines management control as « *the process by which managers obtain assurance that resources are obtained and used effectively and efficiently for the achievement of organizational objectives*». In analyzing this definition, Anthony reduces

management control to the control of the optimal allocation of the company's resources and specifies through the last terms used in the definition that this control must be directed towards the accomplishment of organizational goals. It is a retrospective control that ensures efficiency and effectiveness in resource utilization. Anthony considers managers as the owners of the control process. However, the action they must take has changed. Initially, it was «*obtain assurance»;* the term should be understood in the sense of «ensure» and not «assure oneself»; it is not simply a system of verification of efficiency and effectiveness but rather a «*process of goal convergence*» (Bouquin, 2005c). Later, in the 1980s, this definition was considered purely accounting and deemed too restrictive. This led to a modification of the previous definition to specify and broaden it as follows: «*Management control is the process by which managers influence other members of the organization to implement the organization's strategies*» (Anthony, 1988).

2.2.Uncertainties and Criticisms of the Traditional Model of Management Control

Since its inception at General Motors, management control has continually been criticized and questioned, as a model unsuited to the changing environment of the modern company (Amintas, 1999). In its traditional conception, management control is positioned as the intermediary between strategic planning and operational activities, ensuring the proper utilization of resources. Anthony (1965), in his initial definition of management control, presupposes the prior definition of objectives. The manager controls the resources obtained and used by others to achieve these objectives. In this conception, management control tools fall into two categories. The first integrates methods aimed at analyzing costs and margins by product and activity, which is analytical accounting. The second includes methods of planning and budgetary management, which involves reporting and budgetary control.

The classical conception of management control is based on the sequence: Plan - program - budget - monitoring - control - sanction, which only works properly under very restrictive assumptions. This conception corresponds to the logic of financial steering (Lorino, 1997). It also relies on the premise of an organizational structure based on responsibility centers. This vision has been criticized by numerous authors, including Burlaud & Simon (2006), who find that management control has technical limitations, poorly reflects realities, and leads to dysfunction. Gerrard (1969) and Lambert (2005) consider management control as a blind system in the face of its environment. Bouquin (2011) questions the relevance of directly imputing salaries using allocation keys. On the other hand, Berland (2009) questions the reliability of full costs.

Other authors, such as Dupuy (1999a), draw attention to another component related to efficiency and its loss of significance in productivity evaluation. He notes that *« productivity would not be a function of the time spent by labor but the effort provided by it »* (Dupuy, 1999b). Thus, Guedj & Bethet (2000) questioned rational allocation, emphasizing that *« the difficulty in defining the notion of normal activity, the cornerstone of rational allocation (...), does not replace a management control highlighting organizational changes, coverage of fixed costs by activity».*

Continuing this series of criticisms, management control also suffocates due to the inadequacy of its Taylorian influence tools, as shown by Drucker (1964) who stated that « *a cost does not exist by itself* » When a company aims to develop a new activity, its evaluation can be hindered by the cumbersome design of management accounting, which in turn has been contested from within (Gervais, 1991).

The technical limitations do not stop at the level of costs but also extend to the issue of unaddressed time. The temporal problem of management control until the 1970s-80s was to focus on the short term and not see the long term, favoring only « *the maximization of instant profits, which undermines those in the long run* » (Burlaud, Simon, 2006). Similarly, the authors

emphasize that « *the model of management control assumes a known reality. The decision-maker is informed or has the means to be informed to decide rationally* » (Burlaud, Simon, 2006). In addition to the problem of unaddressed time, Drucker (1964) criticizes management control for conducting a retrospective analysis rather than a prospective one, especially regarding investment and financing.

In summary, we can say that several authors have criticized the initial vision of management control, oriented toward financial steering. Faced with these criticisms, a "new" model of management control oriented towards performance management developed during the 1990s, notably with the work of Lorino (1997). The transition from the classical model to the contemporary model is analyzed below.

2.3. The Renewal of Management Control: From Financial Control to Management Control

Facing the wave of criticism of management control, numerous attempts at renovation have been proposed to adapt management control to the new organizational context, which differs from the time of Taylor and Fayol. This re-foundation has been accompanied by the rise of several innovations, schools of thought, and the development of ambitious new management tools.

Contemporary management control emerged in the mid-1980s. According to Zimnovitch (1999), the « *re-foundation of management control began in 1985* ». The renewed management control aims to overcome the limitations of the traditional approach. *« It is no longer a matter of starting from an overall financial objective to reach analytical financial objectives through disaggregation, but of starting from strategic objectives to reach operational objectives through cause-and-effect analysis* » (Lorino, 1997).

Unlike the classical model of management control, the new model integrates non-financial and/or physical data. During this phase, management control sought non-monetary information that enables organizational responsiveness (Chiapello & Delmond, 1994) and measures intangibles (Mavrinac & Siesfeld, 1998). On this basis, new calculation methods have emerged, which have been highly successful within organizations, including Activity-Based Costing (ABC), the Balanced Scorecard developed in the United States, as well as Activity-Based Management (ABM), and Target Costing developed in Japan. This modern approach proposes a shift from upstream management control to downstream management control and from traditional costing to activity-based costing. The objectives and analysis tools are both quantitative and qualitative. Additionally, management control implies a permanent complementarity between strategic management and operational management.

The table 1 below presents a comparison between the two models of management control as indicated by Boisvert (1989).

In interpreting this table, we can affirm that traditional management control, as adopted by American companies, is a retrospective control oriented towards financial steering and characterized by a quantitative nature based on budgetary control, analytical accounting, and reporting. On the other hand, renewed management control has attempted to overcome the limitations of the traditional approach, representing a more strategic control that integrates non-monetary data.

In conclusion, renewed management control has been accompanied by the development of modern control tools, which have been highly successful within organizations due to the shortcomings of traditional control tools that no longer meet market requirements. These new management control tools allow for both operational control and strategic steering, with a perspective of continuous and effective management of internal and external risks (Gervais, 2000; Merchant, 1997; Van Caillie, 2001). Notably, we highlight the Activity-Based Costing (ABC) method as an improvement over traditional cost calculation methods, the Target Costing

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method, and the Balanced Scorecard (1998), which address the deficiencies observed in reporting practices.

Table 1: Traditional Management Control versus Renewed Management Control

Traditional Management Control	Renewed Management Control
– Monitor	– Motivate
– Schedule	– Orientation
– After the fact	– Before the act
– Passive	– Active
– Distrust	– Trust
– Executives	– Decision-makers
– Subordinates	– Colleagues
– Directive	– Participative
– Top-down flow	– Bottom-up flow
– Financial indicators	– Physical indicators
– Internal standards	– External targets
– Closed system	– Open system
– More operational	– More Strategic
– Transformational activity	– Life cycle activity

Source: Boisvert (1989) « Renewing Management Accounting » free translation

2.4. Conceptual and contextual framework of management control

Since its appearance, management control has continued to develop and conceptualize in the United States of America and Europe. A review of the literature in this area allows us to observe that management control has been defined and interpreted by several authors in different ways, reflecting the evolution of the very conception of management control. Numerous typologies and definitions of management control have been proposed. Each addresses a particular aspect of this discipline, which is constantly evolving. These definitions vary according to contexts, periods, and authors (Langlois; Bonnier; Bringer, 2006).
The first definition of management control was presented by Anthony (1965), who defines management control as *« the process by which managers ensure that resources are obtained and used effectively and efficiently to achieve the organization's objectives »*. In this definition, Anthony reduces management control to the control of optimal resource allocation within the company and specifies that this control must be directed toward achieving organizational goals. It is more of a retrospective control.
Khemakhem (1976) presents management control from a quantitative and internal perspective. He emphasizes the flexibility of management control to take into account the specificities of each situation and each company through his definition of management control as *« the process implemented within an economic entity to ensure effective and permanent mobilization of energies and resources to achieve the objective pursued by this entity »*.
In 1988, Anthony redefined management control to give it a broader meaning, moving beyond the accounting framework of his initial definition. Management control is *« the process by which managers influence other members of the organization to implement strategies effectively and efficiently »* (Anthony, 1988). In this definition, the author highlights the managerial dimension of management control and explicitly links control to strategy. It involves «influencing other members of the organization ». Therefore, the aim is to guide the actions of others to achieve the organization's objectives (Chtioui, 2006). Here, we witness a shift from a verification function to a steering function (Berland and Simon, 2010). In summary, a key difference between the two definitions Anthony is that in the first one, management control is merely a monitoring tool, whereas in the second one, control is a tool intended to influence the behavior of employees.

In continuation of this series of definitions, the French General Chart of Accounts (Plan Comptable Général Français - PCGF) in 1982 defined management control as *« a set of provisions taken to provide managers and various responsible parties with periodic numerical data characterizing the company's performance. Their comparison with past or projected data may, if necessary, prompt managers to initiate appropriate corrective measures »*. According to this definition, management control provides entity leaders with numerical information to enable them to take corrective actions to achieve previously established objectives.
According to Simons (1987), *« Management control systems are the formal procedures and systems that use information to maintain or evolve the activities of organizations. These systems broadly include formal procedures such as planning, budgeting, environmental and competitive analysis, reporting and evaluation, resource allocation, and rewards offered to employees »*. The author perceives management control as a set of formal procedures. His contribution particularly concerns the breakdown he establishes between different levels of control. According to Gervais (1989), *«... Management control seeks to design and implement information instruments to enable managers to act by achieving overall economic coherence between objectives, means, and realization »*. In other words, management control aims to ensure a balance between objectives, means, and realization. Bouquin (1994) defines management control as *« the devices and processes that ensure coherence between strategy and concrete daily actions »*. For Bouquin, managers tasked with defining strategy need devices and processes to ensure that individuals' daily actions are consistent with the strategy. According to Simons (1987), *« All organizations, large and complex, have similar management control systems... But there are differences in how management control systems are used »*. Simon subsequently distinguished two types of control systems: the first is closely monitored by managers, and the second involves delegated monitoring control systems. Simons added a second definition of management control in 1995, referring to it as « *a set of formal processes and procedures, built based on information that managers use to maintain or modify certain configurations of organizational activities »*. According to this definition, we can confirm that information is the raw material of management control. This information can be of an accounting, financial, operational, quantitative, or qualitative nature. The manager uses it to influence members of the organization and to coordinate how they cooperate as desired.
In the 2000s, several definitions of management control were proposed by authors. Among these, we will mention the definition by Gervais (2005), who defines management control as a set of actions taken to enable the organization to achieve results using the minimum of resources and means, while ensuring that the efforts made are adequate for the organization's strategy. « *Management control is the process by which leaders ensure that resources are obtained and used efficiently, effectively, and appropriately, by the organization's objectives, and that ongoing actions are aligned with the defined strategy »* (Gervais, 2005). Bouquin (2008) considers that management control helps leaders control the actions of their collaborators, anticipate the future, and consequently act at the right time. This is shown in his definition: *«Management control is considered as an aid to managers in understanding the future and acting accordingly..., it also helps them in guiding, if not mastering, the actions of their collaborators, including, in large structures, those they cannot directly interact with »*. We will conclude this series of definitions with the one proposed by Leroy (2012), who sees management control as *« an information and communication system which, through its procedures, methods, and documents, helps operational staff at all levels to define objectives that are coherent and consistent with the company's policy choices and to pilot their achievement »*. In this definition, the author describes management control as a set of information devices linked to the company's strategy and daily actions. Based on the various definitions and understandings of the concept of management control presented by the authors, we can propose the following definition: « ***Management control is the set of actions***

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***implemented within an organization to steer its performance and anticipate its future, to take corrective actions at the right time when needed, through the efficient and effective mobilization of its human and material resources »*.**

3. The Impact of Management Control on Organizational Performance: A Literature Review

Management control and performance are two closely related concepts. Indeed, the new interpretations of performance and its evolution have prompted organizations to require management control to monitor the performance of all their activities to assist in real-time decision-making (Alazard, Sépari, 2010). Consequently, the objectives of management control and its scope of analysis have expanded. Previously, its objective was focused on cost control in the sense of controlling costs to allocate resources and achieve objectives. This refers to the classical model of management control as it appeared in American firms. Today, a second set of objectives is added, namely the continuous improvement of processes, whereby management control accompanies changes and evolves tools and information systems to adapt to the new organizational context. The current objective of management control is to be a permanent information and steering system for the entire organization, to the extent that some researchers consider it to be performance management (Otley 1999 & Lebas1995). Indeed, an effective management control system appears to be a determining factor in achieving the objectives of the company, and consequently, its overall performance.

3.1.Defining the concept of performance

The analysis of the literature has shown us that the concept of performance is difficult to grasp to the extent that some authors consider it an undefinable concept (Jackson, 1993).
Since the 1980s, numerous researchers including Bouquin (1986), Bescos et al. (1994), Bourguignon (1995), Lebas (1995), and Bessire (1999) have sought to define performance, which constitutes a central notion in management sciences. However, this notion is multidisciplinary and not exclusively reserved for management sciences; it extends to other disciplinary fields, with each discipline perceiving it differently from the others. Thus, it should be noted that the notion of performance evolves, as Taylor's conception of performance at the beginning of the twentieth century differs significantly from that of Hollnagel (Cambon, 2007). Taylor associates a company's performance with division of labor, scientific selection of workers, improvement of their knowledge, etc. Conversely, Hollnagel now views a company's performance in terms of its organizational resilience, i.e., its ability to adapt to changes and return to a stable state (Hollnagel et al., 2006).
The diversity of situations and fields in which this notion is used attests to its polysemic nature. Besides this characteristic, research in management science shows that performance has multiple facets. Some authors liken it to notions such as efficiency, effectiveness, capability, or competitiveness, while others associate it with efficiency, economy, yield, productivity, and still others aggregate it with concepts such as health, success, achievement, exploit, or excellence (Nwamen, 2006).
Historically, performance has known a triple evolution, transitioning from a financial performance, which was an objective and measurement tool, to an organizational performance, which is subjective and a management tool. For a long time, the notion of "Performance" was limited to its financial concept, measuring the profit achieved (Saulquin et al., 2007). This concept was traditionally unidimensional, based on purely financial logic aimed primarily at creating value for shareholders. In the literature, this purely financial logic, which neglects the various stakeholders involved in the development of the company (managers, employees, customers, etc.), has been strongly criticized (Dohou & Berland, 2007; Bouquin, 2004; Lebas,

1995). In light of these criticisms, other non-financial dimensions are now being considered, such as product and service quality, customer satisfaction, work climate, productivity, and even market share (Kalika, 1988; Kaplan and Norton, 1992, 1993; Morin et al., 1994). Consequently, we have transitioned from a unidimensional performance to a multidimensional performance.
The examination of the literature shows that several definitions have been attributed to the concept of performance over the years, each addressing a different aspect depending on the values, background, status, and experience of the evaluations (Payette, 1988). Historically, we have transitioned from a conception equating performance with cost reduction to a broader definition viewing performance as a cost/value pair. The conception that limited performance to cost was consistent with the context of large companies in the early 19th century. Today, this conception is insufficient for understanding organizational performance, which is identified with net wealth creation. The company creates value through the consumption of resources to satisfy society's needs. Value is the wealth created by the company for its customers, while cost is the wealth it consumes to create this value. Performance can then be defined based on the value-cost pair on which it is based: it must relate the resources consumed to the value created (Ernult, 2005). It thus appears as a ratio, between value/cost. *« Performance in the company is everything that contributes to improving the value-cost couple (on the contrary, what contributes to decreasing cost or increasing value, individually, may not necessarily be performance if it does not improve the value-cost balance or ratio* » (Lorino, 1997). Brechet and Desreumaux (2001) arrived at the same conclusion by asserting that all models of performance implicitly rely on the fact that performance for shareholders or other stakeholders is achieved under the constraint of creating value for customers and considering the value of resources and their combination (cited by Auger and Reynaud, 2014).

3.2.Theoretical Foundations

To explain the relationship between management control and performance, various theories have been mobilized. Among these, we note agency theory and learning theory.

3.2.1. Agency theory

Developed by the neoclassical school, agency theory was conceived through the works of Jensen and Meckling (1976), constituting the most dominant theoretical perspective in the microeconomic analysis of the firm (Jensen & Meckling, 1976). According to Jensen and Meckling, agency theory identifies two types of agency relationships. The first involves aligning the interests of managers with those of shareholders. The second involves aligning the interests of the firm (comprising managers and shareholders) with those of financial creditors. Agency theory is based on the analysis of the agency relationship, defined as *« a contract in which one party hires another party to perform a task on its behalf, which involves delegating decision-making authority to the agent »* (Jensen & Meckling, 1976, free translation). This discipline seeks to highlight the practices and types of contracts governing the relationship between the agent « the delegate » and the principal « the delegator ».
The agency relationship exists when one party (principal) contracts another party (the agent) to provide certain management services, granting the agent some authority over resources that do not belong to them. Agency theory comes into play whenever there is delegation by a principal party (the delegator) of a task to another agent (the delegatee). This theory was initially developed in the context of large corporations (GE) to highlight the relationship between shareholders and executives, a relationship often fraught with conflicts. This conflict arises from each party seeking to maximize their utility at the expense of the other. The principal incurs costs, known as agency costs, to curb the opportunistic behavior of the agent, a source of conflict (Jensen & Meckling, 1976). These costs include the expenses related to monitoring the agent incurred by the principal, the costs borne by the agent to signal the proper execution

of the mandate, and the residual loss corresponding to the unavoidable gap between the result of the agent's actions and the principal's expectations.
Thus, according to Jensen and Meckling (1976), debt is an effective means of controlling executives, and an increase in the share of capital held by executives would align their interests with those of shareholders to the extent that shareholders compel executives to generate positive operating results to cover their financial obligations and thus preserve their status. This measure also serves to reduce the free cash flows available to executives. Another perspective of control could be the decentralization of power. This decentralization raises the question of divisional control; it must be able to ensure coherence between delegated decisions, performance measurement, and the incentive system for divisional managers to speak of appropriate division. To achieve this, the higher echelon must have the necessary knowledge to set optimal production quantities for different products, as well as the required level of quality to prevent quantitative objectives from being achieved at the expense of the latter. It is also necessary for the higher echelon to be able to measure quality and costs, expenditure, profit, income, or investment center.

3.2.2. Learning Theory

Learning is defined as the acquisition of skills and knowledge and is characterized by a change in possession. This change affects an individual's or an organism's knowledge and is caused by their experiences.
Several authors including Solle & Rouby (2003), Dambrin & Löning (2008), Simons (1995), and Lorino (2001) associate the notion of performance with that of learning. In this sense, Lorino (2001) mentioned that in contrast to traditional management control often structured around cost centers, modern organizational management integrates another dimension seen as an essential characteristic of performance built collectively through collective action, namely organizational learning. For their part, Solle and Rouby (2003) concluded that performance is built over time and through collective action, culminating in collective learning. According to this theory, a firm can create value if it is capable of generating learning that leads to building its organizational routines and tracking their evolution. Indeed, *« the results of learning are a cognitive change that translates into information processing and leads to an enrichment of knowledge or a modification of interpretation patterns »* (Nonaka & Takeuchi, 1997). Among the most well-known typologies of learning theories are cognitive theories. These focus on studying the internal mechanisms responsible for learning and knowledge. In social sciences, emphasis is placed on collective or organizational learning: *« Cognitive theories focus on the individual in the learning process whereas, in control, the literature on learning has largely focused on an organizational level of analysis »* (Poincelot & Wegmann, 2005). According to cognitive approaches, we speak of emergent and cognitive controls. Simons (1990) describes control tools as an accounting language fulfilling two functions: the first coercive language leading to automatic control based on diagnostic control systems and making tasks automated, allowing managers' attention to be freed, and the second emancipatory language that promotes learning. *« Action is the real engine of learning »* states Simons (1990). It is based on interactive control systems that structure interactions and promote the establishment of a learning environment.
Furthermore, management control, which facilitates the implementation of strategy, has progressively evolved from mechanical control to interactive control that promotes the notion of learning rather than constraint (Dambrin & Löning, 2008). Here, we are talking about programmed control, which opposes interactive control and is two different languages according to Simons (1990). In the same vein, Lorino (2001) does not share the conception of traditional management control that puts the individual under control through tools often not accepted by the latter or misinterpreted. This is what the author calls *« individual*

accountability» which naturally opposes the process of organizational learning. For Simons (1995), « *interactive control* » places the actor at the heart of organizational management devices. Leaders use control devices interactively to draw the organization's attention to strategic uncertainties. Bessire (1999) considers the balanced scorecard (BSC) as a tool for stimulating collective learning. He emphasizes that the relevance of this tool lies in the appropriation of strategic objectives and its contribution to the organizational learning process. Similarly, Berland & De Rongé (2010) attribute the same characteristic to the BSC, namely its contribution to the improvement of organizational learning. They explain that actors refer to this tool to adjust their actions according to strategic objectives and take corrective actions accordingly. Thus, it is an experience effect that is created and developed through this tool.

3.3.Main objective of management control is performance management

The objectives of management control have developed to adapt to the uncertain organizational environment and meet the needs of organizations. Initially, its objective was limited to cost control to allocate resources and achieve objectives. This reflects the classical model of management control as it appeared in American firms. Today, its main objective is primarily focused on continuous process improvement to accompany changes and evolve tools and information systems (Alazard, Sépari, Destours, 2010). In this sense, management control has evolved towards the concept of "performance" (Simon, 2000). Its main objective has become performance management (Otley, 1999 & Lebas, 1995). This management should be a compromise between adaptation to external developments and maintaining organizational coherence to make the best use of resources and skills. To optimize the use of resources and skills, the company must manage its organization as a strategic variable. Structuring by process seems to be a relevant approach for performance, involving dividing the organization into operational and support processes and then modifying and improving those that are not profitable. Management control can help formalize these processes and, importantly, measure the costs of these processes to determine margins and potential value-added levers. Additionally, in performance management, it is necessary to understand the impacts of a company's activities on its stakeholders by integrating associated risks. Thus, management control can assess the impacts of these activities on creating value for stakeholders. The current objective of management control « *is to be a permanent information and management system for the entire organization* » (Alazard, Sépari, 2010).

3.4.The discussion on the contribution of management control to organizational performance

The literature analysis conducted has allowed us to confirm the close link between management control and organizational performance through agency theory and learning theory. To further affirm this connection, we will mobilize a set of previous studies conducted in the field, including those carried out by Cappelletti & Khouatra (2009), Dreveton (2011), Boussetta & Alami (2017), Meyssonnier & Rasolofo-Dastler (2008), and Bozec, Breton, and Côté (2002).

The study by Meyssonnier & Rasolofo-Dastler (2008) examines the interdependence between management control and economic performance when a company sets goals for both social and overall responsibility. The results of their study have shown that the company primarily uses integrated and coherent financial and non-financial (societal) management indicators, with the ultimate aim of achieving economic performance.

The study conducted by Bozec, Breton, and Côté (2002) demonstrated that when a public organization pursues the same type of objectives as a private organization (financial profitability and profit maximization), it can achieve a level of performance similar to the latter. This shows that management control can be implemented at the level of public organizations and can even lead to the achievement of non-financial objectives (non-profit) with the same frequency as financial objectives. According to the authors, the most relevant performance

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management tool is the balanced scorecard, which can be successfully integrated within public organizations provided it is adapted to their specificities.
Cappelletti and Khouatra (2009) conducted a study to examine the contributions of a management control system in small-sized enterprises, using a "qualimetric" methodological approach that combined both qualitative and quantitative models. The approach involved implementing a management control system within 350 notary offices in France over six years. The study focused on five explanatory variables of the implementation's success. The authors chose this type of organization because, until a recent date, they were not involved in the field of management control. The results demonstrated that a management control system can be a driver for improving social and economic performance in small-sized enterprises (liberal professions).
Boussetta & Alami (2017) researched the implementation of a management control system within a Moroccan hospital using a quantitative methodological approach. The study involved 52 Moroccan hospitals. The results of the study showed that hospitals that implemented management control were more successful than those without it. Similarly, Lavigne (2017) conducted a study using a mixed methodological approach, which concluded that management control is a strategic actor and contributes to decision-making and performance management. Additionally, Mjidila et al. (2017) demonstrated that achieving performance is only possible with the implementation of an effective management control system.
The latest study we are going to mention was conducted by Dreveton (2011), who examined the implementation of a management control system within a French organization using a socio-technical approach. The study focused on the implementation of a cost calculation tool, specifically examining the reaction of stakeholders to the instrumentation process (creation of a cost calculation tool for public waste disposal services). The study's findings revealed that the implementation of a management control system requires attention and motivation from stakeholders; otherwise, they may eventually reject the control tools. As reported by authors (Cappelletti & Khouatra 2009, Dreveton 2011, and Naulleau 2003), the management control approach aims to enable continuous improvement of organizational performance.
The theoretical framework we mobilized enabled us to confirm the close link between management control systems and performance, drawing upon agency theory and learning theory, as well as research conducted by management science scholars, which confirms that management control is a managerial approach aimed at enhancing performance, as its management techniques are designed to improve it.

4. Conclusion

Based on the literature review, we can summarize that management control systems are a managerial practice originating from accounting. They evolved in the American industrial sector during the 1920s to meet the needs of organization development in the context of mass production.
In this research, we aimed to analyze the relationship between management control and performance through a literature review. This close relationship was confirmed by two theories we mobilized: agency theory and learning theory. Additionally, we drew on previous studies conducted by management science researchers, whose findings affirmed the interdependence between management control and organizational performance.
Since its inception in the 1920s, this managerial practice has undergone continuous evolution to adapt to the ever-changing organizational environment. Today, the primary objective of management control has shifted towards performance management or steering, as defined by Orley (1999). It has transitioned from a simple mode of controlling and monitoring financial information to steering performance, as elucidated in the conceptual framework utilized.

This evolution has been accompanied by the emergence of innovative tools that enable both operational control and strategic steering. Traditional management tools exhibited shortcomings and no longer served organizational performance effectively. The new management control tools have seen significant success within organizations. We particularly highlight the Activity-Based Costing method, which represents an improvement over traditional cost calculation methods, as well as the Target Costing method and the Balanced Scorecard, which address deficiencies observed in reporting practices.

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