

THE ROLE AND PLACE OF MANAGEMENT CONTROL IN EVALUATION AND PERFORMANCE MANAGEMENT

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ABSTRACT: Through control managers ensure their dynamic, real and preventive information, which raises the value conclusions and the quality of decisions. Control is a tool that allows knowledge of reality as well as the ability to identify and prevent deficiencies and anomalies. Control reaches the essence of the phenomenon, claims managers in effective leadership, allow identification of the negative aspects when they manifest as a tendency and efficiently intervenes to prevent and eliminate the causes that led to their appearance.

Keywords: costs, management control, performance

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Introduction

The precarious situation of the national economy forces the main participants in economic life, particularly decision makers to take immediate measures. Managers need special financial reports and analysis in order to base their decisions. Therefore, based on managerial decisions must stand the analysis of alternative lines of action.

Control reaches the essence of the phenomenon supports managers in effective leadership, allow identification of negative issues when these manifest as a tendency and efficiently intervenes to prevent and eliminate the causes that led to their appearance.

The premises of our study are:

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- There are opportunities to improve cost management activity in majority of enterprises, and therefore can achieve cost control or even reduce them;
- Appears necessary training and development of a new mentality among managers about cost strategy and the importance of their kingdom.
- Accounting data represent the main and the safest source for obtaining the necessary information for management.
- Of these, data management accounting provides a clearer picture about the efficiency of of spending the enterprise resources.

The main objective of this paper is to review the literature on the role of management control in the efficient and effective management of the entity.

In our study we appealed to research methods like documentation, comparison, analysis, synthesis, to achieve objectives. Being part of a practical study, documentation was a method used mostly. We used our teachers work Briciu Sorin, Albu Nadia, Edwards James Don, Tabără Neculai, etc., articles, publications. In the last part our paper we have tried to present a series of conclusions drawn from our analysis regarding the method of the study subject. The research method used was synthesis.

Using a rich bibliography, we formulated some theoretical aspects related to the concept of management control.

Origin and evolution of management control

Managerial accounting and management control becomes more and more components of modern management, developing today in a coherent set of methods, techniques, processes and effective tools with wildcard character, but customizable, results of careful study and thorough all sectors.

R. N. Anthony (2007) defines management control as the process by which managers ensure that resources are obtained and used effectively and efficiently to achieve the objectives of the entity. Also emphasizing the role of management control in decision making, the author argues: "control is the guidance of a set of variables to achieve a predetermined goal or objective. "

R. Garrison și E. Noreen (2000) suggested another definition of management control as those measures taken by management to increase the probability that established objectives are achieved and to ensure that all parts of the organization working in accordance with the entity's policies.

In some works that is situated in sphere of management control are given new dimensions of management control: strategic and economic dimension, but also organizational and psychosocial (M. P. Follett, 1924; R. N. Anthony, 1956, 1965, 1988; R. L. Simons, 1987; H. Savall, 2003; H. Savall and V. Zardet, 2004; L. Cappelletti and D. Khouatra, 2007; H. Savall, V. Zardet, Bonnet and L. Cappelletti, 2006; R. Chenhall and K. J. Euske, 2007). Through control, it thus provides, **efficient** and **effective** use of resources to achieve the objectives.

Concept of "resources" was supposed to be used to highlight the managerial dimension of management control, being reduced to a simple accounting and financial dimension. (H. Bouquin, 2008).

A more practical point of view, targeting entities threatened by increasing competition, rapid changes in the market, new forms of organization entity and customer orientation is given by R. L. Simons (1995, p. 29): the **control** involves managing the inherent tension between creative innovation, on the one hand and achieving projected objectives on the other hand, so that both turn up profitable.

Control of an organization is defined as "a process before an action **guides**, in the course of action **adjusts** and once the action accomplished, **assessing his results** to draw useful lessons" (Boisselier, 1999).

„Management control search for design and develop information tools designed to allow those responsible to take action, making the overall economic consistency between objectives, resources and achievements. He should be regarded as a useful information pilotage company because it controls the efficiency and effectiveness of the actions and methods to achieve the objectives” (Grenier, citat de Boisselier, 1999).

According to J. Stoner and C. Wanke (1986, p. 17, quote by Anthony, R. and Govindarajan, V., 2007) **control process** includes: defining desired results, establishing the forecast results, setting standards for predictions and results, establishing information and feed-back, evaluating information and making the right decision. The control process involves a list of steps to achieve specific objectives and the extent to which these objectives are achieved them.

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R. N. Anthony (1988, p. 10, quote by Chenhall, R., 2003), management control is viewed as part of the implementation process of the

strategy. The motivation is that without control, proper execution of the strategy is impossible. Also R. N. Anthony, defines strategic planning as tools to formulate strategy. In this sense, the literature reveals control as the main tool of management; others imply planning, organizing, staffing, coordination.

H. Bouquin (2006) finds common points among of the management control definitions developed by R. N. Anthony and R. L. Simons: "Management control represent the guarantee for the economic logic, to follow the strategyproviding articulation of assembly processes, addressing the management."

Information provided by management control

Management control is considered as the prime tool for managing all activities of an economic entity. Contemporary managerial vision emphasizes the transition from the idea of "control test" to idea of "control-management".

It is impossible to manage without control. Control measures and compares the results of management objectives in order to determine whether there is concordance or differences.

From the perspective of need for management control by control means that managers take measures which ensure that decisions that ensure that employees do what's best for entity (R. Anthony and V. Govindarajan, 2007).

D. T. Otley (1994) considers that control hold as main function to ensure a proper behavior of personnel in the entity.

International literature suggests several important causes of the need for control, such as: lack of leadership, motivational issues and personnel limitations. In case of control problems, managers can avoid this situation by using strategies that remove, automation and risk classification. (Anthony R. N., 1988; Carroll J. J. , 1987; Chenhall R. H., 2003; Garrison R. H. and Noreen E. W., 2000; Otley D. T., 1989).

The absence of an adequate control can have adverse consequences over the entity. Problems as defective products, not satisfied customers, unhappy employees, inability to compete successfully in the market, the discordance at different organizational levels, are the results of poor control, with disabilities.

Otherwise, an overcontrol may cause negative movements in the establishment, by affecting the efficiency and effectiveness of activity. On

the one hand, talking about demanding control can reduce flexibility and innovation. On other side, discussing the operational costs increase and tension on the employees.

The particularities of management control (Aslău T., 2001) identified in the entity are: management control is a systematic and permanent process; management control covers the entire entity, thereby ensuring coordination and balance between the components of the entity; criteria for assessing the performance used are efficiency and effectiveness; management control is constrained by the nature and limits of available resources; range of the management control extends only to the current financial year; is a tool that helps the pilot entity assumed responsibility referring to objectives and final results; to better use, management control must be adapted to organization and specificity of each entity.

A decision with a satisfactory solution implies adequate information.

The purpose of management control is to provide information to managers for decision making on current and long-term management of the entity. But the quality of the decision and obtain of performance depend on the quality of information provided by management control. Therefore, to be useful in the decision making, information provided by management control must fulfill the following characteristics: to be reliable, to give the best possible representation of reality; be current, timely, to be complete, ie to indicate all elements enabling decision; Full information feature aimed though a process of sorting and ordering information so that they can be useful in the decision making; be relevant, that is adapted to a given problem; be accessible to decision makers.

Producing management information by control for managerial decisions must be subject to the ratio between the cost of information and the value of this information for managers (value should exceed the cost, but sometimes is difficult to measure).

Performance and perspectives

"Besides cost knowledge, management control helps managers in directing actors in the organization to performance." (C. Alazard and S. Separi, 2001).

Steps to achieve an efficient and effective management control consists of: knowing the exact situation at the start of the entity drawing the action plan, defining objectives and detailed planning of achieving; the ongoing assessment of implementing the provisions by comparing them

with the results achieved; finding deviations and disparities between normal development achievements and established objectives; searching and taking action to remove the errors and correcting deviations.

Management control must ensure that resources are well used and in accordance with established objectives. These objectives must be realistic, properly understood, to be the priority.

Management control serves to entity management by acting as a basis for making management decisions, performance measurement system, and way of transmission of corrections to eliminate deviations.

To be efficient, management control should focus on issues such as clarity of objectives; people's motivation; quality of communication; forward-looking risk management and incident reporting.

The role of management control is mainly to piloting performance and to pilotage change - that is, adaptation to the reality of the economic environment for continuous improvement, based on a series of well-defined objectives.

Performance is not a simple finding of results but rather is the result of a comparison between results and objectives. For an entity to be efficient shall mean to achieve or exceed goals.

Conclusions

The performance is actually achieved through the implementation of a leadership profitable entity. From the perspective of management control, it has the role of adjustment factor to obtain a satisfactory result. However, management control provides a managerial vision by defining the model performance. The management control allows management to assess the consistency of pilotage of decisions taken within the entity. Comes the possibility of achieving strategic objectives previously proposed.

Following our study, we find that the major objective of management control is "mastering the performance"; this means, first defining and formulating clear performance objectives in the organization, followed by understanding the causal relationships among the various responsible action and expected performance, and comparing forecasts achievements during the course of the work to identify the causes of various deviations.

Appears relationship "profit-performance-current development."

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EMPIRICAL STUDY CONCERNING THE EXERCISE OF MANAGEMENT CONTROL IN THE HEALTHCARE SYSTEM FROM ROMANIA

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ABSTRACT: The objective of our study is to obtain a general picture of the Romanian healthcare system through which to identify its particularities financially, by presenting the advantages and disadvantages of the current system, describing resources and performances in relation to resources, and existing financing model description. Comparing the resources allocated to healthcare care systems results in global health system from Romania, our approach will aim to identify what exactly is state of the Romanian healthcare, which is the explanation financing of deficiencies and inequitable - determinant of public expenditure, most often reflecting ability to pay a health institution and not the degree population health.

Keywords: management control, healthcare system, costs

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Introduction

Decision making process has become very complex and diverse due to the different situations which may arise in the work of any organization and, therefore, managerial accounting is a privileged source of information for managers, assisting them to making decisions, planning and control, context which confirms the relevance of the theme investigated.

The main motivation for choosing this theme is the fact that, both in research and practice study and exercise of management control is made mainly in the private sector, public sector accounting and management control being rarely addressed. Management entity is based on the decisions that were taken from a good knowledge of internal and external factors that

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