
Introduction

In any organization management control systems need to be implemented to assist managerial task. These systems can be focused on outcomes, processes, and activities and are designed as formal and informal devices. Understanding the different types of Management Control Systems, and how these are structured and implemented, and trying to analyse how they can serve to the managerial work it is a crucial element to improve the way companies are managed.

Objectives

The course consists in 16 class sessions in 8 days with two sessions each. It intends to accomplish several objectives. First, to get a feeling for the real-world problems within the area of management control systems, i.e., performance evaluation, rewards and management of organizations. Then, to examine what theory has to offer for a good understanding of those problems. For this purpose, we will work with different frameworks that have been proposed to analyse such systems and the possibilities of application that they have. The objective is to give students an overview of the current state of the field, how it interacts with other fields (primarily, strategy, organizational behaviour, operations management, and finance), and what are questions open to further investigation. From a research design perspective, the various readings are intended to provide a conceptual framework that can be used in future research.

Learning Outcomes

The course will deliver students the following learning outcomes:

- i. Understand the process of control in an organization.
- ii. Specify the Management Control System formal structure.
- iii. Distinguish between the formal and informal elements of a Management Control System.
- iv. Specify the consequences of the possible alternatives related to a Management control system use and controversies generated with its uses.
- v. Be aware of the limitations of formal management control systems and understand the possible consequences in terms of behaviour of these limitations.
- vi. Evaluate alternatives of management control systems implementation.
- vii. Categorize management control system problems when a specific formal system is implemented.
- viii. Determine which solutions can be implemented related to managerial control problems, and the trade-offs implied in each alternative when a problem control is occurring.

Competences

General competences:

CG3: realize critical analysis and evaluation and a synthesis of complex new ideas that help to develop general principles to apply to business cases

CG4: to get a profound understanding of the transcendence of human factor within the organizations

Basic competencies:

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CB6: Demonstrate knowledge and understanding that provide a basis or opportunity for originality in developing and / or application of ideas, often related to a research context.

CB 10: Students should possess the learning outcomes that enable them to continue studying in a way that will be largely self-directed or autonomous.

Specific competences:

In this course we are developing the following specific competences:

CE5: understand the actual research in organizational theory that has been published in specialized management journals, to understand the arguments that have been developed from a theoretical and empirical point of view.

CE6: Grasp the actual organizational problems and identify the current theoretical approaches to understand them.

CE11: understand the key concepts within the area of organizational behavior, to focus in the areas such as organizational culture, power, and influence.

CE12: to design and evaluate practices for the organizations to help to improve efficiency.

CE14: understand the basic concepts of accounting and management control systems to know in depth their relationship with the management of organizations.

CE19: to be able to present publicly ideas, procedures and research to assess persons and organizations.

Content

The content is somewhat biased towards what we are more familiar because of our research. But the overall criteria in designing the course have been relevance – select readings that are important to understand a particular issue, and balance – select a broad array of readings that illustrate different approaches to research and teaching.

Methodology

To prepare for class, we have included those papers and cases that we will focus on during the discussion. The papers represent an overview of that specific topic, and need to be read carefully in order to follow the session; and the cases intend to illustrate real-world problems for which we don't have a theoretical solution yet as a source of potential research questions. Cases have to be prepared in depth so that we can discuss how each one of you would approach the problem in reality.

Evaluation

Students must attend all the sessions and be prepared to discuss the cases and the readings assigned. The grading will be based on class participation and the class presentation of the cases. Class participation will be evaluated on the basis of quality, not on the amount of times you speak up.

Course Outline & Bibliography

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In this subject the essential bibliography consists of the readings assigned, but we also recommend the following two classical textbooks:

Anthony, R. N. & Govindarajan, V. (2003). Management Control Systems, 11th edition. Mc Graw Hill

Rosanas Martí, Josep Maria, "Decision-Making in an Organizational Context: Beyond Economic Criteria", Houndmills, Basingstoke, Hampshire; England: Palgrave Macmillan, 2013. (Organization Studies).

SESSION	DESCRIPTION	CASE/ACTIVITY
1-2	Management Control Systems—models and frameworks	<p>Introductory lecture – Management Control</p> <p>Anthony, R. N. (1988, originally published in 1965). <u>The Management Control Function</u>. Boston, MA, Harvard Business School Press—read chapter 2.</p> <p>Ouchi, W. (1979). "A conceptual framework for the design of organizational control mechanisms." <i>Management Science</i> 25: 833-848.</p> <p>Flamholtz, Eric G., Das, T.K. and Tsui, Anne S. (1985). "Toward an integrative framework of Organizational Control." <i>Accounting, Organizations and Society</i> 10: 335-50</p> <p>Merchant, Keneth A., (1982). "The Control Function of Management." <i>Sloan Management Review</i>, Summer 1982: 44-55</p> <p>Simons, R. (1995) "Control in an Age of Empowerment." <i>Harvard Business Review</i> (March): 80-88.</p> <p>Eccles, Robert G. (1991) "The Performance Measurement manifesto." <i>Harvard Business Review</i>: 131-137</p>
3-4	Cost and Expense Centers: engineered and discretionary costs	<p>Cases: C-0648E, DASA and The Westport Electric Corporation</p> <p>Technical note: CN-158E Standards, Budgets and Variance Analysis</p>

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5-6	Profit Centers in Multinational Firms	<p>Case: 9-187-098, Polysar</p> <p>Kerr, J. and Slocum, John W. (1987) "Managing Corporate Culture through Reward Systems." Academy of Management Executive. Vol.1, Issue 2, pp. 99-108.</p> <p>Kerr, S. (1995). "On the folly of rewarding A, while hoping for B." Academy of Management Executive: 7-14.</p> <p>Kerr, S. (2002). "The Best-Laid incentive Plans." HBR Case Study. Harvard Business School Publishing Corporation: 3-11.</p>
7-8	Interdivisional Relationships. Management Control and Strategy	<p>Cases: C-761E & C-762E, Chemblog (A) y (B)</p> <p>K. Langfield-Smith (1997). "Management control systems and strategy: A critical review." Accounting, Organizations and Society, 207-232.</p>
9-10	Organizations and Management Control Systems. Incentives and incentive systems	<p>Case: C-763E, Chemblog (C)</p> <p>Cugueró-Escofet, N. and Rosanas, J.M. (2013). "The just design and use of Management Control Systems as Requirements for Goal Congruence." Management Accounting Research, Vol.24, Issue 1, 23-40.</p> <p>Cugueró-Escofet, N. and Rosanas, J.M. (2014). "How Ex Ante and Ex Post Justice Interplay With Formal and Informal Elements of Management Control Systems", chapter 9, in The Social Dynamics of Organizational Justice, pages 223-248</p>
11-12	The Management Control Process. Management Control and human behavior	<p>Case: 106-S11, Empire Glass</p> <p>Vancil, Richard F. (1973) "What kind of Management Control do you need." Harvard Business Review: 75-86.</p>
13-14	Performance Indicators	<p>Case: 9-198-048, Citybank</p> <p>Ridgway, V.F. (1956). "Dysfunctional Consequences of Performance Measurements." Administrative Science</p>

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		<p>Quarterly, Vol.1, Issue 2, 240-247.</p> <p>Cheung, Gloria S. Y. (1999). "Introducing a 360 degrees Performance evaluation." <i>Strategic Change</i>,8, 111-117.</p> <p>Antonsen, Y. (2014). "The downside of the Balanced Scorecard: A case study from Norway" <i>Scandinavian Journal of Management</i>, 30, 40-50.</p> <p>Hoque, Z. (2014) "20 years of studies on the balanced scorecard: Trends, accomplishments, gaps and opportunities for future research." <i>The British Accounting Review</i>,46,33-59.</p>
<p>15-16</p>	<p>General overview of Management Control Systems</p>	<p>Baiman, S. (1982). "Agency research in management accounting: a survey." <i>Journal of Accounting Literature</i> (Spring): 154-213.</p> <p>Baiman, S. (1990). "Agency research in Managerial Accounting: a Second look." <i>Accounting, Organizations and Society</i> 15(4): 341-371</p> <p>Chenhall, R. H. (2003). "Management control systems design within its organizational context: findings from contingency-based research and directions for the future." <i>Accounting, Organizations and Society</i> 28: 127-168.</p> <p>Hofstede, G. (1981). "Management Control for public and not-for-profit activities." <i>Accounting, Organizations and Society</i>, Vol.6 Num.3, 193-211.</p> <p>Hofstede, G. (1978)."The Poverty of Management Control Philosophy." <i>Academy of Management Review</i>, 450-461.</p> <p>Cugueró-Escofet, N. and Rosanas, J.M. (2016) "The Ethics of Metrics: Overcoming the dysfunctional effects of performance measurements through justice", forthcoming, <i>Journal of Business Ethics</i></p>