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MANAGEMENT CONTROL SYSTEM IN THE CONTEXT OF SMES

Several researchers have been concerned with management control, others have analyzed the specificities of SMEs, but research relating to management control in SMEs is still scarce. Management control is one of the foundations of company management and performance, it provides the visibility necessary to coordinate, plan and judge the actions of company stakeholders. Stemming from industrial accounting, it now appears as a means of controlling the complexity of organizations and mobilizing skills. Thus, the purpose of management control systems, in particular, is to present managers with methods and tools enabling them to provide them with useful information for decision-making.
The objective of this work is twofolded: – identify the specific features of SMEs which may have an influence on their management system and therefore on their management control practices; – draw up an overview of the different management control tools and practices adapted to SMEs to finally confirm that management control in SMEs exists.

Keywords: management control; specificities of SMEs, cost accounting; forecasting tools; dashboard.

1. INTRODUCTION

The current environment is marked by technological and economic turmoil. Their diversity and density make the management of companies more complex and uncertain. To control these phenomena, Small and medium-sized enterprises (SMEs) must adapt their structures and operating methods, also making it necessary to modify information systems, and therefore the nature of management control.

In a developing economy like that of Morocco, the SME certainly occupies a place of great importance for its effective participation in the promotion of social dimension and economic development. It is for this reason that special attention must be given to this category of companies in terms of management and especially management control, which constitutes a means of improving immediate profitability and of increasing development.

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Management control in an SME is as important as in a large company. Especially since SMEs have an advantage over large companies, it is the proximity of the manager and his employees which does not imply a complex organization to control or guide very diverse or distant teams. A popular idea among SMEs is that the management control function is only useful for large companies. However, many SMEs do management control without knowing it or naming it. The objective of this work is to deal with the subject of management control within SMEs.

Our research aims to study control practices in emerging countries and specifically in Morocco. It is important to note that studies on SMEs in Morocco are few, in that our research allows to understand the functioning of SMEs to stimulate future research. While drawing inspiration from research carried out by Rigalma & Torra (2021) on large international companies in the Atlantic Free Zone Kenitra in Morocco. The purpose of this research is mainly to identify and analyze the dissemination of management control practices of small and medium-sized enterprises within the framework of Morocco.

To answer the question: what is management control in the case of SMEs, we first propose a review of the management control literature and then identify the specificities of SMEs that may have an influence on their management system and therefore on their management control practices and to draw up, secondly, an overview of the various management control tools and practices adapted to SMEs to finally confirm that management control in SMEs exists. The authors of this article followed the deductive method in their research, starting with a review of the literature with a comparison between the theoretical context of research in the field of management control and that of the development of small and medium-sized enterprises.

2. MANAGEMENT CONTROL: LITERATURE REVIEW

The concept of management control has evolved a lot over the past decade. The aim here is to give a definition of the concept of management control, and to try to define its scope.

a) Appearance of management control

"The control of activities and the field of management control that results from it are rather correlated with the industrialization phase of the end of the 19th century and especially the beginning of the 20th century" (Alazard & Separi, 2010). The evolution of the economic and technological environment of the company and the development in the organizational structures of production were at the origin of the information needs and the design of the cost calculation and management control systems in the company.

"Organizational changes in production explain the changing needs in cost calculation. It is the transition from the putting-out system (production outsourced to the workers) to the factory system (production grouped in a factory)" (Alazard & Separi, 2007). Several stages mark the emergence and evolution of management control, each characterized by a gradual improvement of objectives, tools, and a specific vocabulary.

The costing system has been around since the emergence of the first organizations. As long as there is an economic activity. But its real development dates back to the industrial revolution because of organizational changes in production.

It was in the 17th and 18th centuries that the outsourced model of production putting out system (or sponsored subcontracting) experienced a great boom, the producer entrusting the raw materials and the work to the artisans who made the finished products. Here the cost calculation is determined by the “cost price” compared to the purchase price of raw materials. At the same time, the vocabulary applied in the cost calculation system evolves in several stages.

From the 19th century, the production system of grouped factories became the most dominant model or “factory” with the development of new technologies and mass production using machines concentrated in a factory. At this stage, the cost calculation becomes more than necessary, the entrepreneur increasingly seeks to control his costs.

2.1. The industrial accounting stage

The notion of management control was born with the boom in industrial activity in the 19th century. But researchers only speak at that time of “industrial accounting” allowing the manager to assess his production costs (costs of transformation of raw materials, costs of wear of machines, wages, etc.) in order to help him/her fix its prices compared to its competitors. It consists in measuring the costs of the internal flows of the production process before determining the production costs of the manufactured products, that is to say the costs of processing raw materials by the machines of the factory with workers.

> Around 1915 with the OST (Scientific Organization of Labor) proposed by F. Taylor, the accounts were refined, segmented activities, worked out standards (standard costs, pre-established costs), calculated deviations from standards and checked them. Results, responsibilities. Accounting becomes operational cost in order to forecast and verify the achievements of all organizations, not just industrial ones (Alazard & Separi, 2010).

2.2. The cost accounting stage

It was at the beginning of the twentieth century, with the increase in the size and diversification of production units of companies, that “accounting becomes operational cost”. It allows the manager, in addition to the basic function of industrial accounting, to forecast and verify industrial achievements on the one hand, and the entire organization on the other. It is the beginning of the time of the rationalization of work, researchers break down the movements and they measure the operating times to divide the tasks and increase the outputs, the division of the very hierarchical organization, is based on the establishment of standards and rules imposed on performers.

“Accounting becomes operational cost in order to forecast and verify the achievements of all organizations, not just industrial ones” (Alazard & Sépari, 2010). The concepts on which this model is based are:

- economies of scale: manufacturing in large units to increase productivity and reduce unit costs by spreading fixed costs over large quantities;
- standardization: homogeneity of products without differentiation;
- division of labor: breakdown and segmentation of tasks;
- execution/control: measurement of activity and job performance, comparison with established standards.

As a result, the organization is evolving as a very complex profit center that needs a new management and control tool. Hence the birth of operational cost accounting with the aim: monitoring the achievements of organizations compared to pre-established standards.

b) Evolution of management control

The emergence of this discipline is part of an evolution in the technical, economic and social world. The first evolution of management control begins with the increase in the size of the production unit and its diversification. Hence the need to delegate responsibilities and tasks while controlling the performers with the means of provisional and actual budgets to monitor achievements and measure gaps.

Taylor (1853–1915) introduced the notion of norm from which the idea of measuring deviations and handling by exceptions arose. Remote surveillance by numbers replaces, in any case partially, direct surveillance by the chiefs. Finally, Taylor tries to reconcile the individual interests of workers with the collective interests of the company through bonus systems. "If the first principles and methods of management control appeared between 1850 and 1910, in the United States and in Europe, practices were developed gradually according to the needs of companies" (Alazard & Separi, 2007).

Then, in a period of growth and with the development of products and services, management control becomes a real co-pilot and is positioned more and more as a decision-making tool to support managers and ensure them a good means of controlling their activities.

Changes in the business environment, both internal and external, make it necessary to reconsider the classic model and reduce management control to a cost analysis tool, focused on the internal constraints of the company. And not on its market constraints. Therefore, it becomes important to review this model in terms of its objectives and tools and to take into account the needs of users. Thus, management control is expanding: new methods and cost considerations attempt to overcome the shortcomings of traditional methods. "Social management control has amply developed through management and reporting systems implementing a structured set of dashboards with social indicators" (Peretti, Piedtrement, 2013).

Faced with a constantly changing economic environment that requires greater responsiveness, cost control within companies has become essential.

The development of commerce, industry and even the economic environment has created new dimensions in business. This development has prompted managers to review their strategies and the way they manage their businesses.

"Knowledge of costs and their evolution, analysis of assumptions and associated calculation systems, are all essential decision tools for any manager who exercises responsibilities" (Mendoza, Cauvin, Delmond, Dobler, Malleret, 2004). Thus, each entrepreneur and each decision-maker within a company must know how to control his expenses in the most optimal way possible.

> From the 1980s, researchers saw the emergence of new organizational structures in companies, structures on which management control began to place management systems similar to those it used on the traditional structure in responsibility centers: identification of a manager, setting of objectives, definition of performance measurement indicators, construction of budgets, development of action plans (Löning, Malleret, Méric, Pesqueux, 2008).

Thus, in 1903, the breakeven point made its appearance in the economic calculation in the United States. Modern management control is no longer content with simply controlling the allocation and use of resources to achieve objectives, it is now part of a continuous improvement process. “Inspired by the Deming wheel (plan – Do – Check – act), the four dimensions of management control become as illustrated in the figure below: forecast – measure – react – progress” » (Bouin X. and Simon F-X, 2015, p.17).

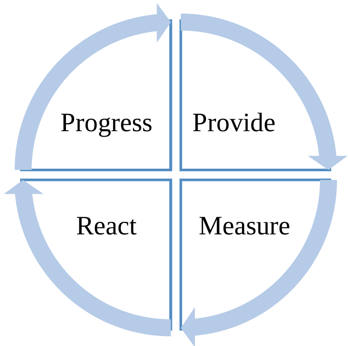

Figure 1. The 4 dimensions of modern management control

Source: (Bouin, Simon, 2015).

The Deming wheel highlights the four stages necessary for a good organization of:

- setting objectives and determining actions to achieve the objectives: this is the planning phase;
- the implementation of actions as planned: this is the deployment (or implementation) phase;
- the evaluation of the gaps between the objectives and the planned actions and what has been achieved: this is the evaluation (or control) phase;
- the implementation of improvement actions aimed at eliminating the gaps: this is the improvement phase.

“The essence of a successful organization”, explains Deming, is therefore to continuously improve, both in terms of actions carried out by staff and those initiated by company management.

At the local level of carrying out production operations: it is mainly the problem-solving process.

At the level of product and policy design, that is, at the level of the management of the company: this is the wheel of Deming (Barouche, 2010).

Following the four stages of the Deming wheel creates the conditions for the structure to improve steadily. The management controller becomes the coordinator of management control; the management controller must master the management tools in a process of continuous improvement. It is the role of each manager to bring his department and activity under control.

“In the 1930s, the discovery of major frauds involving the liability of auditors in the United States and the very large volume of transactions to be audited gave decisive impetus to the shaping of a very precise methodology” (Combe, Labrousse, 1997).

In 1965, Anthony gave a classic definition of management control:

> Management control is the process by which managers ensure that resources are obtained and used effectively (relative to objectives) and efficient (relative to

objectives. Means employed) to achieve the objectives of the organization (Anthony, Dearden, 1976).

Around the 1980s, the gradual development of management control brought about new performance assessment methods based on the notion of process and activity, to meet the company's increased need for adaptation and responsiveness. In a highly competitive environment, where customer satisfaction and competitiveness are the common thread of a business performance analysis.

The control system will of course focus on monitoring expected results, through performance indicators, but also on monitoring associated action plans to achieve them with management indicators (Selmer, 2003).

Moreover, since the 1980s, so-called classic or traditional methods of calculating costs have caused much ink to flow, particularly in the way in which the allocation of indirect costs is made, which is often subjective and far from reality.

"In addition, traditional accounting methods focus on the cost of finished products. However, the very concept of a product is currently the subject of several questions" (Mendoza, Cauvin, Delmond, Dobler and Malleret, 2004). Thus, under the influence of all these factors, the scope of costing has grown considerably in its scope.

Indeed, the costing was essentially about determining the costs of the products. However, today we have moved from the concept of the cost of a product to that of the object of cost. Knowing the cost price of its products is certainly a major issue for a company, but it is not the only one. Costing has become multidimensional.

In 1988 Antony will come back to his first definition and will propose an approach in which, on the one hand, Antony brings a new notion, "vlinking management control to the company's strategy and, on the other hand, introducing a new form of management". Relationship, influence:

Management control is the process by which managers influence other members of the organization to apply strategies. It therefore appears, according to Antony, the manager is the initiator and the main actor of the control process, which suggests the paradox that he would have to entrust management control to the controllers alone.

"H. Bouquin will see in the evolution of Anthony's definition the emergence of the informal, which allows him to describe the management control function as" a vector of behavior regulation in organizations (Burlaud, Jougleux, Livian, 2007). Bouquin thus proposes to define management control as: "A process, part of the management process, whose mission is to install and maintain around managers, the conditions enabling them to identify relevant objectives and to maximize the chances of achieving them as long as they remain relevant…".

To control the evolution of costs, only the calculation of product costs is not sufficient. It is necessary to understand how this cost is constituted and to appeal to concepts such as, for example, that of the cost of activities. Finally, new cost determination tools have appeared. Developed in the United States (the ABC method) or in Japan (the target cost), they are gradually being adopted by French companies.

These methods are not only a sophistication over traditional methods. They suggest new representations of the company and generate a new problem: going beyond the calculation of costs to move towards their management. The ABC's are based on the idea that you don't manage costs, but activities incur costs.

It is a full cost method that makes it possible to treat indirect costs according to a logic of consumption and no longer of distribution. Cost objects (product, service, distribution channel, customer etc.) consume activities (set of tasks), which consume resources (human and technical) which have a cost. The causal link is thus established through the activity between the resource and the cost object (Selmer, 2008).

"ABC is a method that models the business around activities. Nowadays, developing businesses and conquering new markets requires more than ever control and therefore knowledge of all costs" (Mendoza, Cauvin, Delmond, Dobler, Malleret, 2004). From there, the cost structure of enterprises has undergone an extensive advancement of its components, which has made their control more and more complex. Therefore, the mere calculation of the cost of products is no longer sufficient to control the evolution of costs. It is necessary to understand how this cost is constituted and to use concepts such as the cost of activities.

Since the mid-1990s, debates have focused on a change in control in the implementation process and in this perspective the characteristics of the management controller, his missions, his skills, his hierarchical attachment constitute a practical and theoretical questioning (Burlaud, Jougleux, Livian, 2007).

In (1998) Bouquin redefined management control as the intersection of three fundamental missions:

- hinge between strategy and day-to-day life, of which it must ensure the interaction by ensuring that current actions are consistent with the strategy, but also by allowing managers to change their strategic approach based on the facts observed;
- vector of orientation of the behavior of the actors, perceived and in a way instituted as autonomous decision-makers, through the delegated management of the resource-results pair;
- modeling of the relationships between the results pursued and the resources to be mobilized and consumed in order to achieve them.

Today, management control therefore goes well beyond the area of competence of the management controller and very strongly involves human resources directors, whose mission with the highest added value consists precisely in mobilizing men in order to achieve certain objectives. This corresponds to a general evolution of managerial models which consider that human resources, through their skills and knowledge, constitute key business resources, creating value and competitive advantage.

This involvement of human resources directors in the field of social management control for the benefit of the performance of the result, requiring to rely on organizational and behavioral contingency factors places management control at the heart of our research model. Indeed, it makes it possible to develop human resources in line with the results sought by the company.

c) Definition of management control

Desire-Luciani and al. (2013) have already clarified that the management control system is often misunderstood because there is a poor understanding of the word control. This leads us to define the term control before apprehending the management control system.

2.3. Definition of control

According to Bouquin (2011), control refers to a common idea of a standard: standard of action, standard of behavior, standard of result. To this end, control can be oriented either towards action, result or behavior. When the control relates to the action or the result, it reflects the idea of verification, monitoring, inspection and evaluation. It therefore makes it possible to set up an analysis system by which organizations guide their administration and attempt to achieve their objectives (Bouquin, 2011). It also aims to know the result obtained either with regard to quantified data or with regard to a criterion.

Control is not only used to guide action because, Follett (1932) clarified that it is mostly used to think Fiol (2005); thus, it depends on the ability to make the controller's ideas converge with the ideas of other managers who are also involved in the organization. It is then conveyed under the idea of order regulation in the event of disorder (Tannenbaum, 1968; Chiapello, 1996). It also reduces the uncertainties of individuals and the degrees of freedom of individuals (Lebas and Weigenstein, 1986); behavior is thus highlighted.

In view of these three orientations, action – behavior – result, control is considered to be the key to the functioning of the organization, the goal of engineering and the guarantor of effective unity (Bouquin, 2005).

2.4. Definition of management control

After clarifying the term control, the authors of this article will discuss management control. Several authors have defined management control. The authors of this article are focusing on four works because they are complementary.

According to the precursor, management control is “the process by which managers obtain the assurance that resources will be obtained and used effectively and efficiently in order to achieve the objectives of the organization” (Anthony, 1965).

Management control is also seen as the system that captures and processes information about the organization, a system of accountability and feedback designed to provide assurance that the company adapts to changes in its environment, that the behavior of its staff at work is measured by reference to a system of operational objectives consistent with the overall objectives (Lowe, 1971).

In addition, management control is the set of devices, procedures, incentives, various regulations, but also factors that constitute what could be qualified as invisible devices allowing the manager to have the assurance that strategic choices and current actions are consistent (Bouquin, 2010).

Note that these three authors focus their attention on different but complementary notions for the present study. To this end, the first definition is based on obtaining resources, their use and the achievement of objectives. The second definition specifies the various systems necessary for a better implementation of management control. This second definition makes it possible to consider management control as a system. It also emphasizes the actor's behavior. It further specifies that the environment can influence management control. However, the latter must be able to adapt to change. Finally, this second definition specifies that there must be consistency between the objectives set by management control. The third definition is based on all the mechanisms necessary for the consistency of management control.

It is therefore about procedures, incentives, various regulations as well as invisible devices. Invisible devices push actors to interpret the same facts in various ways, to discard certain behaviors in favor of others, to accept certain practices and contest others, to adhere to certain goals and to consider others as unacceptable (Bouquin, 2010).

These three apprehensions join the work of Malmi and Brown (2008). Management control is perceived by Malmi and Brown (2008) according to the desired results and it takes into account the links between several elements. Management control is the set of formal arrangements and also informal control modes. It is the set of accounting and non-accounting processes, values, rules that allow management to try to control behavior and decisions. It then ensures that there is consistency between the objectives and the strategy of the organization. It establishes a link between the tools, the control systems and the actors responsible for implementation. Therefore, these authors refer to management control as a "package" that facilitates the development of other controls, the achievement of organizational objectives, and the improvement of control activities. The "package" brings together different systems: control by culture (clans values symbols); administrative control (governance, organizational structure, policy and procedure); cyber control (budget, financial measure, non-financial measure, hybrid measure); managerial control (reward and remuneration); strategic control (long-term planning/operational action plan). Thus, this "package" takes into account the real impacts of management control; it does not offer a definitive solution to all problems, but it facilitates and stimulates discussion. The work of Malmi and Brown (2008) is complementary with the definitions given previously.

This study draws on Malmi and Brown (2008) to clarify management control. It is then considered to be the set of visible (formal) and invisible (informal) devices making it possible to ensure the coherence of the system, to obtain the resources, to use them effectively and efficiently and to guide behavior. Actors for the achievement of the objectives of the organization. This definition focuses on three elements: the coherence of the system, the visible devices and the invisible devices.

3. SMES AS A FIELD OF RESEARCH

Research on SMEs began to develop from the end of the 1970s. At that time, researchers began to identify the specificities of SMEs towards large companies. Gradually, this research begins to multiply, structure and organize itself in order to constitute an object of research. Following this increase, two theoretical currents made their appearance: the first takes into account the specificity of SMEs (Julien, Marchesnay, 1988), and tries to unify it using a single approach. The second adopts a contingent approach, according to this current it is impossible to consider that there is a single theory of SMEs. In our research, these authors adopted the trend that follows the specificities of SMEs, while highlighting the diversity of cases. These authors cannot ignore a contingent approach because SMEs are heterogeneous, but without forgetting their common similarities. Indeed, these authors consider that the central role of the manager is an invariant and specific characteristic of SMEs despite their heterogeneity. Through this approach, these authors try to create an analytical framework reconciling "specificity" and "diversity" (Torrès, 1997).

3.1. Definition of SME

At the outset, it must be recognized that SMEs are not large companies in miniature. Previous research has clearly shown that an SME "can no longer be considered as a simple reduced model of an archetype of companies It constitutes a being that has its own reality and its own existence" (Julien, 1988). However, there is no single definition of SMEs but several typologies have been designed by different researchers in order to find common similarities. There are traditional typologies based on quantitative criteria. Also, several authors have sought to go beyond these by taking into account qualitative criteria allowing a more complex and more global typology. Therefore, it is difficult to define them, there are several definitions of SMEs developed according to different contexts. In what follows these authors refer to the definition of Julien (1988) for whom the small and medium-sized enterprise "is above all a legally, if not financially independent enterprise, operating in the primary, manufacturing or service sectors, and whose functions of responsibilities most often fall on a person who is generally the sole owner of the capital".

In Morocco, According to the first article of law 53-00 forming "Charter of the SME" of July 23, 2002, the SME is a company managed and / or administered directly by the natural persons who are the owners, co-owners or shareholders. And which is not held at more than 25% of the capital or of the voting rights by a company, or jointly by several companies, not corresponding to the definition of an SME (this threshold may, however, be exceeded when the company is owned by collective investment funds, capital investment companies, risk capital organizations, financial organizations authorized to call on public savings - provided that they do not exercise, as a individually or jointly, no control over the company).

In addition, SMEs must meet the following two conditions:

- have a permanent workforce not exceeding 200 people,
- have achieved, during the last two years, either a turnover excluding tax of less than DH 75 million, or a balance sheet total of less than DH 50 million.

This same charter also proposes specific criteria for newly created companies (i.e. those which have been in existence for less than two years): companies which have undertaken an initial investment program of less than 25 million DH are considered as SMEs. And respecting an investment ratio per job of less than 250,000 DH.

3.2. Importance of SMEs in Morocco

According to the Federation of SMEs (affiliated to the CGEM), Moroccan SMEs constitute 95% of the economic fabric of the country and are located for 72% in trade and services.

In 2002, they would have employed more than 50% of the employees of the private sector and would have contributed up to 31% to Moroccan exports and 51% to national private investments. However, while they represent around 40% of national production, they only participate up to 10% of the country's added value. (Editor's note: quantitative data to be taken with caution, due to the absence of reliable statistics and the importance of the informal economy in Morocco).

Major players in the Moroccan economy, SMEs suffer from many difficulties that hamper their upgrading:

- lack of transparency of accounts;
- under banking and difficulties in accessing financing (cost of credit and often crippling guarantees required);
- low productivity and cultural obstacles to improving competitiveness (strong centralization of decision-making power, low staffing rate, oral business culture, lack of rigorous accounting, insufficient financial culture);
- lack of preparation and international openness of managers.

Thus, in April 2004, according to A. Kessal (president of the SME Federation), out of the 70,000 SMEs affiliated to the National Social Security Fund (CNSS), only 40,000 filed for bankruptcy with the tax administration and 1,500 meet the necessary conditions for financing through traditional banking circuits.

At this stage of our research, it is essential to identify the specifics and characteristics of small businesses that may have an impact on the problematic of our research.

3.2.1. Size

SMEs are distinguished from large companies by their modest size. The best-known typologies are based on quantitative methods that refer to quantitative jobs (workforce and employees), assets or turnover. Julien and MarchesNay (1988) propose the distinction between three categories: the very small businesses that have a staff between one and nine employees, the small business between ten and forty-nine employees and the medium-sized enterprises between fifty-one hundred and eighty- Nineteen employees.

Indeed, the classification of companies by their size, differs from one country to another. Each country has its own definition of SMEs according to social, fiscal or legal regulations, but also within the same country each sector has its own size references. In this research, these authors consider as SMEs a company whose workforce is between thirty-one hundred people.

Characterized, by their small size in terms of activity and workforce, the volume of technical and financial resources made available to the leader within SMEs is limited. As a result, the size effect plays an important role in differences in management control practice and analytical accounting systems used within the SME.

3.2.2. The role of the leader

“An essential characteristic of a small business is the very special role that its leader plays” (Fallery, 1983). Several researchers affirm the very strong influence of the SME manager on his management system (Lefebvre, 1991). He is often the founder of his company, he has a strong tendency to personify the company according to his motivations and his personal and professional background (Coupal, 1994). He plays the role of director, manager, and manager. In general, SME managers, to make their decisions, rely exclusively on their own judgments, intuitions and experiences (Mintzberg, 1976). They are unwilling to delegate their power and responsibility to other actors, just as they have little recourse to a formalized management information system. These authors see that the management control system in the context of an SME is strongly conditioned by the owner-manager and represents his personal aspirations.

3.2.3. A simple structure

Small business is characterized by low specialization of tasks within the business. Specialization is usually accompanied by increased height.

According to Mintzberg (1982), as the firm grows, organizational levels increase and work becomes more specialized. In addition, Kalika's (1987) study of firm structure asserts that the smaller the firm, the less formalized processes there are and the more decisions are centralized with the owner-manager. The size and important role that the owner-manager plays and his retention in delegating his responsibilities to other actors has an effect on the structure of the company. SMEs have a simple, centralized structure that has a limited number of human and financial resources.

3.2.4. An underdeveloped information system

The SME management system is characterized, on the one hand, by an uncomplicated internal information system which is often standard and poorly organized and, on the other hand, by a simple external information system. Contact and dialogue are the essential vector of information within SMEs. As authors have already noted, the structure of the SME is little formalized and little hierarchical. By the same token, information and communication systems are also little formalized. Information is often conveyed informally, operating through dialogue and direct contact (Mintzberg, 1982) which, for the manager, are best practices for exercising control.

Likewise, the external information system in SMEs is simple. It is represented by direct contact between the manager and the various players in his environment, consisting mainly of customers, suppliers and bankers.

3.2.5. Decision making

The small size of the firm and its simple structure often allow the boss to take matters into his own hands and promote rapid decision-making, which makes it possible to react quickly to environmental turbulence. The centralization of decision-making by the owner-manager means that the latter gives priority to the various operational tasks, which prevents a strategic vision in the medium or long term. Most of the time, decisions are made for the short term. According to a survey cited by Duchéneaut (1997), more than 70% of SME managers prefer intuition to forecasting and consider it very important in decision-making. Consequently, the decision-making function in an SME is done in the following way: Intuition – Decision – Action.

The SME is characterized by a concentration of management and a centralization of most decisions in a single individual, the owner-manager. The latter is keen to perform all functions, these authors are reluctant to delegate responsibilities, he wishes to retain complete control and decision-making is based mainly on his intuition. These different specificities of the SME allow to conclude that the function of management control in this one is a little instrumented function where the owner manager plays a very important role. Therefore, understanding the functioning of small and medium-sized enterprises requires knowledge of the profiles of their manager. These different findings allow us to build a basic theoretical framework for our research that must be validated subsequently by observing the field.

4. MANAGEMENT CONTROL AND SMES

Several researchers have been concerned with management control, others have analyzed the specificities of SMEs, but research relating to management control in SMEs is still scarce. In recent years, we have seen a number of studies on the existence of management control in the context of SMEs (Chapellier, 1997; Fernandez et al., 1996; Van Caillie, 2002; Lavigne, 2002; Nobre, 2001). These various studies are nevertheless contradictory, some show a good development of control tools in the context of small and medium-sized enterprises, others present more nuanced results. After having carried out a synthesis of several empirical studies, McMahon and Holms (1991) consider that the state of knowledge on this subject is insufficient.

Indeed, most of the existing studies deal with the application of a particular tool in the context of SMEs: Chadefaux (1991), for example, studies forecasts in SMEs with less than 500 employees through a survey carried out in of 1000 SMEs. This study shows that SMEs make predominantly short-term forecasts, and have no strategic objectives. Bescos (1991) presents through a critical analysis the contributions and the limits of the management tables developed within the framework of SMEs. On the other hand, there is a series of studies which draws up a first assessment of the situation of management control in SMEs in a contingent approach. From these studies these authors can draw that the variables explaining the nature of management control in SMEs are defined by the size of the SME, the role of the entrepreneur and the characteristics of supply and demand defining the competitive space. In the following developments, these authors will try to draw up, through the existing literature, an overview of the various control tools implemented in SMEs.

4.1. The management control function in SMEs

The management control function in SMEs is often under-structured (Fournier, 1992). It is often equated with the accounting or financial function. Several studies show that, for most managers, the management control system is defined by the accounting system designed primarily to report to the tax authorities. However, these authors should not consider that the function of management control in an SME does not exist.

In this particular context, it is often associated with other functions. The position in the organization chart depends on the number of people and services put in place: on the one hand, it may be the accountant who draws up budgets and uses control techniques, and on the other hand, it is the accountant who prepares the budgets and uses control techniques. leader personally who wishes to coordinate and monitor activities.

4.2. The tools listed

According to Bollinger Sophie (2020), the management controller must equip himself with different tools to facilitate the collection and processing of data from different sources, but the management controller requires a clear view of the data relating to the different departments. , trades and activities of the organization in order to analyze the data and transmit recommendations to the leaders in order to improve the performance of the organization.

Referring to the work of Moisdon (1997), it is important to make several distinctions. A management tool is not a rule insofar as a rule can be informal: it can be justified by experience or know-how, for example, and remain tacit while a management tool will be formalized. A management tool is a “formalization of organized activity”. Rowe, Fernandez and Picory (1994), through a study carried out in 102 SMEs of which 64.3% have a workforce of less than 50 employees, set out to show that the management of SMEs was not due solely to intuitive decisions. In this perspective, they identified a battery of management tools widely used in SMEs.

The first object of their research, they say, is to show that many management tools exist in SMEs. These tools are part of the instrumental dimension of management control. Thus the forecasting, monitoring, and analysis tools are the materialization of the finalization, management and evaluation phases.

– *Forecasting tools:*

Forecasting tools are embodied in plans and budgets. The aim was to identify the dissemination of these tools in SMEs. The high rates of positive responses lead the authors to question the degree of confidence to be placed in these results. Indeed, because the development of certain tools (training plan, forecast investment return plan) is complex, the response rates must, according to them, be lower.

However, they find that there is an inverse relationship between the degree of complexity of the tool and its use in the enterprise.

– *Monitoring:*

The monitoring tools are represented in the dashboards. This inventory allows, among other things, to get an idea of the variety of indicators that can be found in an SME manager's dashboard and their respective weight in decision support. This study shows that short-term management is favored both in terms of monitoring profitability, demand and production indicators.

– *Analysis:*

The analysis tools are materialized by cost accounting they are the materialization of the management control amendment. The results show that in SMEs, it is the full cost method that is used as it is increasingly questioned by researchers. Additionally, costing is used to fulfill its traditional roles of pricing and calculating margin.

This list of tools identified by Rowe and al. (1994) was supplemented by another study by these same authors (Fernandez and al., 1996). The tools identified from this study:

- for forecasting tools: sales forecast plans, production forecast plan;
- for monitoring tools: turnover, number of orders, supplier deadlines, stocks of raw materials;
- for analysis: unit manufacturing costs and variances on forecast quantities.

In this article, it is about, among other things, to see the characteristics of these tools according to the sectors.

In addition, the Bajan-Banaszak (1993) study focusing on small businesses shows that 48% of businesses use management-oriented financial accounting and only 27% of businesses have management tools other than accounting. The utilization rates are as follows: cost accounting 18%, dashboards 19%, overall forecasts 19%, variance analysis 12% and the budget by function 7%.

Nobre (2001), based on a study carried out among 86 companies larger than 50 employees, specifies that management tools such as dashboards, setting collective objectives, setting individual objectives, determination of monthly results, the budgetary procedure and the calculation of variances are widely used in SMEs.

This set of identified tools forms a list that seems fairly comprehensive to us. A study carried out under the direction of M. Gervais in SMEs in the Grand-Ouest region concerning dashboards, presents the same indicators already cited by Rowe and al. (1994). In addition, a more global study carried out in 1987 by Magazine Tertiel, shows that the managers of SMEs mainly use analytical accounting tools, one-year forecast budgets and dashboards, and these tools are the subject of computerized processing. Similarly, McMahon and Holms (1991) observed that traditional financial tools such as financial gaps, budgets, cost systems, are widely present in SMEs. Finally, Chapellier (1997), in his article, lists most of the tools that we have presented.

This list of tools can, therefore, be considered as a reliable representation of management tools in SMEs. It seems fairly comprehensive to us, but it is far from being exhaustive and has no such vocation. On the one hand, because most SMEs do not have an extensive list of tools and, on the other hand, the needs of these tools are not always necessary or identical.

4.3. Cost accounting and costing techniques

Companies today have to face an increasingly hostile, complex, uncertain and constantly changing environment: there are more competitors, more demanding customers. Faced with globalization and tougher competition, companies must develop their management control tools. More particularly, they must develop their cost accounting to establish a measurement system and constitute a decision-making tool.

Cost calculation plays a fundamental role in any management control system. It ensures the consistency of the action in relation to the overall objectives, and the allocation of resources within the company to achieve its objectives using simple, common and clear language. The cost calculation makes it possible to quantify the objectives, to value the means implemented, and to show the results obtained or planned by product. Finally, it is a tool for decision making that the manager should not underestimate. Not being generally mandatory (the Commercial Code makes no reference to cost accounting), the reason for cost accounting is its usefulness.

In the context of SMEs, while general accounting exists because it is compulsory, cost accounting appears infrequently. However, knowing the costs is essential for the competitiveness of SMEs in the current environment and the control of decisions and actions helps to better guide decisions.

Chapellier's study (1997) is one of the few studies that attempted to characterize the accounting practices of SMEs as a whole, defined in terms of production and use of data by the manager, in relation to the following four fields of accounting: general, management control, financial analysis and dashboard. Other studies, notably those by Lavigne (1999), have focused on the specific field of general accounting. These various studies, while following the current of contingency theory, have demonstrated the heterogeneity of the SME accounting system and have identified some of its determinants.

The study by Lavigne (2002) starts from the consultation of data from 282 manufacturing SMEs. This research leads to the conclusion that, although mainly computerized, the accounting information systems of SMEs are diverse and determined mainly by structural contingency factors, including the size which plays an essential role, and the mode of growth of the company. A specific hypothesis related to the use of management accounting information made more complex SMEs with more influential accounting players adopt more management accounting practices to promote the financial and organizational performance of companies.

Calculating costs is one of the basic tasks of cost accounting. From the study by Nobre (2001) it can be concluded that the majority of SMEs use a single cost calculation method: the full cost method, which they find more than satisfactory.

It is strongly focused on calculating the cost of production. As for pricing practices, three methods are used by SMEs. The first, which is the most common, is to add a margin to the cost price, regardless of the type of cost price used. The second leads to matching the prices charged on the market. The third method consists in valuing a benchmark expense element deemed to be preponderant in the cost price, and in applying a structural rate making it possible to integrate other expenses and the profit margin.

An analytical accounting system must be appropriate to the specificities of the SME. Although the majority of SMEs start their activity without having a cost accounting system, its usefulness becomes apparent to the owner-manager as the activity grows. Not all companies that operate in the same industry have the same expectations when it comes to cost accounting. Depending on the size, medium-sized businesses need a more complex system that allows them to make decisions about the cost and prices of their products. Regardless of the size of the company, a cost accounting system that is simple, efficient, flexible and suitable for the activity is fundamental for planning, control and decision making in the company. Table 1 summarizes the main observations made from a review of the literature.

Table 1. Management control practices in SMEs

Theme	Results	Authors
Control missions Management.	The missions are mainly the calculation of costs and the determination of prices.	Chapellier et Mohammed, 2010; Nobre, 2001b; Van Caillie, 2003.
Formal nature or informal control.	Informal control is dominant. Goals are set orally.	Collier, 2005 ; Greenhalgh, 2000; Hodges et Kent, 2006; Perren et Grant, 2000; Santin et Van Caillie, 2008.
The implementation formal systems management control.	They are done most often following seizures.	Meyssonnier et Zawadzki, 2008; Reid et Smith, 2000; Santin et Van Caillie, 2008; Zawadzki, 2009.
Control actors Management.	Decision making is between in the hands of the executive or a CFO. Upstream operational tasks are carried out by accounting employees. Accountants play a weak role in management control.	Chapellier et Mohammed, 2010; Nobre, 2001a; Van Caillie, 2003.
Dashboards.	Low interest in strategic steering. Dashboards are often limited to aspects financial. Essentially, it's about controlling the financial health of the business.	Abi-Azar, 2006; Berthelot et Morrill, 2006; Germain, 2005, 2006; Hodges et Kent, 2006; Jänkälä, 2007; Santin et Van Caillie, 2008; Vallerand, Morrill et Berthelot, 2008.
The frequency of checks.	Results are tracked and updated monthly.	Germain, 2006; Hodges et Kent, 2006; Nobre, 2001b; Van Caillie, 2003.
Cost calculation	The full cost method is the most widely used.	Chapellier et Mohammed, 2010; Nobre, 2001b.
Budgets	They are used by 60% to 85% of SMEs. The most common are cash budgets. The time horizon is the year.	Abi-Azar, 2006; Berthelot et Morrill, 2006; Lavigne, 2002; Nobre, 2001b; Van Caillie, 2003.

Source: (Condor, 2012).

Management control in SMEs is not intended to manage staff according to the company's strategy. Rather, it is about setting prices and monitoring the financial health of the business.

However, researchers recognize that there are many contingency factors. This would explain, for example, that some SMEs carry out global strategic management or that they have more complex than normal management control systems.

4.4. Management control practices in Morocco

The study by Ejbari (2018) on a sample of 51 Moroccan SMEs shows that the data systems for management control of SMEs in Morocco are generally underdeveloped and formalized. The cost calculation systems are formalized in just over half of the SMEs in the survey. They focus on establishing full costs of products and/or services offered by businesses. The other leaders use intuitive costing techniques according to procedures specific to them. Budgets and forecasts are underdeveloped practices insofar as less than 25% of managers have them. The budgets drawn up cover short periods and relate to the main functions with specific attention paid to the treasury. The practices of dashboards are similar to those of budgets: only 27.5% of managers have them with a monthly update frequency in most cases. The information contained in these dashboards is of internal origin and relates to orders processed or in progress, the turnover achieved and the main expense items. Few leaders incorporate extroverted data into it.

The production of non-compulsory management control data is the work of managers, assisted mainly by internal accountants and incidentally by external accountants. The use of computer tools for the production of this data is either systematic or ad hoc in 58.9% of companies which mainly use spreadsheets and incidentally specific accounting software. In addition, the frequencies of use of management control data are closely related to their nature. Indeed, the monitoring of costs and profitability are the most frequent and the most regular and are done on a weekly or monthly basis while budgets are used monthly.

Also the study by Daanoune and Maimouni (2018) shows that the SMEs surveyed in the northern region of Morocco have not yet established the management control function (except for a few). The results show that there is a predominance of the manager in the management of the SME; they carry out several types of responsibilities (including the management control function). Indeed, the delegation of powers in these SMEs surveyed is almost absent. We can therefore say that the director-manager is among the "obstacles to the introduction of management control in SMEs.

The majority of SMEs surveyed do not formalize the strategy. The cost calculation is done in a simple way just to make a decision or prepare an offer on a specific project or product. Budgets are drawn up annually and may be revised during the year. The dashboards are based on purely financial indicators or activity monitoring according to the sector and are not used as performance management tools for the analysis of gaps and the search for the causes of dysfunctions in order to take corrective actions.

5. CONCLUSION

The improvement in the growth of Morocco's economy has been based, in recent years, mainly on the stimulation of investment by companies, especially SMEs. The efforts made in this context are aimed at upgrading and developing SMEs in order to accommodate them to international requirements. In Morocco, SMEs represent more than 95% of companies, employ 50% of employees, carry out 31% of exports, 51% of national investments and 40% of production1. Its participation in GDP is limited to around 20% compared to 60% in some countries. The difficulties of SME access to sources of finance are among the obstacles to

SME development. In this context, this study, covering the period 1996–2002, attempts to establish a diagnosis of SME financing in Morocco by evaluating the performance of the financing systems put in place to serve this type of company and by identifying obstacles to its development. To do so, the study first recalls the efforts made by the public authorities to adapt the financial environment of companies to new global requirements. It then analyzes the importance of the banking system's participation in the financing of SMEs and assesses the efficiency of certain financial mechanisms put in place to support the equity capital of SMEs.

As SMEs develop, management control becomes, for them, a key factor of success. Moreover, we should not consider that the management control function in an SME does not exist. In this particular context, it is often associated with other functions. In addition, there are SMEs that carry out management control without knowing management is not always due to intuitive decisions. In this perspective, we have identified a battery of management tools adapted to SMEs which allow the mastery of internal management (management accounting, budgets and dashboards etc.).

Currently, the leaders of Moroccan companies are aware of the need to take into account in their strategic policies new concepts which make it possible to meet the expectations of the various stakeholders in order to ensure a sustainable and perennial development of their structures. Based on the assumption that the sustainable development and sustainability of companies are closely linked to the practice of management control in the environment of small and medium-sized Moroccan companies.

Furthermore, it should be noted that the commitment of SMEs to sustainable development consists of combining economic performance and social performance. Thus, management control as it has been conceived for twenty years is most often centered on the control of economic performance. Therefore, companies including SMEs must measure their overall performance by including, in addition to the economic dimension, the social and environmental dimensions.

Finally, we point out that the present work is an outline of research in management control in SMEs. In the future, we intend to do empirical research to study the practices of SMEs in Morocco in terms of management control.

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