
A comprehensive conceptual profile on control

Sorin DOMNIȘORU,
University of Craiova,
E-mail: domnisorusorin@yahoo.com

Radu OGARCĂ,
University of Craiova,
E-mail: rfogarca@yahoo.com

Cosmin BĂLOI,
University of Craiova,
E-mail: baloimg@gmail.com

Abstract

The paper starts from the persisting uncertainties regarding the use of the term “control”. In order to mitigate such ambiguities, after a brief subject exposure, a range of questions are proposed, whose adapted answers may help us to refine a correct understanding and perception of control, of course in relation with a plethora of similar concepts.

Our argumentation includes the elaboration and presentation of a range of conceptual pillars or vectors regarding the control in its widest meaning, in contrast with other more restricted forms, equivocal or even altered explanations. The text is enriched with some assertions of the authors regarding the assurance of the appropriate control, with its meaning of a state of harmony, which can successfully meet honest expectations.

At the end, we conclude that, in the current conditions, control can only be defined in a holistic style and we proposed a conceptual profile, through which we can easily explain what the control actually includes.

Keywords: Control, undulating, management, risk, administration, controlling, audit, review.

JEL Classification: M00, M10, M14, M42, M49

To cite this article:

Domnișoru, S., Ogarcă, R., Băloi, C. (2016), A comprehensive conceptual profile on control, Audit Financiar, vol. XIV, no. 10(142)/2016, pp. 1114-1126, DOI: 10.20869/AUDITF/2016/142/1114

To link to this article:

<http://dx.doi.org/10.20869/AUDITF/2016/142/1114>

Introduction

Scientific literature and legislation, as well as everyday language of professional practice, include ambiguities and contradictions regarding the use of the notion of control, a concept which is still not clear enough. The reasons are extremely diverse and one can still find improper uses of similar concepts, such as: audit, inspection, review or verification, check, research, assessment, controlling, management control, analysis, etc.

The normative field is extending permanently, the opinions regarding the concepts amplifies and are equivocal or even contradictory, becoming a source of inspiration that is not always the best. Conceptual failures are frequently interpreted in a subjective and even abusive manner, hence it result dangerous speculative situations.

There is no unanimous point of view on the content of control in scientific literature and one cannot see signs of such a state being reached in the foreseeable future. Supporting this idea, we consider that it is enough to mention the definition provided in Dicționarul de Management (2011, p. 3) [Management Dictionary], which states shortly, concisely, but inefficiently that control is, by nature, an ambiguous term. Around this elegant caution, we aim at defining a range of vectors that may help mitigate the equivocal description.

Our approach is not casual and it starts from the perspective that any respectable publication in the field begins with or includes consistent explanations on the content of the key terms. This effort is made precisely in order to mitigate the risk of erroneous understanding, interpretation and use. The hereby presentation does not contain trenchant, absolute answers, but rather perspectives, suggestions on some interrogations.

1. Research methodology

The article proposes an exploratory and descriptive research. The investigation aims to better clarifying the content and use of the notion of control, so that specific equivocation can be reduced.

To this purpose, we have used a range of tools that are specific to a quality-based, constructivist research, implying an interpretative approach of the reviewed subject. Thus, the paper starts from the study of particular literature and legislation, as a basis for drawing up the conceptual profile, by using objective examination and

eloquent contrast on a soft issue, that was not approached in an open manner, but rather in a cautious one.

The combination of theoretical ideas with the authors' experience has helped us perform a cursive and persuasive presentation that inductively and deductively supports the proposed control profile and the resulting conclusions.

Based on self-interrogation, on reasoned answers and inherent adjustments, we have undertaken a rich contextual and transversal exposition, outlining a significant part of what control may mean. Based on logical reasons and deductions, exposed of course to the risks of subjectivity, we have tried to define control in a better and most concise manner, possible and likely to be used by interested specialists.

2. A retrospect on relevant literature and attempts at conceptualisation

Since our concern is to clarify a conceptual sequence, we have decided to work by drawing up a range of questions – according to the queries found in the scientific literature and throughout the practice – whereby answers could be provided:

1. When did control appear?
2. What is control: an attribute, a principle, a process/action, a tool/device or a function, a range of elements, a state, a certain atmosphere, a social relation?
3. Are there differences between control and controlling, between internal and management control, between managerial and organisational control, between control and verification? What about between control and inspection, control, evaluation and audit, audit and monitoring?
4. Is control or rather control & assessment one of the attributes of management? Do they have the same content? How can this attribute be better defined?
5. What field is control positioned in: accounting, finance or management?
6. Who holds control in a business unit: the General Assembly of Shareholders, the supervisory board or the executive management? Or who holds control in a democratic republic: the parliament, the government/prime minister or the country's president?

Of course, the list of questions may continue, but it is our aim to focus only on these and attempt, hopefully, to answer in a most accurate and eloquent manner. However, before answering questions and exposing concepts (recognising that we are talking about a complex notion, it is our belief that a complete and relevant presentation is not possible otherwise) on the content of control, we think that some explanations on the meanings assigned to the word “control” in Romanian language and their use may be useful for further referencing along the presentation. In principle, they are as follows (DEX, 1998, p. 221):

- Of dominating a situation, a process, a system or an area, a structure, organisation or population, etc. If we were limited to this explanation of control, all problems would be solved, but we also have the meaning:
- Of checking the regularity or the compliance regarding the performance of a project, process or result, compared to pre-established requirements/objectives, with a view to discovering possible deviation and/or abnormalities.

The same ambiguity is found at an international level. For instance, in the 60s, Rathe (1960) identified more than 50 different meanings of “control”. Henry Fayol drew up a first definition of the control of a business unit a century ago: checking whether everything is applied according to the established plan, to the orders that were transmitted, to the principles that were predefined. The purpose of control is to identify deviations so as to correct them and prevent them from happening again (Fayol, 1949).

The Merriam-Webster British dictionary emphasizes the current meaning for control: dominating, leading, while the Larousse French dictionary primarily presents control as review, inspection or survey and only then as domination or ruling.

It is seen that meanings are not identical at all and we appreciate that this semantic situation is the main cause of uncertainties.

In terms of harmony, it should be mentioned that the abundance of checks may result in an extreme form of control, namely a dictatorial domination, but this situation may only be classified at the opposite pole, as being very imbalanced, contrary to proper control.

However, if we only talk of internal control and, for instance, only analyse it along internal audit, defining it

as a function/task of investigation and assessment of functionality, efficiency and quality of the (specifically) internal control (of which internal audit is a part), we see that things get complicated and some clarification is needed.

Our concerns are not new. Almost three decades ago, Simons (1990) outlined many uncertainties on the same topic: “We need, in fact, a better language to describe management control of the processes. Control systems are used for multiple purposes: monitoring, learning, signalling, constraint, surveillance, motivation and others. Yet, we use a single descriptor – management control systems – to describe these distinctly different processes. Eskimos use precise word to describe different types of snow and sailors have specialized words for ropes that perform different functions. Management control theorists also need a precise vocabulary to develop and communicate the concepts necessary to describe their complex organizational phenomena”.

We shall try to clarify these things in an original, challenging manner. This being added, we try in the following to answer the proposed questions

Regarding **the first question**, on when control appeared, various viewpoints can be found in the scientific literature, with more or less objective arguments, dating the appearance of control back to about several centuries up to a millennia. The same Merriam-Webster British dictionary shows the first attested use of the term “control” in the 15th century. The term comes from the Latin “*contrarotulare*” which meant comparing various papers to official documents kept in the form of a roll-up/rotulus (Adair, 2013, p. 32).

Considering the evolution of management as a science, which has ended by referencing itself to biological systems and the fact that the notion of control is related to all beings (not only to humans), it is our belief that this concern, under various forms, has existed in fact since life appeared on Earth. To this purpose, examples in the animal reign, where each group has a leader, who stays as such as long as it can hold control on the concerned group, are obvious. Similarly, one may say that the matriarchate and the patriarchate are archaic, but obvious and relevant forms of social organisation – of control implicitly. Elements of power, influence and interest appear here, which exist, but which cannot be seen as separate from control; on the contrary, we may even say that they intertwine. Control is an attribute of

power (and management is an essential component of the latter); influence and interest have common elements that strongly overlap and interfere; we may say that, the better they combine, the greater the “architect’s” power is. After 1960, behaviourists used to see control as a power-based concept and, unlike the classical management school which only saw power in terms of hierarchy and formal authority, they had a wider approach thereof (Parker, 2013). Could this be the important part of the difference between the control as domination and the control as review/verification?

Thus, at a social level, the concept of control arose with the first forms of leadership, more precisely as a component thereof. At an organisational level, the control appeared and developed as an activity in full awareness, premeditated and organised with the emergence of the scientific management. Capley (1974) saw control as its “central idea”, while Taylor considered it to be the “original object” of its experiments.

Beyond these chronological benchmarks, the control as a practice is influenced by social, economic, technological evolution. The theorists face the challenge of identifying the fundamental, immutable principles, beyond the contingency practices developed in certain contexts (Berry et al., 2009).

Since **the second question** is extremely large, we think that it is useful to provide our view: the control is not necessarily placed in a bi-univocal relation with some system of inspection or follow-up. Any verification may be declared as a control (however, in order to reduce ambiguities, the situation should be avoided), but control is not/does not always mean a review. In our opinion, control is the proper answer for the following question: what can be done in order to manage the activities and persons, wealth and risks, results and perspectives, in a much wider way than any review/verification.

We are based on the ideas drawn up by COSO (Committee of Sponsoring Organizations of the Treadway Commission), which proposes a fundamental control framework, somehow ordering this vague complex of means and practices that every individual uses in order to best manage his/her activities and reach his/her objectives.

The definition proposed by COSO mentions as follows: control is a process implemented by the administrative/supervisory/management board and the staff of an organisation, aimed to providing reasonable

assurance on the achievement of goals. From our point of view, we should notice that the use of the word “process” restricts the content and we add that this control is also implemented with the participation of third parties (funders, authorities, external auditors, suppliers and customers, etc.). We hold (after Renard, 2003) three elements of this definition:

- Control is undertaken by all employees/stakeholders;
- It does not only refer to the business ecosystem;
- We are dealing with the relative: control is not a magical potion that helps us to work “perfectly”, but just one of the means that help us work better.

After COSO, the challenge was launched and kept gaining field. The Canadians took over in 1995, when they published COCO (Criteria on Control Committee), providing the following definition of control: the elements of the organisation (including resources, systems, procedures, culture and tasks) that together can help achieve the objectives. We notice a short, apparently less clear explanation, but one that is extremely comprehensive. The definition supports another control framework, with the following features: universality, prioritization of the means, relativity and the fact that the framework does not develop by itself.

Regarding the two definitions famous in the scientific literature, we should underline that, while COSO focuses on actors, COCO focuses on the implemented means; however, we appreciate that, not by accident, the COSO control framework was taken over by the International Auditing and Assurance Standards Board of the International Federation of Accountants.

Other definitions were added to these historical concepts; they are not contradictory, they just specify the concept: “a complex permanently implemented by the officers of an organisation in order to ensure the proper performance of its activities at all levels with the purpose of achieving goals” and/or “the joint organisation of means that tend to ensure the proper control of an operation” (Renard, 2003).

We think that it is not appropriate to use the word “control” in defining control, but this definition managed to tell everything about control in just a few words. In this context, we believe that the definition offered by the Government Ordinance no. 119/1999: “all the forms of control exercised at the level of the unit, including the internal audit, as established by the management according to its objectives and legal regulations, with a

view to ensuring economic, efficient and effective fund management; it also includes organisational structures, methods and procedures” seems somehow incomplete, for instance because:

- It is mostly focused on control’s economic side, to the detriment of other elements such as career or talent management, whereas many employees do not perceive their relationship with the employing entity as a pragmatic one, but as an emotional one;
- Does not say explicitly, does not even induce anything on the organisation’s management profile and/or state of spirit, on its culture and the environment it operates in, on the quality of the stakeholders and shared organisational rituals, etc.

We appreciate that an adapted definition of control could be the state of domination and involvement, of moderating and enhancing a certain entity/issue. The positive meaning of control implies that this “domination” does not take place chaotically, randomly or at one’s discretion, in a despotic manner, but according to properly defined performance criteria, that are known within and at least in proximity.

On the other hand, we appreciate that the term “rigour” would be closer to the truth, as a synonym of control as domination, starting from the assumption that, while the system and processes fall within a decent rigour – with no culture of suspicion, but with a perfect accuracy – they also become easy from an operational point of view, in terms of autonomous maintenance within normal operating parameters, in correlation with strategic objectives.

This concern is more and more obvious given the decentralisation of the decision-making process, in order to ensure the relevance and quick implementation of such a state/situation. Organisations with several hierarchical layers cannot optimally operate without enough delegation of authority and responsibility. Decisions are made at lower hierarchical levels even within an excessively controlled organisation. In these conditions, the general manager will normally ask questions on the width and quality of the control exercised by himself/herself and his/her collaborators upon the entity’s operation and results. Moreover: “functions in charge with risk and control not only require employees with technical abilities, but also simple members who show creativity, assertiveness and flexibility in a fast-changing business environment” (Brüggemann et al., 2015).

To this purpose, we can also discuss the so-called state of control. It is represented, positively speaking, by the trust or comfort provided to a person by the organisation and operation of the referenced entity, i.e. the proper organisation and establishment of relations in order to achieve goals. This does not exclude control processes, but should not be mistaken by them. The state of control is produced, or, in better words, induced by the specific format and spirit of order adopted by the referenced entity and by the (in)actions of the involved. In other words, we are talking of an atmosphere and a climate primarily ensured by the organiser, as well as a social relation between all stakeholders, also between the referenced entity and the universe it acts within.

In our view, control means to take over and maintain the initiative, to establish goals, to keep the structure, atmosphere and the required order to achieve the desired results. Control and initiative, creativity, though equally important for organisational success, are often seen as antagonistic. Spekle, Van Elten and Widener (2014) using the Simons’ theory on levers of control, that we will refer to thereafter, examined the relationship between the control system, empowerment and creativity. Based on a survey on a sample of 233 managers, they found that there is no conflict between control and creativity per se, but, paradoxically (the term belongs to the mentioned authors), creativity may be stimulated in the presence of a “balanced” control. It is thus how we end by recognising the obvious: control is both a principle for building systems, for performing processes and following results, and a function, a certain atmosphere and everything that is listed in the second question, which should be undertaken mainly by the management, if they want to sustainably achieve positive outcomes.

Naturally, every answer may be enlarged upon, but we shall try to provide shorter answers for the following questions. As for **the third question**, we can thus simplify and say that there are bigger or smaller differences between the stated notions: between inspection and review – with the latter being wider and differently positioned; between audit and verification – the first is much more comprehensive; between management control and organisational control – the latter has a wider meaning; there is a completely different relationship between internal control, management control and controlling – they are similar concepts, that may be considered to refer to the same

concept, but they come from different cultures; certain shades appear from here, but they are not quite clear differences. Practitioners and theoreticians developed, professional bodies were established and controlling standards were drawn up in German-speaking countries. In Guenther's opinion (2013), differences between controlling and management control are not determined by the fact that they are concepts from different organisational realities, but rather by the national, regional cultural differences in understanding and adopting management control at an organisational level. The more or less same coordinates are adopted by Pavlovska and Kusmina-Merlino (2013), though the differences identified by them between management control and controlling seem to be more numerous and essential. However, in our opinion, the essence is that all listed categories are part of control itself. Moreover, it includes many other formal and informal elements.

With a minimum development of the explanation, we observe that some authors (Horváth & Partners, p. 7-15 and 242) underline that "controlling is many times falsely considered to be synonymous to control" and we subscribe to their proposal. For instance, in a Romanian context, Mocanu (2014) does not seem to differentiate the terms. According to Horváth & Partners (2007) "controlling was created through an interesting combination of knowledge resulting from the automated adjustment theory and accounting knowledge in an organisation (...), while control, which is much wider, is focused on the achievement of all the goals and functions of an organisation". In the view of the mentioned authors, controlling "is responsible for the accuracy of collected and transmitted information". Information should be correct, detailed enough, respectively synthetic: complete, timely and available at the right place/with the right recipient, etc. We would say that it is responsible at least for these objectives. Supporting this idea, according to Guenther (2013), controlling is the German word for the management control system. However, control is also responsible for the way of thinking, beyond the individual field of activity, in the meaning of interference management.

4. The issues raised by the fourth question are again exposed to equivocal interpretation. It should be said that this issue is mostly raised in Romanian literature. In Anglo-Saxon literature, management has the following functions: planning, organizing, leading, controlling. In French literature, management has the following

functions: planification, organization, direction and contrôle. We observe that, in both situations, there is no other association to the term of control. Scientific publications oscillate between expressing the last attribute of management as: control-assessment for most authors (Robbins and Coulter, 2002) and the attribute of control as domination for less of them (Ionescu and Cazan, 2007, p. 267-268; Renard, 2013; COSO etc.). The explanation is somewhat simple. Giglioni and Bedeian (1974) consider that every definition of management control usually involves two dimensions: one is related to the approaches taken in order to direct the activity of subordinates according to certain guidelines, standards, principles, and the second deals with the assessment of the outcomes of such approaches and the performance of corrections, if required.

Practically, for a long time, the definitions of control were touched by a cybernetic view, i.e. they implied performance standards, performance measurement, comparison of performance with standards, feedback and system adjustment. Almost 30 years ago, Green and Welsh (1988) underlined the fact that, in their opinion, cybernetics was the basis for control in any system, i.e. the foundation that all definition thereof should be based on (and the recognition of control as a regulatory system). The cybernetic view still persists in management literature, at least in Romanian one.

In this context, we consider that the group supporting the control-assessment attribute envisages the proper delimitation thereof from the other management attributes/functions, but cripples it content, limiting it to the level of a simple monitoring system – follow-up, review and reporting; we have already emphasized that the notion/attribute of control implies much more.

There is still the issue of a clear delimitation of control as a management attribute from the others; this may indeed suffer, but we consider that this limitation is less important in this case. Thus, most works approaching contingency factors of management control include, among them, the methods to organise work and, respectively, coordination systems at an organisational or, more recently, cross-organisational level (see, for instance, Whitley, 1999).

Ouchi (1979) outlined the existence of an interdependence between control and the management's motivation function. Going through a wide literature in the field of sociology, social

psychology, organisational theory, he believed that the various forms of assessment and control resulted in various commitment levels or even individual alienation from the organisation and its objectives.

Simons (1990) reviewed the literature on strategy and management control and concluded that there is a relation between how companies achieve competitive advantage, organisational design and the use of management control within an entity, i.e. he talked of a dynamic relation between strategy and management control. Since strategy is one of the goals of the management's planning function, we can thus talk of an interdependence between control and planning.

Therefore, may the extremely exact delimitation of control from other management attributes be relative, since it is still a sequence of management attributes? Or does the surplus of management control (even more the organizational control) compared to control-assessment result from the very combination of all attributes (Green and Welsh, 1988)? In our view, this seems to be the most plausible and correct statement that we may make and sustain. Green and Welsh underlined the idea as follows: "Control is instantiated in organizations in complex ways. Usually it is embedded in a variety of systems and often it is coupled with other organizational processes."

As a support for our statement, we should also mention that the classical functions of management are more and more frequently re-analysed, re-interpreted in the latest years. For instance, Nelson and Economy (2005) consider that, even though the classical functions of management are still valid, "that does not tell the entire story". Managers can no longer command and control in a Taylor/Ford-like manner, they should instead create an environment that encourages employees to perform as good as possible, to be deeply committed to the objectives of the organisation. For the achievement of such goals, managers should fulfil new functions such as incentive, empowerment, support and communication with employees. In the vision we aim at inducing, **control** has since long overcome its status as a regulator, passing to the phase of genuine **undulating**, in strong interference/concurrence with risk management. This implies that a leader and/or manager presses, even forces sometimes, when things do not go according to the expectations and there is an acceptance to that, but they relax when the atmosphere/persons no longer can take additional

pressure, independently of the results; they go rather towards involvement and (re)motivation than other stricter elements.

Therefore, the answer to **the fifth question** comes naturally: we agree that the presence of control is everywhere and in everything. However, for a clearer approach, let us state the question differently: how can a professor hold control of his/her students in a class or how did a Greek orator hold control of the agora? There is no accounting or financial knowledge/ability involved in these cases. First of all, we are dealing with the charisma of the orator and lecturer and, second, with the auditorium's interest in the content of the discourse. The list of elements required for holding control, in a more or less elegant manner, could continue without problems, but, transferring at the level of business units, we are keen on underlining that this is a mere example, though suggesting a very clear image on the perspective that finance experts and accountants should have, of who does control belong to. As with any profession, there is an inherent dispute among economists on which group/profession/person is most important?! It is true that holding or not holding control is a recognising criterion for the accountants (IFRS, 2015), but that does not mean at all that it would be primary for takeover from management control. The economic recognition criterion rather stems from the legal area and, therefore, it is not substantial enough for assigning control to the area of accounting, even though we can talk of accounting control, as of financial control, and they both are required, but as parts of management control. What one can most do is underline that it has been established as being ensured in accounting to a larger extent, but this only shows that it can be more accurate, due to its nature and to its specific tools.

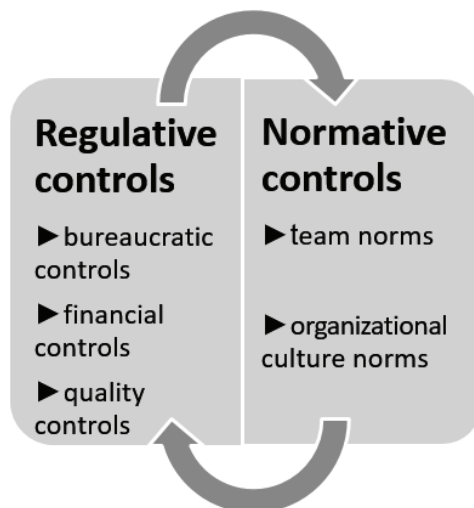
Anthony (1965) is the one who introduced management control as a distinct field of academic debate and education. He broke down the control into three distinct processes: strategic planning, management control and operational control. Strategic planning deals with the long-term purposes, the establishment of the strategy and plans to implement (see the interference with the planning function in this case). Management control deals with obtaining and using resources in an efficient and effective manner for achieving the organisation's goals and is based on the accounting and financial assessment of performance. However, operational control processes are contextualized and tend to be

based on the non-financial measurement of performance.

According to Merchant and Otley (2006), Anthony's terminology and delimitations (that have dominated the

research field and the university education regarding the management control for decades) have encouraged the focus on the financial and accounting dimension.

Figure 1. Typology of control



Source: graphic adaptation after *Encyclopedia of management*, 2006, p. 490.

Therefore, in organisations nowadays, control should not be reduced to financial and accounting control. The *Encyclopedia of Management* (2006, p. 490) could be an argument to this purpose, describing the control as being represented by the means through which the actions of individuals and groups are focused towards achieving the organisation's goals, to the detriment of other possible actions, and the management function of control implies two distinct approaches: regulatory control and normative control, as shown in **Figure 1**. One can easily see the place of financial and accounting control and its relation with the whole, which even includes the establishment of performance standards. More recent approaches on management control are other arguments for not limiting control to the financial-accounting area. Thus, Merchant (1982) distinguishes various forms/dimensions of management control depending on the scope of control: specific actions, results, staff. It is obvious, for instance, that when talking of staff control (undertaken by improving communication, coordination, by encouraging mutual or group control, among others), we lose the link with the financial and accounting control.

Simons (1995) thinks that managers can exert control by means of four levers:

- Belief systems represent the basic values that can provide inspiration and a certain guidance for the organisation. They are introduced by vision, mission, credo, fundamental objectives. The value system of an organisation should not be a declarative, artificial construction, but it should be known, accepted and respected by subordinates and managers, so as to become an effective lever of control;
- Limitation systems state the behaviours and activities that are not allowed (tools introducing them are codes of conduct, ethics, internal rules, but they can also include certain strategic limitations, i.e. forbidding certain market opportunities that might damage the organisation). Though prescriptive, the negative/restrictive control – through its systems of limitations (constraints) - may allow managers to delegate and ensure the conditions for additional flexibility and creativity. In order to explain this more clearly, Simons metaphorically associates the

limitation system with the brakes of a vehicle, in whose absence cars cannot operate at maximum speed. Likewise, Simons considers that the belief systems and the constraint systems are like yin and yang, and jointly create a “dynamic tension” between commitment and sanction, i.e. they “establish direction, motivate and inspire, and protect against potentially damaging opportunistic behaviour”;

- Diagnostic control systems aim the efficient use of resources and are specific to traditional control (they are obsolete for the current economic conditions and they should be completed by the other systems described). The tools of diagnostic control are: budgets, plans, financial and accounting systems;
- Interactive control systems provide feedback on the strategy, respectively they help focus information on strategic uncertainties and they help the organisation comply with the changes in its external environment. Specific tools are the studies on competition, the market studies, etc.

Hewege’s approach (2012) may be an interesting perspective on this question. He considers that three distinct periods of evolution in management control theory can be identified: the age of classical management (with Taylor and Weber as the most important representatives); the age of modern control, dominated by accounting (initiated by the works of Anthony); the post-accounting age (major representatives: Kaplan, Merchant, Otley, Ouchi, Simons, Whitley). More recent approaches (Berry, Cullen and Seal, 2005) extend the control area outside the organisation, dealing with value chain control (where financial control is, again, only a part).

For **the sixth question**, a context where we get very close to what organisational control means, the logical answer would be: control should be held by shareholders, but practice is most often crushing. The existence of works on this topic is not accidental; people talk more and more about the fact that “a manager who does not own the property is more focused on his/her own personal interests, not those of shareholders” (Fülöp, 2012, p. 15). As of 1983 – with the publication of Henry Mintzberg’s *Power in and around organizations* – both theory and regulations act to solve this conflict of interest by clarifying the control position held by each (Ben Taleb Sfar, 2014; Gomez, 2009). Thus, the solution that has been identified and promoted is found in the field of governance and/or corporate responsibility; it

does not imply that one or other part has more or less power, but that control is given by the formula where any major centre of power (shareholding, the supervisory board, the managing board) cannot do much without the involvement of the others. In other words, irrespective of proportions, organisational control should be divided so as to ensure a proper ethical operation of the referenced entity. About the same can be said on a country’s leadership: the separation of powers – only the judicious and clear distribution of responsibilities and rights (Dobrotă et al., 2011, p. 12) – may ensure reasonable integrated control, based on which any democratic state exists and operates, avoiding the concentration of decisions at a single level/pool of power. On this basis, we may talk of control as domination achieved by complementarity and interdependence, a new desirable paradigm of action, where a company/entity is governed in a transparent and participative manner, resulting in enhanced synergy, but the result depends on the management’s capacity of motivating the employees/stakeholders to act like the owners of the entity. In the same sense, the success of any entity/company largely depends on goods relations with the stakeholders; otherwise, egocentrism would ruin everything.

Following more or less the same parameters, Vosselman and van der Meer-Koistra (2009) analyse the relationship between control and trust (and accounting, but we shall only hold the elements on the relation between the first two). Thus, the two authors distinguish between traditional control and relational control, specific to new organisational constructs. While traditional control implies a centre where power is located, concerned with the results of the behaviours of the other parties, in the case of relational control no group feels the need to control the others, but just the need to voluntarily send and receive signals of involvement, commitment from the other parties of organisational systems.

When talking of possible changes in paradigm, we should also emphasize Hofstede’s opinions (1978). Thus, he thinks that the cybernetic view, which dominated the management control approach for a long time, as we underlined, is suitable for technical systems, but organisational (even management) control for any honest entity is a social process, probable in a social and technical system, and there are many situations where standards cannot be established, results cannot

be measured exactly and the informative feedback has a doubtfully utility ratio.

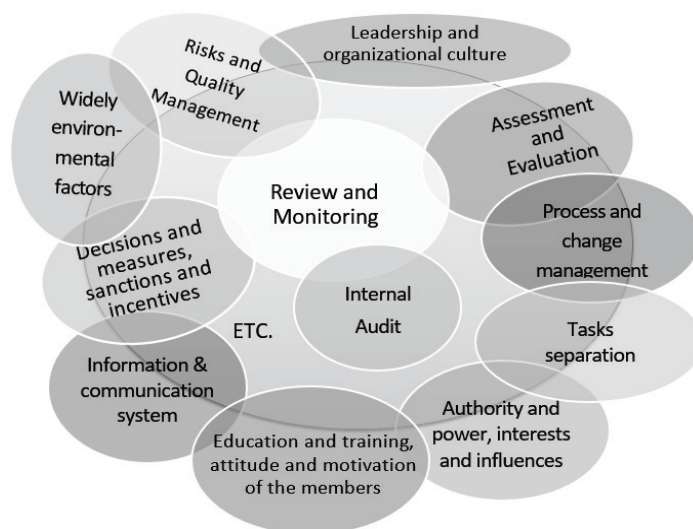
A first alternative proposed by Hofstede is the homeostatic optics. This is close to the cybernetic view, but "without the division labour between controlling and controlled units". However, in organisations we can also find cases where the requirements of a cybernetic model, even converted into a homeostatic one, cannot be met. In such cases, Hofstede talks of a political control, exercised by a controlling structure that considers the positions of power of the various parties involved. "Control games" between the various actors will unfold in this structure.

As we are getting close to the end, it may be worth to repeat: control has the purpose to limit the possibilities of subjective, illegal and immoral "manoeuvre" – coercion for the stakeholders, so as to underline that the reasonable freedom of citizens and the intimacy of individuals should not be ignored. Moreover, limiting individual creativity, in our opinion, is an extremely serious issue, with harmful effects, especially in the long term. Thus, problems arise regarding control performance compared to its obvious automatic mechanisms. If people end by acting like robots, the situation can only be seen as risky; the opposite would be the normal thing to do. Even when staff recruitment and training problems appear, the result/behaviour may be easily classified as a control habit. Unfortunately, in order to declare that the control they have created and

implemented is interesting, organisations are rather focused on finding a rational appearance for their irrational actions, than on ensuring an involving harmony. In this context, we consider that control should mean a state of balance and mutual respect, a genuinely desirable social relation between the one who holds the power and the others. There are many things to do in this field, up to cultural aspects, so that the attribute of power control manifests equally, with the same attribute of all stakeholders. Otherwise, how could a relationship in the field of partnership approaches be established? Why not begin with a better definition of what is control seen from as many perspectives as possible, namely from the viewpoint of all the actors; this will surely result in an enhanced general voluntary compliance (see imbalances at the level of actual tax control, while the formal-normative framework seems to be perfect).

From our point of view, control is an extremely wide concept, including part of the design, performance and operation of systems in a certain way. Besides review, monitoring and auditing, the content of control also includes a wide range of component, such as: the leaders' philosophy, charisma and attitude, organizational culture, the employees' education and training degree combined with their morality and attitude etc. Inter alia, managers control their unit through decisions and personal example, by how they solve problems and conflicts, by how they assign rewards and sanctions etc.

Figure 2. A profile on the content of control



Source: the authors

Finally, since the complexity and ambiguities of any entity require extremely structured approaches and a capacity of approach from various perspectives, we find that the notion of control can only be defined in a holistic context. Thus, we propose a profile of control as illustrated in **Figure 2**. As it can be seen, we have outlined the content of control as closer to truth/reality, in our opinion. Initially we attempted a representation based on lines and square angles for **Figure 2**, but much too clear separable volumes/rectangles resulted and we thought that it was a less holistic style. Even though we were based on rectangles, and the reference representation uses cubes, this does not mean that the last one is less suggestive. On the contrary, especially when one wants a representation that is more than tridimensional, that briefly includes the components and objectives of control along with its means and characteristics, no other form, more synthetic and comprehensive than the COSO cube, has been identified so far. Reducing the level of synthesis, we just outline some aspects: the content and the concise objective of control. Therefore, we have used various circles and ellipses, considering that the irregular shapes are closer to what we aim at stating, but we are still only close to the truth. It is clear that, due to the use of irregular and inconsistent shapes from one case to another, depending on the specific features of a single unit, the representation could be closer to individual truth, but generalisation has its sacrifices.

CONCLUSIONS

Summarizing, **Figure 2** should suggest the content of control, “a complex organisational phenomenon” or an undulating conglomerate implying the integration of:

- Specific and clear organisation, as a part of the architecture and resistance structure of the entire entity;
- Elements (fully found in the content of control as domination, unlike others, that are only found partially):
 - Review,
 - Assessment and follow-up of the results, as well as
 - Audit, all based on precise enough metric systems;
- A distributed exercise of power compared to the separation of tasks, influence and interests; information and communication; mutual learning, counselling and advice; leadership and corporate culture; correlated systems and convergent processes; competent resources and quality sources; the preparation, behaviour and attitude of stakeholders, to create the required environment for the proper operation of the referenced entity.

The proposed definition might be considered much too extended, even tending towards a control framework, so that we briefly restate it: control is the harmonious integration obtained through the organisation providing the required rigour for the exercise of influences, interests and reviews so as to achieve the envisaged results.

REFERENCES

1. Adair, J. (2013), *Develop your leadership skills*, London: Kogan Page.
2. Anthony, R.N. (1965), *Planning and Control Systems: A Framework for Analysis*, Cambridge: Harvard University.
3. Ben Taleb Sfar, D. (2014), Contrôle des institutionnels et pouvoir discrétionnaire des dirigeants, *La Revue des Sciences de Gestion*, vol. 265, no. 1, pp. 69, DOI: 10.3917/rsg.265.0069.
4. Berry, A.J., Coad, A.F., Harris, E.P., Otley, D.T. and Stringer, C. (2009), Emerging themes in management control: A review of recent literature, *The British Accounting Review*, vol. 41, no. 1, pp. 2-20, DOI: 10.1016/j.bar.2008.09.001.
5. Berry, A.J., Cullen, J. and Seal, W. (2005), *Control of supply chains*, in Berry, A.J., Broadbent, J., Otley, D., *Management Control: Theories, Issues and Performance* (2nd ed., Ch. 14), Basingstoke, Hampshire: Palgrave Macmillan.
6. Brüggemann, J. (2015), *People and talent management in risk and control functions*, McKinsey & Company, <http://www.mckinsey.com/business->

- functions/risk/our-insights/people-and-talent-management-in-risk-and-control-functions.
7. Certo, C.S. (2002), *Managementul modern*, București: Editura Teora.
 8. DEX – Dicționarul Explicativ al Limbii Române, Ediția a II-a, Editura Univers Enciclopedic, București, 1998.
 9. Dicționarul de Management, Editura Pro Universitaria, București, 2011, pag. 159, alin. 3.
 10. Dicționarul de Management, Editura Pro Universitaria, București, 2011.
 11. Dobrotă, C. (2011), *Guvernanță universitară*, Uniunea Executivă pentru Finanțarea Învățământului Superior, a Cercetării, Dezvoltării and Inovării, București.
 12. Encyclopedia of management', 5th Edition, Thomson Gale, Michigan, 2006.
 13. Fayol, H. (1949), *General and Industrial Management*, New York: Pitman Publishing.
 14. Fülöp, T.M. (2012), *Auditul în guvernanța corporativă*, Cluj-Napoca: Editura Alma Mater.
 15. Giglioni, G.B. and Bedeian, A.G. (1974), A conspectus of management control theory: 1900-1972, *Academy of Management Journal*, vol. 17, no. 2, pp. 292-305, DOI: 10.2307/254981.
 16. Gomez, Y. (2009), La gouvernance actionnariale et financière. Une meprise theorique, *Revue française de gestion*, vol. 35, no. 198-199, pp. 369-391, DOI: 10.3166/rfg.198-199.369-391.
 17. Green, S.G. and Welsh, M.A. (1988), Cybernetics and dependence: Reframing the control concept, *Academy of Management Review*, vol. 13, no. 2, pp. 287-301, DOI: 10.5465/amr.1988.4306891.
 18. Guenther, T.W. (2013), Conceptualisations of "controlling" in German-speaking countries: analysis and comparison with Anglo-American management control frameworks, *Journal of Management Control*, vol. 23, no. 4, pp. 269-290, DOI: 10.1007/s00187-012-0166-7.
 19. Hewege, C.R. (2012), A critique of the mainstream management control theory and the way forward, *SAGE Open*, vol. 2, no. 4, DOI: 10.1177/2158244012470114.
 20. Hofstede, G. (1978), The poverty of management control philosophy, *Academy of management Review*, vol. 3, no. 3, pp. 450-461, DOI: 10.5465/amr.1978.4305727.
 21. Horváth & Partners (2007), *Controlling – Sisteme eficiente de creștere a performanței firmei*, București: Editura C.H. Beck.
 22. IFRS (2015), *Interpretation and application of international financial reporting standards*, 12th edition, London: PKF Wiley.
 23. Ionescu, Gh. and Cazan, E. (2007), *Management*, Timișoara: Editura Univesității de Vest.
 24. Ivancevich, J.M. (1970), An analysis of control, bases of control and satisfaction in an organizational setting, *Academy of Management Journal*, vol. 13, no. 4, pp. 427-436, DOI: 10.2307/254832.
 25. Merchant, K.A. (1982), The control function of management, *Sloan management review*, vol. 23, no. 4, pp. 43-55.
 26. Merchant, K.A. and Otley, D.T. (2006), A review of the literature on control and accountability, *Handbooks of management accounting research*, pp. 785-802, DOI: 10.1016/s1751-3243(06)02013-x.
 27. Mocanu, M. (2014), Towards a definition of controlling, *Studies and Scientific Researches. Economics Edition*, no. 20, pp. 62-66.
 28. Nelson, B. and Economy, P. (2005), *The management bible*, New York: John Wiley & Sons.
 29. Ordonanța Guvernului României nr. 119/1999 – privind controlul intern and controlul financiar preventiv republicată, modificată and actualizată.
 30. Ouchi, W.G. (1979), A conceptual framework for the design of organizational control mechanisms, capitol în *Readings in Accounting for Management Control*, Springer US, pp. 63-82, DOI: 10.1007/978-1-4899-7138-8_4.
 31. Parker, L.D. (2013), *Developing control concepts in the twentieth century (RLE accounting)*, London: Routledge.
 32. Pavlovska, O. and Kuzmina-Merlino, I. (2013), Evolution of management controlling framework: literature review, *Procedia – Social and Behavioral Sciences*, vol. 99, pp. 1044-1053, DOI: 10.1016/j.sbspro.2013.10.578.
 33. Rathe, A.W. (1960), *Management control in business*, publicat în Malcolm, D.G., Rowe, A.J.

- (eds.), *Management Control Systems*, New York: Wiley.
34. Renard, J. (2003), *Teoria and practica auditului intern*, București: Ministerul Finanțelor Publice.
 35. Robbins, S. and Coulter, M. (2012), *Management*, 11th Edition, New Jersey: Pearson Educational.
 36. Simons, R. (1990), *The role of management control systems in creating competitive advantage: new perspectives*, pulicat în Readings in Accounting for Management Control, pp. 622-645, Springer US, DOI: 10.1007/978-1-4899-7138-8_28.
 37. Simons, R. (1995), Control in an age of empowerment, *Harvard Business Review*, vol. 73, nr. 2.
 38. Spekle, R.F., Van Elten, H.J. and Widener, S.K. (2014), *Creativity and control: a paradox. Evidence from the Levers of Control Framework*, working paper, available online at: <https://www.researchgate.net>, accessed 20.06.2016.
 39. Tannenbaum, A.S. (1968), *Control in organizations*, McGraw-Hill.
 40. Vosselman, E. and van der Meer-Kooistra, J. (2009), Accounting for control and trust building in interfirm transactional relationships, *Accounting, Organizations and Society*, vol. 34, no. 2, pp. 267-283, DOI: 10.1016/j.aos.2008.04.002.
 41. Whitley, R. (1999), Firms, institutions and management control: the comparative analysis of coordination and control systems, *Accounting, organizations and society*, vol. 24, no. 5-6, pp. 507-524, DOI: 10.1016/s0361-3682(97)00030-5.
 42. www.coso.org/resources.htm.
 43. www.merriam-webster.com/dictionary/control.