

NEW PARADIGMS OF THE CONTROL OF ADMINISTRATION

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Key words : control, hidden costs, create valuable.

Abstract. Nowadays, with increasing mondialization, loss of monopole and hypercompetition, the Small and Middle Enterprises are more and more confronted with the problem of the strategic administration for the costs which have a rudimentary informal control system. Theoretical, if the problem of the managerial control is carefully studied at the level of the big enterprises, but to the level of the small enterprises this fact is lesser visible even on the international plan. This in the context, try to bring into in question some appearances of the social and economic administration control which articulates the instruments, the rules and the adequate procedures for the material and immaterial phenomena and for the actors' behaviours, as well as the factors successful key the of a such audintiq implementation

I. Introduction

After many years devoted for the rearrangement of the administration control by which the controllers' main attribution is that of implanting the reduction processes for the costs and the strict application of the norms, the economic entities are facing today new problems which aim at their administration control system and which could be formulated in the following way: as an administration control system (instruments, methods and devices) should be used by an entity without affecting the realization of its activity? Even since the year 1992, some authors (Savall and Zardet) were drawing the attention upon the fact that the traditional systems for the administration control have as a main aim the maintenance of an activity by reducing the costs, but, in fact, this fact could lead to a diminution of the activity.

By *the traditional administration control*, we understand a control process which is based on three main phases: the identification of the finalities which will be gotten, a definition of the missions and of the resources and a comparison of the results which have been gotten with the aimed results (Bouquin, 2000 and 2006).

The traditional administration control is mainly based on the financial situations: balance sheet, account for results, analytic accounts. Or, these situations provide the historic information upon the results of the activity which have been realized by an entity and they do not have the capacity of offering some action variables for the identification of the reasons which have determined these results.

From the practical point of view, the traditional administration control often takes the form of the budgetary control by observing the differences between the mentioned levels and the realized ones and the calculation of the influence factors which constitute in fact the core of the activity of administration realized by the controllers. This problem (Danziger, 2000; Bouquin, 2006) is very clearly contoured both at the level of the Small and Middle Enterprises (Cappelletti, Beck and Noguera, 2004) and also at the level of the big enterprises.

2. The creative administration control

In the current the economic context, the problem of the administration control system as being a creative one. By *creativity*, we understand the capacity of the administration control of creating the added value and of influencing the implied actors to apply in practice some concrete actions for the exploitation of the resources determined by the reduction of the costs.

In other words, by *the creative administration control* we understand a process which concerns, on one side, the reduction of the costs, and on other side, the reallocation of the economist resources. So, the creation of the value, aims both at the reduction of the costs, and also at a development of the activities by organizational changes. This affirmation adheres to the creativity vision of Eve Chiapello (2000) who insists upon the importance of the organizational context in order to favour the creativity. Practically, Eve Chiapello refers to a “creative context”.

The creative administration control, is a new concept founded on a model which differs from the classical one and which indisputably is detached of what some authors use to call “creative accountancy” (Hoarau, 1995; Raybaud-Turillo and Teller, 2000; Bunea St., 2004).

The accountancy is considered as being creative when the managers of an entity use the operation limits that they have to choose the accounting options for the modification of the presentation and of the content for the final financial reports. In this sense, the creativity uses the inherent subjectivity for the choice in the construction of the accounting models and not of the organizational actions.

The creativity in accountancy consists in the representation and measuring performance and not in the concrete actions which aim at the organizational context. But, *the creation of the value* founded on the potential gains converted in performances by the reorganization of the activities and by the elimination of the inefficiencies is an instrument by which the reduction of the costs for the functions increases the organizational value.

The administration control should be now based on the creation of the value especially for the shareholders or for the associates by the development of the visible activities which produce the increase of the business figure, in other words, by detecting the hidden performances (Savall, 2003).

2.1. General appearances of the social and economic administration control.

For the presentation of the concept of creative administration control, he needs a study the social and economic administration control system, founded on a model which differs from the classical paradigm and whose finality is given by the maximization of the behaviour for the autonomy of the entity, in other words, of the increase of its de negotiation ability with the environment.

By *the social and economic administration control*, we understand a control process which integrates, on one side, the economic variables (the financial results of the entity, its efficiency and its profitableness), and on the other side, the social variables (the employees' satisfaction). The social and economic administration control can be placed in the field managerial control because integrates the conceptual principles this exhibited in the fundamental theory of the control, but then, he presents a series of particularities by the conception of the proposed instruments and which aim at the amelioration of the social and economic performance of the organization.

A series of books, starting with the work of M. P. Follett (1924) and continuing with the works of R.N.Anthony (1956, 1965, 1988), R.L.Simons (1987, 1995),

A.P.Sloan (1963), J.Pfeffer (1995, 2005), H.Savall (1974, 1975, 2003), Savall and Zardet (2004), Cappelletti and Khouatra (2004, 2007), Cappelletti, Beck and Noguera (2004), Savall, Zardet, Bonnet and Cappelletti (2006), but also Chenhall and Euske (2007), contour the idea according to which „the management control” or the managerial control has two sizes: an economic and strategic size which consists in the selection of the operators’ rules in order to get the fixed objectives; an organizational and psycho-social size which leads to the individuals’ enhance to act according to the operators’ rules, and, in consequence, the enterprise should make the object of a social and economic analysis.

So, the control receives new sizes: it is instituted as a coordination instrument for the persons within the enterprise; it becomes a consolidation mean for the coherences and for the cohesions within the organization; it becomes a process of transversal organization of the activities for the enterprise; it becomes a permanent dynamic process by the changes and by the accumulation of experiences.

In other words, the managerial control becomes the process by which the managers obtain the assurance that the resources are efficiently gotten and used for the realization of the objectives of the organization . Although the ambiguity of the managerial control depends on the presence of the incertitude and of the complexity for the management which has been intensified by the human factor, this last one can be considered in the social and economic management as a lever for the creation of the value, the control system becoming a potential vector for the change.

The social and economic administration control elaborated based on the works of Savall (1974, 1975) integrates the works of Follet, Anthony and Simons and they are completed by a global and useful methodology. The particularity of the works of Savall is given by the fact that they aim at the durable development for the social and economic performances of the enterprise starting form the idea according to which the durable development of the performances is not possible without a conciliation between the social and economic performances. This fundamental hypothesis has been taken by J.Pfeffer (2005) in the work „*Producing sustainable competitive advantage through the effective management of people*”, which demonstrates that the social performances and the management quality decisively contribute to the economic performances of the organization.

2.2. The instruments and the methods for the social and economic administration control.

The instruments and the methods for the social and economic administration control are organized around three axes: the axis of the administration instruments; the axis for the change and for the administration of the costs; the axis for the political decisions. The methodology in three werw knowed as the method HORIVERT and applied in accros 30 countries to the level of the enterprises.

- *The axis of the instruments for the social and economic administration control* takes into consideration six instruments for the managers, and more exactly: the negotiable periodic activity plan by which the objectives of the priority qualitative, quantitative and financial results, which are available for the organization, are formalized; The internal and external strategic plan having as targets the couple of products or services – market, clients, suppliers, technology, material and immaterial investments; The priority action plan and the budgets; The board panel where the pertinent qualitative, quantitative and financial indicators are grouped again for each employee; The self-analysis grid for the time administration; The Competence Grid for

the evaluation of the effective competences which are available for a team or organization, instruments which help the managers and the actors of the organization to direct the strategy of the enterprise towards the development of the human potential in order to reach the economic objectives.

- *The axis for the change and for the administration of the costs* implies all the actors of the enterprise and it constitutes an iterative process divided in four phases: the diagnostic of the disfunctionalities, the projection of the solutions, the application and the evaluation of the retained solutions. The main aim is that of detecting the hidden costs and their conversion in added value.

- *The axis of the political decisions* mobilizes the administration of the enterprise and it gathers it in a piloting group, action which cannot take place without the managers' will. The strategic decisions of the administration team give a sense to the use of the instruments and they influence the actions which compete for the application of the strategy and the reduction of the disfunctionalities.

The Model HORIVERT proved the fact that the dynamics of the changes which allow the durable and significant increase of the organization operation and development capacity has as a starting point the intersection of the three axes which have been presented and it makes a progress under the form of a spiral with the starting point from zero.

Although the model HORIVERT has been applied in over 30 countries, we should stress the fact that an administration model cannot be applied as it has been conceived. Our affirmation is based on the fact that, although the administration instruments are the same in the whole world, the administration practices differ from a enterprise to another, from an area to another, and more than that, from a country to another (Jacob, 2005). The administration at the microeconomic level of the problems for the social and economic administration control constitutes a relatively difficult problem both in the theoretical plan and also in the practical plan.

The managerial culture which comprises the values, the beliefs, the aspirations, the expectations and the behaviour of the managers reflected in the management types and styles practiced by them and which will clearly mark the organizational culture and the company performances is shyly protected at the level of the managers of the organizations from the sphere of the Small and Middle Enterprises Its role is that of protecting the organization and the employees against the big number of threats to which the company is subjected from the part of the internal and external environment.

The managerial culture is the basic component for the increase of the competitiveness for the company. So, it is necessary to make a model which could assure the realization of the social and economic administration control and its integration in the general informational system of the organization for the increase of the performance and for the stimulation of the competitiveness, a miniature model adapted for all the small enterprises and with the possibility of extrapolating the realized observations.

In this way each component of the group is implied in a device inside the enterprise and in a device between the enterprises which allows, after a mini -diagnostic based on the disfunctionalities that affect the efficiency and the efficacy of the activity, the evaluation of the hidden costs, respectively the losses of added value and the basis of the social and economic administration control by means of its specific instruments.

2.2. The theory social and economically and the value of the organisation.

The creation of the value is a problem which draws today an increased interest in many domains of the administration sciences: strategic management, the finances of the

enterprise, accountancy, administration control, marketing, management, administration of the human resources. Under the practical aspect, the problem for the creation of the value has become a preoccupation of the administrators for the big enterprises because this allows the development of the activities and of the uses.

The conception of organizational value which is defined as being the quality for the operation and for the management of the enterprise (Capelletti and Khuatra, 2004) can be put into correspondence with other conceptual approaches, especially with the ones which have been issued by the Sweden authors that had tried to determine the reasons for the hidden roots of the value by the study of the immaterial capital. In this context has appeared the model Sveiby (1986) which registers the measuring indicators for each component of the immaterial capital, as well as the models Edvinsson and Malone (1997) which have proposed the known instrument „Skandia Navigator”.

The social and economic theory of the organizations and its diagnostic and evaluation methodology based on the study of the dysfunctional activity constitutes a possible measuring way for the creation of the organizational value as an effect of the reduction for the hidden costs (Jacob, 2007). This aspect can be realized, by means of an indicator which is called „*Hour contribution at the added value on the variable costs*”, the measuring indicator of the global added value realized by the ensemble of actors of the enterprise.

The calculation allows the realization of a transversal evaluation reported to the structural cutting up of the enterprise. The essential problem is that of knowing the request of economic value of the work time invested in the activity of the enterprise. The value of each work hour is designated to cover not only the due salaries but also the expenses of structure and of the results. This calculation option serves as a consequence to prove what we are expecting from each actor that has an active contribution in the creation of the economic result.

3. Conclusions

The social and economic theory of the organizations and its diagnostic and evaluation methodology based on the study of the dysfunctional activity constitutes a possible measuring way for the creation of the organizational value as an effect of the reduction for the hidden costs.

The social and economic administration control) and it is not a piloting instrument for the creation of added value. It participates into the coupling administration strategy and control due to the global vision given to the entity’s performance.

The perspectives which have been offered by the creative administration control are a lot. There are a lot of perspectives offered by the creative administration control and they are specially materialized in the increase of the economic performances of the companies which confer a stable concurrence advantage and a social and economic motivation of all the actors that are implied in the realized activity.

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