



# The Influence of Environmental Contingency on Management Control Practices in Economies Without Financial Markets: The Case of Cameroon

François-Xavier Mayegle<sup>a\*</sup>, Georges Wandji<sup>b</sup>

<sup>a\*</sup>Department of Accounting and Finance FEM-The University of Ngaoundere

<sup>b</sup>Department of Accounting and Finance FEM-The University of Dschang

**Abstract:** In an increasingly competitive, complex and uncertain business environment, it is essential for businesses in general, especially those without financial markets, to take account of this environment and its complexity, in order to revolutionize their system of Management. The objective of this article is to understand the influence of environmental contingencies on the practice of management control in Cameroonian companies. The study is carried out on the basis of interviews with 09 company directors, belonging to different structures. It shows that management control practices can be influenced by: the size of the company, its sector of activity, number of activities, management style, manager profile, competition, environmental uncertainty And the management policy of Cameroonian companies.

**Keywords:** Environmental Contingencies, Management Control, Performance.

## 1. Introduction

Given the globalization of the economy and the opening up of borders, Africa and especially Cameroon have to cope with the emergence of new businesses and an environment characterized by technological and economic turbulence. This business climate makes the management of companies more complex and uncertain, and certainly brings new prospects, but above all imposes new challenges.

To meet these challenges precisely, the company must be successful. The search for this performance imposes a rigor in the management of its various functions, first and foremost management control. In the majority of companies, the management control function exists (Bampoky and Meyssonier, 2012; Mayegle, 2007). By definition, management control is a fundamental element on which companies must act to adapt to fluctuations in their environment and to achieve their objectives. The environment is understood here as the set of elements (internal and external) to the company that are likely to have an influence on them. Based on the work of Anthony (1965), Bouquin (2008) defines management control as "the process by which managers ensure that resources are obtained and used efficiently, effectively and appropriately, Organization, and that current actions are in line with the defined strategy ". Management control is therefore necessary, indispensable and even decisive for decision-making in the company. The author goes on to state that "the first task of management control is to provide managers with information, decision-making assistance and, in particular, assistance in anticipation".

It should be noted, however, that while management control practices in developed countries allow for a fairly complete and rigorous knowledge of the management control methods and tools used by their companies, research is further reduced and fields swept away Restricted, because of the complexity of their realities, in developing countries (Bampoky and Meyssonier, 2012).

By using the theory of contingency, the structuring of the organization depends on the parameters characteristic of its operating context. In this approach there is not an effective single structure for organizations. A structure can be optimal only by varying according to contingency factors (Sponem, 2010). Organizations would therefore be structured to meet the expectations of their internal and external

environments (Donaldson, 1996)<sup>1</sup>. If this were not the case, the market would select and inefficient firms would disappear.

Several authors show that the theory of contingency applied to management control highlights the assumption that, in general, organizations adopt management control systems that allow them to improve their efficiency (Bampoky and Meyssonier, 2012; Covalesski *et al.*, 1996; Sponem, 2010; Zampiccoli, 2009).

In this context, the survival of firms depends in part on the quality of the management tools available to them; This means that the degree of uncertainty Cameroonian companies face today requires a vital change and an adaptation to a world that is constantly being transformed to the risk of being overtaken by competitors (Mayegle, 2010). Faced with this constantly evolving economic and technological environment, the latter can no longer remain fixed because Mayegle (2010) points out that the project of change in management control is permanent. It therefore requires working with adaptable tools and procedures at all times. According to this author, any company that wishes to remain competitive must integrate the technological, economic and institutional environments both inside and outside its organization.

This environmental context imposes a collective awareness of companies in the world and particularly in Cameroon where the structures are in precarious situations, linked to a lack of competitiveness in the face of increased competition in their market. The success of these companies is certainly attributable to an important investment capacity but also and above all to a permanent observation of their environment, as well as to an adaptation of their strategies, decision-making processes and structures to the requirements of Markets. They must set up a more formalized management control system, evolved, adaptable at all times to the global economic environment. Therefore, the present research aims to contribute to the debate on management control practices of companies in developing countries, particularly in countries without financial markets such as Cameroon. Thus, it aims to understand how environmental contingencies influence the practice of management control within Cameroonian companies.

To address this issue, we adopted a qualitative research methodology, based on the analysis of a "limited" number of case studies. The present research is built around three parts. It begins with a synthesis of the literature (1), followed by the methodology used to test the facts (2) and ends with the presentation and discussion of the results (3).

## **2. Environmental Contingencies and Management Control: Key Elements from the Literature**

Contingency is a philosophical notion defined as the possibility that something happens or does not happen. It is, in other words, a random event. Thus, environmental contingencies can be defined as the set of elements or conditions faced by firms. These conditions constitute contingency factors. There is therefore no longer any single organizational model. Depending on the contingency, several organizational models will be adapted. This concept was developed, in organizational theory, by Burns and Stalker (1961). They have shown that the more stable the environment, the more firms tend to evolve with a formalized structure and vice versa. Theories of contingency consider that the structure of an organization depends both on its own characteristics and on the environment in which it operates.

However, any efficient structure must adapt to the environment on which it depends, which makes factors contingencies internal or external to the company, which will influence its structure in a decisive way.

Mintzberg (1982) enumerates contingency factors that influence the characteristics of an organization: age of organization, size, environment, power relations. Anthony (1988) suggests other contingency factors such as: corporate culture, managerial personality, strategy, management style, sector of activity, behavioral considerations, nature of competition, Environmental uncertainty.

The notion of environmental contingency is based on the theory of contingency<sup>2</sup> (Scott, 2003)<sup>3</sup>. According to this author Lawrence and Lorsch (1973).

---

<sup>1</sup> Donaldson, (1996), cited by Sponem S. (2010), Diversity of fiscal control practices: contingent and neo-institutional approaches, finance control strategy, vol. 13, no. 3, p115-153.

<sup>2</sup>That is born of its opposition to the "one best way" of classical management theories

<sup>3</sup>Scott, (2003), cited by Sponem S. (2010), Diversity of budgetary control practices: contingent and neo-institutional approaches, finance control strategy, Vol. 13, No. 3, p115-153.

The notion of environmental contingency is based on the theory of contingency (Scott, 2003). According to this author, Lawrence and Lorsch (1973) have shown that performing firms adapt their level of differentiation and integration to the level of uncertainty in the environment, which includes internal and external elements.

## **2.1. Characteristics of the Business Environment**

The business environment is the set of natural or artificial elements in which the life of the organization takes place. It includes all elements that are internal and external to the company and that are likely to influence it (Burns and Stalker, 1961). "Elements" means contingency factors that are evolutive characteristics and that influence decisions, actions and management of enterprises. They can be internal or external.

### **2.1.1. Internal Factors**

Internal factors are all the elements that directly influence the company. Several criteria were used to describe them. Without claiming to be exhaustive, we develop four; It is about the age of the company, the size of the company, the company's strategy and the information system and the company's technology.

Regarding the age of the company, Varia (1992) argues that there is a link between age and the growth of the company. An older organization has a more formalized behavior over time and this organization tends to set up routines based on the experience it has gained; Be they rules, behaviors or procedures. However, in a stable environment this rigidity does not cause any problems. But faced with an unstable environment, this one is likely to be one, because the company that wants to live, and remain competitive must adapt to its environment (Mayéglè 2014).

As far as the size of the firm is concerned, the literature identifies it as one of the internal, contingent and structural factors most characteristic of the organization of the enterprise (Abi, 2006; Kabore, 2010; Mayegle, 2007; Mintzberg, 1982). Thus, the larger a company, the more its structure is elaborated. Therefore, the greater of the organization, the less flexibility and the greater the need for coordination. Size is a factor that causes many transformations within the company.

Chandler (1962) noted, as far as the company's strategy is concerned, that changes in strategy require the company to modify its structure. When it decides to specialize, it very often has a functional structure whereas when it is different, it chooses a decision-making structure. This makes it a key element in organizing a business (Mayegle, 2010).

In terms of the information system and technology, according to Julien (2005), large enterprises have a more formalized information system, which encourages their control, whereas the internal information system of SMEs is characterized Through dialogue and direct contact. Their external information system is, for its part, simple; So that the search for information is mainly informal. For Raymond and Blili (2005), the information system function of SMEs is generally subordinated to the accounting function of which the pilot does not have the managerial capacity necessary to plan, organize and control the use of the information resources in the organization.

### **2.1.2. Characteristics of the External Factors of the Company**

External factors are the uncertainty of the environment. Grinyer (1998) observed that an economic environment, complex or unstable, and in particular the perceived difficulty of predicting economic conditions, has a negative influence on the firm. This complexity slows down the decision-making process. For Lawrence and Lorsch (1973), the structure is related to its environment. This environment can be uncertain, turbulent and complex. An environment is complex when interactions and interdependencies between all variables are difficult to know and mastered by managers. Similarly, an environment is turbulent when the changes are rapid, frequent, dispersed, numerous, unpredictable and permanently induce a state of knowledge very uncertain. According to Manolis *et al.* (1997), when uncertainty increases, this can lead to transaction costs and opportunistic behaviors. These authors insist on the decisive influence of the company's environment on its structure and show that the widening of markets leads companies to set up divisional or matrix structures to adapt their products to the specificities of these new markets. If markets are stable and homogeneous, firms often adopt mechanical (or rigid) structures. If markets are rather unstable, companies prefer organic (or formalized) structures.

## **2.2. The Impact of Environmental Contingencies on Management Control Practices in Companies**

The literature on management control reveals a question about the latter's ability to articulate with the company's environment. Indeed, faced with the complexity of the company and the turbulence of its environment. They are urged to review the practice of their management control systems, based on monitoring and verification. To this end, we are now witnessing the emergence of a new conception of management control, basically based on the animation of the actors and oriented towards the management of changes.

The work on the management control in the company is very numerous (Abi, 2006; Anthony, 1965;1988; Bampoky and Meyssonier, 2012; Ben and Chapellier, 2013; Bouquin, 2001; Kabore, 2010; Lambert, 2005; Mayegle, 2007;2009; Mayegle and Ngo, 2012; Nobre, 2001; Van, 2002;2003). This proves that it is a very important management tool within companies. This is why a theoretical analysis of management control is useful in order to better understand its origin, its evolution and its place within the organizations and to be able to analyze the relationship between environmental contingencies and management control in within companies.

### **2.2.1. Origin and Development of Management Control**

Management control began in the United States, although it was recognized as a managerial function in the 1960s with the work of Anthony (1965). Compared to other functions, management control is a recent discipline within the company.

Some authors, Collin and Vallin (1992), Alazard and Separi (2001), had focused their work on management control; But none really specified the date of the start of management control. They claim that this discipline goes back to antiquity. They point out that the concept of management control is as old as that of accounting. Research in this regard shows that traces of accounting and management control already existed around 3200 BC before the Sumerians in Mesopotamia to facilitate the management of land and herds and to control economic achievements.

Nevertheless, the concept of management control has evolved considerably over the past few years and has two aspects. In its initial form<sup>4</sup>, management control was quantitative in nature based on budgetary control, cost accounting, reporting, profitability and performance studies. This initial approach, called classic, refers to some authors (Anthony, 1965; Bouquin, 2001)(Smith, 1997). This approach is distorted and inadequate to the evolving realities of the modern enterprise characterized by certain cyclical factors such as globalization Technological progress, inadequate initial systemic design, power and accessibility of the IT tool, employee aspirations, new management knowledge. In short, this Anthony approach Emphasis on accounting and financial controls and the exercise of power, and focuses on the optimization of resources (mainly financial) to achieve pre-established objectives. Market stability, which is practically no longer the case today.

Based on these criticisms, a more behavioral model has emerged. Thus, management control is described as a process that influences behaviors (Flamholtz et al., 1985), and is intended to foster the collective cooperation of individuals and various units through the pursuit of objectives (Ouchi, 1979, Flamholtz, 1983).

In recent years, management control has evolved from more formalized, financial and quantitative information to broader, external information, integrating both financial and non-financial aspects (Mayegle, 2009)(Arnaud et al., 2001; Chenhall, 2003). Bouquin (2005), even declares that management control has changed to meet the challenges of the company. However, the new face of management control shows a more strategic positioning (planning, decision-making support, etc.) and is presented today as a real interface between different business lines such as finance and management. Moves away from the essentially quantitative image to reach a central and strategic position in order to inform decisions and accompany the choices of the company.

According to Condor and Rebut (2008), different criteria characterize management control. Thus, it can be traditional and non-traditional, centralized and decentralized, proactive and reactive, formal and informal. Nevertheless, within a company, management control appears in several forms, depending on the nature or structure of the latter. The objectives assigned to management control are therefore multiple,

---

<sup>4</sup>Referring to the definition of Anthony (1965): "Management control is the process by which managers are assured that resources are obtained and used efficiently and effectively in achieving the organization's objectives" .

given the widening constraints linked to the need to manage performance. It is no longer just an accountant, it includes new aspects such as human, commercial, financial, etc. It aims to implement decentralization, provide information, communicate and measure performance, Organizational intelligence for innovation, creation, diffusion of innovations, learning, accumulation of experience and driving change (Baraty and Monaco, 2013). It also aims to ensure the convergence of the goals of individuals with those of the organization through the animation and motivation of the staff.

At the end of this conceptual analysis of environmental contingency and management control, a number of factors emerge: the business environment is complex, turbulent and uncertain and impacts the organization; Management, although it is a system allowing the company to be competitive or competitive in its market, also helps it to adapt to its environment. It also shows that management control is a means of regulating behavior. This questions the theoretical relationship between environmental contingencies and management control.

### 2.2.2. Links Between Contingency Factors and Management Control

The theory of contingency in management control has become an information and management system, integrating contingency factors. Thus, it is the context of each company that determines the implementation and development of the management control style.

The most studied internal factors are the size of the firm (Merchant, 1981), the technology and the strategy of the company (Riskal, 2009). They can be grouped into specific psychosociological, technological, organizational, decision-making and specific characteristics of information systems that are linked to the company and which have an impact on the management control practiced within them.

The major external factors that have been examined at the enterprise level in the field of management control are the external environment (Hartmann, 2000) and the national culture (Riskal, 2009).

The table below summarizes the different results of some authors on the relationship between contingency factors and management control.

**Table 1.** Summary of the work on the relationship contingent factors - management control within companies

Contingency Factors	Authors	Results
Internal factors  Size	Child, (1972)	The centralization of decisions and the structuring of activities are negatively correlated and are consistent with the mode of administrative control.
	Waterhouse, (1978)	Size is associated with the decentralization of decisions.
	Merchant, (1981)	The most decentralized large firms use complex and sophisticated budgets
	Mintzberg, (1984)	The larger the organization, the more elaborate its structure is: the more the tasks are specialized, the more its units are differentiated, and the more its administrative component is developed.
	Kalika, (1986)	The larger the company, the more differentiated, standardized, formalized, decentralized, planned and controlled its structure is.
	Khandwalla, (1972), (1977)	The greater the organization, the more it tends to use a sophisticated information and control system.
	Simons, (1995)	A large organization can present a rather administrative control, or can diagnose, on some activities and more interactive control over others.
Technology	Khandwalla, (1977)	<ul style="list-style-type: none"> <li>Companies that use automated technologies use highly developed control processes.</li> <li>Technologies that are characterized by more / less standardized and automated processes are served by more / less formal management control systems.</li> </ul>
	Abernethy and Brownell, (1997)	Companies characterized by technology that faces a high number of exception and with little analytical character of the task rely on personal controls.
	Kalagnanam and Murray, (1999)	In mass production enterprises, organic control systems are better suited than mechanistic control systems to a Just-in-Time technique, which is characterized by a high number of task exceptions.



Decison-making(strategic)	Julien (2005)	Medium-sized companies tend to have an intuitive, informal strategy that is more reaction-oriented than anticipatory. It is explained by the personality and the training of the owner-manager and is conditioned by the organizational system in which the latter evolve.
	(Nobre, 2001)(Lavigne, (2002) ; Van (2002)	They emphasized the influence of the manager's economic objectives on the nature of MBS. They thus highlight a more strategic control implementation when the manager favors the growth of the firm. The company's strategy is a contingency factor in the implementation of management tools.
Externs	Khandwalla, (1972) Otley, (1978)	The environment has an impact on the organizational structure
	Waterhouse and Tiessen, (1978) Chenhall, (1999)	The more uncertain the environment, the more control systems are developed.
	Weterhouse and Tiessen, (1978)	The more uncertain the environment, the more the control systems are based on the monitoring of results and the socialization of the members of the organization Gordon and Narayanan, 1984,
	Gordon and Narayanan, (1984), Chenhall and Morris, (1986), Gul and Chia, (1994)	Uncertainty is associated with the utility of a more open, outward-oriented and future-oriented information system.
	Ezzamel, (1990)	Strong environmental uncertainty has been associated with high utilization of budgets for the assessment of deviations
	Merchant, (1990)	Merchant (1990) Uncertainty in the environment has been associated with the pressure to achieve financial targets.
	Otley, (1978)	The hostility of the environment has been associated with budgeting
	Chapman, (1998)	Management control has a planning role under conditions of environmental uncertainty
	Weterhouse and Tiessen, (1978)	The environment has an impact on the organizational structure
<b>Sources</b> : Ourselves		

The contingency theory is a research current that has produced a large body of work on the relationship between environmental contingencies and management control practice. For this, management control is a tool that contributes to the performance of the company, and its effectiveness depends on its precision, its suitability to the needs of the organization and changes in the external environment of the company. As a result, management control must set new objectives, acquire new tools, articulate well with the new organizational reality. However, it is important for us to understand in a practical way how and how the contingencies related to a specific company can influence the management control that is implemented in order to participate in a better performance evaluation.

### 3. Methodology of Research

The review of the literature, the stated objectives and the research question have oriented this study towards a qualitative methodology, conducted through case studies. Thus, in order to make the results of this research credible and reliable, nine (09) case studies were carried out among a sample of SMEs based in Cameroon.

### **3.1. The Collection of Data**

The field survey was conducted using a maintenance guide (Appendix 1). Semi-directional interviews were administered in 09 different structures. This allowed them to meet with leaders and discuss with them to get their opinion about the influence of environmental contingencies on the practice of management control in their companies. To this end, 09 interviews (including 03 with management controllers, 02 with financial managers, 01 with an accountant, 01 with a dispatch service manager, 01 with an assistant to the director of operations and 01 with a marketing manager) were carried out precisely in the cities of Yaoundé and Douala. Of these interviews seven were recorded and completely transcribed. The other two were the subject of intense note-taking.

The maintenance guide consisted of 04 parts. An introductory phase made it possible to put the respondent in confidence and to evacuate anything that might hinder him. This step was unavoidable, since it consisted in establishing a climate of trust between us. Afterwards, a refocusing phase is needed to get to the heart of the matter. We sought answers from the respondent without stressing or influencing his / her point of view. Then, a deepening phase provided an opportunity to return to the most interesting points and questions that were not convincingly answered. Finally, the conclusion phase consisted in thanking the respondent for his availability.

This made it possible to obtain information that will be processed by the content analysis method with the SPHINX IQ software.

### **3.2. Characteristics of the Sample**

To carry out the study, a small number of companies (09) were selected taking into account the following criteria: the city of the company; The individual characteristics of the respondent in the company (age, position, basic education and work experience), the activity carried out by the company, and the size of the company, effective. The descent on the ground made it possible to carry out the interviews in 03 structures in Yaoundé and 06 in Douala. Annex 2 illustrates the different characteristics of the interviews in the sample.

## **4. Results and Discussion**

### **4.1. Presentation of the Different Opinions of the Interviewees**

It is a question of presenting the results obtained from the context analysis of each individual who gave his opinion on the different themes that were the subject of the interview. A concrete exposition of the specific concepts for each individual, that is to say the words which have aroused great interest for the different respondents will be carried out.

Nine (09) variables were analyzed. Context E (Interview with the Assistant to the C1 Operations Manager, Interview with the C9 Enterprise Controller, Interview with the C5 Sales Manager and Marketing, Interview with the Administrative and Financial Manager Structure C6 Interview with the person in charge of the management control and audit of the company C7 Interview with the inventory control officer and assistant chief accountant C4 Interview with the person in charge of the C3 shipping department Interview with the sub- Director of Finance and Budget of C8; Interview with the Supplier Accountant, Treasury, Expenses and Fixed Assets of C2).

Of the 09 respondents, we obtained 162 observations with an effective 100% response. The analysis of the thematic grid is given in appendix 3.

### **4.2. Interpretation of Results**

The interpretation of the results consists in giving meaning to the different results obtained. It is based on the percentages that express the proportion and the frequency with which respondents referred to the themes and sub-themes that we used for the analysis.

#### **4.2.1. Factors of the Business Environment**

The counting grid shows that 46.3% of the leaders gave their opinion on the factors related to their environment. Of these, 18.5% represent the opinions of managers on the organizational factors related to their business, such as company size, number of activities and sectors of activity.

According to structure C7: "We are a big tax company, we have six points of sale in Yaoundé, seven points in Douala and we are trying to open four other points of sale by the end of 2016" . For the latter, although the company is large, it still has the ambition to increase its size by creating other points of

sale. This positively influences, in general, the implementation of management control within this organization.

We have 12.3% who represent the opinions of the respondents who consider that the psychosociological and environmental factors have a major influence on their structure. For company C9: "Competition related to our structure is tough. There are many competitors and the degree of uncertainty is linked to the socio-economic environment. "The latter considers the environment to be rather complex. As for C7, "The competition linked to our structure is rather harsh but for the moment our difficulties are not at the level of competition because we live adapting to the current economic environment and we make the maximum effort d Innovation in integrating the national and international environment, our difficulties are the level of taxes that are regularly grafted onto goods. "For her, competition is not a problem, as its structure adapts as their environment, but other factors like the state have a great influence on the activities of their structure.

As for the psychosociological factor, like most respondents, C5 finds that the management style in their structure is centered on a single person, because the manager makes the decisions himself without taking into account what his staff thinks: "As far as the management style is concerned, I can say that decisions are confiscated by management because they are concentrated in their hands. This is the direction, let's say the PCA alone decides. For me, we have a management centered on one person ".

9.3% think that the technological factor also has an influence on the management of the company. According to C3: "The information system used here has been modified for an X3 system which is an ERP software system used in planning techniques; Another factor that influences our structure is the supply of raw materials and packaging because compared to our main competitor we do not produce our own raw materials. For this manager the information system is very useful and very important in a company, because it allows the formalization of the various controls carried out within the company, which is why this system must be effective.

In addition, 8% of respondents find that the decision-making factor, the strategy, is not completely neutral.

#### **4.2.2. Motivation for the Establishment of Management Control**

The analysis shows that 16.7% of respondents gave their opinion on the different motivations that motivate them to introduce or to set up management control within their organization. Among these 16.7%, 7.4% represent respondents who feel that the management control implemented in their company depends on certain causes related to their environment; 6.8% emphasize the year of introduction of management control within their structure and 3.7% illustrate some reasons for the choice of the type of management control.

Regarding the choice of the type of management control C4 considers that "The choice of the control that we practice according to me is made according to the will to verify as the activity of the company". For him, the quality of their management control depends on the volume of their activities. For him, the number of activities is therefore a determining factor in setting up management control within the company. C3 is of the same opinion "The choice of the type of control is based on the rotation speed of our stocks, the minimum stock and also on the behavior of the market". It also emphasizes the market as a determining factor in controlling Management in their structure.

C7 also notes that the choice of their management control is made according to the volume of information to be managed within their structure and also according to their activities: "On the activity of the company and the number of information to be Manage ". He also points out that their structure introduced management control in 2010 following its evolution: "The cause is that as we evolve it is better to establish the management control function. In general, it is in line with the evolution of our structure. "According to him, the size of the company is a determining factor for the formalization of management control within an organization. For other respondents the introduction of management control within their structure allows the latter to be effective, "We here undergo the decisions; This is the group. But I guess it's for the efficiency of the business and to avoid wasting time ": C2.

According to the answers given by several respondents, it can be seen that the organizational factor is decisive for the implementation of management control in companies.

#### **4.2.3. Adequacy Management Control - Business Environment**

Respondents (5.6%) believe that their management control is adapted to their environment. C2 states that "It is adequate and the factors related to our environment make it possible to perfect it further". For him, the quality of their management control integrates the internal procedures of the company:



"Traditional control here is adapted to internal procedures based on efficiency, profitability, finances". C1 also notes that the control it carries out is adapted to the environment of its structure, but stresses that this control is not fixed, that it can change at any time according to their Internal environment: "The preventive and corrective control is adapted to our environment and its configurations can change if the data are modified, the objectives overvalued if there is staff shortage".

It also emerges from this analysis that 1.9% of respondents have a contrary opinion regarding the adequacy of management control - the business environment. For C5 the management control that it practices is an embryonic control, not tied, and irregular: "Well yes say that there is a management control; but it is not well organized as it should be; It is still embryonic. I cannot say that it is a permanent control, I can say that it is a spontaneous control because at the moment we do not yet have a well-organized control function ". According to this respondent a company that has a number of activities should have permanent control, not a one-off control. For him the management control practiced in their structure is inadequate: "adequate I said earlier that given the number of agencies we have (03) it is not yet adequate, we need a control department When I say "complete", that is to say a person in charge of control and two or three or even four persons who will be under the person in charge and who will organize the checks between them without the other people being aware so for the moment this n Is not at the top. "As for C8, she thinks it is sometimes difficult for management control to fully integrate the environment of the company, because it is uncertain, even more so for a company that does in the field of services where the tastes of the customers are totally uncertain: "Well I can say yes but I can also nuance. We are in the field of services where people are very demanding; therefore the control that is put in place on the one hand it may be adequate on the other hand not".

One observation of all these interventions is that management control in some companies is adapted to their environment, because it is defined according to it. For others it is not, because it does not integrate the internal environment of the company such as the organizational factor. Other companies find that the uncertain nature of the environment has a great influence on the management control they practice.

### **4.3. Changes in Management Control**

We observe that 4.3% represent the fraction of respondents who consider that their management control has evolved according to their environment and 3.7% think the opposite.

For C7 "Management control has evolved a lot in our structure, we have gone from a traditional control to a more elaborate control, that is to say, who participates in the decision-making within the company; A control which has become independent ". According to this company, management control has evolved from a traditional management control to a management control which takes into account the non-financial characteristics of the company, which participates in the various decisions taken by the company "business. For her, this evolution is due to the limits of traditional control in.

The size of the company: "Following the limits of the old system and its failures in the face of the evolution of our structure". As for C2, it also considers that their management control has improved following the " Evolution of technology: "The cause is that one follows the technological evolution that is to say the time, in order to avoid the wastes and the flights". Similarly, C9 believes that their management control has evolved considerably since their company has moved from a control based on the reporting and communication aspect for a much more detailed control on the detailed analysis: "This evolution is due to Such as underestimation of available quantities, unfounded explanations of deviations, stock manipulation, theft and many others. "She stresses that the evolution of management control in their structure is due to the manager's vision and the environmental factors related to their business: "Taking into account the competitive environment of the company".

Case C6 finds that management control in a company can remain frozen for want of financial means and lack of stability of the company: "Management control has not evolved here because in order to establish effective control, we have to have finances and our company is an SME and is only in its launch phase. "As for C4, management control remained stable in their company following the decision of the manager:" As we have said previously, management control has not evolved with us until today; this may be due to the inertia of management. The effectiveness of management control here is influenced by the financial resources and organizational factors of the company. It is also noted that the profile of the manager can have a positive and negative influence on the management control, as it can either make management control effective or make it dependent.

#### **4.4. Influence of Contingency Factors on Management Control**

The analysis shows that 11.7% of respondents gave their opinion on the link between contingency factors and management control. Of these 11.7% we had 9.3% of respondents who pointed out the effect of these factors on management control within companies; 5.6% of respondents highlighted the contingency factors that most influence the implementation of management control in their companies.

Concerning the effect of contingency factors on the quality of management control in Cameroonian firms, C5 believes that contingency factors such as finance and management style hamper the effectiveness of management control because Style of management being a centered style, this stifles the management control function, which does not allow the management control to be autonomous: "I can say that the effects are much more positive but it is the effectiveness of the control Which remains to be reviewed; For it to be effective, it must be organized; The finance factor hampers the effectiveness of management control in our country. As well as lack of organization; We can reduce all this to the style of management ". As C5, C9 thinks that the management style influences the scope of the actions recommended by the management control function and insists that the size of the company has an effect on how to process the data: "The style of management Influences the scope of the actions recommended by the management control function, i.e. it does not allow management control to be independent, and the size of the company also influences how to process the data."

Case C1 focuses on business-related competition and shows that this factor encourages companies to make management control more formal to their organization: "The fact that our company has evolved enormously in size and that we are faced with increased competition, we are obliged to review the way we apply management control. The competition factor leads company managers to make their management control more efficient through feedback on how to exercise it to enable the company to perform well: "Competition can play; It allows management control to evolve in order to satisfy customers. "For C7 the practice of decentralized management necessarily involves the implementation of a control by objective: "The management control set up here a compulsory layout with objective control and which means management by objective must include a decentralized management. ".C8 also notes an effect of the size of the company on its management control but insists on the management policy of the company, on Its philosophy as factors that have an effect on management control because these factors can make management control effective and allow it to fully play its function within the company. He stresses that: "The size of the company can influence management control but size alone can not be enough. The company must have a sound management policy; In the end it is even the philosophy of the company that can make management control effective, that is to say, interesting. Here at home, the manager believes that management control is an important function. If he did not believe it, he should reduce his influence on decision-making. "

Concerning the contingency factors that most influence the implementation of management control, C7 and C4 share the same opinion: "It can be said that the size of the company and the sector of activity are the Factors that have most influenced the implementation of management control in our country ". They stress here that the size of the company and the sector of activity are of great importance when defining the management control in the company. According to C5 it is the management style that most influences the implementation of management control within their structure: "The factors that have more influence in my opinion is the management style that prevents the control of being effective here ". C1 also notes the high influence of the organizational factor on the implementation of management control. But he also insists on the environmental factor: "The factor that has most influenced the management control in our structure is the increase in the size of the company and increased competition".

From this analysis, it can be seen that business contingency factors such as size, manager profile, sector of activity, number of activities, competition, policy and philosophy, are those that have largely influenced the quality of management control. In some cases, these factors have a positive effect because they allow the company to improve its management control by making it more formal, independent and non-traditional. This allows it to participate in decision-making within companies. In others, these factors prevent management control from being autumn, that is, independent as it should be so that it can play its role effectively within the company. We also note that a number of factors clearly influence the implementation of management control in the company: the psychosocial factor, the environmental factor and the organizational factor.

In general, the results obtained from these interviews made it possible to verify the contribution of the theory of contingency on the control of management especially in the Cameroonian context. This leads us to confirm the theories developed by [Van \(2009\)](#) and [Mayegle \(2009\)](#), who argue that the belief of the manager and the management policy of Cameroonian companies determine the effectiveness of the management control practiced in these companies. This reinforces Desreumaux's (1998) limit on the

theory of contingency: "The structure and configuration of control systems also depends on factors such as the perceptions, values and beliefs of decision-makers, as well as factors "We also found that the implementation of management control in Cameroonian firms was more influenced by contingency factors such as competition, management style, sector of activity and size 'business.

## **5. Conclusion**

This research aims to study the influence of environmental contingencies on the management control practices of Cameroonian companies. The aim was to identify the various contingency factors linked to the company, to see if the management control practiced within Cameroonian companies integrates their environment, to analyze the link between environmental contingencies and the practices of control of Management of Cameroonian companies.

To achieve these objectives, it seemed useful to present in the first part the concept of environmental contingencies and the concept of management control. These concepts have made it possible to understand on the one hand what is meant by environmental contingency, its definition, and contingency factors that can be linked to the company, the operation of management control in the company, On the other hand, to present the theory of contingency. The second part was devoted to the empirical approach of the study. It consisted in analyzing the data gathered in the field during the interviews with the SPHINXIQ software.

This work was carried out from the approach conducted through:

- The content analysis that allowed us to define our categories, in order to arrive at a codification and the filling of the analysis grid;
- Context analysis for each individual in order to analyze their answers and to be able to determine the specific concepts of each individual, to reveal these verbatim and to be able to give its characteristics;
- The overall synthesis that allowed us to group the different cases into five classes while defining the specific concepts, verbatim and characteristics of each class. This gave the thematic distribution in order to explain the different factors of contingency related to the Cameroonian company and to identify the link of these factors with the quality of the management control practiced in these companies;
- Finally, an analysis that has made it possible to develop the feelings and orientations of each individual in relation to their response.

Thus, this study makes a theoretical and practical contribution. From the theoretical point of view, it intends to contribute to the enrichment of the documentation dealing with similar issues to this theme, in an economic context of the financial market. From a practical point of view, this work is a guide for managers and owner-managers in order to facilitate their mastery, but above all to understand the importance of setting up a management control function; To make it effective, that is to say adapted and flexible. This work will also allow the management controllers to review the implementation system of the tool, emphasizing the ramifications to be built.

## **6. Appendices**

### **Appendix 1: Maintenance Guide**

#### **Interview Guide**

Hello Miss, Sir

My name is François-Xavier MAYEGLE, Professor in management sciences option Control and Accounting at the University of Ngaoundere. In the context of writing an article on the influence of environmental contingency on management control practices in economies without financial markets: the case of Cameroon, I would like to speak with you in order to better understand this theme. Your identity and answers will remain confidential.

I - Identification of the company and the interviewed.

1- M / Ms Can you introduce yourself in a few minutes? (Current position, job qualifications and age)

2- M / Ms, can you give us a brief presentation of this structure (its creation, its legal status, its membership, its missions, its objectives, its activities)?

3- Can you tell us about your work in this company?

4- Introduce to us the organization chart of this company?

## II-Motivations for the establishment of a management control

5- On what do you rely for the choice of a type of management control?

6- Do you care about the effectiveness of management control? If yes, what concrete actions are being taken to ensure its effectiveness within your organization?

7- Tell us about the evolution of management control within this company over the period 2013-2014-2015.

8- What can be the cause of this evolution?

9- How do you appreciate the quality of management control practiced within your company?

## III- Functioning of the management control in the company

10- How do you define management control within your company?

11- Tell us about the type of management control practiced in your company?

12- In your opinion, what is the year of introduction of management control within this company?

13- In your opinion, what are the reasons for introducing management control in this company?

14- Tell us about the contribution of the management control you have made in the competitiveness of your company.

- The market shares of your company (according to how are your market shares?)

- The productivity of your company (level of work and capital)

- The profitability of your business (how do you rate your profitability?)

15- In your opinion, is the management control style that you practice appropriate for the environment of your company? If so how can the contingency factors related to your business impact the evolution of the style or quality of management control exercised in your business?

## IV- Factors identifying the business environment

16- Tell us about the specific contingencies related to the environment of your company:

- Psychosocial factor (the management style, the profile of the leader)

- Environmental factors (the nature of competition, degrees of uncertainty)

- Organizational factors (the size of the company, the sector of activity, the number of activities carried out)

- Decision-making factor (the company's strategy)

- Technology factor (the information system)

- Other (s) to be specified

17- Tell us about the effect of its contingency factors on the quality of the management control you are practicing.

18- Do you consider among the factors mentioned above which ones clearly influence the implementation of the management control that you practice within your company?

## 7. Conclusion

We thank you for your availability, for the frankness of your answers and for your contribution to this research. If you wish, the results of this work will be transmitted to you retrospectively. Once again thank you for your availability.

**Appendix 2: Characteristics of Interviews and Sample**

Cases	Individual Profile					Company Characteristics		
	Gender	Age	Occupation	Basic training	Professional Experience	City	Activities	Workforce
1	Male	30 years	Stock Controller and assistant accountant	Accountant	5years	Yaoundé	The distribution of tobacco	60 employees
2	Male	47 years	Management control and audit	Accounting control and audit	25 years	Yaoundé	General trade	700 to 800 employees
3	Male	43 years	Assistant Director of Finance and Budget	Accounting control and audit	>10 years	Yaoundé	Telecommunication	More than 3000 employees
4	Male	40years	Comptroller General	Manager	>5years	Douala	Financial	111 employees

5	Male	36 years	Assistant to the Director of Operations	Manager	> 5 years	Douala	Sheet metal processing and pipe production	350 employees
6	Male	38years	Accountant Treasury Expenditure and Fixed Assets	Manager	>5years	Douala	The Chemical Industry Transformation and Gas	47 employees
7	Male	37years	Expedition Department	Technician	>5years	Douala	Brewery	More than 300 employees
8	Male	27 years	Administrative and financial manager	Accounting control and audit	1 to 5 years	Douala	Property development	20 employees
9	Male	30 years	Controller	Manager	>5 years	Douala	Distribution of chocolate products	320 employees

Sources: Synthesis of interviews

### Appendix 3: Analysis of the thematic grid

Name	Employees	%
Factors of the business environment	75	46.3%
Organizational factor	30	18.5%
Psychosocial factor	20	12.3%
Environmental factor	20	12.3%
Technological factor	15	9.3%
Decision-making factor	13	8%
Motivation for setting up management control	27	16.7%
Cause of introduction of management control	12	7.4%
Year of introduction of management control	11	6.8%
Due to the choice of a type of management control	6	3.7%
Effectiveness of management control	26	16%
Assessment of management control	14	8.6%
Concern for the effectiveness of management control	12	7.4%
Definition and concept of management control	24	14.8%
Concept on the management control practiced	17	10.5%
Definition of management control	8	4.9%
Evolution of management control	21	13%
Cause	10	6.2%
Change over the period 2013-2015	7	4.3%
No change	6	3.7%
Influence of contingency factors on management control	19	11.7%
Effect of contingency factors on the management control practiced	15	9.3%
Influence of contingency factors on the implementation of management control	9	5.6%
Adequacy of management control to the environment	11	6.8%
Adequacy of management control	9	5.6%
Unsatisfactory	3	1.9%
Contribution of management control to competitiveness	9	5.6%
Contribution on market share	5	3.1%

Contribution on productivity	5	3.1%
Contribution on profitability	4	2.5%
Total observations : 162		

**Sources:** Our analyses

## Reference

- Abi, A. J. (2006). *Les outils de contrôle de gestion dans le contexte des PME : Cas de PMI au Liban*. Congrès de l'Association Francophone de Comptabilité. Tunis.
- Anthony, R. N. (1965). *Planning and control Systems: A framework for analysis*. Boston: Graduate School of Business Administration, Harvard University.
- Anthony, R. N. (1988). *The Management Control Function*. Boston: Harvard University Press.
- Bampoky, B. and Meyssonier, F. (2012). *L'instrumentation du contrôle de gestion dans les entreprises au Sénégal*. France: Comptabilité et innovation, Mai, HAL, Grenoble.
- Ben, H. Z. and Chapellier, P. (2013). *Innovations budgétaires en PME et profil du dirigeant*. Canada: Comptabilité sans frontière, The french connection. Available: <https://hals.archives-ouvertes.fr>
- Bouquin, H. (2001). *Le contrôle de gestion*, Gestion PUF. 5<sup>th</sup> edn: Paris:
- Bouquin, H. (2008). Quelles perspectives pour la recherche en contrôle de gestion ? *Finance Contrôle Stratégie*, 11: 177-91.
- Burns, T. and Stalker, G. M. (1961). *The Management of Innovation*. London: Tavistock.
- Chandler, A. D. (1962). *Strategy and Structure*. Cambridge, MA: M.I.T. Press:
- Covaleski, M. A., Dirsmith, M. W. and Samuel, S. (1996). Managerial accounting research: The contributions of organizational and sociological theories. *Journal of Management Accounting Research*, 8: 1-35.
- Grinyer, P. H. (1998). Market organizational correlates of economic performances in the U.K electric engendering industry. *Strategic management journal*, 9: 297-318.
- Julien, P. A. (2005). *Pour une définition des PME*. 3<sup>rd</sup> edn: Canada: Presses Inter Universitaires.
- Kabore, S. (2010). Systèmes d'animation du contrôle de gestion dans les entreprises burkinabé : étude transculturelle. Thèse de Doctorat, décembre, Rennes 1. 365.
- Lambert, C. (2005). La fonction contrôle de gestion. Contribution à l'analyse de la place des services fonctionnels dans l'organisation, Thèse de Sciences de Gestion - Université Paris Dauphine. 615.
- Lawrence, P. R. and Lorsch, J. W. (1973). Adapter les structures de l'entreprise : Intégration ou différenciation, édition d'organisation.:
- Manolis, C., Nygaard, A. and Stiletlerud, B. (1997). Uncertainty and vertical control: An international investigation. *International Business Review*, 6(5): 501-18.
- Mayegle, F. X. (2007). Contrôle de Gestion et développement des petites et moyennes entreprises en Afrique : Une application à partir du Tableau de Bord Prospectif in Création, Développement Gestion de la petite entreprise africaine. Edition clé. Février.
- Mayegle, F. X. (2009). la contribution du tableau de bord prospectif à l'amélioration de la performance des entreprises : Une étude à partir de six cas au Cameroun », thèse de doctorat d'État en contrôle de gestion, université de Yaoundé II Soa.
- Mayegle, F. X. (2010). *Mutation des politique de gestion et création de valeur: Une étude menée au Cameroun*. Paris: Harmattan.
- Mayegle, F. X. and Ngo, N. S. (2012). L'intelligence des risques de sécurité organisationnelle des entreprises dans les économies en développements : Une lecture à partir des PME/PMI au Cameroun. *La revue de comptabilité et gestion, ONNECA*: 51-62.
- Mintzberg, H. (1982). Structure et dynamique des organisations, les éditions d'organisation.
- Nobre, T. (2001). Le contrôle de gestion de le PME. *Comptabilité – Contrôle – Audit*, Tome, 7(1): 129-46.
- Raymond, L. and Blili, S. (2005). *Les Systèmes D'information* 3<sup>rd</sup> edn: Canada: Presse Inter Universitaire.
- Scott (2003). Diversity of budgetary control practices: contingent and neo-institutional approaches. *Finance Control Strategy*, 13(3): 115-53.
- Sponem, S. (2010). Diversité des pratiques de contrôle budgétaire : approches contingentes et néo-institutionnelles. *Finance Contrôle Stratégies*, 13(3): 115-53.
- Van, C. D. (2002). Enquête sur les pratiques et les besoins en matière de contrôle de gestion dans les PME wallonnes, Cahier de Recherche, Collection du département de gestion, Université de Liège.
- Van, C. D. (2003). *L'exercice du contrôle de gestion en contexte PME*. Congrès annuel de l'Association Francophone de Comptabilité. Louvain-la-Neuve.



- Van, C. D. (2009). Outils de contrôle de gestion et performances des collectivités locales : Etats de la littérature, manuscrit auteur, publié dans : la place de la dimension européenne dans la comptabilité, contrôle, audit, Strasbourg, France. 4.
- Varia, Y. J. N. (1992). Empirical evidence on determinants of firm growth. *Economic Letters*, 38: 31-36.
- Zampiccoli, L. (2009). Le développement des pratiques de contrôle de gestion au sein des collectivités territoriales. *Réseau d'Enseignants Chercheurs et Experts en Management Public*: 2-10.