

**Widespread of management control systems and national culture:  
theoretical framework**

Mouhcine Tallaki<sup>1</sup>, Enrico Bracci<sup>2</sup>

1- University of Ferrara Via Savonarola, 9, 44121 Ferrara FE, Italy

2- University of Ferrara Via Savonarola, 9, 44121 Ferrara FE, Italy  
mouhcine.tallaki@unife.it

**ABSTRACT**

The relation between an organization, economic, social and cultural contexts leads to ask the question whether those organizations, can transfer their domestic Management Control Systems (henceforth MCSs) overseas or they need to redesign them according to cultural imperatives of other nation (Graeme et al., 1999). The rise of internationalization versus localization emphasizes the significance of this question. The study of differences in MCSs has been discussed in the literature according to different approaches, namely: the cultural approach, societal effects, new institutionalism and historical approach (Bhimani, 1999). One of management diversity causes which was highlighted by the most of the approaches is the culture. The relation between an organization and economic, social and cultural contexts leads to ask the question whether those organizations, can transfer their domestic managerial practices overseas or they need to redesign them according to cultural imperatives of other nation (Tallaki and Bracci, 2014; Graeme et al., 1999). This paper aims to sketch an embryonic conceptual framework to understand first the relationship between national culture and MCSs and secondly why standard managerial practices are widespread despite the relationship between national culture and MCSs.

**Key words:** Management control, national culture, management diversity.

**1. Introduction**

With the launch of the World Wide Web and the diffusion of ICT systems, the early 1990s signified the outbreak of the largest globalization wave in the history. In this context, organizations have been compelled to operate outside their local or regional sphere. The increased openness and transfer of information and technologies has eased the entry to the competitive international market. Any firm unable to adapt to this “new world” and to integrate in the international open market risks to lose its competitiveness. This ongoing process of globalization and the corresponding changes associated with interdependence and reciprocal markets have pushed economic and international management analysts to study the significance of differentiation among cultural contexts (Ciambotti, 2001). The organization is considered as open social system composed of interdependent elements, joined to one another forming an autonomous entity. It interacts with the external environment, can influences and be influenced by it. The interaction and the adaptation to external environment comes through people which are rather driven by their cultures and beliefs. People have different cultures, the literature suggests that people from different cultures have different attitudes to similar

management practices (Chow et al., 1997). The close relationship between culture and management pushes to the consideration of culture in designing efficient and effective MCSs. In spite of the fact that management control, which is one of the main components of organization's systems, should be adapted to culture, many organizations tend to implement in other countries the domestically-developed MCSs (Tallaki and Bracci, 2014; Schneider, 1988; Kostova e Roth 2002), neglecting the country-specific cultural aspects. The transfer allows to have the same managerial philosophy. Having a shared managerial philosophy may increase efficiency, reduce communication time and contribute to the success of the corporate strategy (Roth et al., 1991). The multinationals are widely recognized as key agents in the diffusion of practices across national borders, through the transmission of organizational techniques to subsidiaries and to other organizations in the host country (Arias and Guillen, 1998; Christmann and Taylor, 2001).

MCSs include two dimensions, the technical dimension which consists of the tools and methodologies, and the social dimension which is the hidden component that comprises the cultural context. These dimensions are not only interdependent, but also inseparable and must be linked together to achieve good control results (Helene, 2000). Consequently, MCSs effective in one environment can prove dysfunctional in other environments (Chow et al., 1996). Therefore, they have to be adapted to the cultural characteristics of the region, the country and even, at times, the district. To achieve this customization of systems, we have to understand the culture and its relationship with MCSs.

The research question, therefore, is the following. How does the culture impact on MCSs?. Whereas the national culture affects the MCS we can consider that the MCSs are a cultural product and they are not universal, they should be adapted to the national culture. So, why the Anglo-Saxon and Japanese control systems are widespread?. Then, this paper aims to understand how the MCSs have become universal and how the national culture could affect the MCSs. In doing that we combine various approaches: new historical analyses, new institutionalism approaches and cultural approach. With the adoption of an historical approach, we attempt to study the origins of MCSs and to understand the circumstances under which they were born, spread and institutionalized. New institutionalism seeks to explore how organizational ideals become common and are shared in languages and symbols. Institutions are not seen as the products of deliberate design or the outcomes of purposive action, but rather as results of persisting practices (Zucker, 1991). The cultural approach studies the link between the cultural values and the MCSs, Hofstede's work (1980) represented a milestone for this approach, in which he attempted to understand the role of culture in other social and economic fields. Hofstede's classification was used in numerous disciplines, also in accounting research. Since 1990, however, many critiques have been addressed to Hofstede's study. Other studies have demonstrated the validity of models based on the Hofstede's study.

The paper will be structured in the following sections, in the second chapter, we will define the culture. In the third chapter we will analyze the relationship between culture and management and we will present the theoretical framework, in doing that we , briefly, will analyze previous studies of the diversity management.

## **2. What is the culture and the National culture?**

The term "culture" is derived from "cultivation" that means the process by which a person becomes educated. It was initially equivalent to "civilization", and then was used in the

modern significance, as a social science concept, by Tylor (1871). Culture is a very complex concept. Giving a single exhaustive definition of culture is very difficult task (Kluchohn and Kelly, 1945). The difficulty comes from the fact that the same term is used in different fields and could resemble various contents. This recurrence of “culture” in many disciplines in the social sciences results in its various interpretations. The definitions that have been given are different because each discipline emphasizes a different aspect. Anthropologists speak about values, norms, practices and human products, psychologists stress the learning and behavior, while social scientists are interested in ideas. However, two of these interpretations are the most important to our study: the anthropological and sociological approach.

Kluchohn and Kelly (1945) defined culture as complex which includes artifacts, beliefs, art and all other habits acquired by man as a member of a organization, and all products of human activity as determined by these habits. From this definition we can note that the authors stressed both material, spiritual aspect of culture, the learning and consequently the adaptation that are characteristics of culture (habits acquired by man as a member of a organization). In other terms the culture can be defined as the set of basic assumptions (Shien, 1985) invented, discovered or developed by a particular group while learns to adapt and integrate with the external environment. To adapt to the external environment the men invent, develop knowledge and ideas that allow to achieve the goal, new requirements imply new inventions and ideas.

The concept “culture” is often described by adjectives to clarify and restrict its meaning, *national culture*, corporate culture, individual culture are examples. The national culture regards the nations geographically defined, then we talk for example about Italian culture and French culture. Many Scholars (Hofstede, Trompenaars and other) have attempted to measure and compare cultural differences between the nations. These authors adopted a generalist approach considering the presence of all cultural characteristics in the sample chosen, without considering the specificities of each country. This leads to reduce the culture in some general dimensions. The use of this approach in the definition of cultural dimensions has been criticized by several authors, because cultures are not identical to nations (Baskerville, 2003). Cultures have been rooted in history and have been linked to many diverse and complex factors. On the other hand, a nation can be defined as the existence of a “common feeling” among a population who would identify themselves as a “nation”. We agree with the criticism addressed to the various models. We think that the cultural dimensions defined by the cultural models are not sufficient to define the national culture. But the goal of this paper is not to analyze the various models and understand if they are able to define national culture. Moreover we think also that the citizens of each nations have common values because, through a political culture, the governments have tried to harmonize the divergent cultures of the groups but the traces of cultural differences between groups persist. Despite criticism to the cultural models they are widely used in the literature.

### **3. The relationship between culture and management**

The management diversity has been studied by various approaches, these approaches are not all agreed on the importance of culture, some see culture as a central element, others see culture as a secondary element. Before understanding the relationship between culture and the management we will try to list, briefly, the approaches that study the management diversity and after we will define the relation between management and culture

### 3.1 Diversity of MCSs and culture

Following the Bhimani division's (1999) there are five approaches of study: the convergence school, cultural approach, societal effects, new institutionalism approach and the new historical analysis. The **convergence school** which argues that the differences in the behavior of organizations are derived from other factors such as economic development, the size of enterprises, the sector, the level of industrialization. It considers that the international diversities decrease with the convergence of society and become more similar over time (Lammers and Hickson, 1979). The marginal utility of both the theoretical paradigm and the research methods of this approach seem to be declining rapidly. The differences in management style persists despite the convergence between various societies. The **cultural approach** considers the culture as the central element to explain the management diversity. Hofstede is considered the founder of this approach. He defined the culture as "the collective mental programming of a people in an environment. For him culture is not a characteristic of individuals; it encompasses a number of people who were conditioned by the same education and life experience" (Hofstede, 1990). Through empirical research, the author has attempted to measure cultural differences between countries. The Hofstede's study is based on the universalist approach which considers all variants to be present in the sample of analysis. Hofstede (1980) aggregated culture in four dimensions that measure, according to him, cultural differences between countries. These dimensions are: power distance, individualism, uncertainty avoidance and masculinity (Hofstede, 1980). In a subsequent search he identified the fifth dimension Confucian dynamism (long term orientation) (Hofstede and Bond, 1988). Since 1990, his model has continued to dominate research and to be used and cited by almost all authors studying the relationship between culture and management, but it has been criticized for several aspects like the assumption of equating nation to culture, the assumption of stability in cultural differences scores, the status of the observer outside the culture (Baskerville, 2003). Moreover, many studies have demonstrated and confirmed the validity of the Hofstede study. There have been several attempts to improve this model by the adaptation or adding other variables that could affect business decisions, we can cite different models as the model of Grey (1988), Schwartz (1994) and Trompenaars (1993). Within this approach, the tension between the general and the specific characteristics of culture led D'Iribarne (1989) to consider the specific characteristics of each country. Therefore he adopted an ethnographic methodology that seeks to explore the cases of intercultural comparison taking into account the specific characteristics of each country. Other authors have used a combination of the vision of Hofstede and D'Iribarne.

The most widely used models are: Hofstede and Trompenaars models. The dimensions defined by Hofstede (1980;2010) are:

1. Individualism (IDV): on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family.
2. Power distance index: (PDI): that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally
3. Uncertainty Avoidance Index (UAI): deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for truth.
4. Masculinity (MAS): versus its opposite, femininity, refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found.

5. Long term orientation (LTO): versus short-term orientation: this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars. It can be said to deal with Virtue regardless of Truth.

Trompenaars and Turner (1998) defined three categories of characteristics: which arise from our relationship with other people, from the passage of time and those which relate to the environment. He identified seven fundamental dimensions of culture, five of these come from the first category. These five value orientations influence the way of doing business and managing as well as the responses in the face of moral dilemma. The relative position along these dimensions guides the beliefs and the actions thought life.

1. universalism versus particularism (rules versus relationships): define how we judge other people's behaviour. Universalism when there is an obligation to adhere to standards which are universally agreed to by the culture in which we live, in the other extreme particularism obligations to people we know. Then we tend to follow rules that apply to all rather than to personal interests and relationships.
2. Individualism versus communitarianism (the individual versus the group): the same dimension as defined by Hofstede.
3. Neutral versus emotional: members of culture which are affectively neutral do not telegraph their feeling but keep them carefully controlled and subdued. In contrast, in cultures high affectivity people show their feeling plainly by laughing, smiling...
4. Specific versus diffuse culture: is the degree to which we engage other in specific areas of life and single level of personality, or diffusely in multiple areas of our lives and at several levels of personality at the same time. In specific oriented culture, for example, a manager segregates out the task relationship he has with a subordinate and insulates this from other dealing.
5. Achievement versus ascription: Some societies accord status to people on the basis of their achievement, other ascribe it to their virtue of age.
6. Orientation in time: the relative importance that culture give to the past, present and future. The view that the time is sequential or monochromic (people tend to be schedule very tightly), a series of passing events, or whether it is synchronic or polychromic ( people track various activity in parallel) , with past, present and future all interrelated.
7. Attitudes towards the environment: the role that people assign to their environment, people can control nature or they are part of nature and must go along with its laws.

Some dimensions defined by Trompenaars coincide with those of Hofstede (individualism versus collectivism), others are connected with their. The Hofstede's model seems more broader and includes the cultural dimensions defined by Trompenaars. The power distance index, for example, is linked to specific versus diffuse culture, the masculinity is connected to the achievement versus ascription. In this research we will consider the cultural dimensions proposed by Hofstede to analyse the characteristics of MCSs.

An alternative approach to study the diversity in management is the *societal effects*. This approach gave the importance to the institutional factors like the education system, the system of industrial relations and the role of the state (Maurice, Sorge & Warner, 1980; Sorge & Warner 1986). It was spread through comparative studies in France, Germany and Great Britain by Maurice, Warner and Sorge. The approach supposes the existence of interdependence between organizational dimension, human resources dimension, industrial sectoral dimension, labor market dimensions, technical dimension. Each dimension has

implications on the others and the organization is set by stable pairs of features between these dimensions. The authors find that the organizational processes of differentiation and integration interact with the processes of education, training, recruitment, promoting, and develop into an institutional logic that is typical of a society (Maurice and al., 1980). The MCSs are seen as the mix of qualifications, skills and training systems (Rose, 1985). Each nation has structure within which all other elements of social system interact while retaining degree of autonomy (Maurice and al., 1986). In this context the culture has mediating influence (Maurie, 1979). This approach has some shortcomings, as was said by Bhiman (1999), in fact, it does not take into account the cultural elements of society (D'Iribarne, 1991) and it assumes that the institutions embody the value of all social classes and does not consider that institutions are predominantly shaped by the powerful in society (Lane, 1989). The *new institutionalism* suggests, instead, that organizational structure reflects not only the technical requirements and resource dependencies, but was also shaped by institutional forces, including rational myths, knowledge legitimated through the educational system and by the professions, public opinion, and the law. The core idea is that organizations are deeply embedded in social and political environments and that organizational practices and structures are often either reflections of or responses to rules, beliefs, and conventions built into the wider environment (Walter and Powell, 2007). To be judged efficient, to maximize legitimacy, the organizations have to meet criteria of rationality established by the institutional context. In this regards the institutions are seen in terms of the persistence of practices not as rational product (Zucker, 1978). The notion that MCSs come from technical rational has been questioned. This approach draws attention to the causal impact of state, societal and cultural pressures but doesn't consider the origin of the institutions. To understand the change in the organization structure it's necessary to investigate about the history of the institutions (Powel and DiMaggio, 1991). The last approach that studies the management diversity is the *new historical analysis*, this approach puts the focus on historical events to understand the differences in the organizations. The experiences of the past continue to be part of present and the human actions are based on the past experiences (Braudel, 1977). In this order, an analysis of MCSs in connection with historical events could be useful to understand their current state. There are many different approach: historicists for instance appeal to careful historical narrative, another approach of study has been to supplement the examination of short sequences of heterogeneous events with the investigation of the emergence practices over long periods of time whilst bridging the two with medium length units of time (Bhimani, 1999). The third approach is the history of mentalities (Duby, 1982) witch investigate the historical conditions that allow to generate knowledge, to share system of representation of value that interpret the reality. In the accounting literature the importance of culture and his historical roots is only just beginning to be recognized (Gray, 1988).

### **3.2 MCSs and culture**

The diversity in the management is studied, as we have seen, by different approaches, some consider the culture and other not. In this section we will focus our analysis on the relationship between culture and MCSs according the cultural approach.

Management control is a system consisting of an organizational structure, accounting structure and a process. It is characterized by some elements and influenced by some factors, whereby these factors may be internal or external. Organizational structure refers to the distribution of roles and responsibilities of the accounting, economic and technical structures. The accounting structure is the set of tools which allow data collection and monitoring the

conduct of activities. The process is the logic of strategy implementation and outcomes monitoring (Brunetti, 2004). The components of management control are interconnected, they have to be compatible between them and with the hidden element representing by culture and the social element (Helene, 2000) In other terms, management control can be defined as a process by which managers make sure that the behavior of the organization is putting the strategies of the organization into practice (Anthony, 2001). It is the activity that enables to link between the decision and the implementation moment. The effectiveness of a management control system is in achieving the objectives through controlling human activities. Since the control is based on human behavior and people have different cultural backgrounds, the MCSs have to be adapted to the cultures in order to achieve the intended goal. Thus, the MCSs consist in set of behaviors, practices and decisions seeking managerial efficiency and effectiveness. These practices represent how managers interpret reality and try to control the external context and the human behavior. In this context, culture is like a mental institution that directs the managerial behavior to interpret the external environment and to control it. So, we can consider MCSs as cultural product because they include the culture into their components.

In the literature there are several studies that define the dimensions of the organizational structure of control, in this research we consider the dimensions given by Kreder and Zeller (1988):

1. *Dominant orientation*: MCSs can be directed to measuring the results or control of personal behavior, is implicit or explicit.
2. *Hierarchical position*: delegation of the decision making.
3. *Range of involvement*: authoritarian or participative style, or another type
4. *Time orientation*: short or long term orientation
5. *Manner of intervention* : direct or indirect control
6. *Content of control* : explicit or implicit control

Several studies have attempted to cross various characteristics of MCSs and cultural dimensions. Based on Chow et al. (1999) and Ciambotti (2001) we summarize the relationship between cultural dimensions and the organizational structure of management control.

**Table 1:** Management control systems and cultural dimensions

Dimensions		Time orientation	Manner of intervention	Content of control
Individualism	H			
	L			
Power distance	H			
	L			
Uncertainty Avoidance Index	H	Long term and continuous control	through regulations (high standardization)	explicit
	L	short term and ad hoc control	personal( low standardization)	implicit
Masculinity	H			
	L			
Long term orientation	H	Long term and continuous control		
	L	short term and ad hoc control		

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Dimensions		Dominant orientation	Hierarchical position	Range of involvement
Individualism	H	directed to measuring the results, control behavior, bureaucratic, explicit	decentralized control	participative control
	L	the control is Personnel, cultural and implicit	centralized control	Paternalistic, authoritarian control
Power distance	H	directed to measuring the results, control behavior, bureaucratic, explicit	centralized control	Paternalistic, authoritarian control
	L	the control is Personnel, cultural and implicit	decentralized control	participative control
Uncertainty Avoidance Index	H			
	L			
Masculinity	H	directed to measuring the results, control behavior, bureaucratic, explicit		
	L	the control is Personnel, cultural and implicit		
Long term orientation	H			
	L			

H: High

L: Low

Elaborated from Chow et al. (1999) & Ciambotti (2001).

From the literature analysis we note that national culture is important for MCSs. However, we note also that companies neglect the importance of culture in the design of MCSs. This is evident from the use of similar MCSs in various countries and the tendency to transfer MCSs within multinational companies (Tallaki and Bracci, 2014). In the next section we will attempt to explain why similar MCSs are widespread despite the importance of national culture.

#### **4. Widespread of MCSs and national culture: theoretical framework**

In this study we assume that the culture affects the MCSs, we asked the question: how that national culture affects the MCSs?. This leads us to ask another question about the origin of management control systems and their diffusion. If MCSs were born and applied in the same country the cultural issues will not be considered, but if they were applied in other context the cultural problems arise.

The MCSs are mostly Anglo-Saxon or Japanese, therefore they represent an Anglo-Saxon or Japanese cultures. Then why are they used worldwide? If the culture affects the management, MCSs can't perform well in other different countries, they have to be adapted or replaced. To answer to these questions and to understand why the MCSs which were born in some countries are applied in other countries we combine an historical and new institutionalism analysis.

It is necessary to go back to history to understand the development and the widespread of MCSs. Sutherland and Woodward (1940) defined the culture as the sum of the social heritage which acquired a social meaning in virtue of the historical life of the group (Sutherland and Woodward, 1940). Kluckhohn and Kelly (1945) defined the culture as a historically derived

system of explicit and implicit designs of life that tend to be shared. Besides understanding the past status of culture, analyzing history help us to understand the present, the mentality and the current mode of thought. MCSs are a way to interpreting and adaptation to the environment, which can also be defined as a way of thinking. Studying the history of MCSs in relation to the environmental and historical events would help us to understand how they are evolved, how, because the accounting systems can be viewed as a social artifact dependent upon the historical events relating to each country (Gray and Robert, 1991).

Moreover, historical events could affect MCSs in two ways directly and indirectly. Directly because these events lead to change the societal and economic scenario that can influence the behavior of the firm. Indirectly when the historical events affect the legal and institutional scenario, educational system. In this case the choices become largely attributable to the pressures exerted by institutional compliance that determine the goals and the structure of the organization. The rationality of choice is driven by external pressures that has been treated by new institutionalism approach, at the same time, they are tied to historical events that create the conditions necessary to their development. For example in Arab counties before the colonization the economy was based on the Islamic religion, the establishment of the Islamic state led to the development of various accounting systems to suit the needs of Muslims in compliance with Islamic Share'ah (Ziad, 2004). Business transactions had long been in practice since the early days of Islam, but with the colonization, the social environmental (like legal, politic, education systems) discipline gets infected whit the western ideology. The infiltration of modern conventional leads to misplace the Islamic system (Abu Tapanjeh, 2009) and to adopt western style of management.

Historical events helped to spread the Anglo-Saxon culture of MCSs. Historical events such as the first and the Second World War, economic crises, colonialism, globalization etc, have led to an international division of power and to the cultural supremacy of those who hold power. Their models have become an example of success, a myth to be followed to achieve the same result. In fact, the English has become the scientific language, the Anglo-Saxon models are taught and applicable worldwide. All this has led to an institutionalization of the myths even if it not could be efficient. The new institutionalism approach explains that the organizations are driven by external pressures, by the institutions. The choice is not necessarily rational. The institutional approach assumes that the companies are guided in their actions by institutional forces (Prahalab e Doz, 1987; Rosenzweig e Singh, 1991; Yin e Makino, 2002; Powell and DiMaggio, 1991), and that behaviors and actions are not entirely rational, but also depend on the context in which companies operate (Meyer e Rowan, 1977; Burchell et al, 1980; Boland e Pondy, 1983; Meyer e Scott 1983). So, the success of Anglo-Saxon managerial systems has led their diffusion and institutionalization. The same for the managerial systems derived from Japan. Their diffusion is due to the fact that these models have become myths to follow. The success that they have had in Japan has made them a successful model to follow in spite of the cultural differences between Japan and other countries. Technological development and communication systems took part in the institutionalization of these models. Also Multinational companies have contributed to the diffusion of these management systems. Based on institutional approach Kostova and Roth (2002) and Boussebaa et al. (2012) reported that in the transfer process of managerial practices the companies are influenced by institutional assumptions.

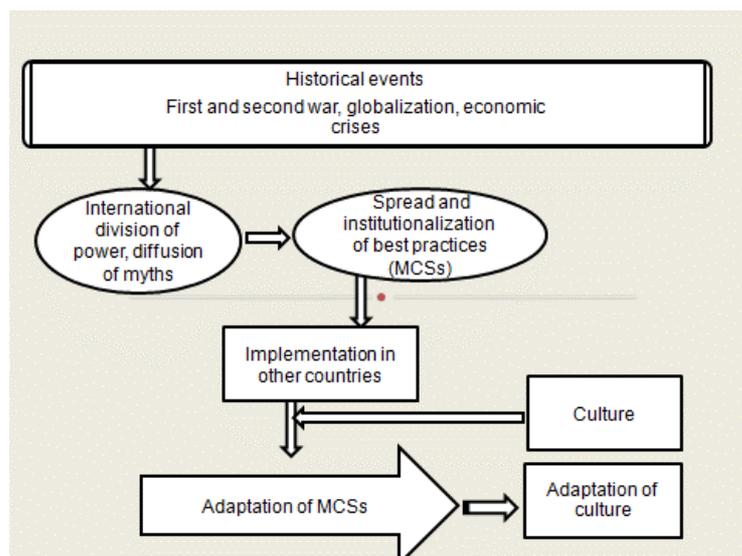
This help to understand why the Anglo-Saxon and the Japanese models are widespread, but how are their used in other countries? They have to be adapted to the new culture? The cultural approach has sought to study the relationship between the cultural values and

management. We think that national culture is important for MCSs. So, MCSs to be efficient they have to be adapted to the cultural characteristics

Despite the methodological criticisms directed to the models based on the Hofstede's study, in the literature they continue to be a used. We believe that culture can't be summed up in some variables, we have to consider the specific characteristics of each culture. The variables defined by Hofstede could be considered a part of culture. However. The criticism of the Hofstede studies are purely methodological, this implies a lack in the measurement of the indicators that define the culture, however the relationship between these dimensions and the management has been approved in several research. The other school of D'Iribarne doesn't have an alternative methodology that allows to develop a valid model in all cultures, but his idea is to go looking for the origin of cultural values and implement a monitoring system based on these values. Given that the dimensions defined by the Hofstede's school can decipher the relationship between national culture and management. Our framework start from these dimentionis and try to approve their validity and to open up to the specific characteristics of each culture. The phase of the analysis could be the following:

1. Define le cultural characteristics
2. Approve the cultural variables defined
3. Assume the MCSs as they should be according to the cultural variables defined above in each culture
4. Making an empirical analysis on the MCSs
5. Compare the hypothesis with the reality
6. Doing a qualitative analysis to determine whether the differences that could be due to the specific characteristics of each culture.

Summarizing, in this research we tried to propose a combination of the historical, new institutionalism and cultural approaches. The goal is not only to establish the relation between the national culture and management control systems, but also is to understand how with time the management control is evolved and widespread along with the economic and the institutional scenarios. The following figure (Figure 1) describes the mechanism of this combination between the historical the new institutionalism and the cultural approaches.



**Figure 1:** Widespread of MCSs and national culture

The framework is valid only for Anglo-Saxon or Japanese MCSs used worldwide, this means that some countries may have developed a different system of management control. According to the framework the influence of culture and the adaptation takes place after the transfer and adoption of MCSs. To understand how we can adapt the MCSs to the cultural characteristics we have to start from the concept of management control developed in Japan and Anglo-Saxon countries and try to adapt it to a another culture considering the relationship between national culture and MCSs.

## **5. Conclusion**

This study has aimed to propose a framework to understand the widespread of MCSs and the role of national culture. In this work we tried to understand how Anglo-Saxon and Japanese MCSs are popular in various countries. We tried also to highlight the importance of culture and how MCSs have to be adapted to it. The paper discussed the current state of literature and proposed a framework based on a combination of both historical, new institutional and the cultural approaches. Regardless of the limits, history has become important in accounting study. A comparison based on historical events and also using the new institutionalism approach could be useful to understand how MCSs are widespread. Instead, the cultural approach help to understand how MCSs could be adapted to local and regional characteristics. MCSs are linked to national culture and they should be adjusted to have an effective control system otherwise there is a risk of failure. Further studies have to apply this framework in various contexts where there are different histories and cultures. Understand and adapt MCSs to the cultural characteristics will be useful for organizations that want to operate in different contexts to adapt their MCSs.

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