



**HAL**  
open science

# The Evolution of the Role of Management Control in HR Strategy: Social Management Control in Companies in Quebec L'Évolution du Rôle du Contrôle de Gestion dans la Stratégie RH: Contrôle de Gestion Sociale dans les entreprises au Québec

Taoufik Anni, Botaina Mjidila, Mohamed Akhlafou

## ► To cite this version:

Taoufik Anni, Botaina Mjidila, Mohamed Akhlafou. The Evolution of the Role of Management Control in HR Strategy: Social Management Control in Companies in Quebec L'Évolution du Rôle du Contrôle de Gestion dans la Stratégie RH: Contrôle de Gestion Sociale dans les entreprises au Québec. Management Control, Auditing and Finance Review , 2024. hal-04754921

**HAL Id: hal-04754921**

**<https://hal.science/hal-04754921v1>**

Submitted on 31 Oct 2024

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.



HAL Authorization



**The Evolution of the Role of Management Control in HR Strategy: Social  
Management Control in Companies in Quebec**

**L'Évolution du Rôle du Contrôle de Gestion dans la Stratégie RH : Contrôle de  
Gestion Sociale dans les entreprises au Québec**

**Botaina MJIDILA**

*(PHD), École Nationale de Commerce et de Gestion Agadir, Université Ibn Zohr, Maroc DRH, Le Groupe  
Je Reçois, Québec, Qc, Canada*

[Botaina.mjidila@gmail.com](mailto:Botaina.mjidila@gmail.com)

**Taoufik ANNI**

*(PHD Student), Faculté des Sciences Juridiques Économiques et Sociales, Université Mohammed V de  
Rabat, Maroc*

[Taoufik.anni@gmail.com](mailto:Taoufik.anni@gmail.com)

**Mohamed AKHLAFFOU**

*Enseignant chercheur, Laboratoire interdisciplinaire de Recherche sur les Organisations, École Nationale  
de Commerce et de Gestion, El Jadida, Université Chouaib Doukkali, El Jadida, Maroc*

[Akhlaffou.m@ucd.ac.ma](mailto:Akhlaffou.m@ucd.ac.ma)



**Abstract:** The article examines the significant evolution of the role of management controllers in the development and implementation of human resources (HR) strategies, particularly in response to the rapid transformations in the labor market. Traditionally, management controllers were primarily responsible for overseeing finances and optimizing costs. However, market fluctuations and the increasing complexity of economic environments have led to a redefinition of their responsibilities. Management controllers now work closely with HR departments to align financial objectives with talent management strategies. This collaboration ensures that investments in human resources directly contribute to the overall performance of the company. In Quebec companies, the role of management controllers has evolved to become more strategic, with a strong focus on cross-functional collaboration and innovation in response to changing labor market dynamics. This transformation enables companies to better navigate an uncertain economic environment while optimizing their human capital.

**Keywords:** Management Control; HR; transformation; overall performance.

**Résumé :** L'article examine l'évolution significative du rôle des contrôleurs de gestion dans l'élaboration et la mise en œuvre des stratégies de ressources humaines (RH), particulièrement en réponse aux transformations rapides du marché du travail. Traditionnellement, les contrôleurs de gestion étaient principalement responsables de la supervision des finances et de l'optimisation des coûts. Cependant, les fluctuations du marché et la complexité croissante des environnements économiques ont conduit à une redéfinition de leurs responsabilités. Les contrôleurs de gestion travaillent désormais en étroite collaboration avec les départements RH pour aligner les objectifs financiers avec les stratégies de gestion des talents. Cette collaboration permet de s'assurer que les investissements dans les Ressources Humaines contribuent directement à la performance globale de l'entreprise. Dans les entreprises québécoises, le rôle des contrôleurs de gestion a évolué pour devenir plus stratégique, avec une forte orientation vers la collaboration interfonctionnelle et l'innovation en réponse aux dynamiques changeantes du marché du travail. Cette transformation permet aux entreprises de mieux naviguer dans un environnement économique incertain tout en optimisant leur capital humain.

**Mot-clés :** Contrôle de Gestion ; RH ; transformation ; performance globale.

## 1. Introduction :

Over the last few years and particularly since the COVID 19 pandemic, individual and social behavior in work organizations has changed significantly. Information and Human Resources Management Systems (HRIS) must now integrate these various developments by using algorithmic devices capable of analyzing often unstructured data, such as comments on companies' internal social networks. These technologies can ideally help predict future Human Resources needs, such as training needs. In terms of management, this involves adopting a social management approach inspired by "soft management" described by certain researchers in an earlier era (Dupuy et al., 1989). For Human Resources Departments (HRD), this development requires a transformation of



---

Social Management Control, defined by Martory (2018) as a system aimed at effectively managing human resources in terms of performance and costs at the within the organization.

Research by Kaplan and Norton (1996) highlighted the importance of integrating management accountants into strategic processes to improve organizational performance. Similarly, Simons (1995) highlighted the need for management accountants to develop strategic skills to meet the demands of a dynamic business environment. Management controllers are now called upon to work closely with HR departments to align financial objectives with talent management strategies. This collaboration ensures that investments in human resources contribute directly to the overall performance of the company (Bromwich & Bhimani, 1989).

The role of management accountants has evolved to become more strategic, with a strong orientation toward cross-functional collaboration and innovation in response to changing labor market dynamics (Burns & Scapens, 2000). This transformation allows companies to better navigate an uncertain economic environment while optimizing their human capital. As Abernethy and Brownell (1999) point out, the increased involvement of management controllers in strategic HR decisions can be a crucial lever for the competitiveness and resilience of companies.

In this article, we study the evolution of the role of management controllers and their new involvement in Human Resources strategies. We study the case of Quebec companies in order to suggest best practices to strengthen collaboration between management controllers and HR departments.

Our goal is to provide an in-depth understanding of the transformation of the role of management accountants, its impact on human resource management and the benefits for overall business performance in a constantly changing economic context. We answer the following questions: **What is the role of social management control in HR strategies, and what is its contribution to the overall performance of businesses in Quebec?**

To do this, we first present the theoretical foundations of the research, in particular the conceptual framework as well as the literature review by examining the different relevant theories. Then, the results will be presented in three points: the study of the structure and functions of social management control, current practices in the development of HR strategies, and the influence of social management control on strategic HR decisions, as well as the associated challenges and opportunities.

## 2. Theoretical Foundations

### 2.1 Conceptual framework of the research

Rapidly changing economic environments and labor markets have transformed traditional roles within businesses. Management control, previously focused mainly on financial supervision and cost optimization, now includes more and more responsibilities in terms of human resources management. This development responds to a growing need to take human and social factors into account in the overall business performance.

According to Kaplan and Norton (1992), the extension of management control to non-financial dimensions allows a more balanced and strategic vision of the company. They argue that human resource management is essential for long-term value creation and the establishment of a strong organizational culture. In addition, Simons (1995) highlights the importance of taking into account employee behaviors and motivations in management control to promote innovation and responsiveness to market changes. At the same time, authors such as Flamholtz (1985) and Otley



(1999) developed the concept of "social management control", which emphasizes the integration of social and human aspects in control systems. Flamholtz introduces the idea that control systems must go beyond simple financial measures to include indicators of employee satisfaction, skills development and workplace well-being. Otley, for its part, proposes a broader management control framework, integrating the expectations and contributions of the different actors of the company, including the employees.

This transformation of management control is also supported by empirical research. For example, a study by Chenhall and Langfield-Smith (2003) shows that companies that adopt an integrated management approach, combining both financial and non-financial objectives, tend to perform better. In addition, work by Bourguignon (2005) demonstrates that the implementation of social management control systems can lead to better team cohesion and improved job satisfaction, which results in a reduction in turnover and increased productivity.

Social management control, often defined as the integration of social and human dimensions into traditional management control systems, is of increasing importance in modern businesses. This approach broadens the traditional framework of management control, which focused mainly on financial supervision and cost optimization, to include aspects such as employee satisfaction, skills development, and well-being at work. By integrating these elements, social management control aims to align organizational objectives with the needs and expectations of employees, thereby creating a more engaged and productive corporate culture.

Bouquin, H. (2014) defines social management control as an integration of human dimensions into management control processes, emphasizing the importance of considering human capital as a strategic asset. It broadens the traditional perspective of management control, which focused primarily on financial and operational aspects, to include elements related to human capital. According to Bouquin, social management control is not only a tool for monitoring costs and performance, but also a means of developing and effectively managing human resources. He argues that management control must include indicators and processes specific to human resources, such as training, skills development, employee satisfaction and career management. This integration provides a better understanding of how financial decisions impact employees and vice versa, creating a more holistic view of business management.

## 2.2 Theoretical anchoring of the research

Human capital is considered as a source of added value and a competitive advantage. Bouquin emphasizes the importance of managing and developing this capital to improve the overall performance of the company.

Management accountants must therefore work closely with HR departments to ensure that talent management policies and practices are aligned with the company's strategic objectives. This redefinition of management control involves an evolution in the roles of management controllers, who must now have human resources management skills and be able to contribute to the company's HR strategy. They become strategic partners, helping to align financial objectives with needs and aspirations of employees.

Giraud, L. (2017) discusses the company whose management control can contribute to the social performance of the company, in particular by improving the well-being of employees and optimizing talent management. It explores how management control can positively influence the social performance of the company. It highlights the idea that effective human resource



management, supported by appropriate management control practices, can improve employee well-being and optimize talent management.

Giraud discusses the importance of including well-being indicators in management control systems. These indicators may include measures of job satisfaction, work-life balance, and working conditions. By monitoring and acting on these indicators, companies can create a more positive work environment, which can reduce turnover and increase productivity.

Management control can help identify training and development needs, ensuring employees have the skills needed to meet the company's future challenges.

Giraud highlights the use of HR dashboards which integrate data on individual and collective performance, allowing proactive talent management. By aligning human resources management practices with financial objectives, social management control contributes to the overall performance of the company. Giraud points out that companies that invest in the well-being and development of their employees often see an improvement of their financial results.

Social performance, measured through well-being and talent development indicators, thus becomes a lever for economic performance.

In summary, Bouquin and Giraud provide complementary perspectives on the expanded role of management control in human resources management. Bouquin insists on the need to integrate human dimensions into management control processes, recognizing human capital as a strategic asset. Giraud, for his part, shows how management control can improve the social performance of the company, in particular by promoting employee well-being and optimizing talent management. Together, these approaches underline the importance of modern and holistic management control, capable of responding to the contemporary challenges of companies in terms of human resources management. In what follows, we propose a literature review that explores this transformation, highlighting the concept of social management control. This review will analyze how current theories and practices have evolved to integrate social and human dimensions into control systems and discuss the implications for managers and organizations in an ever-changing economic environment.

For current social management control practices for strategic HR planning, the theoretical anchor could include several theories and concepts. The most important are:

- **Strategic Human Resources Theory (SHRM):** This theory explores how human resource management practices can be aligned with the strategic objectives of the organization to improve overall performance. It examines the impact of HR on organizational strategy and the importance of integrating information systems and analytical skills.
- **The contingency theory:** This theory suggests that the effectiveness of management practices depends on various contextual factors, such as the size of the organization, the external environment, and organizational culture. It can help to understand how social management control practices should be adapted based on these factors for effective strategic planning.
- **The organizational change theory:** This theory focuses on the processes and dynamics of change within organizations. It is essential for examining challenges related to resistance to change, particularly when integrating new information systems and analytical practices into HR management.
- **Knowledge management theory:** This theory explores how organizations create, share and use knowledge to achieve their strategic objectives. It may be particularly relevant for examining the impact of analytical skills and information systems on HR management.



---

### 2.3 Literature review

The historical evolution of social management control has been marked by key contributions from various authors who have expanded and enriched the traditional management control framework. Two of these authors, Kaplan and Norton (1992), as well as Michel (2019), played a significant role in this transformation.

Kaplan and Norton (1992) introduce the concept of Balanced Scorecard, a revolutionary tool that provides a framework integrating financial and non-financial perspectives. Their approach highlights four main perspectives: financial, customer, internal processes, and learning and growth. It is in this latter perspective that the growing importance of human resources (HR) and social management control is clearly manifested. They argue that to achieve sustainable financial performance, companies must invest in developing their employees' skills, satisfaction and engagement. By integrating HR-related metrics into the Balanced Scorecard, Kaplan and Norton have enabled companies to monitor not only their financial results, but also critical elements like continuing education, employee satisfaction and organizational culture. This marked an important turning point in the recognition of the importance of human resources as a key factor for long-term success, thus highlighting the emergence and consolidation of social management control.

Michel (2019) offers a more recent and detailed perspective on the evolution of management control and its progressive integration of HR aspects. It traces the history of management control from its beginnings centered on accounting and finance, to its transformation into a more holistic tool which takes into account human and social dimensions. According to Michel, this evolution has been driven by several factors, including growing recognition of the importance of human capital in organizational performance, changes in work environments, and increased employee expectations regarding their well-being and development. professional. Michel highlights that contemporary companies, faced with increased competition and constantly changing market environments, can no longer afford to ignore HR aspects in their control systems Management.

It also explains how the tools and Management control techniques have evolved to include social and human indicators, such as employee satisfaction rates, turnover indices, workplace well-being scores, and skills development measures. By integrating these dimensions, companies can not only improve their overall performance, but also create a healthier and more efficient work environment motivating.

The historical evolution of control of social management, as described by Kaplan and Norton (1992) and Michel (2019), illustrates a fundamental transformation in the way companies perceive and manage their human resources. While Kaplan and Norton laid the theoretical and practical foundations for this transformation with their Balanced Scorecard, Michel provided a detailed analysis of the continuing evolution and practical implications of integrating HR aspects into management control. Together, their work highlights the critical importance of a balanced and integrated approach to management control, which fully recognizes the value of human resources in creating sustainable value for businesses.

The integration of human resources (HR) management aspects into the roles and responsibilities of management controllers has become a necessity in modern companies. This development reflects a growing awareness of the importance of human resources as a key factor in success and sustainable performance.

Collaboration between management accountants and HR departments is essential to maximize the effectiveness of both functions and align organizational goals with employee needs. Flamholtz (1985) and Simons (1995) have made significant contributions to the understanding of this dynamic.



Flamholtz, EG (1985) emphasized the importance of the relationship between management control and human resources management, highlighting the need for cross-functional collaboration. According to him, the success of a company depends not only on its financial performance, but also on the way it manages and develops its human resources. Flamholtz suggests that management accountants work closely with HR departments to develop measurement and control systems that incorporate employee-related performance indicators, such as satisfaction, engagement and skills development. He insists on the fact that this collaboration makes it possible to better align HR strategies with the financial and operational objectives of the company. For example, by integrating HR indicators into management dashboards, management accountants can help identify areas where training and development investments are needed to achieve performance goals. This cross-functional approach promotes a more holistic and balanced view of organizational performance.

Simons, R. (1995) in his work on management control tools, discusses the application of these tools to human resources management. It emphasizes that management control systems must include specific mechanisms for measuring and managing employee performance. Simons offers several tools that can be used in this context, such as management by objectives systems, HR dashboards, and performance evaluations.

Simo's approaches highlights the importance of integrating management controllers into the human resources management process. For example, management accountants can work with HR departments to develop clear, measurable performance objectives for employees, aligned with the company's strategic objectives. They can also help design reward and recognition systems that encourage behaviors aligned with organizational goals.

Simons also emphasizes the importance of feedback and continuous learning. By using monitoring tools such as regular performance reviews and employee satisfaction surveys, management accountants and HR departments can identify areas requiring improvement and put action plans in place to address them. This approach promotes a culture of continuous improvement and strategic alignment between objectives financial and HR.

The works of Flamholtz (1985) and Simons (1995) show that collaboration between management controllers and HR departments is crucial for effective and integrated human resources management. Flamholtz highlights the importance of cross-functional collaboration to align HR strategies with financial goals, while Simons focuses on management control tools applied to HR. Together, their contributions highlight that management accountants play a key role in human resource management, helping to develop measurement and control systems that promote overall business performance.

### **Alignment of Financial and HR Objectives**

Aligning financial goals and human resources (HR) goals is crucial to ensuring consistency and effectiveness of business strategies. This alignment requires close collaboration between management controllers and HR departments. The contributions of Becker, Huselid, and Ulrich (2001) as well as Bourguignon (2010) offer perspectives and methods to achieve this objective.

Becker, BE, Huselid, MA, & Ulrich, D. (2001) propose specific methods for aligning HR strategies with the company's financial objectives, highlighting the key role of social management controllers. They argue that long-term value creation depends largely on the ability of companies to integrate human resources into their overall strategic planning.

According to them, one of the main methods to achieve this alignment is the use of performance measurement systems that include financial and HR indicators. They recommend the



implementation of Balanced Scorecards that make it possible to monitor and evaluate employee performance based on financial objectives. For example, indicators such as return on training investment, talent retention rate, and employee productivity can be integrated into performance measurement systems performance.

Furthermore, Becker and his colleagues emphasize the importance of analyzing the costs and benefits of HR initiatives. They suggest that social management auditors systematically evaluate the financial impact of HR programs, such as training and development initiatives, wellness programs, and retention strategies. This assessment ensures that investments in HR actually contribute to the company's financial objectives.

Bourguignon (2010) highlights the new challenges facing management controllers, particularly in terms of integrating HR objectives. She emphasizes that management accountants must now have a thorough understanding of HR dynamics and talent management tools to be effective in their role. He suggests that management accountants take a more strategic approach by working closely with HR departments to define and monitor HR objectives that support the company's financial goals. For example, it suggests that skills development and employee satisfaction goals should be directly linked to expected financial outcomes, such as improving productivity, reducing costs linked to turnover, and increased profitability.

Another important aspect created by Bourguignon is the need for management accountants to develop communication and leadership skills to influence strategic decisions. By working alongside HR leaders, management accountants can help align HR initiatives with the company's strategic priorities, ensuring that all stakeholders understand and support these initiatives.

The contributions of Becker, Huselid, and Ulrich (2001) as well as Bourguignon (2010) offer complementary perspectives on the alignment of financial and HR objectives. Becker and his colleagues emphasize the use of integrated performance measurement systems and cost-benefit analysis of HR initiatives, while Bourguignon emphasizes the strategic and leadership skills of management accountants to navigate the new challenges posed by the integration of HR objectives. Together, they emphasize that to be effective, management accountants must not only master the financial aspects of their role, but also have a thorough understanding of HR dynamics and be able to work closely with HR departments. This helps create synergy between financial and HR objectives, thus contributing to more balanced and sustainable organizational performance.

### **Impact of Social Management Control on Overall Company Performance**

Social management control has a significant impact on the overall performance of the company, integrating both financial and non-financial dimensions. This impact is analyzed through the contributions of Ittner and Larcker (2003) as well as Kaplan and Norton (1996), who highlight the importance of measuring non-financial performance and the use of tools such as the Balanced Scorecard to link performance measures to the overall company strategy.

In their article “Coming up Short on Nonfinancial Performance Measurement,” Ittner and Larcker (2003) discuss the critical importance of measuring nonfinancial performance to improve overall business performance. They argue that traditional financial measures, while important, are not sufficient on their own to provide a complete picture of a company's health and performance. They highlight several non-financial aspects that should be taken into account, including aspects related to human resources (HR) such as employee satisfaction, skills development, and employee engagement. According to them, these non-financial measures are leading indicators of future



---

financial results. For example, satisfied and well-trained employees are more likely to contribute to innovation, operational efficiency and customer satisfaction, which ultimately translates into better performance financial.

They emphasize that to maximize the impact of non-financial measures, it is essential that companies integrate these measures into their management and control systems. This helps ensure that HR initiatives are aligned with the company's strategic objectives and directly contribute to value creation.

Kaplan and Norton (1996), explore how the Balanced Scorecard can be used to link financial and non-financial performance measures, including HR, to the overall strategy of the company.

The Balanced Scorecard is designed to provide a balanced view of organizational performance by integrating four key perspectives: financial, customer, internal processes, and learning and growth. Kaplan and Norton argue that this approach allows companies to track not only their financial results, but also non-financial indicators that are critical to long-term performance.

When it comes to HR, the learning and growth perspective is particularly relevant. It includes measures such as employee satisfaction, skills development, and engagement, which are key determinants of an organization's ability to innovate and adapt to market changes. Kaplan and Norton show that when integrated into the Balanced Scorecard, these HR indicators can be directly linked to the company's strategic objectives, thus making it possible to better align HR initiatives with expected financial results.

They demonstrate that the Balanced Scorecard helps companies translate their vision and strategy into objectives and measures concrete, thus facilitating better execution of the strategy. By integrating HR metrics into this framework, businesses can better understand and manage the connections between employee performance and financial results, driving improved overall performance.

The contributions of Ittner and Larcker (2003) as well as Kaplan and Norton (1996) illustrate the crucial importance of measuring and managing non-financial performance, including HR aspects, to improve overall business performance. Ittner and Larcker highlight the role of non-financial measures as leading indicators of future financial results, emphasizing the importance of their integration into management and control systems. Kaplan and Norton, on the other hand, show how the Balanced Scorecard can link these non-financial measures to the company's strategic objectives, thereby facilitating effective strategy alignment and execution.

The case studies presented by Barney (1991) and Ulrich (1997) demonstrate the significant impact of effective human resource (HR) management and social management control on business performance and competitive advantage. These real-world examples illustrate how integrating HR into overall management strategies can lead to sustainable results and a position strengthened in the market.

Jay Barney (1991), explores how internal resources of the company, including human resources, can be sources of sustainable competitive advantage. It highlights several case studies where strategic human resources management has played a crucial role in creating value and maintaining competitiveness.

### **Case Study 1: Southwest Airlines**

Southwest Airlines is often cited as an example of effective human resource management contributing to sustainable competitive advantage. Barney points out that Southwest has managed to differentiate itself from its competitors not only through its operational strategies and lower costs,



---

but also through its strong corporate culture and commitment to its employees. Southwest's HR practices, such as rigorous hiring for cultural fit, investment in continuing education, and a collaborative work environment, have led to high employee engagement and satisfaction. This approach has allowed Southwest to maintain superior performance and exceptional customer loyalty.

### **Case Study 2: Toyota**

Toyota is another emblematic example where human resource management has been a key success factor. Barney describes how Toyota's production system, based on lean manufacturing and kaizen (continuous improvement), relies heavily on employee commitment and skills. Toyota has invested heavily in skills development and continuous improvement culture, enabling employees to actively contribute to innovation and efficiency processes. This approach has allowed Toyota to maintain a high level of quality and productivity, thus consolidating its position as leader in the automotive industry.

Dave Ulrich (1997) offers a vision of the HR function as a key strategic partner in business management. It presents several concrete examples of how HR can play a central role in achieving strategic objectives through social management control.

### **Case Study 3: IBM**

IBM is another example where HR played a crucial strategic role. Ulrich explains how IBM reinvented its HR function to support its transformation from hardware manufacturer to technology services and solutions provider. IBM implemented performance management systems and skills development programs aligned with its new business strategy. By focusing on employee engagement, diversity and inclusion, and digital skills development, IBM has been able to strengthen its culture of innovation and collaboration, contributing to a sustainable performance.

The case studies presented by Barney (1991) and Ulrich (1997) illustrate how effective human resource management, integrated into overall business strategies, can lead to sustainable competitive advantage. Whether through the development of a strong corporate culture, investment in training and skills development, or alignment of HR objectives with strategic objectives, these examples show that social management control plays a crucial role in long-term value creation. By learning from these practical cases, businesses can better understand the importance of treating HR as strategic partners and not simply an administrative function, thereby contributing to improved and sustained overall performance.

Rapidly changing technologies and digitalization present both challenges and opportunities for social management control. Among the challenges are:

- **Confidentiality and Data Security:** Managing sensitive employee data requires strict privacy and security measures. Companies must ensure that the systems used comply with data protection regulations and that information is protected against cyber threats.
- **Cultural change:** Adopting new technologies often requires a change in organizational culture. Employees and managers must be trained and supported to adopt these new technologies and integrate these tools into their daily practices.



- 
- **Resistance to Change:** Implementing new technologies may encounter resistance from employees, who may be reluctant to change their usual ways of working. Effective change management is essential to overcoming these obstacles.

As for opportunities, we consider in particular:

- **Increased efficiency:** Automation and digitalization of HR processes can significantly increase operational efficiency, allowing HR departments to focus on strategic initiatives.
- **Informed Decision Making:** Real-time access to data and the use of predictive analytics enable more informed and strategic decisions, leading to better talent management and improved overall performance.
- **Innovation and Competitiveness:** By adopting advanced technologies, companies can foster a culture of innovation, improve their market competitiveness, and attract top talent.

The work of Davenport (1993) and Boudreau and Ramstad (2005) offers perspectives on the impact of these technological developments on human resources (HR) management and the role of social management controllers. They highlight the profound impact of information technologies and digitalization on social management control. These technologies offer significant opportunities to improve efficiency, decision-making, and talent management, while posing challenges in terms of security, cultural change, and change management. By addressing these challenges and taking advantage of the opportunities, businesses can transform their human resource management to meet the demands of the modern world, while strengthening their competitive advantage and overall performance.

### 3. EMPIRICAL RESEARCH FRAMEWORK

#### 3.1 Methodology deployed

To study the role of social management control in the development of human resources (HR) strategies in Quebec companies, a rigorous and well-structured methodological approach has been defined.

#### Main Research Objectives

- Identify and understand the role of social management control in the development of HR strategies.
- Analyze how social management control influences strategic decisions regarding talent management, skills development and employee retention.
- Explore the challenges and opportunities related to the integration of social management control into the HR strategies of Quebec companies.

#### Research Field

The sample for this research includes Quebec companies of different sizes (small, medium and large companies) and from various sectors of activity (manufacturing, services, technology, etc.). A



---

sample of approximately 10 companies was targeted to ensure adequate representation and diversity of perspectives:

- Small businesses: 3
- Medium companies: 4
- Large companies: 3
- Sectors of activity: Manufacturing (3), Services (4), Technology (3)

We justify the representativeness of this sample by:

**Diversity of companies by size:** The selected sample includes companies of different sizes (small, medium, large). This diversity allows us to capture variations in the implementation of social management control based on the available resources and organizational structures. For example, large companies have more sophisticated management systems compared to small companies, while SMEs are more flexible in adopting new practices.

**Diversity of sectors:** The inclusion of companies from various sectors (manufacturing, services, technology) allows us to examine how sector-specific dynamics influence the role of social management control. Each sector faces different challenges, particularly in talent management and skill development. This sectoral diversification enhances the ability to generalize the research findings to a broader range of Quebec companies.

**Number of companies:** In our case, the sample of 10 companies is considered adequate as the primary objective is to explore a complex phenomenon in depth, rather than to produce statistical generalizations. This smaller sample size allowed us to focus our efforts on a thorough analysis of practices, perceptions, and processes. As a result, the selected companies represent typical and illustrative cases. Each company is considered an "exemplary case" for its sector, offering detailed insights into the practices being studied.

### Research methodology

To collect information, we used a qualitative method based on semi-structured interviews. An interview guide was developed to collect data on the role of social management control in the development of HR strategies. The interview guide includes sections on:

- Company demographics (size, industry, etc.)
- The structure and functions of social management control within the enterprise
- Current practices in developing HR strategies
- The influence of social management control on strategic HR decisions
- Challenges encountered in integrating social management control into HR strategies

### Data analysis

To analyze the qualitative interview responses, the data collected was analyzed using NVIVO software, using a Thematic Content Analysis (ACT). This method involves identifying, analyzing and reporting patterns or themes present in the data. Steps include:



- Getting to know the data
- Generating initial codes
- Searching for themes
- Review of themes
- The definition and naming of themes
- Production of the final report

Interviews were transcribed and analyzed using thematic analysis to identify recurring themes and discrepancies. The qualitative results collected provided a deeper understanding of the trends identified.

## Results and Implications

This methodological approach provides a complete understanding of the role of social management control in the development of HR strategies in Quebec companies. The results of this research will provide valuable insights for practitioners and researchers, as well as practical recommendations for improving the integration of social management control into human resource management practices.

## Detailed Interview Information

The semi-structured interviews were conducted with HR managers and management controllers from the participating companies. These interviews helped gather more detailed and nuanced information on:

- Perceptions and attitudes towards social management control;
- Specific experiences of collaboration between HR departments and social management control;
- Concrete cases where social management control has influenced HR strategies;
- Challenges and best practices for integrating social management control into HR strategies.

**Table: Presentation of interviews**

<i>Code interviewed</i>	<i>Quality</i>	<i>Duration</i>
<i>INT01</i>	HR Generalist	40 mins
<i>INT02</i>	Management Controller	30 mins
<i>INT03</i>	HR Manager	30 mins
<i>INT04</i>	General Manager	45 mins
<i>INT05</i>	HR Business Partner	30 mins
<i>INT06</i>	Financial Controller	30 mins
<i>INT07</i>	HR Manager	40 mins
<i>INT08</i>	Management Controller	40 mins
<i>INT09</i>	General Manager	1h
<i>INT09</i>	HR Coordinator	45 min

---

*Source: Author*

This rigorous methodology ensures an in-depth and coherent analysis of the role of social management control in the development of HR strategies.

### **3.2 Presentation and discussion of results**

In the following, we display the results of our research. These results are the result of semi-structured qualitative interviews that took place with various stakeholders who are generally HR managers and management controllers in various companies in Quebec.

#### **Structure and Functions of Social Management Control**

- Formal structure: 70% of companies have a structured social management control department.
- Main functions: Cost supervision (100%), HR performance analysis (80%), talent management (60%).

The interviews reveal that social management control plays a central role in coordination between HR and finance departments. Smaller companies tend to have a more flexible structure, where social management controllers have versatile roles.

#### **Current Practices in HR Strategy Development**

- Strategic HR planning: 60% of Quebec companies use social management control to develop HR strategies.
- Use of analytical tools: 70% of companies use performance management tools to monitor HR indicators.

HR managers emphasize that social management control helps align HR objectives with the overall objectives of the company. Analytical tools are considered essential for making informed decisions.

#### **Influence of Social Management Control on Strategic HR Decisions**

- Perceived impact: 80% of Quebec companies believe that social management control has a significant impact on HR decisions.
- Strategies influenced: Talent management (70%), training and development (60%), employee retention (50%).

The interviews reveal concrete cases where social management control influenced recruitment and skills development decisions. For example, a technology company used social management data to improve its training program, resulting in increased productivity.

#### **Challenges and Opportunities**

- Main challenges: Integration of IT systems (60%), lack of analytical skills (50%), resistance to change (40%).



- 
- Perceived opportunities: Improved decision-making (70%), optimization of HR costs (60%).

Challenges include difficulties with technology integration and the need to train employees in new analytical skills. However, businesses also see opportunities to improve operational efficiency and strategic responsiveness.

The results show that social management control plays a crucial role in the development of HR strategies in Quebec companies. Companies recognize the importance of this function in aligning HR objectives with overall company goals. However, they must overcome technological and skills challenges to maximize the benefits of social management control.

Thus, companies should invest in training social management controllers to improve their analytical skills, adopt integrated HR management systems to facilitate data collection and analysis, and manage resistance to change by clearly communicating the benefits of social management control.

This research provides a solid basis for understanding how social management control can be optimized to support the development of HR strategies, thus contributing to the overall performance of Quebec companies. Here are some recommendations:

- **Strengthen Cross-functional Collaboration:** Encourage close collaboration between HR and management departments social management control.
- **Developing Indicatorse HR Performance:** Use key performance indicators to evaluate the effectiveness of HR strategies.
- **Adopt a Proactive Approach:** Anticipate future needs in terms of skills and talents using predictive analytics.

#### 4. Conclusion

During this article, we presented a literature review which highlighted the multiple facets of the evolution of the role of management controllers in human resources strategy. Social management control has become a crucial dimension for aligning financial objectives with those of talent management, thus optimizing the overall performance of the company in a constantly changing economic context. Future challenges include technological adaptability and continuous innovation to meet the dynamics of labor market.

The results of this research highlight the crucial importance of social management control in the development of HR strategies of Quebec companies. Indeed, the majority of companies have a department structured for this function, with key responsibilities including cost supervision, HR performance analysis and talent management. Social management control plays a central role in coordination between HR and finance departments, particularly in large companies, while smaller companies prefer a more flexible and flexible structure versatile.

##### 4.1 Summary:

Current practices show that social management control is widely used for strategic HR planning, and analytical tools are considered essential for making informed decisions. The majority of companies recognize that social management control has a significant impact on HR decisions, notably influencing talent management, training and development, as well as employee retention.



However, businesses face several challenges, including IT systems integration, lack of analytical skills and resistance to change. Despite these obstacles, there are many opportunities to improve decision-making and optimize HR costs.

The following practical implications and recommendations are crucial to maximizing the benefits of social management control:

- **Training and Development:** Invest in the training of social management controllers to strengthen their analytical skills.
- **Technological Integration:** Adopt integrated HR management systems to facilitate data collection and analysis.
- **Change management:** Manage resistance to change by clearly communicating the benefits of social management control.
- **Cross-functional Collaboration:** Encourage close collaboration between HR and social management control departments.
- **HR Performance Indicators:** Develop key performance indicators to evaluate the effectiveness of HR strategies.
- **Proactive Approach:** Anticipate future skills and talent needs using predictive analytics.

In conclusion, this research offers a solid basis for understanding how social management control can be optimized in order to support the development of HR strategies and thus contribute to the overall performance of Quebec companies.

#### 4.2 Opening:

As social management control becomes a central pillar of strategic human resource planning, an often overlooked but crucial aspect is its impact on corporate culture. By integrating analytical tools and talent management strategies, companies not only maximize operational efficiency; they also shape their work environment and influence organizational culture in profound ways.

Social management control allows for increased transparency in decision-making, which can increase employee confidence in management processes. When HR decisions are based on hard data and predictive analytics, employees may perceive those decisions to be more fair and well-informed, which contributes to a sense of organizational justice.

Additionally, by anticipating future skills and talent needs, companies can create professional development programs more aligned with their employees' aspirations, fostering an environment of continued growth and development. This proactive approach can also reduce turnover rates, showing employees that the organization is investing in their future and values their long-term contribution.

However, to maximize these benefits, it is essential to carefully manage communication around social management control initiatives. Employees need to understand not only the operational benefits of these practices, but also how they can enrich their work experience and support their personal goals.

Ultimately, effective integration of social management control not only transforms HR processes; it can also play a key role in creating a positive, inclusive and development-oriented company culture. This cultural dimension is a determining factor in attracting and retaining talent in an increasingly



competitive labor market, and therefore deserves particular attention in any discussion on the optimization of HR practices.

## REFERENCES:

- Abernethy, M. A., & Brownell, P. (1999). The role of budgets in organizations facing strategic change: An exploratory study. *Accounting, Organizations and Society*, 24(3), 189-204. [https://doi.org/10.1016/S0361-3682\(98\)00059-2](https://doi.org/10.1016/S0361-3682(98)00059-2)
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120. <https://doi.org/10.1177/014920639101700108>
- Becker, B. E., Huselid, M. A., & Ulrich, D. (2001). *The HR scorecard: Linking people, strategy, and performance*. Harvard Business School Press.
- Boudreau, J. W., & Ramstad, P. M. (2005). *Beyond HR: The new science of human capital*. Harvard Business School Press.
- Bourguignon, A. (2010). Le contrôle de gestion entre coercition et autonomie : Quel rôle pour les outils de gestion ? *Comptabilité-Contrôle-Audit*, 16(3), 139-160. <https://doi.org/10.3917/cca.163.0139>
- Bouquin, H. (2014). *Le contrôle de gestion* (12e éd.). Presses Universitaires de France.
- Bourguignon, A. (2005). Peut-on définir la performance ? *Revue Française de Comptabilité*, 378, 60-63.
- Bromwich, M., & Bhimani, A. (1989). *Management accounting: Evolution not revolution*. Chartered Institute of Management Accountants.
- Burns, J., & Scapens, R. W. (2000). Conceptualizing management accounting change: An institutional framework. *Management Accounting Research*, 11(1), 3-25. <https://doi.org/10.1006/mare.1999.0119>
- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: Translating strategy into action*. Harvard Business Review Press.
- Chenhall, R. H., & Langfield-Smith, K. (2003). Performance measurement and reward systems, trust, and strategic change. *Journal of Management Accounting Research*, 15(1), 117-143. <https://doi.org/10.2308/jmar.2003.15.1.117>
- Davenport, T. H. (1993). *Process innovation: Reengineering work through information technology*. Harvard Business School Press.
- Dupuy, Y., & Martory, B. (1989). *Le contrôle de gestion sociale*. Economica.
- Flamholtz, E. G. (1985). *Human resource accounting: Advances in concepts, methods and applications*. Jossey-Bass.
- Giraud, L. (2017). *La performance sociale des entreprises : Enjeux et perspectives*. L'Harmattan.
- Ittner, C. D., & Larcker, D. F. (2003). Coming up short on nonfinancial performance measurement. *Harvard Business Review*, 81(11), 88-95.
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard: Measures that drive performance. *Harvard Business Review*, 70(1), 71-79.
- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: Translating strategy into action*. Harvard Business School Press.
- Martory, B. (2018). *Contrôle de gestion sociale* (9e éd.). Vuibert.
- Martory, B. (2018). *Contrôle de gestion sociale et pilotage social*. Dunod.
- Michel, R. (2019). *Le contrôle de gestion dans les organisations complexes*. Presses Universitaires de France.
- Otley, D. (1999). Performance management: A framework for management control systems research. *Management Accounting Research*, 10(4), 363-382. <https://doi.org/10.1006/mare.1999.0115>
- Simons, R. (1995). *Levers of control: How managers use innovative control systems to drive strategic renewal*. Harvard Business Review Press.
- Ulrich, D. (1997). *Human resource champions: The next agenda for adding value and delivering results*. Harvard Business School Press.