Informal Control Systems in Smes: An Empirical Overview of Social Controls and Self-Monitoring Systems

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Abstract: In an era of dynamic environmental pressures challenging traditional norms, informal control systems are gaining importance alongside formal ones to achieve corporate goals. This study on SMEs had two objectives: assess the use of informal controls, and compare social controls vs. self-monitoring systems to identify which better suits SMEs. The research methodology consists of a sound literature review (drawing on Chiapello, Ouchi, Merchant, Mintzberg, etc.) and four theories (governance, conventions, Theory Z, economics of trust). A quantitative survey of 91 SMEs via questionnaire was conducted. The data collected were analyzed with SPSS and SmartPLS through Excel, and the data analysis techniques were descriptive stats, and multidimensional analysis. The key findings make it clear that both social controls and self-monitoring are used in SMEs. More so, self-monitoring systems are more prevalent and better suited than social controls. At last, effectiveness of self-monitoring in SMEs driven by four factors: organizational, human, technical, and contextual. Therefore, SMEs favor self-monitoring as the core of informal control due to its alignment with autonomy and flexibility.

Keywords: *Informal control systems, self-monitoring, social controls, formal control, SMEs.*

Cite this Article

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Introduction

The complex environment in which all companies evolve, coupled with the resulting dramatic increase in uncertainty, has favored the emergence of a management control function within companies in recent years (Antony, 1988). As part of the formal control system, management control provides accurate and useful information for decision-making and enables effective management of the organization (Zawadzki, 2009). However, the development of the management control function has mainly been studied in large companies. It is increasingly important to examine the current situation of management control in small and medium-sized enterprises (SMEs).

In 1995, the SME Economics and Management Research Group (GREPME) highlighted the need to develop research into management control in the context of SMEs. They believed that the scale and specific nature of the risks faced by SMEs on a daily basis justified the formalization of the control system. In the absence of formal control tools, these companies operated using informal control mechanisms such as trust, corporate culture, and ethnicity.

Therefore, the formalization of the control system within an SME depends on its growth. According to Zawadzki (2009), studies on SMEs seem to show that, according to growth threshold theory, companies reach a threshold of around 50 employees at which

point they formalize their internal management and the manager delegates the management of the company. It is at this threshold that management control is introduced, since delegation requires the implementation of formal mechanisms to ensure that behavior is moving in the expected direction. Following various research studies on management control, two points of view have emerged with often contradictory assumptions about the combined effects of informal and formal control systems. The traditional view of control assumes a substitution logic, implying that the marginal benefits of one type of control decrease as the levels of the other increase (Ouchî and Maguire, 1975). On the other hand, the more recent complementary view emphasizes the advantages of using formal and informal control systems together (Cardinal et al., 2004). This view asserts that the marginal benefits of one type of control increase as the levels of the other increase.

The studies by Markus & al. (2016) resolved the conflict of hypotheses regarding how different control systems interact in their influence on performance. The results of their analysis support the complementary view that the combined use of formal and informal control has a positive impact on the overall performance of companies and, consequently, on their organizational performance. Therefore, all companies that have reached these thresholds should commit to them. During our time as trainee external auditors at a few small companies in the city of Douala in Cameroon, we made several observations that raised questions. In fact, most of these

companies do not have a budgetary system that allows them to establish budgets and analyze their use, and the results of the last few financial years are mostly negative. We also found very low gross operating surpluses when compared to turnover.

Given the numerous anomalies observed here and there, and considering the inability of these companies to regularly call on the services of consulting firms, this research aims to find out if informal control systems are well utilized by SMEs and how these companies appreciate them.

Studies on management control in formal businesses have gradually increased in number since the early 2000s, and a review of all this work makes it clear that the degree of implementation (adoption of management control tools) and heterogeneous practices (use of management control systems) are largely explained by the size of the company (small/medium/large) and capital ownership (public and semi-public companies, subsidiaries of foreign groups, and local private companies).

Baidari (2005) found in Senegal that foreign subsidiaries have more formalized and developed accounting tools than Senegalese companies, because the control exercised by Western parent companies influences the adoption and use of accounting information. Boniface and Meyssonnier (2012) confirmed Baidari's (2005) findings, stating that subsidiaries of multinational firms are entities with more developed management control (availability of management control software, faster dissemination of tools, interactive control systems) compared to public and local private companies. Wade, M. E. B. and Dieng, O. T. (2019) showed in Senegal that the low use of tools is not specific to small SMEs but also to larger SMEs.

Daanoune and Maimouni (2018) noted in Morocco that there is no formal management control function in most SMEs due to the high degree of centralization of power by the owner-manager. However, they do carry out management control without realizing it through the use of management control tools and methods. Gandaho (2007) showed in Côte d'Ivoire that companies have a major weakness in the development of their strategic planning process due to the uncertainty of the environment. Small businesses prefer to use income statements, interim management balances, or surplus accounts and adapted financing tables for management purposes. Medium-sized and large companies prefer to use budgets frequently, along with cost accounting.

Other studies (Wade 2003, Baidari 2005, Bampoky and Meyssonnier 2012, Bigou-Laré and Kounetsron 2017, Wade and Dieng, 2019a) have even found that budgeting is the most widely used management tool in companies. Errabih and Marghich (2014) point out that costs are calculated in Moroccan SMEs for occasions such as the launch of a new product, the preparation of a quote, changes to the components of the old cost structure, etc., and not on a regular basis. Luther and Longden (2001) showed in South Africa that the contribution of management control techniques is significant depending on company size. Guimezap Jiofack et al. (2018) confirmed through a large-scale study conducted in Cameroon that the implementation of management control tools is influenced by sociocultural factors.

The originality of this article lies in the fact that it studies and analyzes the magnitude to which social controls and self-monitoring systems are utilized by firms as informal control systems. It pushes forward to compare the weight of each of these informal control systems within the targeted companies. For this to be possible, this article first lays a theoretical literature on informal control systems, with an emphasis on social controls and self-control systems (I). We then proceed to present the methodological approach as well as the data analysis tools and techniques (II). The results are then presented (III) and discussed (IV).

Literature review

Informal control systems: definition and categorical clarification

Described as an informal social control system by Ouchi (1980) through clan control, an invisible control system by Chatelain-Ponroy (2010) and Bouquin (2005). Described as 'complex and implicit networks of relationships' by Guibert and Dupuy (1997), or cultural coordination (Durkeim, cited by Alphonse et al, 1998), the informal control system is inherently difficult to grasp. It encompasses both objects (values and representations) and processes (patterns of interaction and relational links).

It refers to mechanisms or objects of socialization such as values, representations and norms which, if shared by a group, will guide the actions and decisions of the members of that group in the same direction and according to the same logic. Control can therefore be exercised by bringing out and disseminating the desired values and representations and ensuring that visions converge (Van Wart, cited by Alphonse et al, 2013). The informal control system also refers to the processes of exchange, interactions and relational links that are established in the resolution of organizational problems and that enable the maintenance of cohesion and consistency in organizational behavior.

Drawing inspiration from Chiapello's analysis (1996), which lists existing types of control, Zawadzki (2009) identifies and presents the various levers of the informal control system. For the first aspect of control: who (or what) exercises control, Zawadzki (2009) identifies the following sources of control as being linked to informal organizational control levers:

- A person's personal power: charisma;

- Group pressure: culture, behavioral norms;

- Oneself: motivation, self-restraint.

These three sources of control summarize the work of Dalton (1971) on organizational controls, social controls and self-control; Hopwood (1974) on administrative controls, social controls and self-control; Scott (1992) on interpersonal and impersonal control and culture; and Reeves and Woodward (1970) on mechanical impersonal control, administrative impersonal control and personal control.

After summarizing what exercises control, Chiapello (1996) turns his attention to the element being controlled, highlighting the elements over which control can be exercised. As informal mechanisms, Zawadzki (2009) draws on the work of Ouchi (1977), Merchant (1982 and 1985), Fio1 (1991), Anthony (1965 and 1993) and Mintzberg (1982 and 1990) to summarize them as follows:

- Staff characteristics and qualifications;

- The emotional context of work;

- Identity, culture and norms.

Zawadzki (2009) also looks at the means of control that Chiapello (1996) links to informal levers of organizational control, which are:

- Culture: the clan, the company:

- Individual interactions: the working atmosphere, leaders.

These means of control, taken from Chiappelo's typology (1996), summarize the work of Fio1 (1991), Ouchi (1979 and 1980), Wilkins and Ouchi (1983), Bouquin (1991) and Flamholtz, Das and Tsui (1985).

Presented in this way, informal levers are based on aspects related to the actors that make up the organization through the establishment of a particular culture, as is the case with Ouchi's clan culture, where a family spirit is spread by the leader, or through particular relationships between employees.

Zawadzki (2009) also identifies the levers of the informal system among Simons' (1995) control levers, which are belief systems, barrier systems, diagnostic control systems and interactive control systems. These are the belief system and the barrier system.

Belief systems and barrier systems are similar to a control system based on organizational culture. The belief-based control system is based on the definition of the company's core values, its raison d'être and its orientations. The barrier control system is based on the definition of actions that are not tolerated in the pursuit of the organization's mission. They are therefore linked to informal control systems. Consequently, attention is focused on two informal coordination methods, namely trust and, at a more cognitive level, conventions, in order to better understand their roles as informal levers of organizational control. Such considerations make it necessary to understand why it is important to group informal control systems into two categories: namely social control systems and self-monitoringsystems.

Theoretical overview of social controls and self-monitoring systems

To understand the challenges of informal control systems, it is important to highlight the various theories that underpin such control systems. Several theories explore control in organizations. However, in the context of this research, we are interested in corporate governance theory and convention theory on the one hand, and the Z theory and trust economy theory on the other. The choice of these different theories is justified by the use of belief systems and self-monitoring within organizations for the monitoring and organizational alignment of employees.

- **Theories of governance and conventions as justification for informal control systems within organizations**

Governance theory deals with changes in corporate governance, focusing on the distribution of power between managers, shareholders and other stakeholders, in relation to corporate social responsibility (CSR). Financial scandals, particularly those following 1929 and recent crises, have reignited the debate on the agency relationship (shareholders-managers) initiated by Berle and Means (1932). This relationship raises issues of information asymmetry and conflicts of interest, requiring control mechanisms: internal (boards of directors), incentive-based (stock options) and external (financial markets). Governance, as defined by Charreaux (1997), aims to provide a framework for managers' decisions and to integrate stakeholders' expectations in a pluralistic approach. The OECD guidelines emphasize the protection of shareholder rights, transparency and the role of the board of directors, while recognizing that there is no single model. The debate on the composition of the board (internal vs. external directors) remains lively, with a mixed approach being proposed as a compromise. Finally, governance now incorporates social and environmental dimensions, broadening the concept of performance.

According to several researchers, convention theory is an effective conceptual framework for analyzing how organizations function and diagnosing their problems. It explains lasting interactions between actors, individual behaviors, and various aspects such as the market, entrepreneurship, corporate governance, and even the political and societal dimensions of organizations (Husse, 2009; Gomez, 1997). It emphasizes the 'effort convention' (Gomez, 1997) and the role of habits in work teams (Romelaer, 1999). Conventions mutually influence individual behaviors and facilitate the management of change by middle managers, particularly in quality management, which is seen as a contextual construct (Gomez, 1994). Applied in various fields such as control, accounting, marketing, entrepreneurship and hospital management, it focuses on coordination in productive organizations (De Montmorillon, 1999). Despite its richness, its practical application in management sciences remains complex (Husse, 2009).

- **Theory Z and the theory of economics of trust as justifications for informal control systems within organizations**

Theory Z, developed by William Ouchi in 1981, is inspired by the Japanese model that values the collective over the individual in order to meet total quality requirements (quality-cost-time). An extension of McGregor's XY theory, which contrasted technical management (X) for low-skilled workers with a human resources-centered approach (Y) for the middle classes, Theory Z proposes an organization based on communication, decompartmentalization and cross-functionality. Its principles include lifetime employment (limited in Japan), an assessment combining seniority and collective performance, versatile careers, implicit control, collective decisions and team responsibility. According to Gaujard (2004), these humanized conditions improve productivity, profitability and employee self-esteem through a stable social framework. Theory Z links economic performance and social relations, comparing the company to a body where coordination between individuals is essential. Techniques such as a shared corporate philosophy (e.g., Hewlett-Packard), harmonization of subcultures (e.g., Dayton-Hudson), and self-criticism promote this coordination. However, transforming a company into a Z model, including its ecosystem (suppliers, customers, community), requires committed leadership and a gradual process that can take up to a year.

Trust-based economics explores the role of trust in strategic management, highlighting its key role in cooperative practices and business performance. Developed in a context where managers seek to optimize their specific resources and establish partnerships, trust has become a central concept for both researchers and practitioners.

Trust is analyzed from a managerial perspective by several authors. Barney and Hansen (1994) define trust as a mutual belief that neither party will exploit the other's weaknesses, as opposed to opportunism. They identify three levels: low (no vulnerability), medium (protected by governance mechanisms), and high (based on internalized values). To constitute a competitive advantage, trust must be rare and limited to certain relationships. Firms often start with medium trust before evolving towards strong trust.

Hosmer (1995) adopts a normative perspective, linking trust to an implicit moral value that mitigates vulnerability in transactions. He distinguishes four levels: individual (optimistic expectation), interpersonal (dependence and cooperation), transactional (opposition between behavioral trust and economic mistrust, requiring contracts or controls), and social (the law secures trust, which evolves with economic development). Ring (1996) differentiates between fragile (contractual) trust and resilient trust (close to goodwill), emphasizing its dynamic nature and its development in multiple relationships, particularly between strangers.

According to Thuderoz (1999), economics has neglected trust, favoring individual rationality and rationalization processes. The economic individual is supposed to act according to rational choices, making trust secondary to utility or opportunism. However, opportunism becomes central to organizational theories, especially in contexts of cooperation requiring the pooling of resources. New forms of organization (alliances, partnerships) and growing uncertainty make trust indispensable for reducing transaction costs, despite information asymmetry and limited rationality.

Research methodology

Let's recall that this article mainly seeks to identify the dominant proxies of social control systems and self-monitoring mechanisms. And above everything, to identify among these two control systems, the one that dominates within the context of small and medium size enterprises in Cameroon. We therefore had to go through many SMEs to measure these two phenomena.

Sampling technique and sample size

In our research, we are only interested in small and medium-sized enterprises, regardless of whether or not they have an internal control system. Given the difficulty we had in finding them (as there are few of them), we opted for non-probability sampling. In particular, we used purposive sampling, because in order to assess the impact of informal control systems on organizational performance, we needed to 'reach' SMEs with and without control systems.

Thus, during our field visits to SMEs in the city of Douala-Cameroon, we excluded the possibility of including micro-enterprises in our sample, as empirical evidence shows that they have not yet departmentalized their structure. This explains the absence of this category of SMEs in our survey sample. We were able to interview around 60 businesses and obtain 91 completed questionnaires. The table below shows the size of our sample by type of business.

Table 1: Sample size and characteristics

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Between 6 & 20 employees	31	34,1	34,1	34,1
	Between 21 & 100 employees	60	65,9	65,9	100,0
	Total	91	100,0	100,0	

Source: Statistical analyses

We have compiled a definitive sample of 91 companies in two categories: small enterprises (34.10%) and medium-sized enterprises (65.90%). This sample reflects empirical evidence that control systems are specific to companies of a certain size. As can be seen, medium-sized enterprises are the most likely to have a control department.

Now that the approach and sampling technique have been outlined, it is now important to bring more precisions on the variables we used to measure the various informal control systems and slope down to the various data analysis techniques.

Variables specification and data collection tool: the questionnaire

The questionnaire is an indispensable tool for gathering various types of information, particularly on behaviors, attitudes and opinions, knowledge and socio-demographic data (age, gender, income, etc.). It is a set of questions that can be open-ended, closed-ended or both. For our questionnaire, we mainly used closed-ended questions (on a scale) in order to facilitate their coding and subsequent data analysis.

Our questionnaire was administered to a large group of respondents from two types of companies (small enterprises and medium-sized enterprises).

The questionnaires were developed based on variables derived from our hypotheses. The following sub-paragraph summarizes the operationalization of the concept of informal control system. This operationalization enabled us to design our questionnaires.

Table 2: Operationnalization of variables

Variables	Indicators	Selected authors
Social controls	Standards and behaviours to be observed	Ouchi (1979), Chatelain-Ponroy (2010), Bouquin (2005), Chiapello (1996), Zawadzki (2009), Simons (1995)
	Climate of trust	
	Shared beliefs	
	Employee cooperation	
	Consistent and predictable behaviour	
	Conformity to the corporate spirit	
Self-monitoring systems	Self-assessment in pursuit of goals	
	Personal motivation of employees	
	Self-restraint when necessary	
	Self-criticism when necessary	
	Commitment to respect organization culture	
	Open to criticism from loved ones	

This table clearly shows the various indicators recorded during the theoretical phase of this research article. The idea being to determine the most suitable ones for SMEs.

Data analysis techniques and tools

Two major stages will punctuate the data analysis. The first phase will consist of a purely descriptive analysis of the key phenomena of the research and its multiple indicators. Through longitudinal analyses of flat sorting, we will characterise informal control systems. This phase will lead to a multicollinearity test to ensure that there is no multicollinearity between the indicators of the explanatory variables. This test is essential before any multidimensional analysis.

A second phase will consist of comparing the two control systems in order to determine which of the two is more prominent within the companies surveyed and to take the analysis further towards identifying key indicators. This will be done using SmartPLS multidimensional data analysis software.

Research findings and discussions

It should be noted that, in order to assess informal control systems, we split the concept into two categories of variables within the scope of this study. These are social controls on the one hand and self-control systems on the other. But before assessing these two dimensions of informal control, let us have a look at the general practices of informal control within the companies surveyed.

Table 3: Distribution of work teams by clan

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	15	16,5	16,5	16,5
	Fairly agree	49	53,8	53,8	70,3
	Agree	27	29,7	29,7	100,0
	Total	91	100,0	100,0	

For an initial analysis, the table above suggests that clique culture is a grim but real phenomenon within the small and medium-sized enterprises in our sample. It shows that nearly 54% of respondents more or less agree that work is organised into cliques within their organisation. Furthermore, nearly 30% affirm this with firm

conviction. Such an organisation of work should not be misinterpreted if the fundamental intention is to facilitate learning for employees in difficulty and to facilitate the flow of information. However, this can give rise to networks of implicit relationships.

Tableau 4: Existence of a network of implicit relationships between employees

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	9	9,9	9,9	9,9
	Fairly agree	25	27,5	27,5	37,4
	Agree	57	62,6	62,6	100,0
	Total	91	100,0	100,0	

The constitution of work teams into cliques has the direct consequence of establishing implicit relationships. While such networks in no way undermine the desire to facilitate organizational alignment among employees, it is nevertheless prudent to fear that such networks may cause integration

difficulties for potential future employees, who may find it more difficult to decipher codes and other customs. It would therefore be necessary to establish a corporate culture that is very easily perceptible and easy to adhere to.

Tableau 5: Feeling of being guided by cultural coordination

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	6	6,6	6,6	6,6
	Fairly agree	22	24,2	24,2	30,8

		Frequency	Percentage	Valid percentage	Cumulative percentage
	Agree	63	69,2	69,2	100,0
	Total	91	100,0	100,0	

In fact, more than 69% of prospects say they are guided by cultural coordination. In other words, the implicit networks identified above do not in any way constitute a threat to the smooth flow of information within the organizations surveyed. On the contrary, the existing corporate culture makes it easier for new employees to join these implicit networks.

As is often said, most local SMEs are made up of members of the same family. We also appreciated this phenomenon as a real vehicle for informal communication. The findings are given below:

Table 6: Tissus familiaux au sein de l'entreprise

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	9	9,9	9,9	9,9
	Fairly agree	25	27,5	27,5	37,4
	Agree	57	62,6	62,6	100,0
	Total	91	100,0	100,0	

In fact, nearly 63% of the SMEs surveyed are family-run businesses. While this situation has many advantages in terms of information flow and communication, the main danger is the very high risk of bottlenecks if an important link in the chain is missing.

Our surveyed companies should therefore carefully balance their work teams to avoid creating teams that are too homogeneous. To do this, senior managers need to have a certain amount of charisma.

Table 7: Senior manager is charismatic

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	9	9,9	9,9	9,9
	Fairly agree	19	20,9	20,9	30,8
	Agree	42	46,2	46,2	76,9
	Totally agree	21	23,1	23,1	100,0
	Total	91	100,0	100,0	

In fact, almost all respondents (46.20% agree; 23.10% strongly agree; 20.90% somewhat agree) believe that their senior manager is charismatic. In this context, the family structures identified above pose less of a threat, as the leader ensures compliance with informal standards for information flow and enforces appropriate sanctions in cases of non-compliance.

We will now turn our attention to social controls and self-control systems within these organizations.

Assessment of the nature of social controls within the targeted SMEs

To capture social controls as informal control systems, we focused on indicators such as norms and behaviors to be respected, shared beliefs, the definition of unacceptable actions, the existence of a climate of trust, and the leader's entrepreneurial spirit. Let's appreciate some of these indicators.

Table 8: Existence of standards and behaviors to be observed

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	18	19,8	19,8	19,8
	Agree	46	50,5	50,5	70,3
	Totally agree	27	29,7	29,7	100,0
	Total	91	100,0	100,0	

According to the table above, more than 80% of prospects say that there are indeed standards and behaviours to be followed within

their organisation. Even if these standards are not part of a formally designed procedures manual, they are communicated by resource

persons at the right time to avoid slippage in the performance of daily tasks. Knowledge of these standards is made easier when members of the organisation share the same beliefs.

Table 9: The members of the company share the same beliefs

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	12	13,2	13,2	13,2
	Agree	37	40,7	40,7	53,8
	Totally agree	42	46,2	46,2	100,0
	Total	91	100,0	100,0	

In fact, more than 86% of prospects strongly agree that members of their organisation share the same beliefs. This is because, as one respondent revealed, 'we firmly believe that our boss's entrepreneurial project will bear fruit'. Such a spirit of unrestricted belief is conducive to informal control for the purpose of continuously monitoring the level of achievement of objectives. It therefore becomes virtually impossible for job boundaries to remain unknown, even if they are not clearly and formally defined. We also looked at the existence and awareness of undesirable actions.

Table 10: Unacceptable actions are clearly defined

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	9	9,9	9,9	9,9
	Fairly agree	22	24,2	24,2	34,1
	Agree	60	65,9	65,9	100,0
	Total	91	100,0	100,0	

In fact, more than 90% of the organizations surveyed acknowledge that unacceptable actions are known to all employees. These include fraud and cheating by some employees, collusion other than coopetition with competitors, all other forms of fraud and corruption, and cheating that could jeopardize the smooth running of the company's activities (repeated delays, fictitious illnesses, etc.). Awareness of these unacceptable actions also promotes a climate of trust.

Table 11: Existence of a climate of trust

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	6	6,6	6,6	6,6
	Fairly agree	22	24,2	24,2	30,8
	Agree	24	26,4	26,4	57,1
	Totally agree	39	42,9	42,9	100,0
	Total	91	100,0	100,0	

Once again, the vast majority of companies believe that there is a climate of trust worthy of the name within their organization. 26.40% agree and 42.90% strongly agree. Such a climate of trust can only be verified by the degree of employee cooperation, which is shown in the table below:

Table 12: Employees cooperate and comply with requirements

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	12	13,2	13,2	13,2

		Frequency	Percentage	Valid percentage	Cumulative percentage
	Fairly agree	46	50,5	50,5	63,7
	Agree	33	36,3	36,3	100,0
	Total	91	100,0	100,0	

Indeed, because there is a climate of trust, employees cooperate and comply with requirements in more than 88% of the companies surveyed, although it should be noted that this situation is not universal.

Table 13: Everyone conforms to the manager's entrepreneurial spirit.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	9	9,9	9,9	9,9
	Fairly agree	25	27,5	27,5	37,4
	Agree	33	36,3	36,3	73,6
	Totally agree	24	26,4	26,4	100,0
	Total	91	100,0	100,0	

In short, according to the table above, social controls are such that more than half of the companies surveyed acknowledge that employees comply with the spirit of the company. We can therefore say that the social controls put in place are bearing the expected fruit in terms of organizational alignment. What about self-control systems?

Assessment of self-monitoring systems within the sampled SMEs

The second variable used to measure informal control systems is self-control. In this regard, self-control systems were measured using key indicators such as self-assessment, personal motivation, self-restraint, and self-criticism, among others.

Tableau 14: Self-evaluates in pursuit of objectives

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Disagree	12	13,2	13,2	13,2
	Fairly agree	19	20,9	20,9	34,1
	Agree	60	65,9	65,9	100,0
	Total	91	100,0	100,0	

According to this table, nearly 66% of respondents say they self-assess themselves in pursuit of their goals. From this perspective, professional criticism and reprimands do not seem to be commonplace within these structures. This could be a source of personal motivation. This is what we discover in the following paragraph:

Table 15: Self-motivation while carrying out tasks

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	12	13,2	13,2	13,2
	Agree	52	57,1	57,1	70,3
	Totally agree	27	29,7	29,7	100,0
	Total	91	100,0	100,0	

Indeed, according to the table above, nearly 87% of managers surveyed say they are personally motivated to pursue the company's objectives. This situation is very beneficial for these companies. It is also important to know whether, in this trend towards self-motivation, job boundaries are being crossed.

Table 16: Imposes self-restrictions when necessary

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	9	9,9	9,9	9,9
	Agree	43	47,3	47,3	57,1
	Totally agree	39	42,9	42,9	100,0
	Total	91	100,0	100,0	

According to the table above, employees of the companies surveyed are well aware that there are limits that must not be crossed in the performance of their duties. This is why almost all of them impose self-restrictions on themselves in the performance of their duties (more than 90% of them). These self-restrictions are undoubtedly a source of self-criticism. This is what we analyze below:

Table 17: Self-critical when necessary

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	6	6,6	6,6	6,6
	Agree	37	40,7	40,7	47,3
	Totally agree	48	52,7	52,7	100,0
	Total	91	100,0	100,0	

According to the table above, more than 93% of companies surveyed believe that professional humility is a virtue (40.70% agree and 52.70% strongly agree). In fact, the employees surveyed say they do not expect criticism from their superiors and anticipate self-evaluation and self-criticism in a continuous process of seeking individual performance. One of the techniques used for this purpose is to align oneself with the corporate culture.

Table 18: Commits internally to respect corporate culture

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	22	24,2	24,2	24,2
	Agree	45	49,5	49,5	73,6
	Totally agree	24	26,4	26,4	100,0
	Total	91	100,0	100,0	

In fact, to facilitate self-monitoring, employees at most of the companies surveyed are internally committed to respecting the entity's culture. Efforts are therefore made in terms of organisational alignment and compliance with arrival, break and departure times. Finally, one aspect of employee humility is accepting criticism from close colleagues. This is evident in the table below:

Table 19: Is open to criticisms from close colleagues

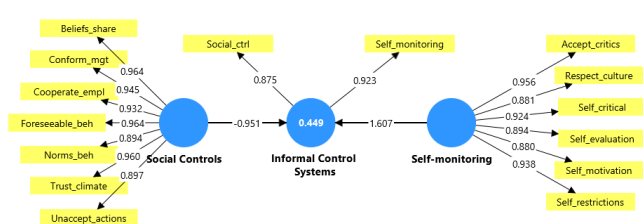|		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Fairly agree	18	19,8	19,8	19,8
	Agree	31	34,1	34,1	53,8
	Totally agree	42	46,2	46,2	100,0
	Total	91	100,0	100,0	

According to the table above, more than 80% of prospects say they accept criticism from their close colleagues. This is a hallmark of humility within these companies. Beyond this humility, we can also note these employees' concern for a job well done and organizational alignment.

Thus, it appears from the two preceding sub-paragraphs that social controls and self-control systems are indeed a reality within the companies surveyed. We can even note that, more than social controls, self-control systems seem to be more deeply rooted in the informal control policy of these entities. However, such a conclusion would be premature given the statistical comparison tools available. It is with this in mind that we are conducting a comparative analysis using Smart PLS in order to draw a more objective conclusion.

Comparative approach within the

The idea here is to bring together the various informal control systems with their indicators, in other to sort out the most utilized among these indicators. The previous sub-paragraphs let us discover that both self-monitoring and social controls are implemented within the targeted SMEs, but to what extent? The SmartPLS software will help us discover the extent to which these indicators are relied upon.

Figure 1: Appraisal of the magnitude to which informal control is implemented

Source: SmartPLS

At first glance, it appears from the graph above that self-monitoring systems weight more than social control systems (1.607 > 0.951). In other words, **self-monitoring systems are more suitable to implement informal control systems within SMEs than social controls**. The reasons are somehow obvious but still need to argued and explained. Before any explanation, it is always good to confirm the reliability of the various indicators, be they for social controls or for self-monitoring. This is verified by calculating and interpreting the Rho-C as a composite reliability coefficient. The values are given in the table below.

Table 20: Overall construct reliability and validity

	alpha de Cronbach	Fiabilité composite (rho_a)	Fiabilité composite (rho_c)	Variance moyenne extrait...
Informal Control _Systems	0.767	0.795	0.894	0.809
Self-monitoring	0.961	0.990	0.968	0.833
Social Controls	0.977	0.991	0.981	0.878

As seen in the table above, the Rho-C for both Self-monitoring and social controls is greater than the threshold of 0.7. As a result, these composite variables are all significant and reliable for the purpose of the subsequent analyses.

Social controls are very close to formal controls in the sense that they involve too many actors and might have an influence on

employees' behavior. They might be seen as constraints by some workers finding difficulties to adjust to a particular corporate system. A look at their indicators can let us realize that they describe situations to which workers have to adapt themselves. Which is not the case for self-monitoring systems which are more specific and individualized. Their usefulness to SMEs could be explained with four categories of factors, namely organizational, human, technical and contextual factors.

As far as organizational factors are concerned, self-monitoring will encourage a culture of trust and autonomy, foster flat or decentralization structure and management by objectives. As regards to trust and autonomy, workers tend to adapt and increase productivity when management values individual responsibility over supervision. More so, less hierarchy encourages initiative and make workers develop self-assessment and self-evaluation.

As for human factors, self-monitoring enriches skills and training, encourages intrinsic motivation and develops a sense of belonging. In effect, well trained employees easily know how to spot discrepancies and adjust themselves by increasing quality together with quantity; and develop a high tendency to identify themselves to the company and protect the company's reputation.

Technical factors mostly concern tools and techniques that can be utilized by the employee himself to solve out issues related to his work. We here talk about self-diagnostic tools like real-time monitoring software or dashboards; we also have standardized but flexible processes like ISO 9001 standard which gives rooms to adjustments. Still under this technical aspect, one can also mention immediate feedback tools like rapid feedback loops that make automatic alerts possible.

Finally, contextual factors may also play a vital role to explain the importance self-monitoring as a key component of informal control system. In cases of markets with high quality standards where there exist strong competition or very discerning customers (e.g. luxury goods, healthcare), it might be important for employees not to rely on steady standards, but to improvise. The same applies for large SMEs and for IT activities, where the expert knows better than the controller or manager.

Conclusion

At an era where norms and standards have started facing strong difficulties in terms of the dynamics imposed to companies by the environment, it is increasingly important to pay more attention to informal control systems. That is a situation whereby formal and informal control systems might play a joint role in running after corporate goals. It is in this line that the objective of this paper was two-fold. First, it aimed to appreciate the utilization of informal control systems within small and medium-sized enterprises. Second, it aimed to compare among the two informal control systems, the one which best suits to SMEs. For this objective to be ripped, we had to go through the existing literature on the topic of informal control systems, before going on the field of small and medium-sized enterprises for empirical purposes.

As far as the literature review is concerned, we had to go through pioneers as, Chiapello (1996), Zawadzki (2009), Ouchi (1977), Merchant (1982 and 1985), Fio1 (1991), Anthony (1965 and 1993) and Mintzberg (1982 and 1990) who has clearly shown how important informal control systems are for companies of all sizes. The literature review also made it possible to mobilize four sound

theories: on one hand, the theory of governance and the theory of conventions; and the other hand, theory Z and the theory of economics of trust. All this literature review made it easy for us to clarify and appreciate the various indicators of our main variables. These indicators were developed inside the methodological part of the paper.

The research methodology for which we opted is the quantitative approach. We thus used a questionnaire as our data collection tool and we were able to target up to 91 SMEs. The data analysis tools used were SPSS v20 and SmartPLS through Excel. The techniques used to analyze our data are the descriptive statistics on one hand, and multi-dimensional analysis on other hand. The first having the objective of characterizing the various informal control techniques, and the second having the objective of facilitating the comparison between the two techniques.

The results we arrived at show that social controls and self-monitoring systems are indeed a reality within the companies surveyed. We can even note that, more than social controls, self-control systems seem to be more deeply rooted in the informal control policy of these entities. Still, **self-monitoring systems are more suitable to implement informal control systems within SMEs than social controls**. The reason being that social controls are very close to formal controls in the sense that they involve too many actors and might have an influence on employees' behavior. They might be seen as constraints by some workers finding difficulties to adjust to a particular corporate system. A look at their indicators can let us realize that they describe situations to which workers have to adapt themselves. Which is not the case for self-monitoring systems which are more specific and individualized. Their usefulness to SMEs could be explained with four categories of factors, namely organizational, human, technical and contextual factors.

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