# Management control systems and Performance measurement

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***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The aim of the course is to provide participants with a critical understanding of the main issues related to management control systems and performance measurement as key factors of organizational success. Students will learn how control systems and performance measurement tools drive organizational decision-making and behaviors, with a particular emphasis on innovation management. Upon successful completion of the course, students will be able to:

* understand the general aims of management control systems and performance measurement, as well as the roles such systems can play in relation to innovation management;
* assess the design, implementation, use and review of management control systems and performance measurement;
* apply the key principles and tools illustrated throughout the course (e.g., responsibility centres, EVA, transfer prices, compensation systems, balanced scorecard) in organizational settings in general and to innovation management more specifically;
* critically interpret the information produced by management control systems, formulating independent judgments, also in medium and large organisations and in complex environments;
* communicate clearly their conclusions gained from the interpretation of the information produced by management control systems and performance measurement, so as to support organizational decision-making with appropriate arguments;
* advance in management control systems and performance measurement studies in a mostly self-directed and autonomous way.

***COURSE CONTENT***

The course provides basics in management control systems and performance measurement. The main topics which will be handled are:

* introduction to management control systems and performance measurement (organizational control mechanisms, design of management control systems);
* the behavioral dimension of management control systems (responsibility centres, transfer prices, compensation systems);
* the relationships between management control systems and IT systems/Big Data;
* asset allocation systems;
* multidimensional performance measurement systems (building and using a balanced scorecard, measuring innovation);
* management control of projects.

***READING LIST[[1]](#footnote-1)***

Textbook: Anthony, Govindarajan, Hartmann, Kraus, Nilsson, *Management Control Systems*. First European Edition, McGraw-Hill, 2014.

In Blackboard are published: (i) the reference to the text chapters associated with the contents dealt with in the individual lessons; (ii) additional teaching materials supporting class attendance (e.g., slides, additional readings).

***TEACHING METHOD***

The course uses a mixture of frontal lectures and case studies analysis, discussions and presentations. Teaching methods will stimulate learning by doing and will require an active and full participation by students. The course may include expert testimonials.

***ASSESSMENT METHOD AND CRITERIA***

*– Attending students*

The course is heavily based on students’ class participation and it therefore highly assesses such active participation. More specifically, the final grade will be composed as follows:

1. Group assignments (40%);

2. Final written test (60%);

3. Active class participation (0-2 additional marks).

The final written test will be based on open-ended, theoretical questions on the whole contents of the course (textbook, case studies and additional readings).

*– Non attending students*

Non attending students will have to sit for a written exam (two open-ended theoretical questions and one short business case) on the whole contents of the course (textbook, cases and additional readings). This exam will account for the 100% of the final grade.

The student's preparation is evaluated according to the following criteria: in-depth knowledge and understanding of the systems and models presented during the course; originality, appropriateness and depth of the exemplifications proposed in response to the request for applicative arguments; awareness of the business and environmental characteristics that influence the problems object of study; rigour in framing the problems under study and in identifying and arguing original solutions located in the real context; appropriateness and correctness in the choice and application of qualitative and quantitative analysis models in response to the problems proposed; autonomy and rigour in interpreting and selecting the relevant information from among those proposed in relation to the problems under study, as well as in highlighting possible information gaps, thus identifying further information hypotheses on which to base the proposal of appropriate solutions; critical approach to the subject, also by arguing the advantages/disadvantages of the models studied from a conceptual and applicative point of view and by highlighting the links between the various elements of the management control system; clarity, completeness, coherence and linguistic mastery in communication.

***NOTES AND PREREQUISITES***

Basic knowledge of management accounting is required. Students should be familiar with financial accounting and financial statement analysis (basic), cost and managerial accounting (basic). Students who do not have such knowledge are responsible for acquiring it to the extent necessary during the course.

1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)