

Management Control, Motivation and Performance: An Empirical Analysis of the Object-Of-Control Framework

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Abstract

We examine different types of management control (MC), their relation with performance and the mediating role of motivation in these relations. We draw on self-determination theory to hypothesize that different types of MC lead to different types of employee motivation, which in turn affect performance. We test our predictions using survey responses from employees with similar, non-managerial tasks in 105 Dutch local governments. We operationalized Merchant and Van der Stede's (2007) object-of-control framework, and we analyzed our data using structural equation modelling. We find that intrinsic and extrinsic motivation mediate the relation between MC and performance. Specifically, the evidence suggests that the use of personnel and cultural MC positively associates with employees' intrinsic motivation, and that the use of results controls positively associates with employees' extrinsic motivation. Both intrinsic and extrinsic motivation are positively associated with performance, and we also found a positive direct relation between action controls and performance.

Keywords

Management Control, Motivation, Performance, Public Sector

**This paper contains preliminary findings,
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¹ This is the third and final paper of my (Berend van der Kolk) Ph.D. dissertation (expected: May 2016), which is supervised by professors Paula van Veen-Dirks and Henk ter Bogt. The first two papers use a multiple case study method. The first paper focuses on the configurations of management control packages and their cohesiveness in a public sector setting. The second paper, which is published in *Accounting, Auditing and Accountability Journal (AAA)*, examines effects of austerity on the types of management control (van der Kolk, ter Bogt, and van Veen-Dirks 2015), also in the public sector. In this third paper, I examine results of a survey study using structural equation modeling to study management control, motivation and performance in public sector organizations. Corresponding author: b.van.der.kolk@rug.nl.