

Difference between management control process and other process.

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MANAGEMENT CONTROL PROCESS

1. An organization consists of group of people who work together to achieve certain common goals.
2. An organization are led by hierarchy of managers, with the chief executive officer at the top, and the managers of business units, departments, sections, and other subunits ranked below him or her in the organizational chart.

MANAGEMENT CONTROL SYSTEM

3. The complexity of the organization determines the number of layers in the hierarchy.

4. All the managers other than the CEO are both superiors and subordinates; they supervise the people in their own units, and they are supervised by the managers to whom they report.

MANAGEMENT CONTROL SYSTEM

5. The CEO decides on the overall strategies that will enable the organization to meet its goals.

6. Subject to the approval of the CEO, the various business unit managers formulate additional strategies that will enable their respective units to further these goals.

OTHER CONTROL PROCESS

The control process used by managers contains the same elements as those in the simpler control systems described previously: detectors, assessors, effectors, and a communications system.

OTHER CONTROL PROCESS

Detectors report what is happening throughout the organization.

Assessors compare this information with the desired state.

Effectors take corrective action once a significant difference between the actual state and the desired state has been perceived.

Communications system tells managers what is happening and how that compares to the desired state.

DIFFERENCE BETWEEN THE MANAGEMENT CONTROL PROCESS AND OTHER PROCESS.

1. The standard is not preset.

Rather, it is a result of a conscious planning process. In this process, management decides what the organization should be doing, and part of control process is a comparison of actual accomplishments with these plans. Thus, the control process in an organization involves planning.

DIFFERENCE BETWEEN THE MANAGEMENT CONTROL PROCESS AND OTHER PROCESS

2. Management control is not automatic .
Some detectors in an organization may be mechanical, but the manager often detects important information with her own eyes, ears, and other senses.
Although she/he may have routine ways of comparing certain reports of what is happening with standards of what should be happening .

DIFFERENCE BETWEEN THE MANAGEMENT CONTROL PROCESS AND OTHER PROCESS

3. The manager must personally perform the assessor function, deciding for herself/himself whether the difference between actual and standard performance is significant enough to warrant action, and, if so, what action to take. Then, since actions intended to alter an organization's behavior involve human beings, the manager must interact with at least one other person to effect change.

DIFFERENCE BETWEEN THE MANAGEMENT CONTROL PROCESS AND OTHER PROCESS

4. Management control requires coordination among individuals.

An organization consists of many separate parts, and management control must ensure that each part works in harmony with the others, a need that exists only minimally in the case of the various organs that control body temperature and not at all in the case of the thermostat.

SYSTEMS

A system is a prescribed and usually repetitious way of carrying out an activity or a set of activities.

Systems are characterized by a more or less rhythmic, coordinated, and recurring series of steps intended to accomplish a specified purpose.

SYSTEMS

Management control systems, as we have seen, are far more complex and judgmental.

The effectiveness of their actions is determined by their skill in dealing with people, not by a rule specific to the system.

SYSTEMS

If all systems ensured the correct action for all situations, there would be no need for human managers.

**THANK YOU TO
ALL OF YOU**

