

Chapter 2

Management and Control: Organizational Preparedness

ABSTRACT

Systems follow an organization through its phases, products, processes, and structures. Life cycles for systems, therefore, are manageable if other supporting lifecycles of the organization are predictable. In absence of predicting capabilities among the decision makers in the organization, ageing of the systems is obvious. This ageing process leads to decay in information generation and affects organizational intelligence gathering process. Lack of intelligence in the organization impedes the process of growth and sustenance. Intelligence gathering is a continuous process that is based on information generation through establishment of management controls systems in reactive, predictive, and proactive modes of evaluation. It is imperative that a dynamic and strategic fit is achieved, arranged between management and control systems and the strategy formulation and the task control. This dynamic and strategic fit is an indicator of organizational preparedness to manage its system and likely involves articulation of performance measurements by encompassing appropriate financial and non-financial dimensions. This chapter discusses performance management and control system, systemic and systematic behavior in order to establish improved systems thinking and preparedness in the organization.

INTRODUCTION

Managing organizations is a challenging task for the managers working at all levels in the organization. Complexity of this task grows with growth in organization related to volume of productions, and services it handles and structure of the organization that gets changed in its life cycle. Providing a static approach to management of organization is likely to provide undesirable results. Thus, it

is quite important to discuss the underpinnings of the management systems in the organization leading to better control over the resources and organizational excellence. This chapter initiates discussion on the management and control mechanisms that organizations adopt for sustained excellence. Exercising controls over resources in the organization is a continuous process for the strategic managers who conceptualize, design and implement control mechanism in the organization for ensuring overall success. It is also equally important for other employees in the organization

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to understand the features of control mechanisms and monitor the performances across the organization in a transparent manner. Thus, an overall mechanism needs to evolve in the organization for strategizing control systems. This strategy includes preparedness of all stakeholders for better execution of the strategy.

Preparedness implicitly indicates a proactive scenario in which predictive decisions are taken for excellence. It applies to individuals, groups, and organizations. Complexities involved in remaining proactive and prepared to face unpredictable situations with possible solutions are quite enormous. The degree of complexities however, varies with strategies adopted by organizations, individuals, and groups and thus there are no generic “fit-for-all” solutions to all challenges. Thus, preparedness needs to be understood with the context and viewpoints of the entities involved in the problem solving process. Since we are discussing organizational preparedness, it is relevant to contextually focus on the available approaches. This chapter includes discussions on preparedness with three perspectives i.e. organization, systems and technology. It is noted that sequenced approach to understand preparedness in organization, its systems and technology would lead to a better result. This chapter also discusses various barriers in organizing preparedness at the levels of organization leading to better systems with prescribed action plan for technology induction.

Organizations strive for inculcating the habit of standardized measurement and control systems. Contemporary approaches for developing standards for measurements and controls include development of scorecards and dashboards. Role of IT in managing organization wide scorecards and dashboards are quite evident in the context of effective decision making. IT is emerging as an effective contributor to organizational effectiveness. It is frequently argued that success of the IT induction in organization is attributed to strategy, consistent delivery, and systems usability. In this context, IT acquisitions are quite productive in

supporting transactions and in aiding coordination mechanism provided the organizational resources and business processes are properly aligned with the IT. However, many IT acquisition projects fail due to improper alignment of the business process with IT (Misra, 2006). Similarly, moderate preparedness does exist in project management and user motivation (Misra et al., 2005). This chapter discusses measurement issues with specific reference to preparedness in the organization for understanding role of IT.

MANAGEMENT AND CONTROL IN ORGANIZATIONS

Organizations are manmade and a single person is incapable of carrying out all the tasks in the organization. Therefore, many people come together with common goals and perform their duties as per agreed terms of reference. This gives rise to organization structure which could be formal or informal. The organization as it strives to exist, encounters various challenges which are driven by internal and external environment. In order to manage the dynamic situations, management control systems emerge in the organization. This management control system provides directions for the organization. Structures and processes are designed to support the management to ensure that organization traverses the directed path. This desired behaviour is managed and controlled through a mechanism which is acceptable to all stakeholders in the organization. All the elements in the structure of the organization aim to achieve the desired performance individually or collectively so as to ensure that organization continues to exist (Eilon, 1979). Furthermore, a growing number of Emerging Market (EM) firms is showing extraordinary competitiveness in the global market scenario (Stucci, 2012).

Existence and continuity in organization are dependent on purposeful resource planning and management, informed decisions and a transparent

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