

BEYOND COMPLIANCE:

**A Critical Evaluation of Management Control
in Contemporary Organisations**

Klaudia Budzinska 2323029

Programme:

BA (Hons) Business Management

Module:

Leadership and Management Theory
and Practice

Module code:

LCBB6022

Module Lead/Lecturer:

Piyumika K. Gamage

Faizu Edu

Assignment Title:

Component 2: Coursework: Essay



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

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Introduction

Management coordinates decisions, resources and employees so that organisations can translate objectives into results. This responsibility has become more demanding as technological change, sustainability pressures and uncertain operating conditions make established plans less reliable. Managers must therefore provide direction while remaining able to reconsider priorities when circumstances change. The four connected functions of planning, organising, leading and controlling support this process. Planning defines objectives, organising allocates authority and resources, and leading mobilises employees, while control evaluates whether intended outcomes are being achieved. Yet control is not a neutral technical activity: selected indicators influence which contributions become visible, valued and rewarded. Rigid systems may consequently restrict employee agency and become ineffective during rapid change (Western, 2008, p. 162; Robbins et al., 2021, p. 315). This essay critically evaluates why control remains necessary, the distortions it may create and how managers can mitigate them. It argues that effective oversight must balance accountability with professional judgement, employee participation and contextual flexibility (Cosa and Torelli, 2024).

Main Body

The classification of managerial functions varies, although their interdependence is widely recognised. Lloyd and Aho (2020, p. 7) state that “the management process by which we pursue goals includes planning, organizing, leading, and controlling”. Parumasur (2025) separates staffing and directing, creating a five-function model, but this difference mainly concerns how responsibilities for employees are grouped. Both approaches treat management as an integrated process in which a change to one function creates “a rippling effect on the rest” (Parumasur, 2025, p. 8). The categories are therefore analytical distinctions rather than independent stages. Treating control only as a final inspection would overlook how performance information can reshape objectives, resources and leadership decisions. Equally, changing a plan without reconsidering responsibilities may create expectations that employees lack the capacity to fulfil. This interdependence becomes clearer through the relationship between planning and organising.

Firstly, planning defines objectives and selects the activities and resources required to achieve them. However, plans must remain adaptable because their assumptions may become outdated as markets, technologies or stakeholder expectations change. Organising then converts these intentions into workable responsibilities, authority and resource arrangements. This translation is not automatic: competing priorities may create unclear ownership, while ambitious objectives can exceed the organisation’s available capacity. Without sufficient information or decision-making power, accountability becomes largely symbolic because employees may be judged for outcomes they cannot influence. Parumasur (2025, p. 9) similarly describes organising as integrating financial, human and physical resources to support organisational goals. Effective organisation should therefore

align responsibility with authority and establish clear channels through which problems can be escalated. Together, planning and organising provide direction and the capacity for implementation, but leadership determines whether employees understand and commit to those arrangements.

Secondly, leading mobilises employees through communication, influence and support. Its effectiveness requires situational judgement because sustained pressure may be as damaging as insufficient direction. Effective leaders therefore “know when to push for better performance and when to hold back” (McKee, Achor and Goleman, 2018, pp. 21–22). Leadership also affects the reliability of control because employees are more likely to report difficulties when feedback is treated as information rather than disobedience. Controlling then compares outcomes with expectations, investigates deviations and determines the appropriate response. Managers may decide “to do nothing, correct the performance, or revise the standard” (Robbins et al., 2021, p. 522). Revision is important because poor results may expose unrealistic planning, inadequate resources or changed conditions rather than employee failure. Control consequently completes the managerial cycle by returning evidence to the other functions. Its importance becomes greater as organisational activity moves beyond direct managerial observation.

The need for control becomes most visible when work extends beyond direct managerial observation. Activities distributed across employees, departments and external partners may gradually diverge from shared priorities. Reporting arrangements help identify delays, resource shortages and declining quality while preserving accountability for delegated decisions (Robbins et al., 2021). However, their value depends on the independence of oversight and the completeness of the information supplied. The Boeing 737 MAX case demonstrates the consequences of ineffective oversight: the FAA’s certification review was described as “grossly insufficient” and failed to identify and resolve key safety problems (U.S. House Committee on Transportation and Infrastructure, 2020, p. 33). Delegating technical assessments to knowledgeable specialists may improve efficiency, but it can also create information asymmetry or conflicts of interest when those being assessed influence the evidence available to regulators. The case therefore distinguishes the existence of formal procedures from effective control. Oversight must challenge assumptions and establish clear escalation routes, although the standards applied must still reflect the organisation’s particular responsibilities.

However, control standards cannot be identical across organisations. Commercial firms typically prioritise financial viability, while public and non-profit organisations must also demonstrate effectiveness, equity and mission-related outcomes (Berman, 2015). These differences have practical consequences. The state-owned Post Office “used Horizon data to investigate and take action” against sub-postmasters despite the system displaying fictitious losses (House of Commons Business and Trade Committee, 2026, p. 4). At Oxfam GB, safeguarding “resourcing and capabilities did not adequately match the risks faced by the charity” (Charity Commission for England and Wales, 2019, p. 133). Such cases reinforce Poister, Aristigueta and Hall’s (2014, p. 17) argument that “multiple principals”

create conflicting expectations. Effective control must therefore reflect organisational purpose rather than impose uniform indicators across sectors.

The required intensity of control also varies with the task and relationship. Hasu, Saunila and Ukko (2025, p. 4291) found that “transformation management does not directly impact sustainability performance; however, when it leads to the controlling use of MCSs, it subsequently enhances sustainability performance.” This suggests that strategic commitments require indicators, responsibilities and follow-up before they influence operational results. Conversely, established trust can reduce dependence on formal mechanisms in mature inter-organisational relationships (Waerness, Solstad and Bertheussen, 2023). Trust should not be interpreted as the absence of accountability; it changes how coordination is achieved and may require formal safeguards when risks or partners change. Structured oversight can therefore translate commitments into action, while relational trust limits unnecessary intervention. Control remains indispensable, but its effectiveness depends on suitability rather than intensity. This distinction becomes critical when apparently rigorous systems distort the performance they are intended to reveal.

The first distortion arises when complex performance is reduced to simple ratings. Organisational contribution may involve results, cooperation, ethical judgement and professional discretion, yet appraisal systems often compress these dimensions into one score. Armstrong (2016, p. 72) describes this as “a gross oversimplification”, while Owen (2024) notes that most employees are routinely classified as above average. Aggregation can conceal whether strong output was achieved at the expense of quality, teamwork or responsible conduct. It may also create false precision by presenting different managerial interpretations as directly comparable. Subjective assessment may still be necessary when performance cannot be quantified (Robbins et al., 2021, p. 520), but managerial interpretation should not be presented as objective fact. Transparent criteria, reviewer calibration and opportunities for challenge can govern judgement, although they cannot eliminate it. An even more serious problem occurs when employees adapt their behaviour to the indicator itself.

Targets do not merely record behaviour; they can redirect it. Aboubichr and Conway (2023, p. 623) found that pursuing performance management “in overly intensive ways increases the likelihood of gaming”. Wells Fargo provides a large-scale commercial example: aggressive sales expectations encouraged employees to open unauthorised accounts, leading Eradiri et al. (2025, p. 6005) to conclude that “the pressure to make sales created a fraud culture sustained by poor monitoring and leadership failures.” The problem was therefore not measurement alone, but the combination of unrealistic expectations, incentives and inadequate challenge. Although the cases involve different sectors, both show that intensive targets may produce formal achievement while weakening ethical conduct. Gaming should consequently be treated as evidence that the system is rewarding the wrong response, not simply as isolated employee misconduct. The same pressure may also prevent staff from reporting problems before they become systemic.

Formal scrutiny can similarly reshape workplace relationships. Western (2008, p. 162) associates the Controller discourse with a mechanistic tradition that restricts employee agency. Where mistakes attract punishment, “Speaking truth to power is not easy” (Keohane, 2010, p. 73), and mistrust may encourage employees to conceal information (Robbins and Judge, 2017, p. 441). Boeing illustrates the organisational risk: “In several critical instances, Boeing withheld crucial information from the FAA, its customers, and 737 MAX pilots” (U.S. House Committee on Transportation and Infrastructure, 2020, p. 13). Control intended to increase visibility may therefore generate silence and selective reporting instead. Avoiding this paradox requires a different relationship between standards and employee judgement.

Mitigation begins by designing controls that make professional judgement visible rather than suppressing it. Toyota’s NUMMI plant illustrates this balance: its andon system represented “a confirmation of management commitment to ensure workers’ right to have control over their jobs” (James, 2012, p. 90). However, the same production model also imposed constraints, as standardised work “took its toll on workers in terms of boredom and injuries” (James, 2012, p. 90). Control can therefore empower employees to prevent defects while simultaneously increasing the intensity and predictability of their work. Its effects also depend on implementation: James (2012, p. 273) found less resistance under NUMMI’s cooperative hybrid model than under Toyota’s more authoritarian implementation in India. Enabling control is not defined by the absence of standards, but by whether employees can question, interpret and improve them. This makes meaningful participation central to the next safeguard.

Employee participation can improve both information quality and perceived fairness. Operational staff often recognise constraints that remain invisible to senior managers, while involvement in setting objectives clarifies expectations before they become grounds for sanction. Kartikadewi, Purnomo and Indiyastuti (2018, p. 36) found that participation significantly affected perceived appraisal fairness, although their sample of 75 public-sector respondents limits generalisation. Their findings support McKee, Achor and Goleman’s (2018, p. 42) argument that responsible organisations consider both outcomes and “the fairness of the process they used to achieve them”. Participation can also help distinguish individual underperformance from inadequate resources, defective processes or unrealistic standards, enabling managers to select a proportionate response. It must nevertheless influence decisions; symbolic consultation may deepen cynicism rather than strengthen control. Where participation is genuine, trust can reduce the need for continual supervision. Trust can further reduce unnecessary intervention. Waerness, Solstad and Bertheussen (2023, p. 340) found that it enables informal coordination by lowering the perceived risk of opportunistic behaviour. Nevertheless, trust cannot replace verification where consequences are substantial or relationships remain undeveloped. Its role may also change over time: reliable performance can justify greater discretion, while emerging risks may require temporarily stronger oversight. Excessive supervision may weaken openness, whereas insufficient monitoring obscures responsibility and can allow problems to accumulate. Owen’s (2024, p. 59) advice to “Be available to help, but do not interfere all the

time” captures this balance. Managers should therefore use formal controls as proportionate safeguards rather than expressions of mistrust, adjusting their intensity as relationships and risks evolve.

Digitalisation introduces the same need for proportionate judgement. Real-time systems increase the speed and volume of performance data, but do not determine what the information means or whether the underlying indicator remains relevant. Cosa and Torelli (2024, p. 457) emphasise that “while technology extends capabilities, human oversight ensures strategic alignment.” Similarly, AI alone was insufficient to improve organisational results; benefits emerged when it was combined with knowledge-sharing activities (Olan et al., 2022, pp. 605, 612). Managers must therefore examine data quality, investigate anomalies and retain routes through which employees can challenge automated conclusions. Dashboards should support enquiry rather than replace contextual understanding. Effective control remains provisional because evidence may require employee development, process redesign or revision of the indicator itself. Across these responses, the purpose is disciplined learning rather than uncritical compliance.

Conclusion

Management control connects planning, organising and leading with evidence about actual performance, enabling organisations to identify deviations, protect resources and reconsider ineffective assumptions. However, the analysis demonstrates that control is not valuable simply because it is extensive. Narrow indicators may encourage gaming, while punitive monitoring can suppress criticism and create only an appearance of accountability. Its design must also reflect organisational context, since commercial, public and non-profit organisations define success differently. Effective practice therefore combines quantitative evidence with professional judgement, employee participation and opportunities to challenge unrealistic standards. Trust can reduce unnecessary intervention, although proportionate verification remains necessary to preserve responsibility. Digital systems may improve the availability of information but cannot determine what should be valued or how evidence should be interpreted (Cosa and Torelli, 2024). Ultimately, control is most effective when used as a flexible mechanism for organisational learning and responsible correction rather than as a rigid means of confirming compliance.

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