

THE ROLE AND IMPORTANCE OF CONTROLLING IN CONTEMPORARY ORGANISATIONS

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Introduction

Management coordinates people, resources and activities to convert organisational intentions into results. Armstrong (2016, p. 35) explains that “Managers define goals, determine and obtain the resources required to achieve the goals (...) and ensure that those activities take place as planned to achieve predetermined objectives.” This responsibility has become increasingly important as organisations face technological change, global competition, sustainability pressures and evolving employee expectations. Consequently, effective management requires four interconnected functions: planning establishes direction, organising allocates responsibilities and resources, leading mobilises employees, and controlling evaluates whether implementation is producing the intended outcomes.

Control therefore connects managerial intentions with evidence about organisational performance. However, its presence does not automatically improve results. Excessive monitoring may restrict autonomy, weaken trust and encourage narrow compliance, whereas insufficient oversight can produce inconsistency, wasted resources and limited accountability. Its effectiveness consequently depends on how it is designed, implemented and adapted to the organisation’s purpose and operating conditions. This essay critically evaluates why controlling is necessary across different types of organisations, examines its practical and behavioural challenges, and considers how managers can mitigate them. It argues that control remains essential, but it must be proportionate, adaptable and balanced with employee autonomy and professional judgement.

Main Body

The four principal managerial functions perform different but interdependent roles. Planning defines objectives, evaluates possible courses of action and establishes priorities. Since plans depend on assumptions about future conditions, they must provide direction without preventing adaptation. Organising then converts intentions into workable arrangements by distributing authority, responsibilities and resources. This involves more than designing a formal hierarchy; employees must also receive the time, information and capacity required to perform their roles. In project settings, for example, managers must consider whether results meet the required specification and projected cost, rather than assessing success through completion dates alone (Armstrong, 2016, p. 157). Planning therefore identifies the intended destination, while organising creates the practical capacity to reach it.

Leading and controlling determine how these arrangements operate in practice. Leadership provides the human direction required to motivate employees, communicate priorities and manage uncertainty. As Keohane (2010, p. 47) states, “Leadership involves setting or clarifying goals for a group and mobilizing energies of others to pursue them.” Controlling complements this function by measuring results, comparing them with established standards and responding to deviations (Robbins et al., 2021, p. 518). Importantly, an unfavourable result may expose an unrealistic standard, inadequate resources or ineffective

leadership rather than individual failure. The functions consequently form a cycle: evidence produced through control may lead managers to revise the plan, redistribute resources or alter their leadership approach. This feedback relationship provides the foundation for understanding why organisations require control.

First, control enables managers to distinguish genuine progress from activity that merely appears productive. Without reliable information, problems such as declining quality, missed deadlines or inefficient resource use may remain hidden until their consequences become difficult to reverse. Southwest Airlines illustrates how controls can be aligned with the operational factors responsible for performance. The company treated customer service as a strategic priority and recognised that delivering it depended on recruiting suitable employees, leading to the principle that “employing the right people became the top priority” (Kippenberger, 2002, p. 78). This demonstrates that effective control should monitor the conditions producing organisational outcomes, rather than concentrate only on final financial results. In this way, it supports both corrective action and organisational learning. Second, control preserves accountability when authority is delegated. Delegation allows managers to focus on higher-value responsibilities while developing employees’ capabilities (Owen, 2024, p. 58). Nevertheless, managers remain responsible for decisions taken by their teams and therefore require mechanisms that reveal progress and emerging problems (Robbins et al., 2021, p. 518). This does not require continual interference. Instead, agreed standards can establish boundaries within which employees exercise discretion. Control consequently makes delegation more credible by balancing employee ownership with managerial visibility, although its usefulness depends on the reliability of the information reported.

Third, control protects financial, physical, informational and reputational resources. The consequences of inadequate oversight are demonstrated by Tesco’s 2014 accounting scandal. The retailer overstated its expected profit by £326 million, subsequently agreed to a £129 million penalty and allocated £85 million to compensate investors who had received misleading information (BBC News, 2017). The case shows that failures in financial reporting can impose direct costs while also damaging investor confidence and corporate reputation. Budgets, approval procedures and accurate reporting are therefore not merely administrative requirements; they protect the organisation and its stakeholders from avoidable harm.

However, the meaning of effective control differs across organisational contexts. Commercial firms commonly emphasise profitability, productivity and customer retention, while public bodies must also demonstrate lawful expenditure, accessibility and service quality. Non-profit organisations face a related challenge because financial efficiency does not necessarily prove that limited resources are advancing their social mission. Consultation requirements may also differ. Keohane (2010, p. 39) notes that a university president is unlikely to implement a course of action successfully unless important groups, including senior faculty and trustees, are involved. Moreover, environmental performance is becoming relevant across sectors: evidence from Pakistan’s textile industry indicates that green

innovation can improve both environmental and organisational outcomes (Ahmed et al., 2023). Control is therefore necessary in every organisational type, but identical indicators cannot represent success equally well in each setting.

This contextual problem leads to the first major challenge: indicators can displace the outcome they were intended to support. Quantitative measures allow comparison, yet creativity, ethical judgement, cooperation and service quality cannot always be represented adequately through numerical targets. The Mid Staffordshire NHS scandal illustrates the potential consequences. Investigations identified severe failures in patient care, staff shortages and pressure to meet targets, while the trust was criticised for placing cost control and corporate interests ahead of patient safety (BBC News, 2019). The case demonstrates that an organisation may appear controlled while its most important purpose is being neglected. Measures must therefore be judged by whether they represent meaningful performance, not simply by whether they are convenient to collect.

Implementation presents a related problem. Armstrong (2016, p. 55) warns that “High levels of organisational performance are not achieved simply by having a range of well-conceived HR policies and practices in place. What makes the difference is how these policies and practices are implemented.” Standards may be interpreted inconsistently, applied without sufficient operational knowledge or treated as ends in themselves. When rewards or security depend heavily on specific targets, employees may focus on producing acceptable figures rather than improving the underlying activity. Greater monitoring may then increase strategic compliance instead of producing more reliable evidence. The quality of control consequently depends as much on managerial judgement as on the formal design of the system.

A further difficulty is the effect of intensive control on autonomy and trust. Procedural, financial and cultural boundaries can promote consistency, particularly where safety or legal compliance is involved (Kippenberger, 2002, p. 49). Excessive formalisation, however, may discourage initiative and prevent employees from responding to unfamiliar problems. Western (2008, p. 42) argues that globalisation and post-industrial work have made conventional workforce control increasingly unsuitable, particularly within flatter structures and self-managed teams. Punitive scrutiny may also discourage employees from reporting mistakes or challenging decisions. This is especially damaging because, “where work is less closely documented and specified, voluntary employee contribution based on trust is absolutely necessary” (Robbins and Judge, 2017, p. 441). Formal compliance may therefore coexist with declining cooperation and concealed problems.

These limitations cannot be resolved by adding further procedures alone. McKee, Achor and Goleman (2018, pp. 21–22) observe that “Tinkering with procedures was not enough to bring the group together and make it an effective part of the company.” Performance problems may originate in weak leadership, contradictory priorities or damaged workplace relationships. Additional indicators can then increase administrative activity without addressing the underlying cause. Managers must instead redesign control so that it supports

explanation, learning and correction rather than treating every deviation as evidence of individual misconduct.

The first step is to establish clear but proportionate expectations. Employees should understand the required outcome, quality, timescale and available resources before their performance is assessed. Owen (2024, p. 59) advises managers to “Ensure clarity of the task and the eventual success criteria.” Nevertheless, clarity should not mean prescribing every action. Standards should establish meaningful boundaries while allowing employees to use professional judgement within them. This distinction preserves accountability without preventing local adaptation.

Managers should also combine different forms of evidence. Financial and productivity indicators remain valuable, but measures of quality, stakeholder experience, employee development and sustainability can reveal outcomes that numerical targets overlook. Qualitative assessment remains partly subjective, so transparent criteria and multiple perspectives are necessary. McKee, Achor and Goleman (2018, pp. 30–31) recommend collecting feedback from “bosses, peers, and subordinates.” Multi-source evaluation cannot eliminate bias, but it can reduce dependence on one manager’s interpretation and expose inconsistent judgements. Employees should also be able to question conclusions, making the process more credible as well as more informative.

Participation can further improve the relevance of control because operational employees often recognise constraints that remain invisible at senior levels. Robbins and Judge (2017, p. 651) explain that employee involvement in action research reduces resistance to change. Involving staff in setting standards and investigating deviations can reveal whether a shortfall reflects individual conduct, inadequate resources or a defective process. Corrective action can then involve training, support or redesign where these responses are more appropriate than sanctions. Participation does not remove managerial responsibility; instead, it improves the evidence on which that responsibility is exercised.

Finally, control systems must be reviewed as organisational conditions change. A longitudinal study of a multinational industrial firm found that dialogue between management levels and functions helped overcome difficulties in integrating sustainability throughout its value chain (Beusch et al., 2022, p. 1). The case demonstrates that senior commitment must be translated through continuing communication rather than expressed only through formal policy. Managers should therefore explain priorities, invite challenge and reconsider standards when technology, stakeholder expectations or operational conditions change. Under these conditions, control becomes a flexible mechanism for accountability and organisational learning rather than a rigid form of surveillance.

Conclusion

Management control is essential because it enables organisations to determine whether plans are being implemented, objectives achieved and resources protected. Together with planning, organising and leading, it forms a continuous cycle in which performance evidence informs subsequent decisions. However, its design must reflect organisational purpose: commercial firms, public bodies and non-profit organisations cannot be assessed through identical definitions of success. The analysis has also shown that control does not improve performance automatically. Inappropriate targets may conceal service failures, narrow indicators can encourage superficial compliance, and excessive monitoring may restrict autonomy, weaken trust and discourage honest communication. Conversely, insufficient oversight creates unclear accountability and exposes organisations and stakeholders to avoidable risk. Managers must therefore establish relevant expectations, combine quantitative indicators with qualitative evidence and involve employees in interpreting deviations and developing corrective action. Controls should also be reviewed as organisational priorities, technologies and operating conditions change. Ultimately, the question is not whether control is necessary, but how it should be exercised. It is most effective when it provides proportionate accountability while preserving professional judgement, open communication and the capacity to learn. Used in this way, control supports responsible adaptation rather than becoming a rigid substitute for effective management.

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