

Management control

The concept of control is understood as a managerial tool directly linked to strategic planning, from which the objectives to be achieved arise. For our purposes, it is therefore of primary importance to clarify the content contained in the terms "planning" and "control" as well as the different time horizons that affect such business management stages.

With regard to the planning process (other than the programming process), the same outlines the company's mission and business policies regarding the underlying choices that make up the strategic management moment. Choices, for example, related to the technology to be used in the production phases, the type and characteristics of the products, the outlet markets, and so on; medium to long term choices, covering at least a 3-year time span. It is therefore clear how the planning itself refers to a medium to long-term horizon, unlike the programming decisions that relate to the short term.

The management control process, on the other hand, is a tool that translates the business strategy into behaviors and operations. We can therefore argue that a key to reading the articulated management control concept could identify it as the application of the organizational tools needed to effectively and effectively conclude strategic planning strategies.

In other words, management control does not refer to the mere verification of the results, but rather to a series of actions and behaviors of the various managers, at various levels of the enterprise, aiming to pilot the management of the company in direction indicated at the program level and, before, at the plane level. Verification of the results and their evaluation is therefore only a matter of management control.

Controlling the management does not mean waiting for the final results to be revealed, but to progress with monitoring and on-the-go supervision (during a year, during a project, etc.) to offer the opportunity to intervene and correct the direction of travel in order to achieve the expected results. Control activity is subdivided into a number of steps, and therefore it develops into multiple moments during management.

The following phases can be identified:

1. preventive control;
2. concomitant control;
3. follow-up or final check.

Preventive control is to check the suitability of operating management programs, normally annually, to positively contribute to the pursuit of the goals set out in the strategic plan. Since these programs usually translate into budgets, we can say that this step consists in drafting the budget and assuring its goodness in relation to long-term plans. In any case, at this stage, it is not yet a matter of monitoring the effectiveness and efficiency of the actions carried out, but it is limited to ensuring the adequacy of short-term programs.

Concomitant control is instead anomalies control: it is used during the year, usually at pre-established intervals, and is intended to monitor the trend of management through partial or intermediate results, which are occurring. Obviously, the monitoring of management is more frequent, the greater the company's ability to control.

The next check is final when the final results have already appeared. As such, in the logic of monitoring for intervention, it does not have much effect, since it is inevitably done to things done. However, it has its usefulness: firstly because it "makes history", it feeds the company information system with data and information useful for planning better in the future; Secondly, because only in the case of game bowls you can proceed to an evaluation of the results of the various managers, and thus to initiate any incentive processes (premiering systems).

The various stages of the control process always require a comparison of expected results and actual results. To make this comparison, appropriate rules are used, usually called "control mechanisms". The control mechanism par excellence is called "feed-back" and consists in comparing expected results and actual results.