MANAGEMENT CONTROL

Theories, Issues and Practices

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Edited by

Anthony J. Berry, Jane Broadbent and
David Otley

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Preface

Following the publication of two monographs, *New Perspectives in Management Control* (Lowe and Machin, 1983) and *Critical Perspectives in Management Control*, (Chua, Lowe and Puxty, 1989), members of the Management Control Association conceived the idea of collaborating to produce a textbook. The book was intended to provide a broader and more flexible text on management control than those which were available at the time. The book which we have produced reflects this original aim, along with the interests and idiosyncracies of the various contributors. As such it should not be seen as providing the last or the definitive word on management control, but instead as a starting-point. The book does accept that managers are central in the process of managing, but it does not accept the concept of 'managerialism' uncritically. It seeks to provide ideas which will stimulate a wider search for knowledge, rather than close down possibilities.

The book is aimed at those attending both MBA and specialist masters courses as well as advanced undergraduate courses. It should also provide food for thought for practising managers. We do not aim to provide a prescriptive and structured course outline, but to provide a resource which can be 'dipped into' on a flexible basis. The volume falls into three parts, each with a rather different focus and each of the chapters is self-standing and can be amalgamated into courses to suit individual preferences.

In Part I, the aim is to extend the boundaries of management control and it therefore explores the various approaches to control which have been adopted by those writing on the subject. In Chapter 1 we examine the domain of organisational control, focusing on systems approaches. Chapter 2 reviews some of the approaches to control which have their roots in organisational literature. In Chapter 3 the way in which organisations and tasks are structured in order to achieve control is discussed, while Chapter 4 looks at the more detailed procedures which can be used. Finally in this Part, chapter 5 explores the context in which control exists. It discusses the extent to which organisations are constrained by external forces yet are able to reject or buffer the effect of unwanted changes.

It should be stressed that Part I does not seek to prescribe the 'one best way'. We do not believe that this is possible. Thus the material merely seeks to show the various dimensions of control which need to be considered by the practising manager as well as the different ways in which control can be conceived. Our hope is that a greater set of possible solutions can be generated as wider understandings are achieved.

In Part II we narrow the focus rather more and examine particular issues of control which may be encountered in various different types of organisation. Again we do not pretend that the list is exhaustive of the issues which could be raised, but we do feel a range of topical and relevant areas have been addressed. Chapter 6 examines the general use of one of the most pervasive tools of control, accounting. Chapter 7 reviews the issue of how to control in divisionalised companies and Chapter 8 examines issues of strategy. In Chapter 9 the issues of controlling companies which exist in close relationships with others, those which are embedded in production chains, is addressed. The contribution that economics can make to control is examined in Chapter 10. In Chapter 11 the use of performance indicators as a means of control in the public sector is the area for discussion. Chapter 12 reviews the literature which has seen culture as either a means to control or an element which impinges on the possibilities of achieving control. Following on from this are two chapters which consider the impact of another culture, the Japanese, on controls in particular situations. Chapter 13 looks at the way Japanese subsidiaries operating in Europe are controlled and Chapter 14 takes a broader look at the extent to which it is possible to speak of a 'Japanese approach' to control.

Part III is more specific again, this time focusing on control in particular organisational settings. The settings chosen represent a variety of contexts and the different authors have taken a variety of approaches. Some chapters are stand-alone case studies whilst others combine case material with more theoretical reflection. The five chapters cover the airline industry, the NHS, schools, financial services and manufacturing. Finally, Chapter 20 reflects on the book as a whole.

There are other issues which the book has not been able to cover. Issues of gender and power are ones which we have not addressed directly and no doubt many other aspects could be listed. The two monographs mentioned earlier cover important areas and readers are recommended to explore these books to fill in some of the omissions or to delve more deeply into other topics of interest. We have also sought to provide a comprehensive bibliography to enable deeper study of particular areas. Let us stress once more that this book is merely a starting point, offering some ideas about organisational control, but never pretending to have all the answers. The sheer complexity of human society and the creativity of individuals suggests we never will have all the answers to achieving total control. Our belief is that this is probably a good thing.

In writing this book we have had the support of a great number of people. Direct contributors are listed separately and our debt to them is obvious, but there are others who have given background support and assistance without which we could not have completed this project. Mandy Lowndes has provided secretarial support cheerfully and efficiently and David Simon has patiently read and commented on early drafts of some chapters. Members of the Management Control Association have commented on other chapters which have been presented at some of our regular workshop meetings. Our thanks go to everyone concerned.

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John Williams has recently retired from a chair at the University of Wales, Aberystwyth, after some thirty years as historian of industrial South Wales. He has published extensively on South Wales coal-mining and edited the standard collection of Welsh historical statistics. Since *Why are the British Bad at Manufacturing?* (1983) he has worked mainly on more current issues with Karel Williams and Colin Haslam.

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