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## The Characteristics of the Organizational Control System

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#### Content

- Organizational control system
- Characteristics of organizational control system
- Summary
- Reference

#### **Organizational Control System**

- The management of any organization must develop a control system tailored to its organization's goals and resources.
- Effective control systems share several common characteristics

## **Characteristics of Organizational Control System**

- 1. A focus on critical points:
- For example, controls are applied where failure cannot be tolerated or where costs cannot exceed a certain amount. The critical points include all the areas of an organization's operations that directly affect the success of its key operations.
- 2. Integration into established processes:
- Controls must function harmoniously within these processes and should not bottleneck operations
- 3. Acceptance by employees:
- Employee involvement in the design of controls can increase acceptance.

## **Characteristics of Organizational Control System (Cont.)**

#### 4. Availability of information when needed:

 Deadlines, time needed to complete the project, costs associated with the project, and priority needs are apparent in these criteria. Costs are frequently attributed to time shortcomings or failures

#### 5. Economic feasibility:

• Effective control systems answer questions such as, "How much does it cost?" "What will it save?" or "What are the returns on the investment?" In short, comparison of the costs to the benefits ensures that the benefits of controls outweigh the costs.

### **Characteristics of Organizational Control System (Cont.)**

#### 6. Accuracy:

 Effective control systems provide factual information that's useful, reliable, valid, and consistent

#### 7. Comprehensibility:

Controls must be simple and easy to understand.

#### Summary

- Managers develop a control system to fit the organization goals.
- Control systems answer questions such as, "How much does it cost?"
  "What will it save?"
- It provide information that is useful.
- Control systems must be easy to understand.
- The involvement of the employees in the control system can make it more acceptable.

#### Reference

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# Thank you for your time.