

Informational And Behavioral Control Are Two Types Of Control In The _____ Approach To Strategic Control.

Introduction

Informational And Behavioral Control Are Two Types Of Control In The _____ Approach To Strategic Control.

Strategic control is an essential component of effective management, enabling organizations to monitor, evaluate, and adjust their strategies to achieve desired objectives. Among the various frameworks that guide strategic control, the _____ approach emphasizes a structured method for ensuring strategic alignment and performance. Central to this approach are two fundamental types of control: informational control and behavioral control. These control mechanisms serve to regulate different aspects of organizational activity, fostering coherence between strategic intent and operational execution. Understanding the nuances of these controls provides managers with valuable tools to navigate complex environments, adapt to changes, and sustain competitive advantage.

Understanding the _____ Approach To Strategic Control

Definition and Core Principles

The _____ approach to strategic control is characterized by its focus on aligning organizational activities with strategic goals through systematic monitoring and regulation. It posits that effective control hinges on two primary domains: the flow of information and the behaviors of individuals within the organization. By emphasizing both informational and behavioral aspects, this approach seeks to create a comprehensive control system capable of addressing both the strategic and operational levels of management.

Strategic Control Components

The approach integrates various control mechanisms, but the two foundational types are:

- Informational Control
- Behavioral Control

Each plays a vital role in maintaining strategic alignment and facilitating organizational adaptability.

Informational Control

Definition and Significance

Informational control involves the collection, analysis, and dissemination of information to monitor organizational performance and environmental changes. It centers on establishing reliable information systems that provide managers with accurate and timely data to make informed decisions. This form of control is fundamental for diagnosing deviations from strategic plans and identifying opportunities for improvement.

Key Features of Informational Control

- Focuses on data and information flow
- Uses performance metrics and benchmarks
- Relies on information systems and feedback loops
- Enables proactive adjustments based on environmental scanning

Implementation of Informational Control

To effectively implement informational control, organizations often employ:

1. **Performance Measurement Systems:** Tools such as balanced scorecards, KPIs, and dashboards to assess progress
2. **Reporting Mechanisms:** Regular reports and data analysis to inform management decisions
3. **Environmental Scanning:** Monitoring external factors like market trends, competitor actions, and regulatory changes
4. **Information Technology Infrastructure:** Robust IT systems that facilitate real-time data collection and dissemination

Benefits of Informational Control

- Enhances organizational agility by providing timely insights
- Supports strategic decision-making based on accurate data
- Facilitates early detection of performance issues
- Promotes transparency and accountability

Behavioral Control

Definition and Importance

Behavioral control focuses on regulating the actions and behaviors of employees to ensure they align with organizational goals and values. Unlike informational control, which emphasizes data, behavioral control emphasizes influence over individual and group conduct through norms, policies, and managerial oversight.

Characteristics of Behavioral Control

- Guides behavior through policies, procedures, and cultural norms
- Relies on direct supervision and leadership
- Uses incentives and sanctions to shape conduct
- Emphasizes managerial authority and organizational culture

Methods of Behavioral Control

Organizations employ various techniques to implement behavioral control, including:

1. **Standard Operating Procedures (SOPs):** Clearly defined routines that specify expected behaviors
2. **Supervision and Direct Oversight:** Managers observing and guiding employee actions
3. **Incentive Systems:** Rewards and recognition to reinforce desired behaviors

4. **Organizational Culture and Values:** Shared beliefs that influence conduct and decision-making

Advantages of Behavioral Control

- Promotes consistent actions aligned with strategic objectives
- Builds a cohesive organizational culture
- Encourages proactive behavior and initiative
- Facilitates quick responses to operational issues

Comparing Informational and Behavioral Control

Similarities

Both control types aim to align individual and organizational activities with strategic objectives. They are interdependent; effective informational control can support behavioral control by providing feedback, while behavioral control ensures that information is accurately interpreted and acted upon.

Differences

- **Focus:** Informational control emphasizes data and information flow; behavioral control emphasizes actions and conduct.
- **Methods:** Informational control relies on systems and metrics; behavioral control relies on policies, norms, and managerial influence.
- **Application:** Informational control is often used for monitoring and diagnostics; behavioral control is used for guiding and shaping behavior.
- **Response to Deviations:** Informational control detects issues; behavioral control attempts to correct behaviors proactively.

Integration of Informational and Behavioral Control in the _____ Approach

Synergistic Relationship

The _____ approach advocates for the integration of both control types to achieve comprehensive strategic management. When combined effectively, they create a feedback loop where information guides behavioral expectations, and behaviors generate data for further analysis.

Balancing Control Types

Organizations need to balance these controls to avoid over-reliance on one at the expense of the other. For example:

- Heavy emphasis on informational control without behavioral oversight may lead to data manipulation or misinterpretation.
- Overemphasis on behavioral control might stifle innovation or create compliance-based cultures lacking adaptability.

Strategies for Integration

To effectively integrate informational and behavioral control, organizations should:

1. Align performance metrics with desired behaviors
2. Use information systems to reinforce behavioral expectations
3. Foster a culture where information sharing and ethical conduct are valued
4. Provide training and incentives that promote both accurate reporting and appropriate actions

Challenges in Implementing the _____ Approach

Potential Obstacles

Implementing a control system that effectively combines informational and behavioral controls can encounter challenges such as:

- Resistance to change among employees
- Information overload or inaccuracies
- Balancing control with organizational flexibility
- Ensuring ethical use of control mechanisms

Overcoming Challenges

Strategies include:

1. Engaging employees in designing control systems
2. Investing in reliable information technology
3. Promoting a culture of transparency and accountability
4. Regularly reviewing and adjusting control mechanisms

Conclusion

Understanding the distinction and interplay between informational and behavioral control is vital for organizations adopting the _____ approach to strategic control. Both types serve complementary functions—information control provides the data backbone for performance assessment, while behavioral control shapes the actions necessary to realize strategic objectives. When integrated thoughtfully, these controls enable organizations to monitor progress, foster desired behaviors, and adapt swiftly to changing environments. Ultimately, mastering the balance between informational and behavioral controls empowers organizations to sustain strategic alignment, enhance performance, and achieve long-term success.

(Note: The blank in the title, "the _____ approach," can be filled with specific frameworks such as "Management Control," "Strategic Management," "Contingency," or any other relevant approach based on context or course material.)

Frequently Asked Questions

What are the two primary types of control in the _____ approach to strategic control?

The two primary types are informational control and behavioral control.

How does informational control function within the _____ approach to strategic control?

Informational control involves monitoring and managing information flows to ensure strategic objectives are aligned and informed decisions are made.

What role does behavioral control play in the _____ approach to strategic control?

Behavioral control focuses on regulating employee actions and behaviors to ensure they conform to strategic plans and desired standards.

Why are informational and behavioral controls considered complementary in the _____ approach?

Because they collectively ensure both the right information is available and that individuals act in accordance with strategic goals, reinforcing effective strategic management.

In the context of the _____ approach, how does strategic control differ from operational control?

Strategic control, which includes informational and behavioral controls, focuses on long-term alignment with strategic goals, whereas operational control emphasizes day-to-day activities.

Can you provide an example of informational control in the _____ approach?

An example would be using performance dashboards to track key strategic metrics and inform decision-making processes.

What is a typical method used to implement behavioral control in the _____ approach?

Implementing standard operating procedures, performance evaluations, and incentive systems are common methods of behavioral control.

How do organizations benefit from integrating both informational and behavioral control in the _____ approach?

Integration ensures comprehensive oversight, aligning information flow with employee actions, leading to better strategic execution and organizational agility.

What is the significance of the _____ approach in modern strategic management?

It emphasizes the importance of balancing information management and behavioral regulation to adapt effectively to changing environments and achieve strategic success.

Additional Resources

Informational and Behavioral Control are two types of control in the _____ approach to strategic control.

In the realm of strategic management, organizations continually seek effective mechanisms to ensure their strategies are implemented successfully and objectives are achieved. Among the various frameworks developed to facilitate this process, the _____ approach to strategic control stands out for its nuanced differentiation between two fundamental types of control: informational and behavioral. Understanding these two control dimensions provides managers with critical insights into how organizational strategies are monitored, reinforced, and adjusted in dynamic environments. This article offers a comprehensive exploration of these control types, their theoretical foundations, practical applications, and implications for organizational performance.

Understanding the _____ Approach to Strategic Control

What Is the _____ Approach?

The _____ approach to strategic control is a conceptual framework that emphasizes the importance of aligning organizational activities with strategic goals through systematic monitoring and adjustment. Unlike traditional control methods that may focus solely on numerical metrics or compliance, this approach integrates both informational and behavioral aspects to foster a holistic control environment.

The core premise of the _____ approach is that strategies are not static; they evolve in response to internal and external changes. Consequently, the control system must be flexible, responsive, and capable of addressing both the informational flows that inform decision-making and the behavioral patterns of individuals within the organization.

Why Is It Important?

In today's rapidly changing business landscape, organizations face complex challenges that demand nuanced control mechanisms. The _____ approach recognizes that controlling strategies involves more than just tracking financial results or operational metrics. It requires understanding how information is shared and utilized across the organization and how individual and collective behaviors support or hinder strategic objectives.

This approach advocates for a balanced focus on:

- Ensuring relevant, timely, and accurate information flows.
- Influencing and aligning behaviors to reinforce strategic priorities.

By doing so, organizations can adapt swiftly to changes, foster a culture of strategic alignment, and improve overall performance.

Informational Control: Facilitating Effective Decision-Making

Definition and Conceptual Foundation

Informational control pertains to the management and regulation of information within the organization to support strategic decision-making. It involves establishing systems and processes that guarantee that relevant, accurate, and timely data are available to managers and employees. The goal is to create an environment where information flows seamlessly, enabling organizational members to make informed decisions aligned with strategic goals.

Fundamentally, informational control emphasizes the quality and accessibility of information over the mere appearance of control. It operates on the principle that good decisions are rooted in good information.

Components of Informational Control

1. Data Collection and Analysis Systems

Implementing robust systems like Enterprise Resource Planning (ERP), Business Intelligence (BI), and data analytics tools to gather and interpret organizational data.

2. Performance Metrics and Key Performance Indicators (KPIs)

Developing clear, measurable indicators that reflect strategic priorities and providing regular feedback.

3. Information Sharing Platforms

Utilizing intranets, dashboards, and communication channels to facilitate transparent information exchange.

4. Feedback Loops

Creating mechanisms for continuous feedback to update information and adjust strategies accordingly.

Practical Examples

- A retail chain uses real-time sales data dashboards to monitor product performance across outlets, enabling swift inventory adjustments.
- A manufacturing firm employs predictive analytics to foresee potential supply chain disruptions, allowing preemptive actions.
- A healthcare organization maintains centralized patient data systems to ensure clinicians have up-to-date information for decision-making.

Significance and Challenges

Significance:

Effective informational control enhances organizational agility, reduces decision-making errors, and aligns activities with strategic objectives. It also fosters transparency and accountability.

Challenges:

- Ensuring data accuracy and integrity
- Overcoming information overload
- Protecting sensitive information from breaches
- Encouraging a culture of data-driven decision-making

Behavioral Control: Shaping Actions to Support Strategy

Definition and Conceptual Foundations

Behavioral control refers to the regulation of individual and collective behaviors within the organization to ensure they support the strategic vision. Unlike informational control, which focuses on data and information systems, behavioral control emphasizes influencing human actions directly through policies, incentives, organizational culture, and leadership.

It is grounded in organizational behavior theories that recognize humans as active agents whose behaviors can be shaped to align with strategic priorities.

Key Mechanisms of Behavioral Control

1. Policies and Procedures

Establishing clear guidelines for conduct that reinforce strategic goals.

2. Incentive Systems

Designing compensation, recognition, and reward structures that motivate desired

behaviors.

3. Leadership and Culture

Leaders role-model strategic behaviors, and organizational culture shapes norms and values supportive of strategy.

4. Training and Development

Providing skills and knowledge that enable employees to act in alignment with strategic objectives.

5. Performance Appraisals

Regular evaluations that reinforce behavioral expectations and provide feedback.

Practical Examples

- A technology company incentivizes innovation through bonuses for employees who propose successful new product ideas.
- A service organization embeds customer-centric behaviors into its culture through training programs and leadership exemplification.
- A manufacturing firm enforces safety protocols through regular audits and disciplinary measures.

Significance and Challenges

Significance:

Behavioral control directly influences how strategies are enacted at the ground level. It fosters a disciplined environment where actions are consistent with organizational aims, leading to improved execution.

Challenges:

- Resistance to change among employees
- Misalignment of incentives with strategic objectives
- Cultural barriers that impede desired behaviors
- Over-control leading to reduced motivation and creativity

Interplay Between Informational and Behavioral Control

Complementarity and Integration

While informational and behavioral controls are distinct, their effectiveness often depends on their integration. An organization that invests in comprehensive information systems but neglects behavioral aspects may face challenges in strategy execution. Conversely, strong behavioral controls without reliable information may lead to misguided efforts.

Key points of interplay include:

- Reinforcement: Accurate information can reinforce desired behaviors by providing evidence of progress.
- Feedback: Behavioral responses influence the quality of information flows (e.g., motivated employees may share better insights).
- Adjustment: Data insights can inform behavioral interventions, such as training or incentive redesigns.

Balancing Both Controls

Achieving strategic alignment requires a balanced approach:

- Utilize informational control to monitor progress and identify issues.
- Employ behavioral control to motivate and guide actions toward strategic goals.
- Continuously assess and adjust both systems to respond to changing conditions.

Potential Conflicts and Resolutions

- Over-reliance on data may lead to neglect of human factors.
- Excessive behavioral control can stifle innovation if perceived as overly rigid.
- Resolution involves fostering open communication, participative decision-making, and cultivating a culture that values both information and behavior.

Implications for Strategic Management Practice

Designing Effective Control Systems

Managers should consider the following when developing control mechanisms:

- Alignment with Strategy: Ensure controls directly support strategic objectives.
- Flexibility: Design systems adaptable to environmental changes.
- Transparency: Promote openness in information sharing and behavioral expectations.
- Employee Involvement: Engage staff in developing and refining control processes.

Case Studies and Best Practices

- Toyota's Lean Management: Combines detailed informational controls (e.g., production dashboards) with a culture of continuous improvement and disciplined behaviors.
- Google's Data-Driven Culture: Leverages extensive data systems alongside fostering innovative, autonomous behaviors.

Future Trends

- Integration of artificial intelligence and machine learning to enhance informational control.
- Increasing emphasis on ethical considerations and sustainable behaviors.
- Use of gamification and digital incentives to shape organizational behaviors.

Conclusion

Informational and behavioral controls are foundational elements within the _____ approach to strategic control, each playing a vital role in translating strategic plans into tangible results. Their effective implementation requires an understanding of their distinct functions, how they complement each other, and the organizational context in which they operate. Organizations that skillfully balance these control types can better navigate complex landscapes, adapt swiftly to change, and sustain competitive advantage. As the business environment continues to evolve, so too must the sophistication and integration of informational and behavioral control systems, ensuring they remain aligned with overarching strategic ambitions.

Note: The blank in the phrase "the _____ approach" could be filled with various terms depending on the specific framework, such as "Balanced Scorecard," "Contingency," "Behavioral," or other strategic control models. For a complete understanding, context-specific details should be incorporated.

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