THE IMPOSSIBILITY OF MANAGEMENT CONTROL SYSTEMS?

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Abstract

Purpose: While the research in management control systems (MCS) continues to grow; we return to question the underpinnings of MCS. Starting from Anthony (1965) we argue that the rational approach to management control relies upon the dominant discourse in management built on a cybernetic view of systems with known outcomes.Drawing from Stacey's view of an organization as a complex responsive process of relating then an organization is the daily interaction of the people that are part of it. This perspective privileges the social and the process of relationship and questions the presuppositions of mainstream management theory underpinning management control systems, namely the privileging of the individual and systems

Methodology: We critique the concept of management control systems using Stacey's view of organizations as complex responsive processes of relating.

Findings: From the perspective of Stacey's complex responsive process of relating strategic plans, budgets and other control devices have no meaning outside of the shared meaning of the organizational participants. The paper concludes with a way forward by building research and practice balanced by an understanding of the deficiencies of the systems view.

Originality/Value of the paper: Stacey's view of organizations is had not yet been drawn into the accounting literature.

Paper classification: Research paper

Keywords: management control systems; complex responsive processes of relating; Elias; Mead

Introduction

Voltaire (1756) famously declared "*Ce corps qui s'appelait et qui s'appelle encore le saint empire romain n'était en aucune manière ni saint, ni romain, ni empire"* - the Holy Roman Empire was neither Holy, nor Roman, nor an Empire. Despite the many reflections on management control systems (MCS) (e.g. Nixon and Burns, 2005; Otley, 2003; Manzoni, 2002) we critically examine whether MCS is really "management", "control", or "systems". The complexity of organizations and the unknowability of futures quickly brings us into the "paradox" of control (Streatfield, 2001). We take up the challenge of Streatfield's work, building as it does on Stacey's theory of complex responsive processes of relating and its intellectual roots in the processual sociology of Norbert Elias and the symbolic interactionism of George Herbert Mead.

Our argument is that the MCS literature, research, practitioner and textbooks, is still infused with cybernetic thinking where ends are knowable and measureable. Much of this literature also ignores local human interactions. To retain this mode of thinking is to be out of step of the reality of the experience of managers, MCS designers and employees at all levels; a world of complexity and change, from incremental to radical. Cybernetic thinking ignores the reality of dynamism and change.

A major deficiency of MCS was identified by Dermer and Lucas (1986, p.471) and called the 'illusion of control':

> … the illusion fosters the belief among managers that conventional controls … accurately and validly measure, and thereby help determine, behaviour. The illusion reflects a presumption that management can intervene when necessary and successfully effect change. Further, the illusion provides for the belief that, by changing a given mix of existing controls, managers make necessary and sufficient functional responses to internal or external change. To those managing with an illusion of control, negative consequences of managerial action often signify the necessity for more controls.

Their solution to Dermer and Lucas was in trying to reflect "as accurately as possible the … political relationships among individual actors and groups".

While there is merit in understanding the political relationships and seeking participating and interaction with systems, there are more fundamental problems in the illusion of control. First, is the systems view of organizations an appropriate starting point to explore the use of "controls"? Second, is it possible to introduce a "control" into an organization? These questions are both more radical and central than existing critique. Using Stacey's Complex Responsive Processes of Relating we explore the role of MCS in organizations.

While complexity has been acknowledged in the MCS literature (e.g.Jermias and Gani, 2004), there has been insufficient attention to the attributes of complexity such as self-organization and emergence. Yet the issue least addressed is the problem of conceptualising an organization as a system. To do so "reifies human action" (Stacey et al, 2000, p.58); it "locates human freedom and participation …outside the …system we are using to explain it" (op cit, p.58). Inevitably system theorists establish some agency is located outside of the system to make choices and direct the system towards those choices. A shift to a view of organization as a process, using the processual sociology of Norbert Elias, takes full account of the inter-connectedness and

interactions of participants in organizational life. Systems, including MCS, in organizations can only work if "the members of the organization weave their day-to-day interactions with each other through and around the rules of the systems they have designed" (op cit, p.59). Burke (2004) raises the concern that we have moved to the "cult of performance" built on the shaky foundation of unrestrained management agency and future certainty.

The next section re-iterates the development of MCS and its reliance on systems literature before we introduce Stacey's viewpoint. To give Stacey's theory greater clarity we explore its intellectual roots in Elias' figurational sociology and Mead's conception of the self.

The Trajectory of Development of Management Control Systems

The traditional approach to management control flows from the work of Robert Anthony and his colleagues at Harvard Business School. Anthony (1965, p.17) defined management control as the 'process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives'. Central here is the role of managers who know the organization's objectives and can provide assurance that the resources are used to achieve them through control devices. Reviewers of the MCS literature continue to see a strong flow of cybernetics flowing through them (Merchant and Otley, 2007).

Since Anthony there has been a flow of papers noting the problems of a systems perspective and also the concept of control. As far back as 1981 Hofstede came up with a model of control based on four criteria: the ambiguity of objectives, the measurability of outputs, the understanding of the impacts of interventions and the repetitive nature of activities. We argue that rarely do these four criteria exist in a way so that "routine control" can exist. If the ambiguity of objectives could not be resolved, Hofstede (1981) argues for political control. In fact, Hofstede (1978) argued that in the absence of total consensus, a dominant coalition that imposes or single totalitarian power-holder it is not possible to use the idea of an organization's objectives. Using the ideas of complex responsive processes the latter two exceptions are unlikely to be effective; Hofstede (1978, p.456) observes that decisions are based on processes of negotiation and struggle. Organizations cannot be reified in a way which suggests uncontested objectives; and it has often been noted that multiple conflicting goals can coexist in successful organizations (Parker, 1976).

The second criterion, the measurability of outputs, has been a constant issue with MCS researchers with Otley (1999) suggesting that MCS are almost synonymous with performance measurement systems. There has been enormous effort in devising new performance measurement systems, the most conspicuous today being the balanced scorecard. The partiality and potential dysfunctionality of every performance measurement system is well-known.

Hofstede's third criterion was the predictability of the results of interventions. Otley (2003) argues that in the absence of clear predictive models organizations should focus on agility; to respond quickly to change rather than predict it. The predictability, in part, depends on the response of people; Otley and Berry (1980) observe how people being controlled are themselves self-controlling systems and don't react in predictable, stable ways to systems placed on them.

The fourth criterion is that activities are repetitive. We also can agree that routine activities are easiest to 'control'. The control literature suggests that this is not necessarily benign and controls used coercively are avoided (e.g. Ezzamel, Willmott and Worthington, 2001).

The conclusion from Hofstede is that too often the ambiguity of objectives destines us to political control. This is too limited a critique, for Hofstede's argument still seems to rest on the assumptions of certainty and the ability of manager's to take action – not taking on the processes of relating which we shall explore later.
Moving forward from Hofstede and early debates about MCS there was a major move forward in the literature with the development of the Levers of Control framework by Simons (1995, p.5) who defined management control systems as 'the formal, information-based routines and procedures used by managers to maintain or alter patterns in organization activities'. Simons moves away from objectives to patterns; an idea that fits much more closely with complexity. Yet there is still an implicit assumption that controls can be used by managers to change behaviours, without sufficient recognition of the duality of power. While Simons (1995) recognises that group patterns are important he doesn't explore how these patterns are formed. Simons (1995, p.13) sees the relationships of individuals with the organization as a "sets of relationships among self-interested participants, each of whom is balancing personal well-being and organizational needs". This view of organizations ignores the fullness of the importance of networks and objectifies "organizational needs" as if they can exist outside of the needs of the participants in the organization. Without ignoring the power of managers in organizations to influence patterns, there needs to be a broader conception of the influences in an organization.

While Simon's "belief systems" broadens the nature of controls, the same concerns exist about defining beliefs as if managers stand outside of the system and impose beliefs: "the explicit set of organizational definitions that senior managers communicate formally and reinforce systematically to provide basic values, purpose, and direction for the organization" (Simons, 1995, p.34). While managers do have more power and do, and probably should, develop and articulate beliefs, belief systems are only beliefs if they are genuinely shared and are patterns of daily interaction in the organization.

While thinkers about MCS are willing to engage in the politics of organizations, there seems to be an unwillingness to go beyond the organization as a system, or to arrive at a means of achieving the empowerment which is advocated. In the next section we explore the foundations of an alternative mode of exploring MCS based on complex responsive processes of relating.

Why Stacey's theory of complex responsive processes of relating?

Given the wide range of theories used in MCS what does Stacey's theory offer. Consistent with some other theoretical perspectives he argues that management and leadership are not sciences but social phenomena (Stacey, 2010), while the dominant discourse is based on a scientific paradigm. This is linked with the ideology of control which sees managers and leaders as the controllers of organisations. Management and MCS has absorbed a paradigm which is prevalent in business schools based on

industrial efficiency and the psychology of human motivation. Taylor and Fayol were engineers, which was also the training ground of the balanced scorecard developer Robert Kaplan. This grounding leads to a view of management as an objective science defined by laws, rules and principles; however '...nothing like the certainty traditional science seeks to produce has so far materialised in our research on organisations' (Stacey, 2010, p.47). The objective view sees management as the activity of forecasting, planning, organising, coordinating and controlling through setting rules for others were to follow. Stacey (2010, p.35) states: 'Management science equates the manager with the scientist and the organisation with the mechanistic phenomenon that the scientist is concerned with'. The manager chooses the goals and designs the rules for organisational members to follow leading to achievement of the goals. Staff are viewed as role following entities; yet in reality they have some potential to choose their own goals and actions.

Following World War II, Stacey (2010) argues that systems theory infused management as the organisation came to be viewed as a system and its parts as sub-systems. In the 1950's once again engineers, with their notion of control, developed the theories of cybernetic systems and systems dynamics; biologists developed general systems theory. The engineer's notion of control was imported into understanding human activity and formed the foundation of today's dominant management discourse. Planning and budgeting systems in organisations are cybernetic – targets are set, actual is measured against budget, feedback is received and corrective action taken to remain on course; a negative feedback loop. With the advent of systems thinking the manager is seen as an objective observer who designs the system and the rules governing the staff interaction that drive it.

In contrast Stacey (2010) argues that the concepts of industrial efficiency, the psychology of human motivation and systems theory do not represent organizational realities. Each global economic crisis provokes a re-think of how organizations should be governed and what it means to manage. The science of certainty is not borne out by current uncertain economic consequences as witnessed recently in the global financial crisis.

In summary, complex responsive processes of relating is established in contrast to concepts imported from science into our understanding of organizations:

- The autonomous rational individual; supported by atomistic view of society and the objectification and control of nature;
- The objective observer; detached from the phenomenon being studied; not influencing or affecting what is being studied; and
- The metaphor of the mechanistic organisation being predictable and stable where management can achieve stability and change without any notion of emergence. Organisations exist by human choice and design.

Complex responsive processes of relating establishes a new metaphor (Morgan,) with stronger relationship with 21st century organizations. This reality is one where members of an organisation, both staff and management are 'perpetually constructing 'the organisation' as patterns that emerge in our ordinary local interactions as we together perpetually create the future' (Stacey, 2010, p.2050). Local interactions are ongoing, ordinary conversations between organisation members and members of other organisations. Here power relations emerge which are a reflection of our ideologies

and these ideologies are the basis of our choices. This can be summarised as the complex responsive processes of the ordinary politics of everyday life.

The implication of changing our thinking is a refocusing of attention on the experience of local interaction in organisations. Managers realize that they cannot stand outside of this interaction as they are a part of it; nor can they control it but merely take their participation seriously and reflect upon it.

We will now examine the theories that inform Stacey's theory of complex responsive processes of relating.

Intellectual Roots and Consequences

While management control systems researchers continue to find useful theoretical lenses in the work of Giddens (e.g. Coad & Herbert, 2009), Foucault (e.g. Cowton and Dopson, 2004), and the new institutional theorists (Brignall and Modell, 2000) we argue for a more powerful alternative in Stacey's theory, and its roots in Elias and Mead. Elias' theory is analogous with some of the outcomes of complex adaptive systems (Stacey, 2007); arriving at ideas which encompass self-emergence and evolving patterns of interaction.

Mead's theory of conversation of gestures views the creation of meaning as a social process through the significant symbol of vocal conversation. Elias' processual sociology provides a basis for examining how that communicative interaction is enabled and constrained. It is in relating that people become who they are both collectively and individually. If an organisation is viewed as is being proposed, as a pattern of talk, it only changes as its conversational life (power relations) evolves. Conversation is self-organising and therefore beyond the control of management. Management can only hope to participate in the conversation, not control it.

Mead's conceptualisation of the self in communication

Mead (1972) argues that human societies are not possible without human minds and selves, and human minds and selves are not possible without human societies. For Mead the behaviour of all living organisms has a basically social aspect; the social act is a process of gesture which calls forth a response from another which together create meaning. Meaning lies in the gesture and response i.e. the social act as a whole. "Knowing becomes a property of interaction, or relationship" (Stacey, 2005a p.164). Stacey (2001) states that meaning emerges in the living present where the immediate/micro future (the response) acts back on the micro past (gesture) to change its meaning. Meaning is located in the circular interaction between gesture and response in the living present.

The capacity to experience the same response in oneself as in another person is a form of consciousness, which together with meaning emerges in the social conversation of gestures (Mead, 1972). There also emerges the potential for more sophisticated cooperation. Therefore importantly, according to Stacey, human social forms and human consciousness both emerge at the same time, each forming the other (Stacey, 2001). As people interact with each other there is the possibility of a pause prior to making a gesture. The individual in silent conversation (those words running through your head and known only to you) can carry out a role play as to what the other

person's response is likely to be to the gesture, a form of thinking where the individual makes a gesture to himself bringing forth responses in himself.

Mead (1972) refers to the vocal gesture as a significant symbol. Here the individual making a gesture can experience in their own bodies a similar response to that which their gesture provokes in the person to whom the gesture is made. In this sense the person making the gesture can know what they are doing, that is they can predict the consequences of their gesture. With the vocal gesture we can hear the sounds made in much the same way as others hear them, as opposed to say our own facial expressions which we cannot see. The development of language is of major importance in the development of consciousness and more sophisticated forms of society. "Mind and society emerge together in the medium of language" (Stacey, 2001 p. 84). There is the public verbal conversation and the private silent conversation, both occurring at the same time, forming and being formed by each other.

As we increasingly interact with more people, more possible responses enter into the private role playing prior to the gesture. Therefore the ability to predict the response of many others evolves and becomes generalised, to the point where the individual can begin to predict the response of a group of people not simply to one's gestures but also to one's self. The individual can make assumptions about the attitudes of the group toward themself, the 'me'. However the individual's response, the 'I' is always potentially unpredictable.

Stacey summarises this as "...each of us may respond in many different ways to our perception of the views others have of us" (Stacey, 2001 p. 88). This points to the importance of diversity in potential transformation.

These ideas of Mead fuse into the complex responsive process of relating that:
"…sophisticated interaction could not take place without self-conscious minds but nor could those self-conscious minds exist without that sophisticated form of co-operation" (Stacey, 2001 p. 88).

Individual minds/selves exist but emerge in interaction with other people, rather than arising in the individual. With mind there is the experience of both continuity of the familiar and potential transformation. From this perspective individual and collective identity is continuously reproduced and transformed in relational interaction between people.

We all play roles within different contexts, where each role is signified by the language used. From a postmodern pragmatic perspective, we are how we talk.
In recognition of this heuristic insight Byrne (2009, p. 130) composed the following:

> "Descartes says
> Cogito ergo sum
> Which privileges the one
> I say
> Colloquimur ergo sum ateque sumus
> Which privileges no one".

Colloquimur ergo sum ateque sumus means "We converse therefore we are" and is a more ethical perspective as it does not privilege the individual as the creator of their

reality. This is an attractive management philosophy for moving beyond a managerialist position by building conversation. It is not about management doing things radically differently but being willing to genuinely share ideas across the organization.

Norbert Elias' figurational sociology

Elias' principal work, *The Civilizing Process,* was written in German in 1939, and it has taken many years for his work to permeate Anglo-Saxon sociology; especially as he largely remained dis-connected with the body of sociological thought (Featherstone, 1987). Elias figurational or processual sociology was built on a conception of historically produced and reproduced inter-dependent networks which he called figurations:- 'a structure of mutually oriented and dependent people" (Elias, 1978, p.261). He moved beyond the view of individuals and, by extension, organizations (Dopson, 2005) as *homo clausus*; self-contained and individual people. Instead he argued for *homines aperti,* people dependent and networked with others. The conception of people as *homo clausus* still abounds in the management control systems practitioner literature and textbooks:

> When Bob McCool became head of Mobil NAM&R in 1992, he made it clear that the performance of the past was not acceptable; things had to change. Working with his leadership team, he developed a vision and a strategy of how these changes would be achieved… McCool and Brian Baker played central roles in communicating the new strategy …"I firmly believe that if I change one measure on my scorecard, change will happen" (Kaplan and Norton, 1996, p.57).

Within the context of *homines aperti* Elias views power as a structural characteristic of all human relationships. Power is the activity of enabling and constraining each other (Stacey 2007b, p.353). This is a relational view of power and is consistent with Meads privileging of the social. It is also a fundamental aspect of the theory of complex responsive processes of relating. Stacey (2005) points out that Elias argues that when you enter into a relationship you are constrained by, while at the same time constraining, the other person. But we are also enabled in our relating. The paradox is that human action is both enabled and constrained at the same time. Power relations come about in communicative interaction because the turn-taking and turn-making structure establishes patterns of inclusion and exclusion. Groups are formed to which people can feel they belong and this is an essential aspect of personal identity. Belonging to one group can lead to contempt for another as a 'we' identity is formed. Stacey states

> Together, communicative interaction and power relating constitute the iterative self-organising processes in which the social, collective and individual identities, individual minds, and selves, all emerge, change and are sustained (Stacey & Griffin, 2005 p.5).

It is in relating that people become who they are both collectively and individually. Through their continual interaction people form and are formed by narrative (informal relationships) and propositional (formal relationships) themes that emerge as continuity - the known, and transformation - the unknown, paradoxically at the same time. These narrative and propositional themes organise themselves into conversations, and organise the experience of being together (Stacey, 2003). If the

organisation is a pattern of talk, then it only changes as its conversational life evolves. Power relations can facilitate and block the emergence of new patterns of talk.

Actor-network theory (Latour, Callon) has been adopted by many MCS researchers (Chua etc), and has significant commonalities with Elias. However, figurational sociology Elias has two advantages over actor-network theory (Newton, 2001). First, Elias recognises differences in relation to asymmetries of power; "if interdependency constrains the actors, it constrains actors in different ways (Bauman, 1989, cited in Newton, 2001, p.479). This lack of emphasis to asymmetries leads to a duller critical analysis using actor-network theory than Elias. Second, according to Newton (2001), Elias retains a focus on human rather than non-human agency and rather than 'black boxing' humans he seeks to understand in detail the interdependency network over time.

Elias sought to overcome the structure-agency dilemma (Hughes, 2008) as did Bordieu and Giddens (Mouzelis, 2008); thinkers whose ideas have also been drawn into MCS research.

Beyond Systems and Control: Complex Responsive Processes of Relating

Moving beyond the view of an organization as a system to that of a relational process, Stacey (2000) argues that to view an organization as a system is constraining. The presence of a system requires delineation of boundaries and an observer standing outside of the system who delineates the system and defines the rules of interaction. The ability to stand outside of the system and yet within is not possible in a relational view of organizations. The system view attributes a formative causality where the system can only do what it is designed to do and a rational causality where only the observer can exercise choice. Causality is therefore dual with rationalist causality attributed to designing individuals and formative causality attributed to the system they design (Stacey, 2007). To view the organization as a system is to have the interaction of staff chosen by a manager standing outside of that interaction. To use the concept of a system rather than human interaction marginalises, according to Stacey (2000), the importance of both human freedom and ethics.

Stacey and co-researchers developed the idea of complex responsive processes of relating which he defines (Stacey and Griffin, 2005, p.14) as:

> "the actions of human bodies as they interact with each other, so constituting the social, and as each interacts, at the same time, with himself/herself so constituting mind/self".

Stacey is taking analogies from complex adaptive systems. Humans are complex but are responsive rather than adaptive since we do not always adapt but always respond. Building on Elias, and recognising the problems of using the word 'systems' to human action Stacey uses the word 'process' instead. While systems theory has a concept of process as the interaction of parts adapting to each other, Stacey is interested in human beings responding to each other. The word 'responsive' is thus an important qualifier of the kind of complex processes of relating Stacey refers to.

The mainstream management assumptions reflect a dominant ideology which is the belief in, the possibility of, and the necessity for, control. A consequence of taking the radical insights of complexity theories seriously would be the serious undermining of dominant ideologies such as control.

Three core principles of complex responsive processes are consistently argued by Stacey (e.g. Stacey and Griffin, 2005) and can readily be applied to organizations. From this perspective organizations are *complex*, not so much as in the complexity of the environment but in the complexity of the processes of relating. Second, they are *self-organizing and emergent;* agents interact with each other and produce a widespread coherence without a pattern to fit to, it is the processes of interaction which create "cult values and social objects" (Stacey and Griffin, 2006, p.8). Finally they are *evolving* as the agents adapt and change their frames of reference; small changes can be amplified in major moves in direction.

Conventional management thought, and by extension management control systems thinking, has a focus on management intention; whereas complex responsive processes focus on emergence of intention through interaction and communication in an organization. Mead used the ideas of gesturing and responding; a gesture being meaningless unless we look at the whole social interaction. Yet there is something unknowable about the response; which Stacey (2000) calls the "known-unknown" of interaction – the possibility of a repetition of past interactions but the possibility of genuine transformation.

An organization is then a set of ongoing patterns of relationships between people in an organization. There is no such thing as a system which exists at a higher order than the agents and the norms, values and ideologies created by their interactions. Neither can any blueprint define the patterns of relatings, only inasmuch as the inter-relationships of people agree to accept it as a temporary ideology to which they can relate.

Of the researchers working with Stacey, the most developed thinking on the application of complex responsive processes of relating to management control is the book by Streatfield (2001). He explores the paradox inherent in a belief in management control (see Table 1 below).

Table 1 The paradox of control (adapted from Streatfield, 2001, p.134)

"In control"	**"not in control"**
1. Intended/selected/designed/planned	Exploring/searching
2. Detecting/correcting/deviation	Amplifying deviation
3. Forming	Being formed
4. Known	Unknown
5. Predictable/certain	Unpredictable/uncertain
6. Stable	Unstable
7. Order/regular/pattern	Disorder /irregular pattern
8. Conformity/consensus/sharing	Diversity/conflict
9. Clarity	Confusion
10. Formal /legitimate	Informal/shadow
11. Conscious	Unconscious
12. Habitual movement/culture	Spontaneous movement

Without exploring each of these issues, some of them stand out. Feedback loops are based on deviation correction, but in "not in control" deviation can amplify.
Streatfield (2001) offers six perspectives for the manager facing this paradox of in-control and not in control. At the top of his list is to recognise properties of self-emergence and self-organization; the local situation is constantly changing. A few researchers of MCS encourage this view. Kaplan and Norton (2001) write of the need to use the balanced scorecard as a flexible tool in a rapidly changing environment which recognises the role of all actors in an organization to see and share directions for change. Yet in practice the scorecard has more often been seen as a diagnostic tool similar to management-by-objectives that a tool which helps shift the paradox through gesture-response.

He also suggests that managers should appreciate the continuity and potential for transformation. This perspective has been brought into the MCS literature through some of the analyses based on Gidden's structuration (Macintosh and Scapens, 1995); agents can bring about rapid change at points of crisis. Taking Streatfield's point further is to use MCS to bring about transformation. While this may well happen through interactive control systems; yet diagnostic control systems may re-enforce the status quo.

Streatfield (2001) returns to Elias for another perspective – 'participation in subjective interaction in groups'. It is in this area that Stacey's writings areas strongest about explaining how interaction will help build shared views of directions, visions, goals and desirable outcomes. Management control systems imposed reduce their legitimacy; either by international head offices imposing a system which is not culturally sympathetic or by new senior managers bringing the MCS they are comfortable in a different organizational context.

Streatfield's fifth perspective is power which Stacey (2010, p.181) understands as "fluid patterns of perceived need and is expressed as figurations of relationships". Inter-relationships and interdependence lead to power relationships in every human interaction in organizations. This view of organizations gives primacy to the possibility of resistance; MCS are effective only if they are accepted as reasonable abstractions in the context of the daily local interactions. The result of this is developed by Burke (2004, p.48): "There are no levers that somebody can pull in order to change an organisation around. The interplay of connections cannot be controlled by anyone." A humbler view of management will see the need to be involved in the interplay of connections to modify MCS or accept the way interconnections have modified MCS use beyond some top-down imposition.

Finally Streatfield (2001) is anxiety and courage. While anxiety is normal and essential to create an atmosphere in which people are prepared to change and move forward, too much anxiety can leave people fixed through fear. The manager builds trust and connectedness to move forward. By courage Streatfield (2001, p.132) means '…the courage to carry on participating creatively with others in the construction of meaning, despite not being "in control"'. By extension MCS need to be used which challenge popular conceptions of strategic positioning held by senior managers rather than reinforce a current failed direction.

The paradox of control is central to the problem of MCS. It impacts both on design and use.

Towards a balanced conceptualisation of MCS

The only citation of the complex responsive processes literature in the MCS literature is that of Nixon and Burns (2005) who cite Streatfield (2001) in the context of knowledge intensive industries where managers may face the paradox of control. This under-estimates the paradox of control; present in most organizations which face uncertainty and recognize the interdependencies of human action.

Our endeavour is therefore to conceptualise MCS which deepens our understanding of management, recognises the paradox of control and goes beyond organizations as systems to organizations as processes of relating. Perhaps this may be Management Control Processes, building on the conceptualisation of the organization as interactions and networks and therefore much more about processes.

At the core of this conceptualisation will be a different understanding of the role of the manager. They have power inasmuch as their position shifts the figuration of power toward them (Griffin et al, 2005) although their role is co-created with others in daily interactions. If managers are expected to demonstrate leadership then Griffin et al (2005) explore the attributes of leaders as those who articulate emerging themes, interact with others to iterate and transform values, understand the attitudes of those involved in the organization and act imaginatively.

Some of this new approach is in the writings of the 'Beyond Budgeting' movement. 'Beyond Budgeting' (Hope and Fraser, 1999; Hope and Fraser, 2003; Wallender, 1999) is built on a shift away from command and control to radical decentralisation and adaptive processes (Player, 2003) In this model the forecast for the organization is important with the anticipation of rapidly evolving an organizational direction in small teams (Hope and Fraser, 1999). While Player (2003, p.8) stresses the development of "capable, committed and empowered people" there is no explanation of the process of achieving this.

Wallender (1999) seeks an environment where there is a move away from rigid targets and unachievable visions and long-term plans to an agreed philosophy or business concept and there is harmony. His idea of intimating what you don't do relates to previous ideas of boundary or belief systems.

The balanced scorecard is another MCS which may suggest a more engaged approach to employees. Kaplan and Norton (2001) sketch the role of employees in responding to the scorecard identifying new opportunities of gas station sites and new products. At the same time there is something intrinsically top-down about the balanced scorecard approach; and a focus on organization-wide second order abstractions which may be divorced from the daily local interactions. Malina and Selto (2001) recognise that the opportunity for communication as a result of the use of the scorecard could reduce tension and conflict; a seemingly sensible suggestion without an understanding of how this might happen.

Some of the reflections on alternative organizational forms also take account of interaction. Chenhall (2008, p.543) observes the encouragement within horizontal organizations for "individuals [to] interact with each other within the organization"

and of the need to build trust and commitment in horizontal organizations to enhance it. While this is moving towards Elias' processual approach it cannot operate effectively within a strait jacket of traditional rigid control systems.

Conclusions

The management control systems literature remains rationalistic and managerialistic. Our goal has been to critique the current position of MCS and tease it apart using complex responsive processes of relating. Using the work of Stacey, and its roots in the sociology of Elias and Mead, we argue that MCS remains within a stereotype of knowable futures which can be controlled by managers. The paradox of control is that managers are both in control and out of control; MCS provide an illusion of control by creating second-order abstractions.

Beyond budgeting, levers of control and balanced scorecard are three literatures which suggest a role for emergence, complexity and evolution. None of them account for control in the context of complexity. All of them retain systems as a core concept, because a systems approach as the dominant paradigm is a common sense way of understanding organizations. To Voltaire again we turn: "Common sense is not so common".

Yet we are not suggesting that all management control systems need to be abandoned. Using MCS as part of a command and control management built on a cybernetic view of setting outcomes and using feedback systems to arrive at known ends is to live in an organizational world that doesn't exist. Self and social controls are more powerful than the formalized organizational controls (Stacey, 2010). They need to be used in a context in which the local relating is more important than global abstractions.

In recognising the organizational reality of complex responsive processes of relating MCS educators and researchers put more emphasis on the local relating that the global second-order abstractions and find the tools that are genuinely useful in the rapidly changing environments of organizations.

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