

Original Research Article

THEORETICAL AND METHODOLOGICAL PRINCIPLES FORMATION OF THE ESSENCE OF OPERATIONAL CONTROL

ABSTRACT

Aims: To investigate, analyze and evaluate scientific positions of scientists - economists in relation to the economic content of operational control and its importance as a management function; find out its differences from other forms and types of control and to isolate it in a separate category.

Place and Duration of Study: Lutsk National Technical University, Educational and Scientific Center «Institute of agrarian economy», Lesya Ukrainka Eastern European National University, 2014 – 2016.

Methodology: analyzed scientific conclusions about the nature of operational control both in Ukraine and abroad by 27 scientists and economists. Found that 63 % of them are distinguished only current control, a small part of them identify it from operating. 33 % - prefer the operative with some comparison of it with the current one. 1 % - deny the existence of a current, and operational control. Quantitatively percent analysis does not give a complete picture to the theoretical nature of operational control, but resulting makes critically evaluate scientific positions of previous researchers.

Results: The theoretical content of operational control was investigated in the light of the evaluation and analysis a number of control classifications as a whole range by different authors. Found that separation is possible with classification of control on the following classification criteria: frequency of its realization, time of the implementation, the target direction, purpose, forms of organization.

Proved that operational control is performed in the process of business operations as soon as possible, ensuring the efficiency of the entire economic process. It is aimed at an informed management decisions, because there is, as in their adoption and implementation as in the evaluation of quality.

Conclusion: operational control, as a guarantor of effective management activities, increases its importance in the modern world. Therefore it is necessary to explore and improve the theory and practice of its implementation.

Key words: *operational control, operational management, management system, management decision, information.*

1. PROBLEM AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC AND PRACTICAL TASKS

The situation of economic processes in Ukraine clearly demonstrates the ineffectiveness of existing programs and formality of how specific sectors and the economy as a whole. The growth of "status"

global players and their impact on the functioning of the global and local markets in terms of aggravation of unfair competition and raiding leads to strengthening the role of operational control over the execution of daily production targets and plans.

Orientation control system of maximize profits has changed to the need of stay on the market, which significantly increased the value of information about external processes. Timeliness and certainty of the data are provided operational control that facilitates adjustment of the current production situation in the event of deviation and defects in production.

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46 **2. ANALYSIS OF RECENT PUBLICATIONS ON THE PROBLEM**

Scientific theory and methodology issues of operational control highlighted in the works M. T. Bilukha [1], B. I. Valuev [17], N. G. Vyhovskiy [3], P. I. Haidutsky [5], I. K. Drozd [6], E. V. Kalyuhy [8], G. G. Kireytseva [9], U. Y. Lytvyn [13], L. Napadovskaya [16], P. T. Sabluk [5], M. G. Chumachenko [21], L. S. Shatkovsky [5], V. A. Shevchuk [6], M. S. Shydlovska [22]. Method of control has received a significant development.

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53 **3. FORMULATION OF RESEARCH OBJECTIVES**

However, there is still no clear position on the economic substance of operative control; there is no unity in the scientific world for its identification or significant differences with other types or forms of control. Therefore, we consider it appropriate to explore the theoretical and methodological principles of forming the essence of operational control.

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59 **4. THE PRESENTATION OF THE MAIN RESULTS AND THEIR JUSTIFICATION**

In order to receive fundamental conclusions about the theoretical and methodological foundations of operational control study conducted on the basis of fundamental works of 27 scientists - economists about control from Ukraine and abroad, belonging to different schools and work in various socio-economic conditions (planned administrative economy, capitalism, the transition to the market in the post-Soviet period, market and developed market economy).

Research the essence of operational control and it refine in the light of the requirements of the terms of political and economic space that existed in a particular study promotes the effective detection of flaws in both the methodology and the organization ensuring monitoring in the practice of modern Ukrainian enterprises.

An important step in ascertaining the nature of operational control is current control studies, which are often identified, although both have different semantic load. A necessary to explore the classification signs of isolation, which will allow assert the unity or separation. Systematic the scientific information regarding the classification of control and allocation of its forms and types of operational control is presented in Figure 1.

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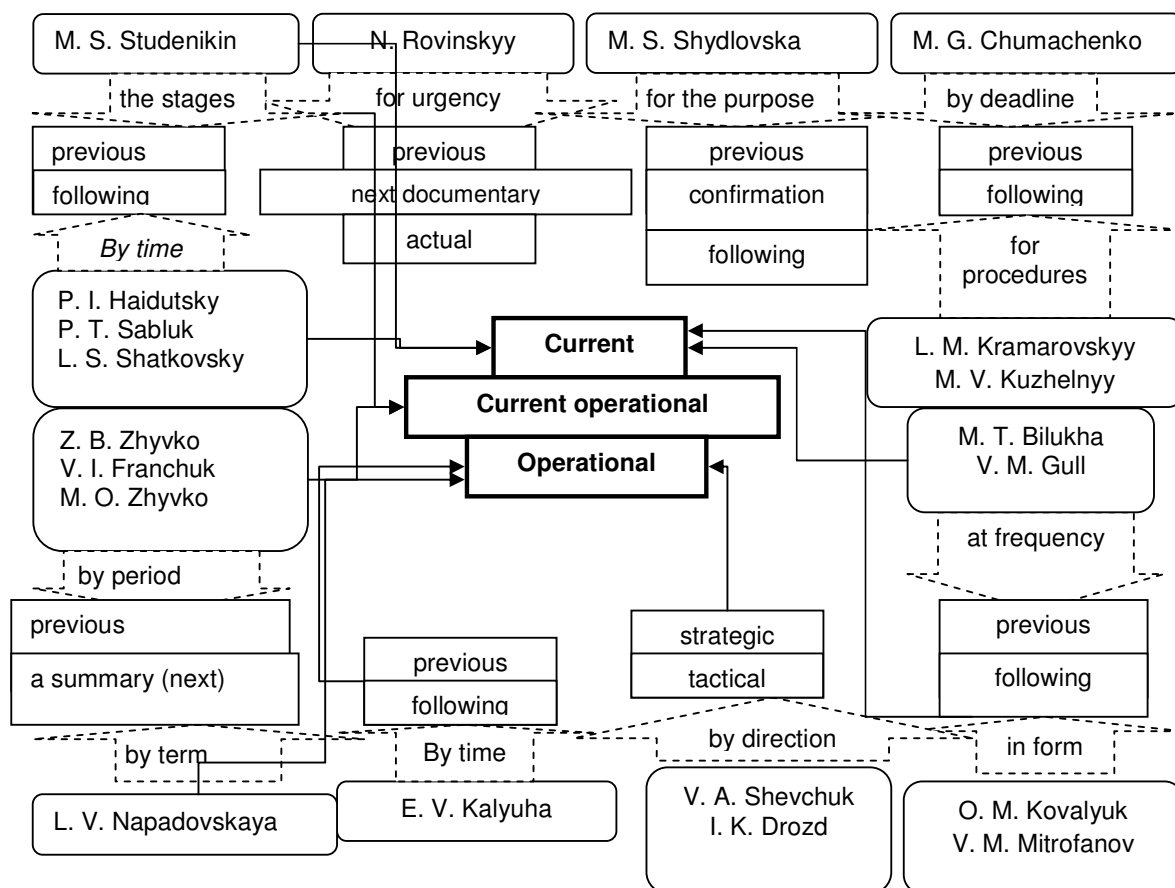


Fig. 1. Summary of scientific approaches to control classification

Source: [1, 4, 5, 6, 7, 8, 10, 11, 15, 16, 18, 19, 20, 21, 22].

Thus, among academics there are no consensus control classifications, whereby release the current and operational control, although their existence confirmed. Among the research findings of 27 scientists, 63 % - allocate only current control, some of them identify it from operating. 33 % - prefer the operative with some comparison of it with the current one. 1% - deny the existence as a current as operational control. Quantitatively – percentage analysis the existence of one or two species (forms) control does not allow forming a complete picture of their contents. Therefore it is necessary to clarify their theoretical value in different scientific sources.

N. G. Vygovska examining internal business control provides control of the owner, which is among the types of current controls performed at the time of the transaction. It prevents possible abuse when receiving and spending funds, promotes observance of financial discipline, timeliness of financial and cash payments, and has the interests of the owner [3, p.320]. Information support current control author acknowledges the current accounts, which considers quarterly financial statements, reports, tasks and plans. We believe that data from such sources is the final performance of the company or a separate department for the period. They provide managers the ability to respond in the course of business processes, detect errors in time and prevent abnormalities. Accounting is formed by the fact

of specified transactions and final evaluation of the effectiveness of the company. At that stage managing and using these sources current control was effective because the task cannot be performed in full. Therefore, the author's conclusions about information of current control are contradictory.

Sound results the survey control is working out by V. O. Shevchuka, I. K. Drozd. Scientists perform classification controls for classifications "control action". With a timing of the audit trail distinguish previous, current and subsequent control, and for the target orientation - strategic, tactical and operational. The implementation of this control is associated with synchronization control and economic events that allow you to measure deviations from rules of evidence in real time. Effectiveness of control achieved by immediate action on the results of management of deviations, otherwise use the current control will not bring the expected results. However, scientists confirm that operational control is carried out in the course of operations, it needs timely response of management to identify deviations normative (planned) indicators of actual, eliminate the negative effects and promote positive results [6, p.12].

Analysis of scientists opinions, allows setting some common features in the nature of current and operational control. In particular, both carried out at the earliest, during business transactions in order to avoid negative phenomena timely response by management, but important is the fact that operational control aimed also helps to ensure positive outcomes management. Hereby its role and importance in the management is intensify and growing.

Support predecessors Z. B. Zhyvko, V. I. Franchuk, M. O. Zhyvko, who believe that operational control is carried out during operations to identify abnormalities, take necessary measures to eliminate the negative factors and securing positive experience. In the current control release operational control, which is conducted by experts and accounting services and has particular importance in the analysis of financial, accounting, production operations, signing documents and their receipt to accounting; and technology current control, engaged engineers, technologists production technology, quality and production that impact on the efficiency of enterprises [7, p. 15–16]. Scientist attention is focused on defining the boundaries of operational control. It is important to clarify its subjects and objects, that allow confirm participation as operational control in the financial and industrial activity.

Significant contributions to the theory of operational control made known scientists such as M. T. Bilukha and L. V. Napadovskaya. M. T. Bilukha during the study of economic control provides its separate type - operational. The author believes that operational control is in the process of operations. Its task is to detect abnormalities in the works in order to take measures to eliminate the negative factors and consolidate the positive experience [1, p. 27]. The author emphasizes to the orientation control to correct the negative effects in the management. L. V. Napadovskaya during studying internal business controls classifies it in relation to the termination of and divided into the previous, current, next and operational. Current control characteristic of the tactical implementation of the tasks carried out in the course of operations related to the acquisition of property, manufacturing and product implementation. It allows continuously monitor the process of implementation of

operations and quickly adjust it if the indicators deviate from planned [16, p.68]. Operational control is differs its properties quickly and on time to eliminate shortcomings, optimally perform operations, the officials activities [16, p. 69]. Emphasized on the impossibility to identify operational and current control, but at the same time, emphasizes operational control of property "quickly and promptly address the shortcomings" that feel the same.

The fundamental work of B. Valuev is the key of research challenges in the theory and practice of operational control. Feature of operational control, according to the author, is the timeframe for its implementation. In terms of method and organization of it common control, the only question is the time limits. Only facility operational management of function provides control of particular importance [11, p. 135]. The effectiveness of monitoring the behavior and state of objects is provided only if its implementation as soon as possible. Analyzing the economic governance of enterprises in different legal forms of ownership, scientist proved that operational control is a function of operational management, which provides a comparison of actual and standard characteristics for the purpose of targeted regulation deviations [2, p.36]. The main types of its author includes previous, current and subsequent control, which puts them in the subordination of operational control and indicates its comprehensive and constant action.

Shares the view of B. I. Valuev, N. V. Kuzhelnyy, L. P. Gorlova, E. L. Zernov, who found that operational management - is the process of achieving the goals in their daily activities on specific areas of production, which is based on operational planning, operational accounting and operational control, indispensable guide to deviations adjusting - removing negative and positive development. Organizational forms of operational control include previous, current and following detection of abnormalities [8, p. 23]. Operational management is much broader process that allows its members to include controls which are carried out on-line and objectives during the making decision.

Analysis the scientist definitions allows to find out that there are differences between current and operational control. More widely the essence and role of operational control revealed through algorithm of its implementation as management function (Fig. 2).

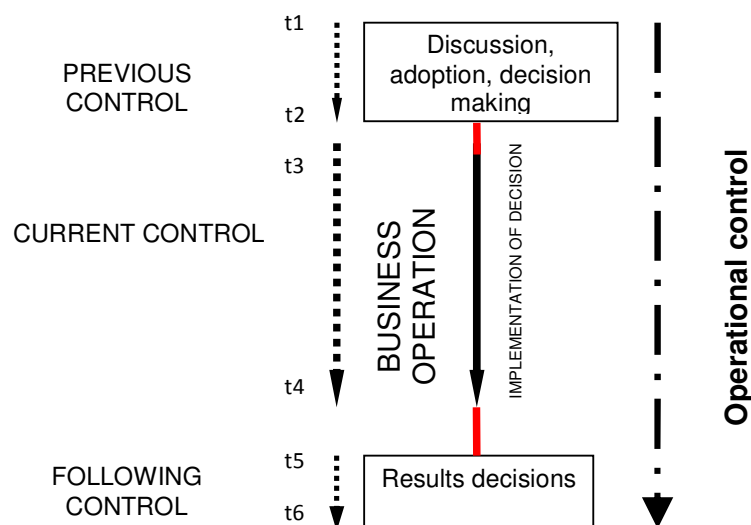


Fig. 2. Algorithm of implementation the operational control as management function

[Made by the authors].

Comparing the mechanism of current and operational control allows us to characterize the main differences. Summary of deviations performed by grouping them in the most typical characteristics (Table. 1).

Table 1. Distinctive features of current and operational control

Sign	Current control	Operational control
Time of implementation	in the course of business operations	in the economic operation as soon as possible
The area of facilities	industrial and financial activities	all areas and spheres of management according to existing requirements management
Participation in management solutions system	implementation of decisions	- Development, approval decision; - Implementation of the decision; - Evaluation of the decision
Time intervals	t3 - t4 - the process of implementing decisions even with time of the transaction	t1 - t2 - the process of development, approval, making decision; t2 - t3 - the process of preparing the conditions for the implementation the decision; t3 - t4 - the process of implementation the decision;

t4 - t5 - the process of examination the facts that occurred after the implementation the decision;

t5 - t6 - the process of evaluation results decisions

168 Note that intervals mechanism of operational control are connected (the time period t0 - t1 - not
169 available), indicating the continuity and consistency of its action.

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171 Research current and operational control showed that the last one is another process. It includes the
172 time of the business transaction, but is not limited to it. Therefore, we believe that the current control
173 is form of operational. Retrospective analysis suggests the emergence of operational control as the
174 kernel (core component) economic and internal control in particular. There are no clear scientist views
175 on what it has resulted from the classification of certain control over the feature. Units distinguish it as
176 a separate kind or form. Therefore, we believe that operational control is an indivisible part of farm,
177 ensuring the quality of implementation the last one. It's the main action is directed to the production
178 process where management meets the daily challenge, but a balanced cost of optimization. In this
179 form of communication is revealed operational control of management accounting. It provides users of
180 all levels with timely data according to their needs in terms of nomenclatures costs, cost centers and
181 responsibility centers, analyst revenues until their grouping and generalization. In addition, it is
182 present in all the areas of management. Participation in operational control is determined by the
183 needs of management, allowing it to form a flexible organizational - methodical structure. The positive
184 association between regulatory flexibility and market share indicate the reason managers may choose
185 income boosting accounting policies that will aid the manipulation of the financial figures to report high
186 sales figure that will portray a greater market share than other players in the market [14, p. 2117–
187 2118]. The need for operational monitoring occurs at all stages of business management in choosing
188 the way of optimization policy. Its significance lies in determining a level spent or used resources,
189 which would be the most secured obtain expected results and substantially unchanged would result in
190 unforeseen internal and external factors influence. Operational control is in the process of business
191 operations, but as soon as possible, ensuring the efficiency of the entire economic process. It is
192 aimed at an informed management decisions because it present as in their adoption and
193 implementation as in the evaluation of quality.

194 Participation and influence of operational control at all stages of adoption and implementation of
195 management decisions involve its division into separate species. Democracy and globalization, which
196 aims to present world, require from operational control to ensure the interests of the private owner,
197 but at the same time not limit the physical, moral and spiritual good of his subordinates. Based on a
198 comprehensive study of the economic substance of operational control formulated its classification
199 features. Their formation recognizes the importance to prevent the occurrence of the same types of
200 operational control, to isolate on different grounds. This is a key point in the implementation of the
201 classification because its accuracy and precision allows finding the place, role and importance of each

202 type in management system. General classification scheme of operational control is presented in
 203 Table 2.

204 **Table 2. Classification of operational control**

№	Classifications		Types of operational control
	Name	Content	
1.	The degree of regulation	assessment of providing regulatory guidance documents of operational control; creation of standard techniques and methods of surveillance, inspection and elimination of negative phenomena in the course of normal economic regime	- Adjustable; - Unregulated
2.	The structure of objects	Linkage of operational control functions and objects of varying complexity and structure	- Control of operating cycle; - Control of individual processes, operations and procedures; - Control of a random phenomena
3.	For activities	isolating certain operational controls to use this method of control procedures and techniques that meet its scope	- Control of production; - Control of management and administration; - Legal control and legal aspects of management; - Monitoring financial transactions and payments relations
4.	For information support	distribution types of operational control are based on the presence in it of information sources; investigate the characteristics of controlled object, which includes historical origin, methods and uses, losses on inefficient and poor use, the actual status at some point	-Operational accounting; -Primary accounting; -Non accounting information; - Mixed type
5.	The duration monitoring procedures	formation of certain types of operational control is carried out considering different kinds of objects, and the quality characteristics of the functioning	- Instant; - Corresponds to the length specified operating cycle; - Meet the information management needs and demands
6.	The nature of the implementation	evaluation of the results conducting operational control by detecting irregularities in the execution of functional responsibilities of employees, the causes of deviations, violations of regulations and standards, occurrence the Manufacturing losses	- Formal; - Actual; - Planned
7.	By organizational structure	allows you to share operational control depending on the ownership, volume of production and realization, number of employees	- Simple; - Complex; - Expanded
8.	By conducting method	the need to use one, several or the totality of possible operational control techniques depending on the purpose of its holding under specific conditions of time and place	- In fact the actual check; - The comparison; - Evaluation; - Application techniques of logic, intuition, use skills, practical experience, etc.

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Clarifying the classification of operational control pretty much ensures the efficiency and effectiveness of its implementation. However, the mechanism of its implementation, in modern conditions, needs review and improvement in all aspects and categories.

The study of theoretical and methodological foundations of operational control has allowed formulate its economic essence and highlight the main aspects that reveal its meaning and value in the marketplace. Thus, the essence of operational control as a means of rapid response to non-normative or unplanned course of economic events and tools to counteract them revealed as a number of interrelated features (Fig. 3).

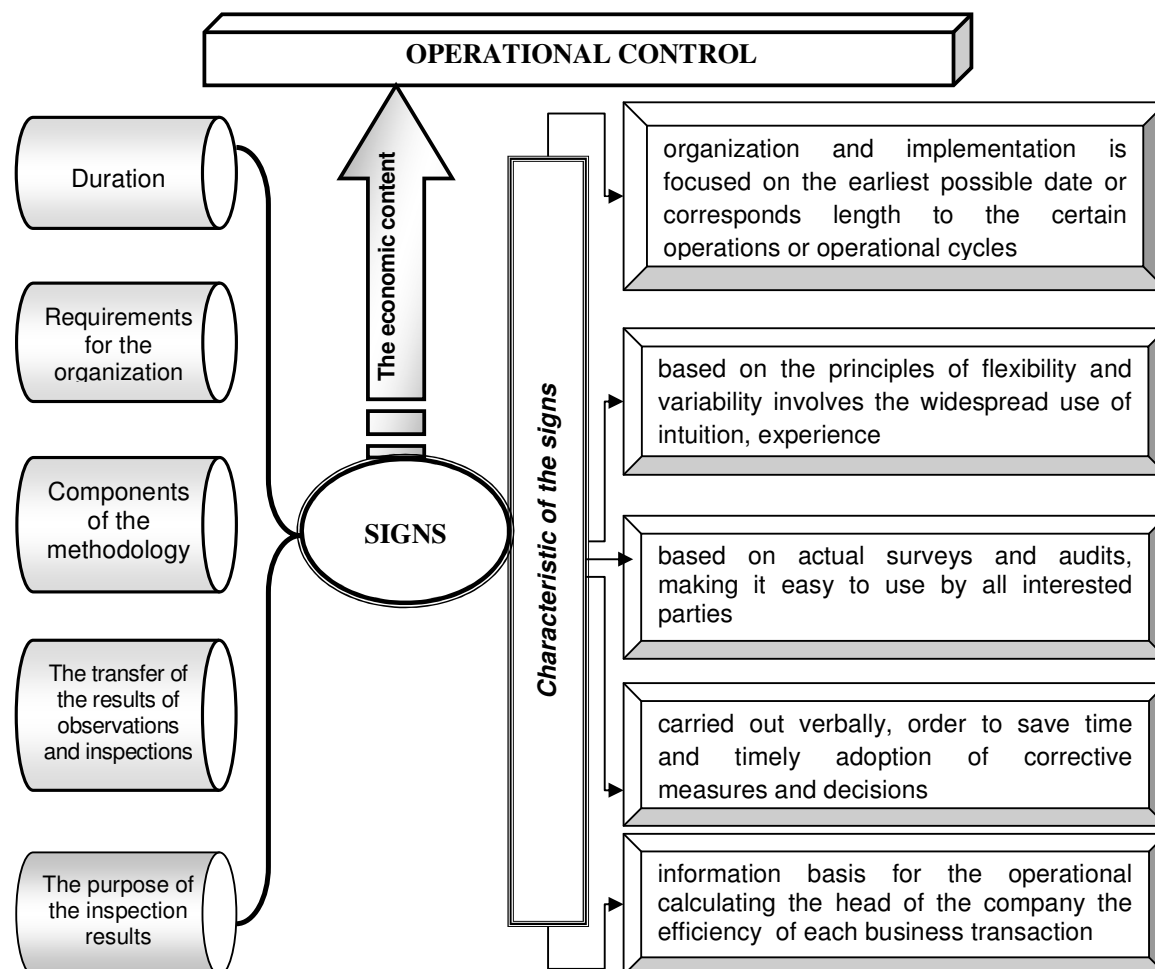


Fig. 3 Signs that reveal the economic content of operational control

[Made by the authors]

5. CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

Operational control designed to quickly and promptly remove various kinds of deficiencies, deviations and prevent occurrence of unwanted situations during the implementation of these processes. However, it has essential to the optimal management of the economy, just perform functional responsibilities of individual employees, which give grounds to consider it as a separate management function. Operational control as guarantor of effective management activities reinforces

its importance in the modern world. Therefore it is necessary to explore and improve the theory and practice of its implementation.

CONSENT

The authors declare that written informed consent was obtained from all participants.

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