Unite 3

Staffing may also be considered as one of the significant Functions of Management involved in constructing the human organization.

Staffing is that part of the process of management which is concerned with acquiring, developing, employing, appraising, remunerating and retaining people so that right type of people is available at right positions and at right time in the organization. In the simplest terms, staffing is 'putting people to jobs.

Staffing Process

1. *Analysing Manpower requirements:* It is making an analysis of work and estimating the manpower requirement to accomplish the same.

2. *Recruitment:* It is identifying and attracting capable applicants for employment. it ends with the submission of applications by the aspirants.

3. *Selection:* It is choosing the fit candidates from the applications received in the process of recruitment.

4. *Placement:* This may be on probation and on successfully completion of the same the candidate may be offered permanent employment.

5. *Training and Development:* It is concerned with imparting and developing specific skills for a particular purpose.

6. *Performance Appraisal:* Systematic evaluation of personnel by superiors or others familiar with their performance so as to rank employees to ascertain their eligibility for promotions.

Importance of Staffing

Efficient Performance of Other Functions

For the efficient performance of other functions of management, staffing is its key. Since, if an organization does not have the competent personnel, then it cannot perform the functions of management like planning, organizing and control functions properly.

Effective Use of Technology and Other Resources

What is staffing and technology's connection? Well, it is the human factor that is instrumental in the effective utilization of the latest technology, capital, material, etc. the management can ensure the right kinds of personnel by performing the staffing function.

Optimum Utilization of Human Resources

The wage bill of big concerns is quite high. Also, a huge amount is spent on recruitment, selection, training, and development of employees. To get the optimum output, the staffing function should be performed in an efficient manner.

Development of Human Capital

Another function of staffing is concerned with human capital requirements. Since the management is required to determine in advance the manpower requirements. Therefore, it has also to train and develop the existing personnel for career advancement. This will meet the requirements of the company in the future.

The Motivation of Human Resources

In an organization, the behaviour of individuals is influenced by various factors which are involved such as education level, needs, socio-cultural factors, etc. Therefore, the human aspects of the organization have become very important and so that the workers can also be motivated by financial and non-financial incentives in order to perform their functions properly in achieving the objectives.

Building Higher Morale

The right type of climate should be created for the workers to contribute to the achievement of the organizational objectives. Therefore, by performing the staffing function effectively and efficiently, the management is able to describe the significance and importance which it attaches to the personnel working in the enterprise.

DIRECTING

MEANING: -

In the context of management of an organisation, **directing** refers to the process of instructing, guiding counselling, motivating and leading people in the organisation to achieve its objectives.

The main characteristics of directing are discussed below:

1. Directing initiates action: Directing is a key managerial function. A manager has to perform this function along with planning, organising, staffing and controlling while discharging his duties in the organisation. While other functions prepare a setting for action, directing initiates action in the organisation.

2. Directing takes place at every level of management: Every manager, from top executive to supervisor performs the function of directing. The directing takes place wherever superior - subordinate relations exist.

3. Directing is a continuous process: Directing is a continuous activity. It takes place throughout the life of the organisation irrespective of people occupying managerial positions. We can observe that in organisations like Infosys, Tata, BHEL, HLL and the

managers may change but the directing process continues because without direction the organisational activities cannot continue further.

4. Directing flows from top to bottom: Directing is first initiated at top level and flows to the bottom through organisational hierarchy. It means that every manager can direct his immediate subordinate and take instructions from his immediate boss.

IMPORTANCE OF DIRECTING: -

The Importance of directing can be understood by the fact that every action in the organization is tritiated through directing only. Directing guides towards achievement of

Common objectives. Through directing, managers not only tell the people in the organisation as to what they should do, when they should do and how they should do but also see that their instructions are implemented in proper perspective. Very often, this becomes an important factor in the efficient and effective functioning of the organisation. The points which emphasise the importance of directing are presented as follows:

1. Directing helps to initiate action by people in the organisation towards attainment of desired objectives. For example, if a supervisor guides his subordinates and clarifies their doubts in performing a task, it will help the worker to achieve work targets given to him.

2. Directing integrates employees' efforts in the organisation in such a way that every individual effort contributes to the organisational performance. Thus, it ensures that the individuals work for organisational goals. For example, a manager with good leadership abilities will be in a position to convince the employees working under him that individual efforts and team efforts will lead to achievement of organisational goals.

3. Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership. A good leader can always identify the potential of his employees and motivate them to extract work up to their full potential.

4. Directing facilitates introduction of needed changes in the organisation. Generally. people have a tendency to resist changes in the organisation. Elective directing through motivation, communication and leadership helps to reduce such resistance and develop required cooperation in introducing changes in the organisation. For example, if a manager wants to intro new system of accounting, there may be initial resistance from accounting staff. But if manager explains the purpose. provides training and motivates with additional rewards, the employees may accept change and cooperate with manager.

5. Effective directing helps to bring stability and balance in the organisation since it fosters cooperation and commitment among the people and helps to achieve balance among various groups, activities and the departments.

PRINCIPLES OF DIRECTING: -

1. Principle of Maximum Individual Contribution:

According to this principle, management should adopt that directing policy through which the employees get motivated and give their maximum individual contribution for the achievement of organisational objective.

2. Principle of Harmony of Objectives:

According to this principle, there must be full coordination between organisational and individual objectives. Employees work in an organisation with an objective to get better remuneration, promotion, etc. On the other hand, organisational goal can be to earn more profits and to increase market share.

Sometimes it is seen that there is a conflict between the objectives of both the parties, e.g., organisation wants that it should get a major share of profit whereas employees perceive that as they work directly on the job, so more profit must be shared among them in the form of bonus.

Management here must establish coordination between the objectives of both the parties/factors by adopting suitable method of direction.

3. Principle of Unity of Command:

According to this principle, a subordinate should get directions from one officer at a time. If the subordinate gets directions from more than one officer, the subordinate will be unable to priorities his work.

As a result, situation of confusion, conflict and disarrangement is created. By following this principle, effective direction takes place.

4. Principle of Appropriateness of Direction Technique:

According to this principle, appropriate direction techniques should be used, e.g., to supervise effectively, to provide able leadership, to adopt free communication and to motivate through right medium.

5. Principle of Managerial Communication:

According to this principle, it should be monitored by the management that the subordinates get the same meaning for what has been said. This simplifies the job of the subordinates and they need not go to the managers repeatedly for enquiring.

6. Principle of Use of Informal Organisation:

According to this principle, there must be a free flow of information between the seniors and the subordinates. The success of direction depends upon effective exchange of information to a great extent.

Information should be given both through formal and informal mediums. Special attention should be given to the informal organisation. This strengthens the formal organisation.

7. Principle of Leadership:

According to this principle, while giving directions to the subordinates a good leadership must be provided by the managers. By this, subordinates get influenced by the managers. In this situation, subordinates act according to the wish of the managers.

8. Principle of Follow Through:

According to this principle, it must be monitored by management as to what extent the policies framed and issued directions have been enforced. Thus, it must be seen whether the employees are following the management or not.
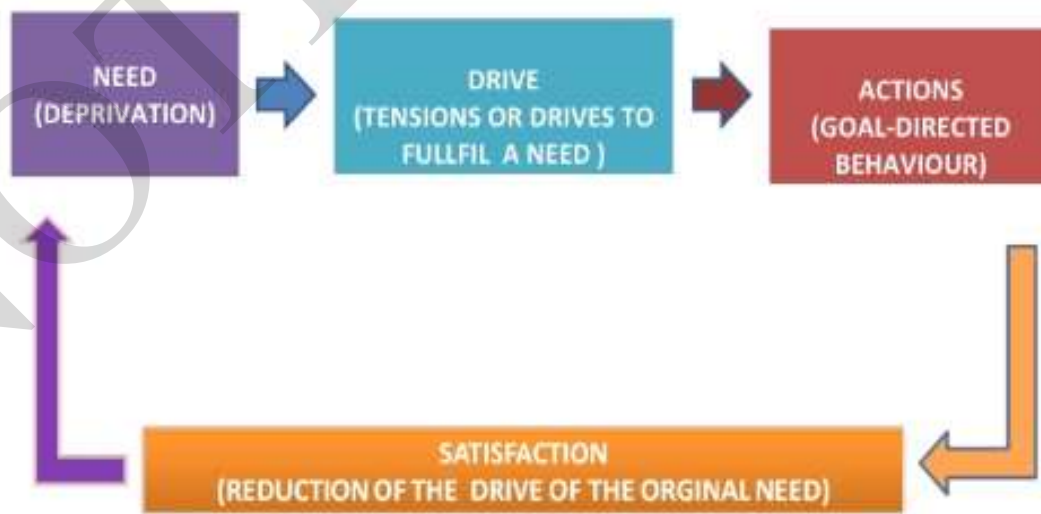
MOTIVATION

Flow of Discussion: -

- What is Motivation
- Importance of Motivation in organizations
- Extrinsic and Intrinsic Motivation
- Theories of Motivation
- Case study

WHAT IS MOTIVATION? -

- Motivation is something that moves a person to action and continues him in the course of action already initiated

- The driving force within individuals by which they attempt to achieve some goal in order to fulfil some needs or expectation

- Three key elements-

1) Energy- A measure of intensity or drive

2) Direction- Towards organizational goal

3) Persistence- How long can an employee maintain his/her effort?

- *Motivation is one of the forces that lead to performance.*

- *Motivation is defined as the desire to achieve a goal or a certain performance level, leading to goal-directed behaviour.*

Features of Motivation: -

- It is a psychological phenomenon
- It leads to goal directed behavior
- Can be positive and negative
- Complex in nature
- Dynamic and continuous

IMPORTANCE OF MOTIVATION: -

It is important for both employees and organization

Three questions must be answered-

1. What are people looking for from work?
2. What happens if they do not find what they are looking for?
3. What can Managers, Supervisors and Team Leaders do to ensure that their people are motivated?

Importance of motivation for employees: -

- Motivation will help him achieve his personal goals
- If an individual is motivated, he will have job satisfaction
- Motivation will help in self-development of individual
- An individual would always gain by working with a dynamic team

Importance of motivation for Organization: -

- Puts human resources into action
- Improves level of efficiency of employees
- Leads to achievement of organizational goals
- Builds friendly relationship
- Leads to stability of work force

TYPES OF MOTIVATION: -

- **Intrinsic motivation** means that the individual's motivational stimuli are coming from within
- **Extrinsic motivation** means that the individual's motivational stimuli are coming from outside. Ex: Employee of the month award, benefits, bonuses
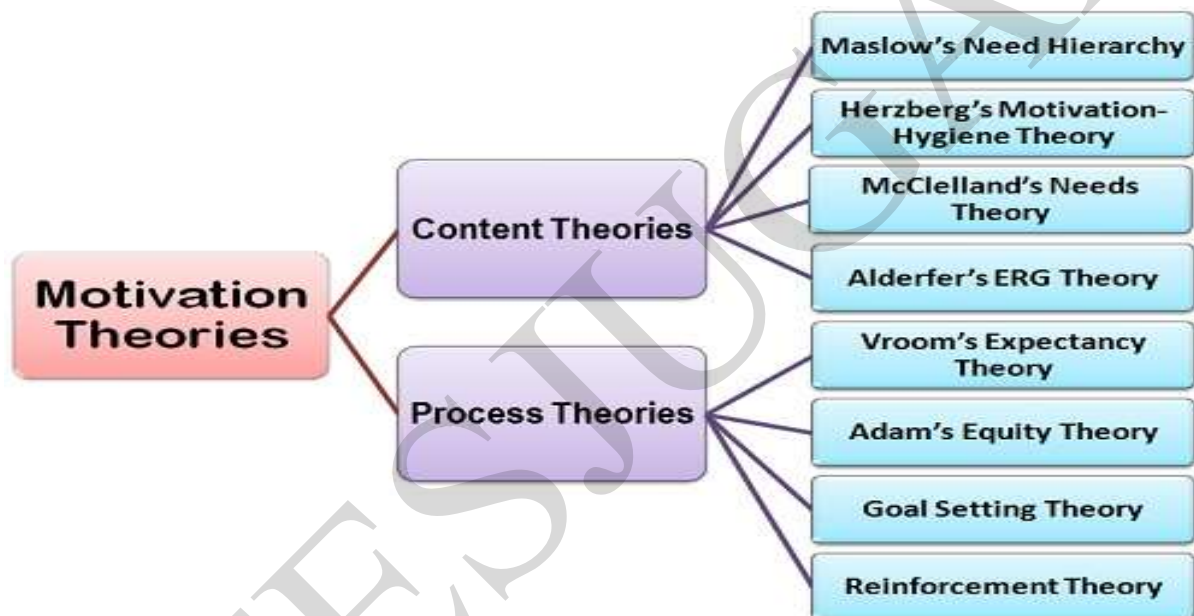
Motivation

Intrinsic motivation:
Deciding to do something because you are interested in it and enjoy doing it. Your reasons are internal, they come from within you, and you are not driven by other people or by an end result or outcome.

Extrinsic motivation:
Deciding to do something because you are told you have to do it by someone else. Doing something because of external factors, such as needing to achieve a goal, wanting to get a reward, or seeking to avoid a disadvantage.
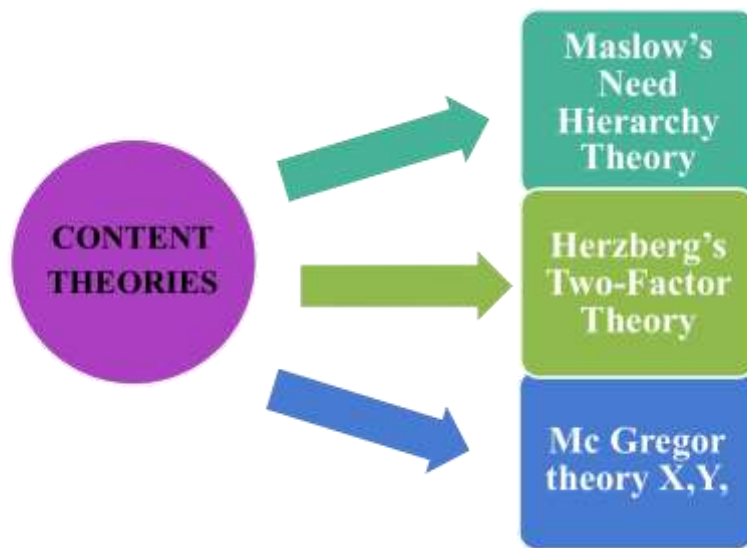
THEORIES OF MOTIVATION: -

- Theories of motivation are of two types- CONTENT AND PROCESS

CONTENT THEORIES: -

1. MASLOW'S NEED HIERARCHY THEORY
2. HERZBERG'S TWO-FACTOR THEORY
3. ALDERFER'S ERG MODEL
4. ACHIEVEMENT MOTIVATION THEORY
5. THEORY X AND THEORY Y
6. THEORY Z
7. MATURITY - IMMATURITY THEORY

THEORIES OF MOTIVATION: -

Maslow's Hierarchy of Needs Theory

- ◉ Maslow Argues that each level in needs hierarchy must be substantially satisfied before the next need becomes dominant
- ◉ An individual moves up the need's hierarchy from one level to the next
- ◉ He considered psychological and safety needs (lower order needs)
- ◉ He considered social, esteem, self-actualization needs (higher order needs)
- ◉ Lower order needs are predominantly satisfied externally
- ◉ Higher order needs are satisfied internally

CRITICISM: -

- • The theory is difficult to test
- • Needs do not necessarily follow a hierarchy
- • Too culture bound
- • Little evidence suggests that people satisfy exclusively one motivating need at a time

Herzberg's Two-Factor Theory

- • Also called Motivation hygiene theory
- • Argues that there are two factors that an organization can adjust to influence motivation in the workplace-

- • HYGIENE FACTORS / DISSATISFIERS which he said do not motivate, but their absence will tend to de-motivate
- ✓ MOTIVATORS/ SATISFIERS which are those things that truly motivate a person
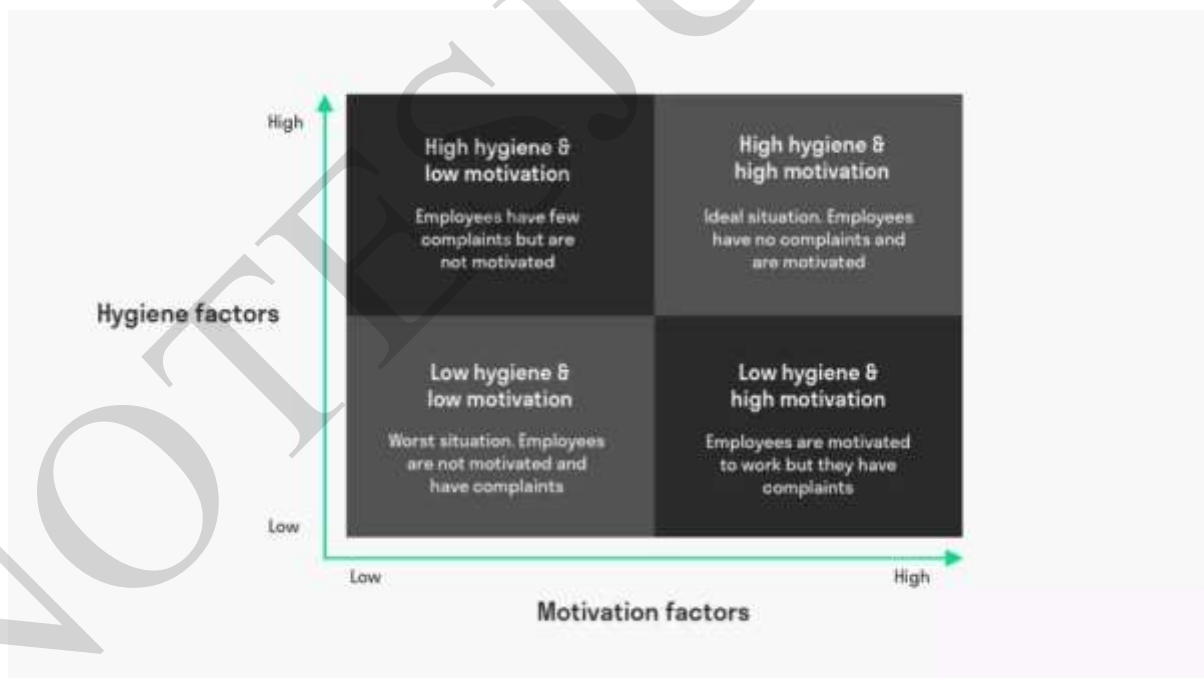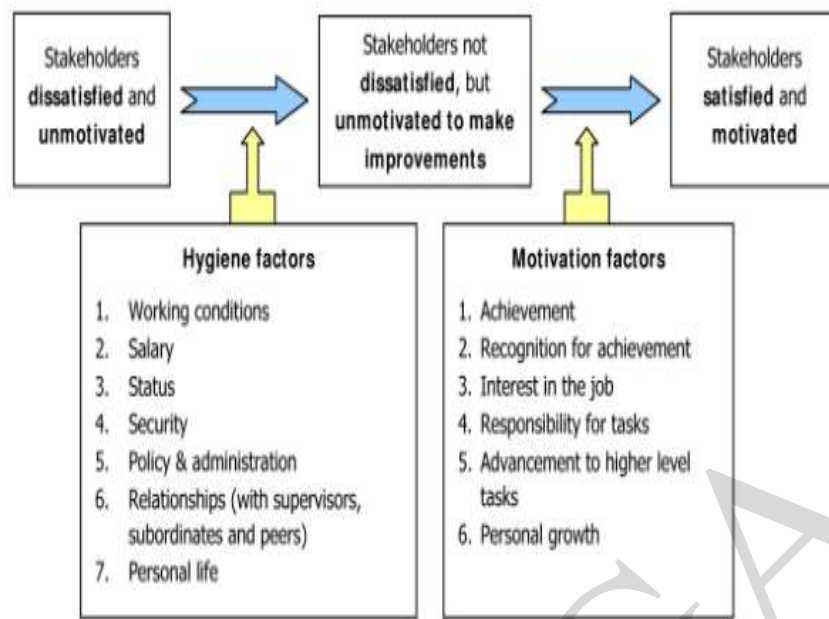
CRITICISM: -

- Research methodology is criticized
- Certain hygiene factors may act as motivators for some individuals
- Theory lacks in inter relationships between some of the motivators

Mc Gregor's theory X and Y

- Theory X stands for the set of traditional beliefs held for motivation, it represents authoritarian management style, while Theory-Y stands for the set of beliefs that people like to take initiative. They seek self-direction and self-control
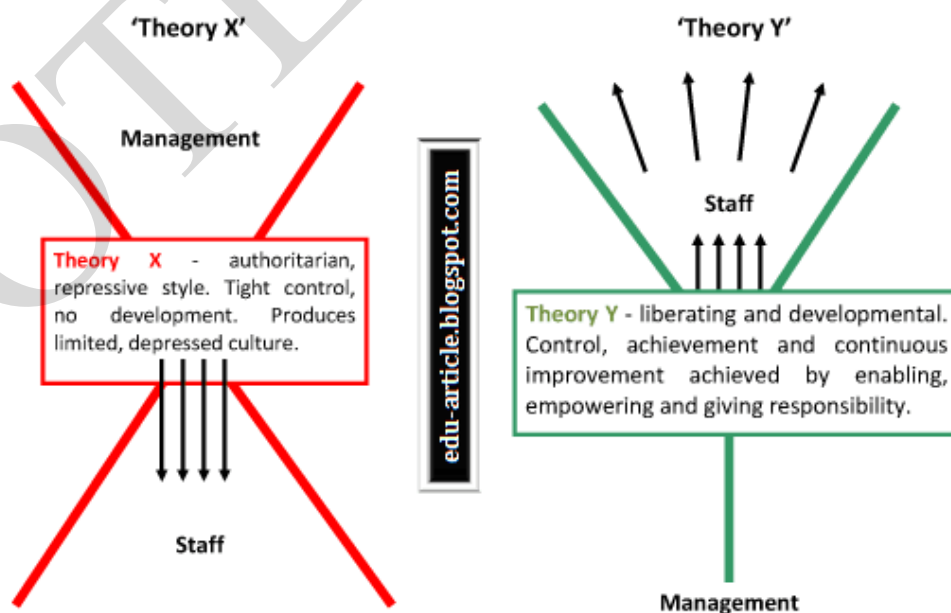
- **Theory X assumptions are negative;**
- Employees inherently dislike work and, whenever possible, will attempt to avoid it.
- Since' employees dislike work, they must be coerced, controlled, or threatened with punishment.
- Employees will avoid responsibilities and seek formal direction whenever possible.
- Most workers place security above all other factors and will display little ambition.

In view of the drawbacks of theory-X, McGregor developed an alternative theory of human behavior called Theory-Y

Theory Y assumptions are positive-

- Employees can view work as being as natural as rest or play.
- People will exercise self-direction and self-control if they are committed to the objectives.
- The average person can learn to accept, even seek, responsibility.
- The ability to make innovative decisions is widely dispersed throughout the population.

Theory X assumes that lower-order needs dominate individuals. Theory Y assumes that higher-order needs dominate individuals. McGregor himself held to the belief that Theory Y assumptions were more valid than Theory X and it is amalgamation of both that is used by managers

QUESTION: - Lee tells his managers to consider the happiness and well-being of workers because they will be with company for a long-time. They should also-

- ➢ Keep close watch on all employees and correct mistakes quickly.
- ➢ Convey the company philosophy and culture need to all employees. Employees need to believe in the work they're doing.
- ➢ Use basic needs, money and security, to motivate employees.

Upper management of a clothing store in the mall has decided that a good way to motivate employees is to consult with them about ways to bring in more customers. A memo is sent to store managers asking them to encourage participation from all employees. One store manager has hired five new employees who just graduated from high school and are working the three summer months before leaving for college. The manager scrutinizes and directs them in every detail of their job. Each time they make a mistake they are reprimanded, told their pay may be docked, and reminded that there are always other people who will gladly take their place. This manager decides he will forward his suggestions to management but not ask his workers for suggestions. What approach is upper management using, as opposed to the store manager?

- ➢ Upper management uses Theory X: store manager uses Theory Y
- ➢ Upper management uses equity theory: store manager uses Theory X
- ➢ Upper management uses Theory Y: store manager uses Theory X

CASE STUDY

- • The manager of A.B.C. Ltd. realized that the level motivation of their employees was very low and there was dissatisfaction among the employees. Labour productivity was also found to be very low. After investigating the causes of dissatisfaction, the managers decided that if employees were to be motivated, there was a need to establish and maintain good interpersonal relationship, job security is to be provided, proper working conditions and supervision should be improved
- • So, they put in sincere efforts to improve all these factors during one year. Yet, surprisingly, they came to know that in spite of reduction in the degree of dissatisfaction, the level of morale and motivation was low and there was no significant increase in their productivity. Therefore, the managers are worried.

What managerial problem is involved in in the above case? Suggest a solution and make a definite stance to justify the same

LEADERSHIP

Whenever we hear the success stories of any organisation, we are immediately reminded of their leaders. Can you imagine Microsoft without bill gates, reliance industries without Ambani's, Infosys without Narayana Murthy, Tata without J.R.D Tata or Wipro without Azim Premji? You would say it is not possible to achieve success without such great leaders. The leaders always play a key role for the success and excellence of any organisation.

Let us understand the concept of leadership, its importance and qualities of good leaders. Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals. Leadership indicates the ability of an individual to maintain good interpersonal relations with followers and motivate them to contribute for achieving organisational objectives.

Features of leadership: -

An examination of the above definition reveals the following important features of leadership:

(i) Leadership indicates ability of an individual to influence others.

(ii) Leadership tries to bring change in the behaviour of others.

(iii) Leadership indicates interpersonal relations between leaders a follower.

(iv) Leadership is exercised to achieve common goals of the organisation.

(v) Leadership is a continuous process.

The term leader emerges from leadership. An individual possesses attributes of leadership is known as leader. While discussing about leadership, it is important to understand leader-follower relationship Many times, the success of an organisation is attributed to the leader, but due credit is not given to the followers. Many followers related factors like - their skills knowledge, commitment, willingness to cooperate, team spirit etc., make a person an effective leader. It is said that followers make a person, a good leader by acceptance of leadership. Therefore, it is to be recognised that both leader and follower play key role in leadership process.

Importance of Leadership:

Leadership is a key factor in making any organisation successful. History reveals that, many times, difference between success and failure an organisation is leadership. It is aptly mentioned by Stephen Covey. a famous management consultant, that managers are important but leaders are vital for lasting organisational success. A leader not only commits his followers to organisational goals but also pools needed resources, guides and motivates subordinates to reach the goals.

The importance of leadership can be discussed from the following benefits to the organisation:

(i) leadership influences the behaviour of people and makes them a positively contribute their energies for the benefit of the organisation. Good leaders always produce goods results through their followers.

(ii) A leader maintains personal relations and helps followers in fulfilling their needs. He provides needed confidence, support and encouragement and thereby creates congenial work environment.

(iii) Leader plays a key role in introducing required changes in the organisation. He persuades, clarifies and inspires people to accept changes wholeheartedly. Thus, he overcomes the problem of resistance to change and introduces it with minimum discontentment.

(iv) A leader handles conflicts effectively and does not allow adverse effects resulting from the conflicts. A good leader always allows his followers to ventilate their feelings and disagreement but persuades them by giving suitable clarifications.

(v) Leader provides training to their subordinates. A good leader always builds up his successor and helps in smooth succession process.

Qualities of good leader:

Some of these qualities are explained below:

(i) Physical features: Physical features like height, weight, health, appearance determine the physical personality of an individual. It is believed that good physical features attract people. Health and endurance help a leader to work hard which inspires others to work with same tempo.

(ii) Knowledge: A good leader should have required knowledge and competence. Only such person can instruct subordinates correctly and influence them.

(iii) Integrity: A leader should possess high level of integrity and honesty. He should be a role model to others regarding the ethics and values.

(iv) Initiative: A leader should have courage and initiative. He should not wait for opportunities come to his way, rather he should grab the opportunity and use it to the advantage of organisation.

(v) Communication skills: A leader should be a good communicator. He should have the capacity to clearly explain his ideas and make the people to understand his ideas. He should be not only good speaker but a good listener, teacher, counsellor and persuader.

(vi) Motivation skills: A leader should be an effective motivator. He should understand the needs of people and motivate them through satisfying their needs.

(vii) Self Confidence: A leader should have high level of self-confidence. He should not lose his confidence even in most difficult times. In fact, if the leader lacks self-confidence, he cannot provide confidence to his followers.

(viii)Decisiveness: Leader should be decisive in managing the work. Once he is convinced about a fact, he should be firm and should not change opinions frequently.

(ix) Social skills: A leader should be sociable and friendly with his colleagues and followers. He should understand people and maintain good human relations with them.

However, we should remember that all good leaders may not necessarily possess all the qualities of a good leader. In fact, it is not possible for any individual to have all the qualities.

But an understanding about these qualities help the managers to acquire them through training and conscious efforts.

Leadership Styles: -

At first glance, we may think that some leadership styles are better than others. The truth is that each leadership style has its place in a leader's toolkit. The wise leader knows to flex from one style to another as the situation demands.

Leadership styles are on a continuum, ranging from autocratic at one end, to laissez-faire at the other, with a variety of styles in between.

The seven primary leadership styles are:

1. Autocratic Style: - The phrase most illustrative of an autocratic leadership style is "Do as I say." Generally, an autocratic leader believes that he or she is the smartest person at the table and knows more than others. They make all the decisions with little input from team members. This command-and-control approach is typical of leadership styles of the past, but it doesn't hold much water with talent. That's not to say that the style may not be appropriate in certain situations. For example, you can dip into an autocratic leadership style when crucial decisions need to be made on the spot, and you have the most knowledge about the situation, or when you're dealing with inexperienced and new team members and there's no time to wait for team members to gain familiarity with their role.

2. Authoritative Style: - The phrase most indicative of this style of leadership (also known as "visionary") is "Follow me." The authoritative leadership style is the mark of confident leaders who map the way and set expectations, while engaging and energizing followers along the way. In a climate of uncertainty, these leaders lift the fog for people. They help them see where the company is going and what's going to happen when they get there. Unlike autocratic leaders, authoritative leaders take the time to explain their thinking: They don't just issue orders. Most of all, they allow people choice and latitude on how to achieve common goals.

3. Pacesetting Style: - "Do as I do!" is the phrase most indicative of leaders who utilize the pacesetting style. This style describes a very driven leader who sets the pace as in racing. Pacesetters set the bar high and push their team members to run hard and fast to the finish line. While the pacesetter style of leadership is effective in getting things done and driving for results, it's a style that can hurt team members. For one thing, even the most driven employees may become stressed working under this style of leadership in the long run. Should you avoid the pacesetting style altogether? Not so fast. If you're an energetic entrepreneur working with a like-minded team on developing and announcing a new product or service, this style may serve you well. However, this is not a style that can be kept up for the long term. A pacesetting leader needs to let the air out of the tires once in a while to avoid causing team burnout.

4. Democratic Style: - Democratic leaders are more likely to ask "What do you think?" They share information with employees about anything that affects their work responsibilities. They also seek employees' opinions before approving a final decision. There are numerous benefits to this participative leadership style. It can engender trust and promote team spirit and cooperation from employees. It allows for creativity and helps employees grow and develop. A democratic leadership style gets people to do what you want to be done but, in a way, that they want to do it.

5. Coaching Style: - When you having a coaching leadership style, you tend to have a "Consider this" approach. A leader who coaches views people as a reservoir of talent to be developed. The leader who uses a coach approach seeks to unlock people's potential. Leaders who use a coaching style open their hearts and doors for people. They believe that everyone has power within themselves. A coaching leader gives people a little direction to help them tap into their ability to achieve all that they're capable of.

6. Affiliative Style: - A phrase often used to describe this type of leadership is "People come first." Of all the leadership styles, the affiliative leadership approach is one where the leader gets up close and personal with people. A leader practicing this style pays attention to and supports the emotional needs of team members. The leader strives to open up a pipeline that connects him or her to the team. Ultimately, this style is all about encouraging harmony and forming collaborative relationships within teams. It's particularly useful, for example, in smoothing conflicts among team members or reassuring people during times of stress.

7. Laissez-Faire Style: - The laissez-faire leadership style is at the opposite end of the autocratic style. Of all the leadership styles, this one involves the least amount of oversight. You could say that the autocratic style leader stands as firm as a rock on issues, while the laissez-faire leader lets people swim with the current. On the surface, a laissez-faire leader may appear to trust people to know what to do, but taken to the extreme, an uninvolved leader may end up appearing aloof. While it's beneficial to give people opportunities to spread their wings, with a total lack of direction, people may unwittingly drift in the wrong direction—away from the critical goals of the organization. This style can work if you're leading highly skilled, experienced employees who are self-starters and motivated. To be most effective with this style, monitor team performance and provide regular feedback.

Choosing Leadership Styles: - Knowing which of the leadership styles works best for you is part of being a good leader. Developing a signature style with the ability to stretch into other styles as the situation warrants may help enhance your leadership effectiveness.

1. Know yourself.: - Start by raising your awareness of your dominant leadership style. You can do this by asking trusted colleagues to describe the strengths of your leadership style. You can also take a leadership style assessment.

2. Understand the different styles: - Get familiar with the repertoire of leadership styles that can work best for a given situation. What new skills do you need to develop?

3. Practice makes a leader: - Be genuine with any approach you use. Moving from a dominant leadership style to a different one may be challenging at first. Practice the new behaviours until they become natural. In other words, don't use a different leadership style as a "point-and-click" approach. People can smell a fake leadership style a mile away—authenticity rules.

4. Develop your leadership agility: - Traditional leadership styles are still relevant in today's workplace, but they may need to be combined with new approaches in line with how leadership is defined for the 21st century. Today's business environments are fraught with challenges due to the changing demographics and the employee expectations of a diverse workforce. This may call for a new breed of leader who is an amalgam of most of the leadership styles discussed here. As the Chinese proverb goes, the wise adapt themselves to circumstances, as water melds itself to the pitcher. An agile leadership style may be the ultimate leadership style required for leading today's talent.

CONTROLLING

CONCEPT: -
- **Control can be defined as the process of analysing whether actions are being taken as planned and taking corrective actions to make these to confirm to planning**

   According to E.F.L. Brech:
- **"Controlling is checking performance against predetermined standards contained in the plans with a view to ensuring adequate progress and satisfactory performance."**

NATURE OF CONTROLLING: -

1. Control is a function of Management

2. Control is based on Planning

3. Control is a dynamic Process

4. Information is the guide to Control

5. The Essence of Control is Action

6. It is a Continuous Activity

7. Delegation is the key to Control

8. Control Aims at Future:
- **Control involves the comparison between actual and standards. So corrective action is designed to improve performance in future.**

9. Control is a Universal Function of Management:

10. Controlling is Positive:
- **The function of controlling is positive. It is to make things happen i.e. to achieve the goal with instead constraints, or by means of the planned activities. Controlling should never be viewed as being negative in character.**
- **It involves continuous review of standards of performance and results in corrective action, which may lead to changes in other functions of management.**

SCOPE/AREAS OF CONTROLLING: -

   1. Control over policies of an enterprise.

   2. Control over organisation.

   3. Control over personnel employed in a concern.

   4. Control over wages and salaries paid to the employees.

   5. Control over costs of material, labour, overheads etc.

   6. Control over capital expenditure.

   7. Control over production.

   8. Overall control.

IMPORTANT OF CONTROL: -

— **Helps the organisation in achieving objectives: - The 1st step in management is setting objectives. In order to achieve these objectives, there should be a proper controlling system.**
— **Helps in improving adaptability to environmental change: -From the time goals are established to the time they are achieved, many unpredictable events may occur, therefore a control mechanism should be there to monitor, anticipate and respond to the situation.**
— **Controlling helps in maintaining and improving quality: -Controlling helps in efficient use of resources and thereby minimizing cost. A good quality control system helps to maintain quality products.**
— **Controlling helps in financial matters: -Managers needs to keep tight control over finances and spend well within the budget**
— **Controlling helps in monitoring sales: -An effective control system would be able to pin point the problem and immediate remedial measures can be taken**
— **Controlling helps in minimizing errors: - An effective control system helps in detecting errors in time. If a small error is not controlled at the right time it can accumulate and cause considerable damages**
— **Controlling helps in coping with organisational complexity**
— **Controlling helps in improving employee's performance: - it helps in create an atmosphere of order and discipline in an organisation**

Types of control: -
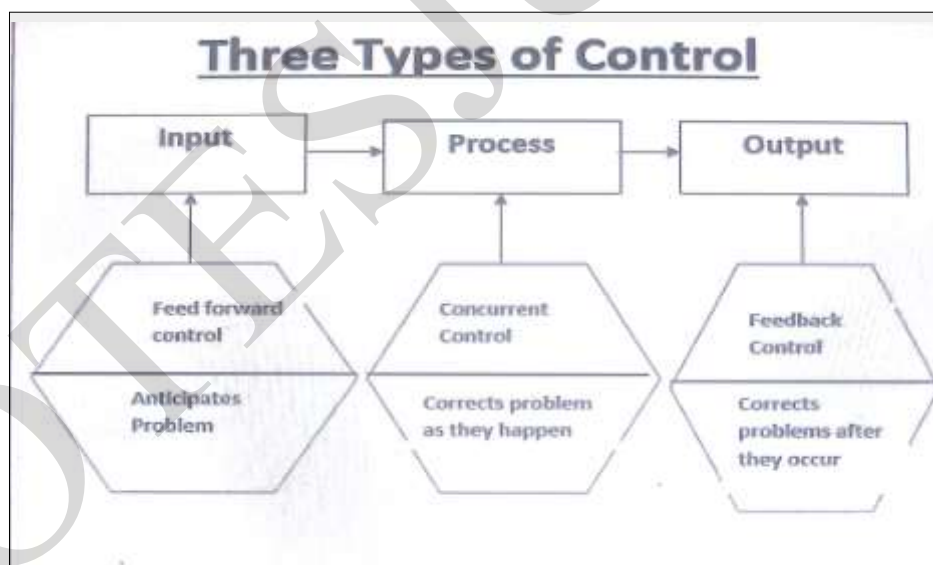
Type # 1. Feed-Forward Controls:
• **Feed forward controls are future-directed — they attempt to detect and anticipate problems or deviations from the standards in advance of their occurrence**

Type # 2. Concurrent (Prevention) Control:
• **Concurrent control is also called steering control because it allows people to act on a process or activity while it is proceeding, not before of proceeding, nor after it is completed. Corrections and adjustments can be made as and when the need a rise. Such controls focus on**

establishing conditions that will make it difficult or impossible for deviations from norms to occur

Type # 3. Feedback Controls:
- **Feedback control is future-oriented. It is historical in nature and is also known as post-action control. The implication is that the measured activity has already occurred, and it is impossible to go back and correct performance to bring it up to standard. Rather, corrections must occur after the act.**
- **For example, at the end of an accounting year, the manager should carefully review the analysis of the budget control report.**

PROCESS OF CONTROLLING: -

Establishment of Standards: -

Standards are the plans or the targets which have to be achieved in the course of business function. They can also be called as the criterions for judging the performance. Standards generally are classified into two-

a) Measurable or tangible

b) Non-measurable or intangible

Controlling becomes easy through establishment of these standards because controlling is exercised on the basis of these standards.

Measurement of Performance

- Measurement is an ongoing, repetitive process.
- Frequency of measurements depends on the type of activity being measured.

- Measurements methods may be quantitative as well as qualitative or a combination of both.
- Measurements should be related to standards set in the first step of control process.

<u>Comparison of actual and standard performance</u>

Deviation can be defined as the gap between actual performance and the planned targets.

Once deviation identified, manager has to think about various cause which led to deviation.

The causes can be-

- a) Erroneous planning,
- b) Co-ordination loosens,
- c) Implementation of plans is defective
- d) supervision and communication are ineffective, etc.

<u>Taking remedial actions</u>

- The manager has to detect errors and take remedial measures for it.
- Deviations should be analyzed.
- It is necessary to take follow up action.