

CONTROLLING

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Definition of Controlling



Henry Fayol: Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established.

DEFINITION OF CONTROL



Koontz and O'Donnell:

Controlling implies measurement of accomplishment /performance against the standard & the correction of deviations to assure attainment of objectives according to plans.

CONTROLLING AS A MANAGEMENT FUNCTION

- A **process** of monitoring performance and **taking action** to ensure desired results.
- It sees to it that the **right things** happen, in the **right ways**, and at the **right time**.
- Done well, it ensures that the **overall directions** of individuals and groups are **consistent** with short and long range **plans** of the organisation
- It helps ensure that **objectives** and accomplishments are **consistent** with one another throughout an organization.
- It helps maintain **compliance with** essential organizational **rules and policies**.

FEATURES/CHARACTERISTICS **OF CONTROLLING**

- Continuous process.
- Flexible and dynamic process.
- Future oriented.
- Planning and controlling closely related.
- Function of management.
- Strategic and results oriented
- Understandable
- Timely and exception oriented
- Essence of control is action

THE CONTROL PROCESS

- ***Establish objectives and standards-***

Performance objectives are defined and the standards for measuring them are set.

There are two types of standards-output standard and input standard

- ***Measure actual performance-***

To spot deviations or variances between what really occurs and what is most desired.

- ***Comparing Results with Objectives and Standards***

Establishes the need for action.

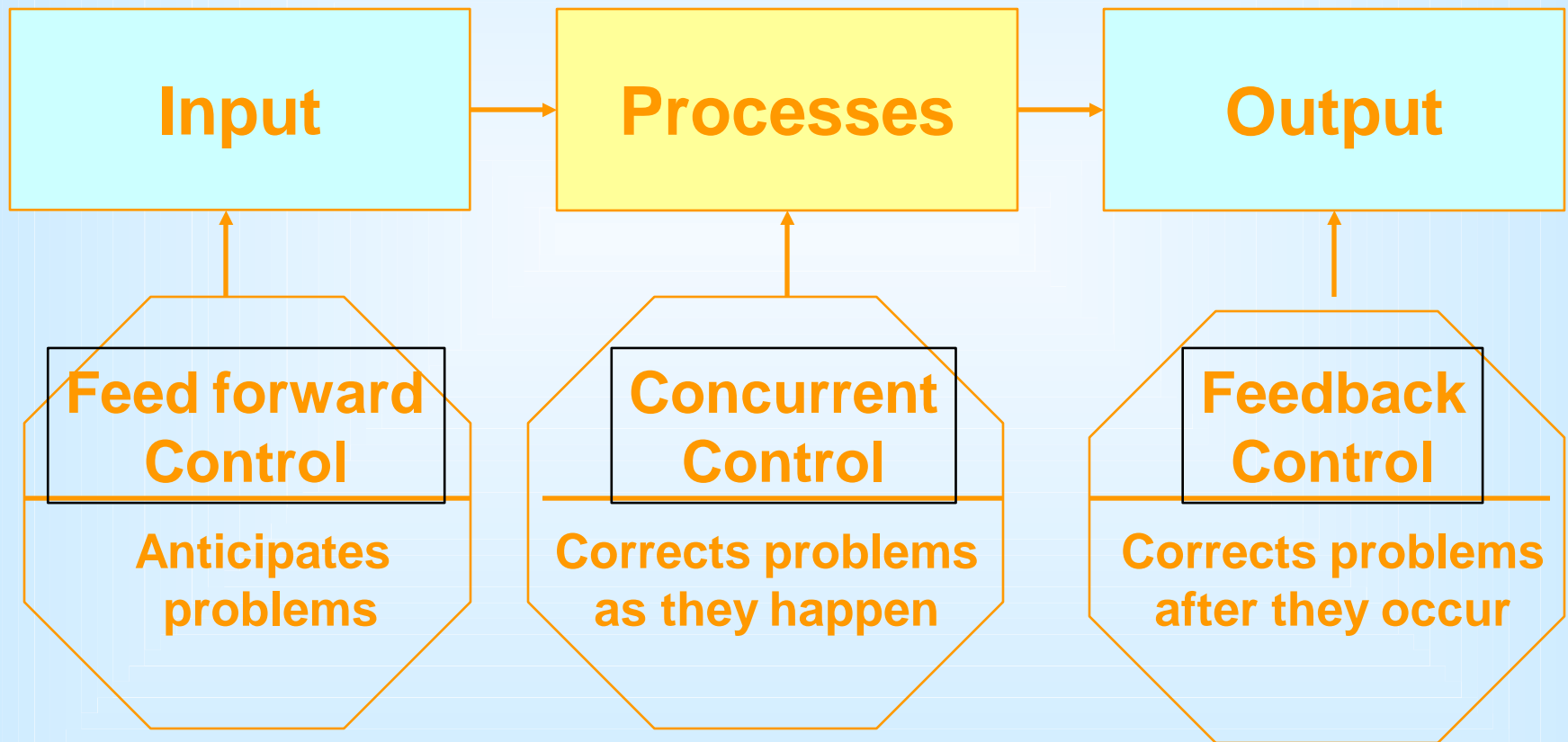
Ways of making comparisons:

Historical / Relative and Benchmarking

- ***Taking Corrective Action-***

Taking any action necessary to correct or improve things.

Three types of control on the basis of time of action



PRELIMINARY/ FEED FORWARD

Sometimes called the feed forward controls, they are accomplished before a work activity begins. They make sure that proper directions are set and that the right resources are available to accomplish them.



CONCURRENT

Focus on what happens during the work process. Sometimes called steering controls, they monitor ongoing operations and activities to make sure that things are being done correctly.



FEEDBACK/POSTACTION

Sometimes called feedback controls, they take place after an action is completed. They focus on end results, as opposed to inputs and activities.



IMPORTANCE OF CONTROL

- **Adjustment in operations :**
 - Objectives – basis of control.
 - Adjustment done through control.
- **Policy verification :**
 - Policies generate the need for control.
 - Managers set certain policies which become the basis and reason for control.
 - Verify the quality of policies.
- **Managerial responsibility :**
 - Managerial responsibility – created through assignment of activities to various individuals.

IMPORTANCE OF CONTROL

- Starts at the top level and goes down to the bottom level.
- Manager is responsible for the ultimate performance of his subordinates.
- Psychological pressure :
 - Psychological pressure on individuals to perform better.
 - Rewards and punishment based on the performances.
- Coordination in action :
 - Coordination is achieved through proper performance.
 - Manager coordinates the activities of his subordinates to achieve the organizational goals.

Control Techniques

Control techniques may be broadly classified into two categories:-

- Traditional control techniques.
- Advance / Modern control techniques.

Traditional Control Techniques:-

- Personal observation.
- Statistical reports and analysis.
- (financial statements)
- Break-even analysis.
- Budgeting.

Advance control techniques:-

- **Management Audit.**
- **Programme Evaluation and Review Techniques (PERT).**
- **Critical Path Method (CPM).**
- **Management Information Systems (MIS).**
- **Balance score card**

Essentials of effective control System

- Focus on objectives and needs
- Suggestive
- Suitability
- Simple
- Forward-looking
- Flexibility
- Motivating
- Economical

THANK YOU