

Describing briefly the steps in the process of controlling.

Solution

Controlling is measuring and correcting the activities of subordinates to ensure that events conform to plans. It is a systematic process involving a series of steps, which are as follows :

(i) Setting performance standards: The first step in the controlling process is to set the performance standards.

Standards are those criteria, on which the actual performances are measured. These standards serve as a benchmark towards which an organisation strives to work.

(ii) Measurement of actual performance: After the establishment of standards, the next step is measuring the actual performance. This can be done by opting several methods like personal observation, sample checking, performance reports, etc.

(iii) Comparison of actual performance with standards: In this step, the actual performances are compared with the established standards. Such comparisons reveal the deviation between planned and actual results.

(iv) Analysing deviations: At this stage, acceptable and non-acceptable deviations are analysed.

Two methods are generally used:

(a) Critical point control: It means keeping the focus on key result areas where deviations are not acceptable and they should be attended on a priority basis.

(b) Management by exception: It means that if a manager tries to control everything, he may end up in controlling nothing. Thus, he should first handle the significant deviations, which require his priority.

(v) Taking corrective action: The most important step in the controlling process is taking corrective actions. After the deviations and their causes are analysed, the task is to remove the hurdles from the actual work plan. The purpose of this step is to bring the actual performance up to the level of expectations by taking corrective measures.