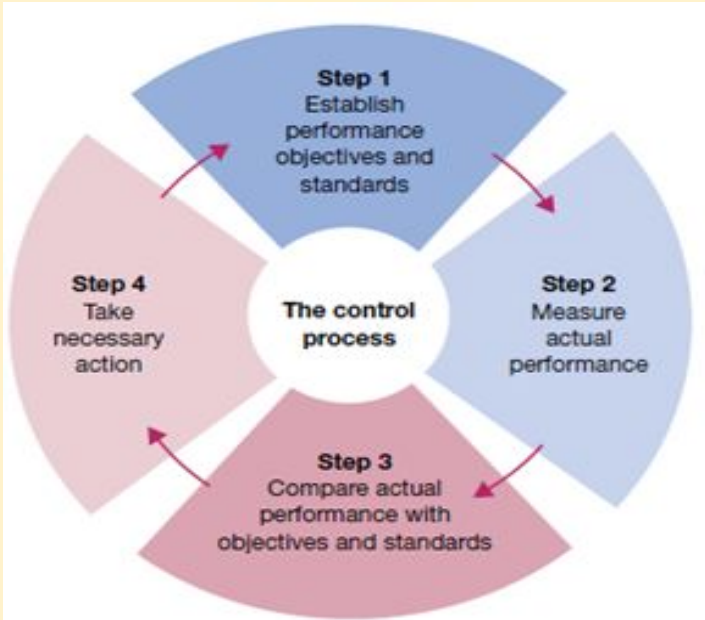


Organisational Control:



Understanding the Basics of Control:

What is Organisation?

What is Control?

Role of Control in Organisation.

How and why do managers use the control process?

What types of controls are used by managers?

Process of Management:

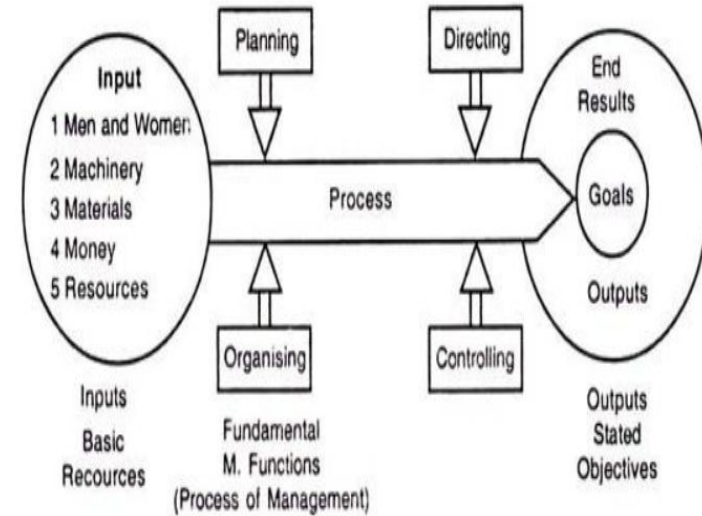


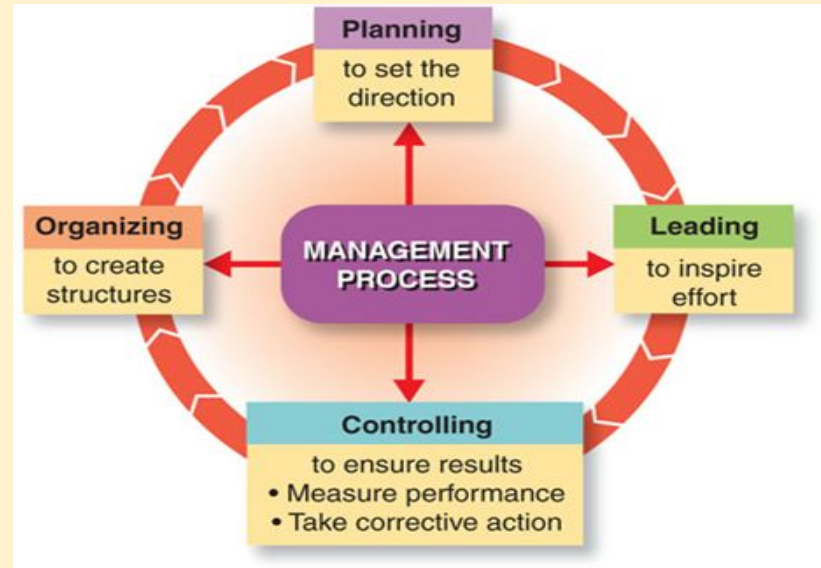
Fig. 1.1. Process of Management

What is Control?

- Controlling is one of the four management functions.
- Control begins with objectives and standards.
- Control measures actual performance
- Control compares results with objectives and standards.
- Control takes corrective action as needed.

Control as a Management Function

- Controlling is the process of measuring performance and taking action to ensure desired results.



What is Organisational Control?

Organizational control refers to processes by which agents are able to establish and maintain **control** over an **organization**.

It comprises the strategic planning process as well as methods and devices that make other agents' behaviors consistent with objectives.



How Managers Use Control

Managers use feedforward, concurrent and feedback controls

Managers use both internal and external controls

Management by objectives is a way of integrating planning and controlling

Types of Controls:

1. Process Control :

- Feedforward Controls
- Concurrent Controls
- Feedback Controls
- Internal Controls
- External Controls

1. Organisational Control (Systems):

- a. Budgetary Control
- b. Non-Budgetary Controls
- c. Informational and Financial Controls
- d. Cost Control
- e. Operations Control
- f. HR Functions Control
- g. Project Management Control



Types of Organizational Controls:

Control can focus on events before, during, or after a process.

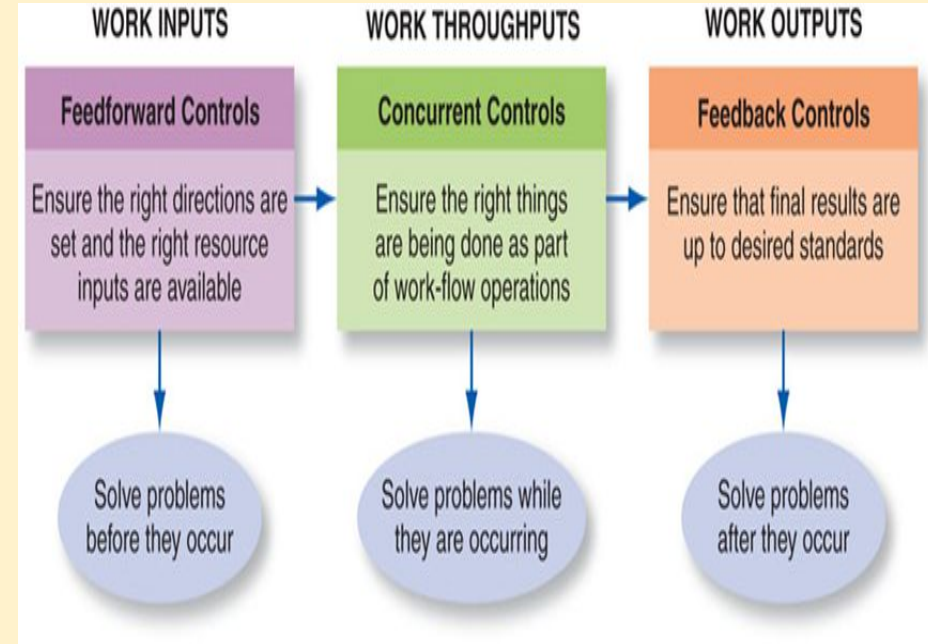
For example, a local automobile dealer can focus on activities before, during, or after sales of new cars.

Careful inspection of new cars and cautious selection of sales employees are ways to ensure high quality or profitable sales even before those sales take place.

Monitoring how salespeople act with customers is a control during the sales task.

Counting the number of new cars sold during the month and telephoning buyers about their satisfaction with sales transactions are controls after sales have occurred.

These types of controls are formally called feedforward, concurrent, and feedback, respectively.



Types of Organizational Controls:

- **Feedforward controls**, sometimes called preliminary or preventive controls, attempt to identify and prevent deviations in the standards before they occur. Feedforward controls focus on human, material, and financial resources within the organization. These controls are evident in the selection and hiring of new employees.
For example, organizations attempt to improve the likelihood that employees will perform up to standards by identifying the necessary job skills and by using tests and other screening devices to hire people with those skills.
- **Concurrent controls** monitor ongoing employee activity to ensure consistency with quality standards. These controls rely on performance standards, rules, and regulations for guiding employee tasks and behaviors. Their purpose is to ensure that work activities produce the desired results.
As an example, many manufacturing operations include devices that measure whether the items being produced meet quality standards. Employees monitor the measurements; if they see that standards are not being met in some area, they make a correction themselves or let a manager know that a problem is occurring.
- **Feedback controls** involve reviewing information to determine whether performance meets established standards.
For example, suppose that an organization establishes a goal of increasing its profit by 12 percent next year. To ensure that this goal is reached, the organization must monitor its profit on a monthly basis. After three months, if profit has increased by 3 percent, management might assume that plans are going according to schedule.

Types of Organizational Controls:

Internal Controls:

Motivated employees
exercise self-control in their
work

Participation in planning
work and having a sense of
purpose facilitate
motivation



Types of Organizational Controls:

External Controls:

Bureaucratic control	<ul style="list-style-type: none">• involves policies, procedures, budgets and supervision to influence behavior
Clan control	<ul style="list-style-type: none">• uses the organization's culture to influence behavior
Market control	<ul style="list-style-type: none">• influence that market competition has on organizational decisions such as price, product modification and expansion



Levels of Control:

- **Operational control:**

Focuses on the processes used to transform resources into products or services.

- **Financial control:**

Concerned with financial resources.

- **Structural control:**

How the elements of structure are serving the intended purposes.

- **Strategic control:**

How effective are the functional strategies helping the organization meet its goals.



Planning vs Controlling - The difference

Basis	Planning	Controlling
Meaning	It is the first step on deciding what to do, how, where and when a specific work has to be done	Controlling is the main goal and responsibilities of all management in any enterprises.
Function	Planning is about looking ahead	Controlling is looking back
Process	It is the first process in building a business	It is the last structure any business
Features	Planning, arranging, employee, direction	Controls all the planning features

Thank you!!!!

Control helps building effective organisational practises.



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