

Paper –Principles and Practice of Management

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Topic- Key Areas of Control

The scope of control is very wide. A well-designed control system covers almost all management activities. The main areas of control are as follows:

(1) Control over policies: The need of control over policies is self-evident. In many enterprises, the policies are controlled through policy manuals. (ii) Control over costs: Cost control is exercised by the cost accountant by setting cost standards for material, labour and over heads and making comparison of cost data with standard cost.

(iii) Control over methods: It is accomplished by conducting periodic analysis of activities of each department with a view to eliminate non-essential motions, functions and method. An in-depth study is conducted to achieve all this.

(iv) Control over organisation: It is accomplished through the development of organisation chart and organisation manual. Organisation manual attempts at solving organisational problems and conflicts and helping in proper designing of organisation and its departments.

(v) Control over personnel: All employees working at different levels must perform their assigned duties well and direct efforts towards the attainment of organisational goals. Control over their behaviour and efforts is the essence of control over personnel.

(vi) Control over wages and salaries: It is done by having programme of job evaluation and wage and salary analysis often, wage and salary committee is constituted to help these departments in the task of controlling wages and salaries.

(vii) Control over capital expenditures: Capital budgeting, project analysis, break even analysis, study of cost of capital etc., are some of the popular techniques of control over capital expenditure.

(viii) Control over research & developmental: Such activities are highly technical in nature so no direct control is possible over them. Through training programmes and other devices, an indirect control is exercised on trained staff. Control is also exercised by having a research budget in the business.

(ix) Control over production: It is affected through studies about market needs, attitude of customers and revision in product lines. Despatching, follow up, inventory control, inspection and quality control are some popular techniques of production control.