

Topic- Tools of Controlling

There are various tools of control available for managers to steer the organisational processes towards the desired objectives.

These are:

1. Production control
2. Organisational control
3. Quality control
4. Financial control
5. Inventory control.

1. Production control: These controls are generally concerned with scheduling, timing and routing of a product or project. Production control employs employees such tools as Gantt charts, Programme evaluation and review technique (PERT) and Critical path method (CPM) in monitoring actual performance and comparing it with expected results.

2. Organisational control: Organisational control includes both the control exerted by the organisational structure and its planning systems and the control of organisational members. Programmes such as management by objectives serves as important means of control to synchronize the performance of organisational members with the structure dictated organisational processes. Another important organisational control tool is management information system.

3. Quality Control: It deals with maintaining the quality of a firm's goods or services. Organisations utilize two basic methods for maintaining the quality of finished products. In the organisation where quality level requirements are high, individual inspection of each unit of output will be conducted. Whereas in some other firms only a sample percentage of the output alone will be subjected to inspection.

4. Financial control: Budgets financial analysis of the organisation, accounting statements and the use of the breakeven analysis are the primary tools of financial control system. Budgets represent in monetary terms the goals and objectives of the organisation. It is a financial plan listing in detail the resources or funds assigned to a particular product, division or project. Inherent in the budget is control through timely feedback.

Financial Analysis is the use of specific techniques to study a firm financial documents and control the flow of funds, products and services both within and outside organisations. These statements provide the means for controlling the liquidity, the profitability and general financial conditions of the organisation.

Break even Analysis is a method of determining the minimum sales volume needed to cover all costs at a certain price level. This analysis is useful in providing managers with a profit or loss estimate at different levels of sales and at different cost estimates. It can also approximate the effect of a change in selling price of the firm.

5. Inventory control: It is concerned with the amount of assets that should be held in inventory, raw materials, work in progress and finished goods. A number of sophisticated methods have been developed for determining the optimum levels of inventory for different kinds of organisation.

(c) Controlling the Human Element: Organisational control aims at increasing efficiency and effectiveness by producing the desired results. In this process recognition must be given to the people because people are the key ingredients in the work place. It is vital in every organisation to know the reaction of employees for various types of controls imposed on them. It is the fact that unless a certain amount of control over the human element is exercised organisational personnel will tend to pursue their own goals, needs and most likely to adversely affect the organisational efficiency and economy of operations.