

Paper –Principles and Practice of Management

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Topic- STEPS IN CONTROLLING

The systems, processes, and techniques of control are same whatever the area of their application may be. As pointed out earlier, control is reciprocally related with planning. It is performed in the context of planning and aids planning in two ways: it draws attention to situations where new planning is needed and it provides some of the data upon which plans can be based.

These steps may broadly be classified into four parts: (0) establishment of control standards. (i) measurement of performance, (ii) comparison between performance and standards and its communication, and (iv) correction of deviations from standards.

1. Establishment of Control Standards. Every function in the organisation begins with plans which are goals, objectives, or targets to be achieved. In the light of these, standards are established which are criteria against which actual results are measured. For setting standards for control purpose. It is important to identify clearly and precisely the results which are desired. Precision in the statement of these standards is important. In many areas, great precision is possible. However, in some areas, standards are less precise. Standards may be precise if they are set in quantities-physical such as volume of products. man-hour or monetary such as costs, revenues, Investment. They may also be in qualitative terms which measure performance.

After setting the standards, it is also important to decide about the level of achievement of performance which will be regarded as good or satisfactory. There are several characteristics of

a particular work that determine good performance. Important characteristics which should be considered while determining any level of performance as good for some operations are: (0 output, (1) expense, and (ii) resources. Expense refers to services or functions which may be expressed in quantity for achieving a particular level of output. Resources refer to capital expenditure, human resources, etc. After identifying these characteristics, the desired level of each characteristic is determined. The desired level of performance should be reasonable and feasible.

Measurement of Performance. The second major step in control process is the measurement of performance. The step involves measuring the performance in respect of a work in terms of control standards. The presence of standards Implies a corresponding ability to observe and comprehend the nature of existing conditions and to ascertain the degree of control being achieved Comparing Actual and Standard Performance. The third major step in control process is the comparison of actual and standard performance. It involves two steps: (0 finding out the extent of deviations and (t) identifying the causes of such deviations. When adequate standards are developed and actual performance measured accurately, any variation will be clearly revealed. Management may have information relating to work performance, data, charts, graphs, and written reports, besides personal observation to keep itself informed about performance in different segments of the organisation. Such performance is compare with the standard one to find out whether the various segments and individuals of the organisation are progressing in the right direction.

4. Correction of Deviations. This is the last step in the control process which requires that actions should be taken to maintain the desired degree of control in the system or operation. An organisation is not a self-regulating system such as thermostat which operates in a state of equilibrium put there by engineering design. In a business organisation, this type of automatic

control cannot be established because the state of affairs that exist the result of so many factors in the total environment. Thus, some additional actions are required to maintain the control. Such control actions may be (o) review of plans and goals and change therein on the basis of such review: (t) change in the assignment of task: () change in existing techniques of direction; and (w) change in organisation structure; provision for new facilities, etc.

In fact, correction of deviations is the step-in management control process which may involve either all or some of the managerial functions. Due to this, many persons hold the view that correcting deviations is not a step in the control process. It is the stage where other managerial functions are performed. Koontz et al have emphasised that the overlap of control function with others merely demonstrates the unity of manager's of job. It shows the managing process to be an integrated system.