

1. Setting of Control Standards:

Every enterprise plans its activities in advance. On the basis of plans, the objectives and goals of every department, branch, etc. are fixed. These, goals are converted into quantity, value, man hour etc. These are to be/achieved in future. There may also be qualitative goals. The achievement of various targets is made the responsibility of specific persons. The levels of achievement are also decided in advance. Whether a particular result is to be taken as satisfactory, average or poor should be pre determined so that the persons responsible for that work should be able to assess their performance.

ADVERTISEMENTS:

Some strategic points should be selected as controls or yardsticks.

Prof. Newman has suggested four guidelines for selecting strategic points:

- (i) The control points should be timely so that they may be able to reveal significant deviation in time thereby saving further losses,
- (ii) Control points should be such as to permit economical observation and report.
- (iii) Control points, especially for executives at higher levels should provide comprehensive coverage.

ADVERTISEMENTS:

- (iv) Control points should be such as would promote balanced performance.

2. Measurement of Performance:

The second step in controlling process is the measurement of performance. The actual performance is measured against the standards set. This will enable management to determine whether the work is being done according to plans or not. The measurement of quantitative objectives is easy since figures of work done will be available. The qualitative performance such as human relations, employee morale, etc. can only be measured through psychological tests and surveys.

Measurement of performance is an important part of control process. If measurement is such that deviation is detected at the earliest then it will enable appropriate action well in time. If that is not possible then deviations should be detected as early as possible.

3. Comparing Actual and Standard Performance:

The next step in control process is the comparison of actual performance with the standards set.

ADVERTISEMENTS:

The purpose of this comparison is:

- (a) To find out deviations if any, and
- (b) To determine the reasons for such deviation.

While comparing actual performance with the standard, some permissible limits are also fixed. When the deviations are within the prescribed limits then there is no cause for worry. But if the deviations are more than the allowable limits then it calls for urgent action. This is also known as 'management by

exception.' When things are going as per plans or within the allowable limits then top management is not required to take any note of it. But on the other hand if performance is not up to the level then it is brought to the notice of top management for taking corrective action. If the manager gives attention to every deviation then he will not be able to give enough time for important things.

When the actual performance is not up to the level then causes for it should be pin-pointed. Necessary steps are taken so that performance is not adversely affected once again. If no efforts are made to rectify the weak areas then the whole control process will be futile. Whenever the performance is low than the standards, the reasons for it should immediately be found.

4. Taking Corrective Action:

The last but most important step in controlling process is of taking corrective action. Whenever the performance is less than the standards, efforts should be made to rectify it. Whatever the reasons for low performance, efforts are made to achieve organizational goals. No control process can automatically rectify the mistakes in a system. It is the action which is required to set the things right, sometimes the targets are not achievable even with more efforts then these will have to be revised. The control action may involve review of plans and goals, change in the methods of work, change in the assignment of task, change in existing techniques of direction and change in organization structure.

The corrective action generally involves top management. It is said by some persons that taking corrective action is not a part of control but a separate

managerial function. The overlapping of control function only shows the unity of manager's job. It shows that managing process should be integrated one.

5. Follow Up