

# **CONTROLLING AS A MANAGEMENT FUNCTION**

Controlling is that process of regulating organizational activities so that actual performance conforms to expected organizational goals and standards. While interrelated with all of the other management functions, a special relationship exists between the planning function of management and controlling.

Planning, essentially, is the deciding of goals and objectives and the means of reaching them. Controlling lets manager tell if the organization is on track for goal achievement, and if not, why not. A well-developed plan should provide benchmarks that can be used in the control process

# Control as a management process

- A. **Controlling**, one of the four major functions of management, is the process of regulating organizational activities so that actual performance conforms to expected organizational standards and goals.
1. Controlling is largely geared to ensuring that the behavior of individuals in the organization contributes to reaching organizational goals.
  2. Controls encourage wanted behaviors and discourage unwanted behaviors.

**B. A control system is**

a set of mechanisms that are designed to increase the probability of meeting organizational standards and goals

C. Controls can play five important roles in organizations.

1. Control systems enable managers to cope with uncertainty by monitoring the specific activities and reacting quickly to significant changes in the environment.
2. Controls help managers detect undesirable irregularities, such as product defects, cost overruns, or rising personnel turnover

3. Controls alert managers to possible opportunities by highlighting situations in which things are going better than expected.
4. Controls enable managers to handle complex situations by enhancing coordination within large organizations.
5. Controls can decentralize authority by enabling managers to encourage decision making at lower levels in the organization while still remaining in control.

# D. Control responsibilities differ according to managerial level

1. **Strategic control** involves monitoring critical environmental factors that could affect the viability of strategic plans, assessing the effects of organizational strategic actions, and ensuring that strategic plans are implemented as intended.
  - a. Strategic control is typically the domain of top-level managers who must insure core competencies are developed and maintained
  - b. Long time frames are involved, although shorter time frames may be appropriate in turbulent environments

- 2. Tactical control** focuses on assessing the implementation of tactical plans at departmental levels, monitoring associated periodic results, and taking corrective action as necessary.
- a. Tactical control is primarily under the direction of middle managers, but top-level managers may at times get involved.
  - b. Time frames are periodic, involving weekly or monthly reporting cycles.
  - c. Tactical control involves department-level objectives programs, and budgets.



**3. Operational control** involves overseeing the implementation of operating plans, monitoring day-to-day results, and taking corrective action when required.

- a. Operational control is the responsibility of lower-level managers.
- b. Control is a day-to-day process.
- c. The concern is with schedules, budgets, rules, and specific outputs of individuals

