

### Resource Metadata

<b>Level</b>	Undergraduate
<b>Duration</b>	3 Hours: 2 hours lecture 1 Hour Tutorial
<b>Resources required</b>	Moodle Platform <a href="https://udmintelec.org/course/view.php?id=5">https://udmintelec.org/course/view.php?id=5</a>

### Learning Outcomes

- Comprehend the concept and significance of control as a fundamental management function.
- Describe the three main steps involved in the control process: measuring performance, comparing with standards, and taking corrective action.
- Recognise the role of feedback loops and the components of control systems such as sensors, comparators, and effectors.
- Identify different sources of performance measurement, including personal observation, reports, and oral communications.
- Explain the various types of deviations—operational, financial, and compliance—and their impact on organisational effectiveness.
- Analyse the causes of deviations and the importance of early detection and prompt management.
- Appreciate the significance of managing significant deviations to maintain organisational stability and achieve strategic goals.

## Control As a Management Function

### Introduction

Control can be defined as the process of monitoring activities to ensure that they are being accomplished as planned and of correcting any significant deviations. Every manager is involved in the control process even if everything is moving correctly as expected. Managers cannot ascertain that everything is perfect in their organisation until they have evaluated what activities have been done and have compared the actual performance with the desired standard.

An effective control system ensures that activities are completed in ways that lead to the attainment of the organisation's goals. The effectiveness of control is determined by the extent to which it facilitates goals. The more a control system helps managers achieve their goals, the better the control system is.

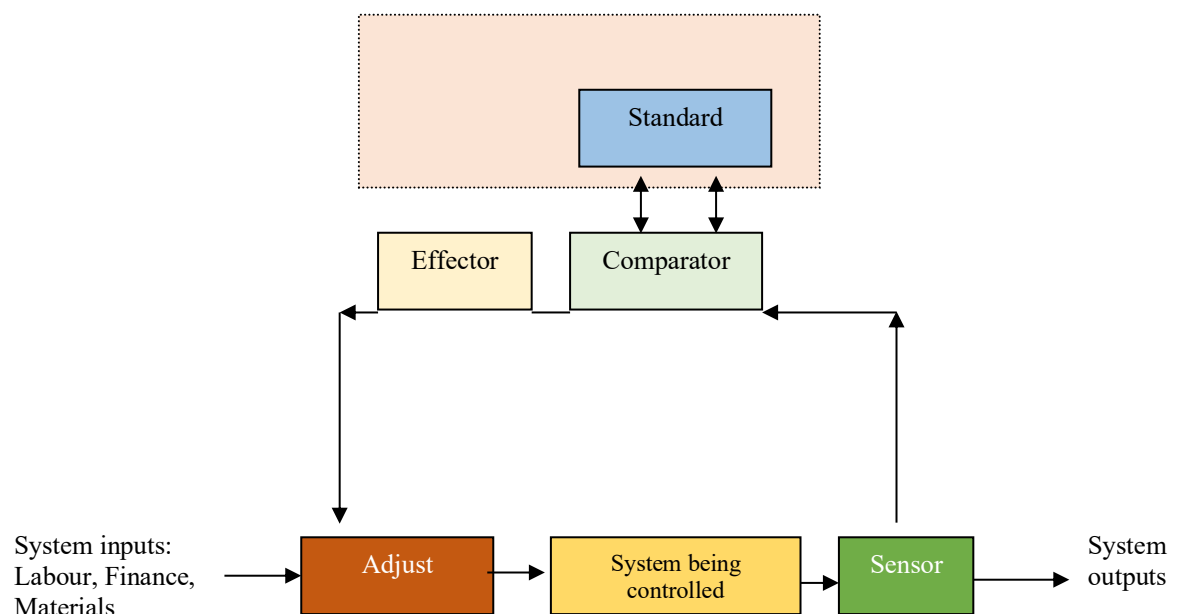
Control is the concern for every manager in any organisation. Haven't we heard of audit reports that are very critical of institutions that are poorly managed? This underlies that such companies have not been able to carry out effective control. Everything that goes beyond control can be a major threat for the organisation. Companies that are near bankruptcy are probably those where control has not been given serious attention. It is quite difficult to ascertain that only external factors had a subversive effect on the organisation. Control remains a suitable yardstick for effective management.

## The Control Process

The control process consists of three separate and distinct steps.

1. Measuring the actual performance
2. Comparing the actual performance against a standard.
3. Taking managerial action to correct deviations.

## Control in the Systems theory



Control is exercised in organisational systems by feedback loops which gather information on past performance from the output side of a system which is used for the future performance. This can take place effectively by adjusting the input side of the system.

### Sensor

These are the measuring and recording devices of the system. In mechanical systems this is some form of automatic measurement. In organisations, the usual sensor is

some form of paperwork. Care must be taken to ensure that the sensor is appropriate for the system and timely.

### *Comparator*

This is the means by which comparison of actual results and the plan is achieved. In information systems, this is done by a clerk or by a computer program.

### *Effector*

In an information system, the usual effector is a manager or supervisor acting on the report containing the results of comparisons and issuing the instructions for adjustments to be made.

## **Control in organisations**

### *Measurement of performance*

Four common sources of information frequently used by managers to measure actual performance are:

#### *Personal observation*

This provides first hand, intimate knowledge of the actual activity. Management-by-Walking-Around (MBWA) can pick up omissions, expressions that may be missed by other sources.

#### *Statistical Reports*

It includes graphs, bar charts and numerical displays of any form that managers use to assess performance.

#### *Oral reports*

Conferences, meetings, telephone conversations are such examples.

The problem with oral reports is that it is difficult to ascertain whether something really took place. Worse, it is difficult to give an exact account of a problem. Now, this is reduced by recorded information on tapes.

### *Written reports*

Written reports take a longer time to create than the other examples outlined. The formality of written reports may imply greater comprehensiveness and conciseness than oral reports. In addition, they are easy for reference.

Significant deviations in the control process in management refer to notable departures from planned performance standards or established procedures that can impact organizational effectiveness. These deviations can arise from various sources and, if not promptly identified and addressed, may lead to inefficiencies, increased costs, or failure to achieve strategic objectives.

### **Types of Deviations**

#### *Operational Deviations*

These occur when actual operational activities differ from planned procedures or standards. For example, production delays, quality defects, or resource wastage beyond acceptable limits.

#### *Financial Deviations*

Variations in financial performance, such as exceeding budgets, unexpected expenses, or revenue shortfalls, represent significant deviations affecting the organisation's financial health.

#### *Compliance Deviations*

Failure to adhere to regulatory standards, policies, or contractual obligations, which can result in legal penalties or damage to reputation.

### **Causes of Deviations**

- Inaccurate or incomplete planning
- Insufficient monitoring or supervision
- External factors like market fluctuations or regulatory changes
- Human errors or misconduct
- Technological failures or disruptions

### **Management of Deviations**

Effective management involves early detection through regular monitoring and comparison of actual performance against standards. Once deviations are identified, managers should analyze their causes, evaluate their significance, and implement corrective actions to realign activities with organizational goals. Continuous feedback loops and flexible control mechanisms are essential to adapt to changing conditions and minimize adverse impacts.

Significant deviations in the control process highlight areas where performance diverges markedly from expectations. Recognizing and effectively managing these deviations is crucial for maintaining organizational stability, ensuring strategic objectives are met, and fostering continuous improvement.

### ■ **Tutorial Questions**

1. Why is line authority described as the essence of the chain of command?
2. Differentiate between line and staff authority.
3. What is a mechanistic organisation? Why is it not adaptable nowadays?
4. Explain how modern management favours organic structures.
5. Why should authority match responsibility?

6. A mechanistic organisation is a clear illustration of bureaucracy. Discuss.
7. Explain briefly the three main steps of control.
8. What is a deviation? When should it be corrected?
9. What is an exception? Why should control consider mainly exceptions?
10. Outline the importance of the comparator and the effector in a control system.
11. Why is feedback important in the control process?