

Managerial Function of Control

PLANNING
ORGANIZING
LEADING
CONTROLLING

Foundations of control



The Control Process

Bus. 311 –Introduction to Management
Module 5.1

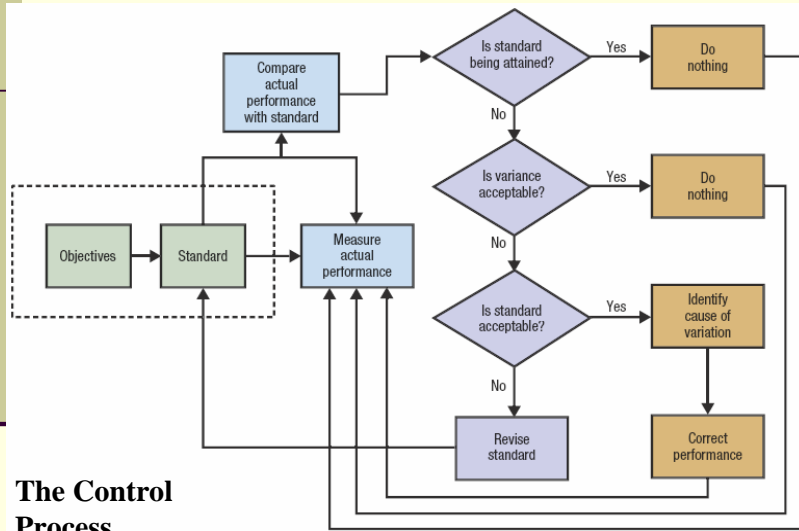


Exhibit 13.2



Steps in the Control Process

1. Measuring actual performance

- Personal observation, statistical reports, oral reports, and written reports
- Management by walking around (MBWA)
 - A phrase used to describe when a manager is out in the work area interacting with employees



Steps in the Control Process (cont'd)

2. Comparing actual performance against a standard

- Comparison to objective measures: budgets, standards, goals
- Range of variation
 - The acceptable parameters of variance between actual performance and the standard



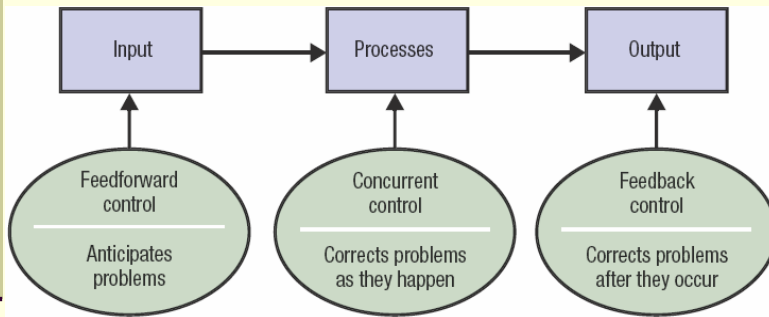
Steps in the Control Process (cont'd)

3. Taking managerial action to correct deviations or inadequate standards

- Immediate corrective action
 - Correcting a problem at once to get performance back on track
- Basic corrective action
 - Determining how and why performance has deviated and then correcting the source of deviation
- Revising the standard
 - Adjusting the performance standard to reflect current and predicted future performance capabilities



Types of Control



Examples:

Pre-employment drug testing
Inspect raw materials
Hire only college graduates

Examples:

Employee self-monitoring
Total quality management

Examples:

Analyze sales per employee
Final quality inspection
Survey customers



The Qualities Of An Effective Control System

- Accuracy
- Timeliness
- Economy
- Flexibility
- Understandability
- Reasonable criteria
- Strategic placement
- Emphasis on the exception
- Multiple criteria
- Corrective action



What Contingency Factors Affect the Design of A Control System?

- Size of the organization
- The job/function's position in the organization's hierarchy
- Degree of organizational decentralization
- Type of organizational culture
- Importance of the activity to the organization's success



Contemporary Issues In Control

- The right to personal privacy in the workplace versus:
 - Employer's monitoring of employee activities in the workplace
 - Employer's liability for employees creating a hostile environment
 - Employer's need to protect intellectual property



- Tell employees, both current and new, that they may be monitored for business reasons.
- Post a written employee-monitoring policy where employees will see it or distribute it to each employee. Have all employees acknowledge in writing that they have received a copy of the policy and that they understand it.
- Monitor only those situations in which a legitimate business purpose is at stake: for instance, training or evaluating workers, or controlling costs. When used in this manner, computer monitoring can be an effective and ethical management control tool.

Suggestions for Achieving a Supportive Growth-Oriented Culture

Keep the lines of communication open—inform employees about major issues.

Establish trust by being honest, open, and forthright about the challenges and rewards of being a growing organization.

Be a good listener—find out what employees are thinking and facing.

Be willing to delegate duties.

Be flexible—be willing to change your plans if necessary.



Suggestions for Achieving a Supportive Growth-Oriented Culture

Provide consistent and regular feedback by letting employees know the outcomes—good and bad.

Reinforce the contributions of each person by recognizing employees' efforts.

Continually train employees to enhance their capabilities and skills.

Maintain the focus on the venture's mission even as it grows.

Establish and reinforce a “we” spirit since a successful growing venture takes the coordinated efforts of all the employees.

