

CONTROLLING- INTRODUCTION

Business Studies

Class 12

UNIT -8::MODULE -1

By

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INTRODUCTION TO CONTROLLING

CONTROLLING IS THE LAST FUNCTION OF MANAGEMENT WHICH ENSURES THAT THE ACTIVITIES BEING PERFORMED ARE AS PER PLAN

DEFINITIONS:

1. It refers to that managerial action which brings the actual results closer to desired (planned) results.
2. It is a process which seeks to bring about a conformity between actual performance and planned action

CHARACTERISTICS:

- **IT IS PERVASIVE:** Applicable to all -
 - a) Types of Org.
 - b) Sizes of Org.
 - c) Levels of Org.
- **IT IS A CONTINUOUS ACTIVITY:**
- **IT IS GOAL ORIENTED:** Enhances efficiency-Helps achieve predetermined goals/results
- **A FUNCTION OF MANAGEMENT:** -Both **forward looking** (looks to ensure that progress is made in the right direction to achieve goals) & **backward looking** (constantly makes a comparison with plan & checking for deviations (if any) and taking rectificationary action.
- **IT PRESUPPOSES THE EXISTENCE OF STANDARDS** (which is a result of planning):

Hence planning is a prerequisite for controlling

ADVANTAGES OF CONTROLLING

- 1. HELPS IN BETTER PLANNING FOR THE FUTURE:**
- 1. HELPS ENSURE EFFECTIVE & EFFICIENT USAGE OF ORGANIZATIONAL RESOURCES TO ACHIEVE PREDETERMINED GOALS**

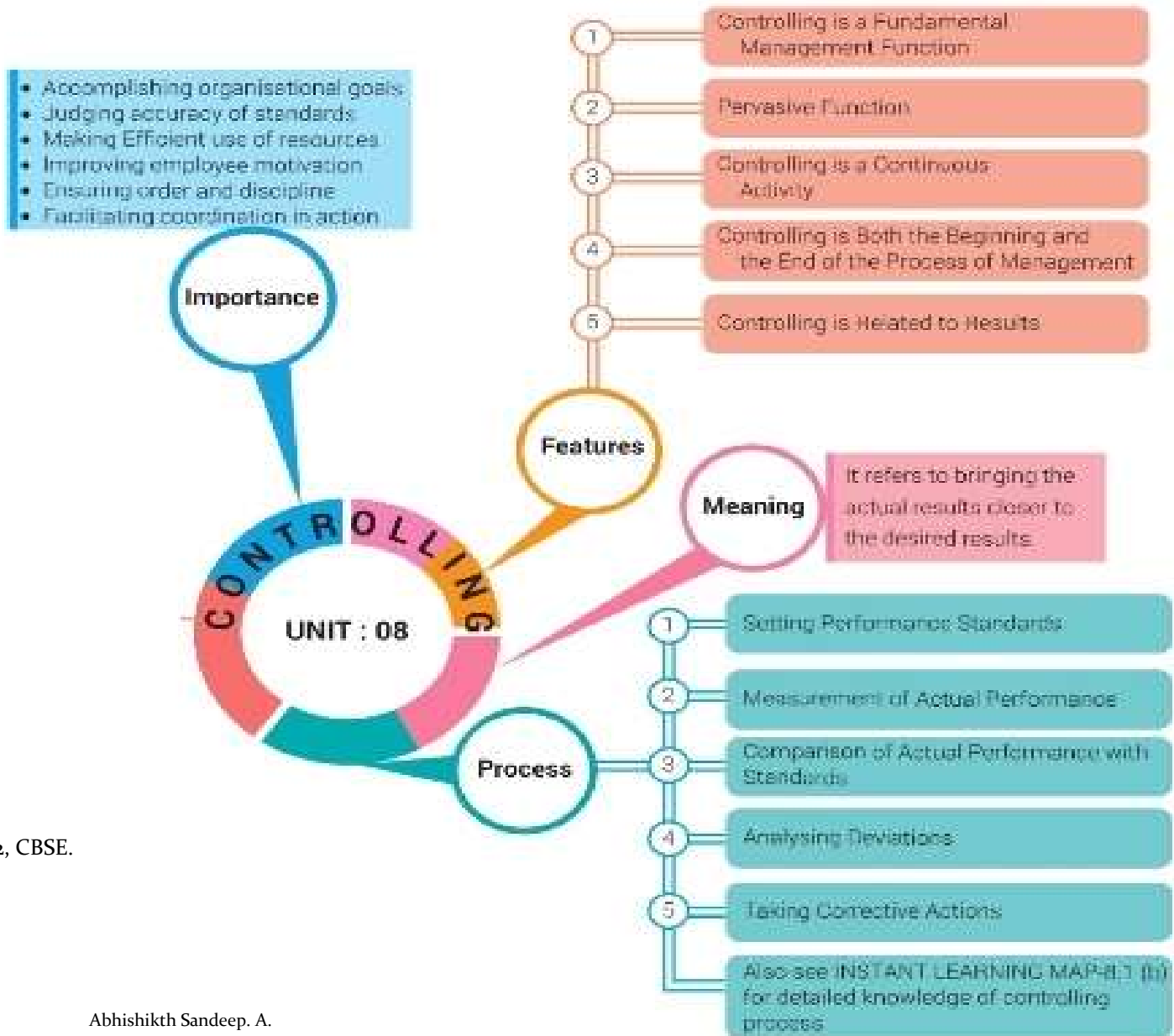
IMPORTANCE OF CONTROLLING

- **HELPS ACHIEVE ORGANIZATIONAL GOALS** - by synchronizing performance with planned effort & keeping the progress on track
- **ENSURES EFFICIENT USE OF RESOURCES-** Minimises wastages
- **MOTIVATES EMPLOYEE-** Helps enhance dedication of employee to the job through a system of performance linked incentive recognition
- **PROMOTES ORDER & DISCIPLINE :-** Checks unwanted activities
- **FACILITATES BETTER COORDINATION:** between various departments

LIMITATIONS OF CONTROLLING.....

1. **IN MOST CASES “STANDARDS” CANNOT BE ACCURATELY DEFINED IN QUANTITATIVE TERMS:** Ex: In the case of attributes – Customer satisfaction, honesty of employee etc. – Hence the measurement of performance & comparison with standard is difficult.
2. **NO CONTROL OVER EXTERNAL FACTORS :** As they are beyond the control of the organization.
3. **RESISTANCE FROM EMPLOYEES:** As it seeks to constantly monitor on the job employee performance & make comparison with standards, employees feel inconvenienced and tend to offer resistance
4. **COSTLY:** Involves spending a lot of time, money & effort. It proves to be costly for small & medium enterprises

RECAPITULATION



Source: Business Studies-Class 12, CBSE.
 R.K.Singla.
 VK Publications

WORKSHEET

1. Why is controlling said to be a continuous activity? (1 mark)
2. Why is it said that controlling is looking back? (1 mark)
3. “Controlling is all pervasive”- Explain. (3 mark)
4. “Controlling is an indispensable function of management”- Do you agree? Give reasons. (5 mark)
5. Name the function of management which reviews the business operations (1 mark)
6. Explain how controlling helps in achieving the organizational goals (3 mark)
7. How does controlling ensure efficient usage of resources? (3 mark)
8. “ Controlling is forward looking “ – Explain (3 mark)
9. How does controlling improve employee morale? (3 mark)
10. Explain the importance of controlling. (5/6 mark)