**ATOMIC ENERGY CENTRAL SCHOOL 1::JADUGUDA**

**BUSINESS STUDIES –CLASS 12**

**LESSON : INTRODUCTION TO CONTROLLING**

**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 CONTINOUS 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:**

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

**IMPORTANCE:**

* **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:**

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**

**QUESTIONS**

1. **Why is controlling said to be a continous 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 indispensible function of management”- Do you agree? Give reasons. ( 5 mark)**
5. **Name the function of management which reviews the business operations ( 1 mark)**
6. **Expalain 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)**