THE MANAGEMENT FUNCTION OF CONTROL

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Control is a function of management. The functions of management are planning, organizing, directing, coordinating, and control. Although control is listed last, it certainly is not the least important.

When managers effectively accomplish the other four functions of management they find that controlling can be employed more easily and more effectively. In essence, the functions of control are to make sure the business operates according to a particular plan of action, and if not, that corrective action is taken to prevent unsatisfactory results and amplify unexpected positive results.

What Does Control Mean to You?

Control means many things to many people. For instance, an accountant may interpret control as the keeping of records which, when analyzed, will provide some indication about the financial health of the firm. (Generally, there is little or no analysis made of those records on the part of the accountant.)

The foreman is more interested in the physical, personal aspects of control as they apply to his job and affect the people he works with. Some areas controlled by the foreman are meeting deadlines, starting projects on time, getting people to work on time, etc.

Finally, control in the manager's viewpoint concerns the entire business. The manager must be able to relate all aspects of the business, gather information from all departments, and correlate these activities so as to complete the plan of action of the firm according to specifications. If something breaks down, he must take remedial action to get the business operating smoothly once more. Not only must the manager be able to control records and data and the physical components of the business, but he must relate and sort all the information in a manner which will benefit the firm the most. It is this aspect of control from the manager's viewpoint which we will examine further.

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The Meaning of Control as Used Here

The concept of controlling as presented here is providing assurance that events are proceeding according to plan or, if not, that deviations and their causes will be made known in time for management to plan for the prevention of serious consequences.

In this concept controlling means more than measuring. In fact, controlling has four major purposes:

1. **It informs.** It tells management what has occurred and what is occurring now.

2. **It predicts.** It tells management what is likely to happen if present trends continue for some specified time such as a month, a quarter, a year, or even longer if it is appropriate.

3. **It diagnoses.** It seeks to determine why the deviations, if there are such, are occurring. Such diagnosis may lead eventually to remedial action, or to other new plans. However, note that when this occurs, the focus of attention has moved out of the controlling function into the planning function through replanning.

4. **It records and reports.** It provides a history which may be valuable in appraising previous judgments, decisions and plans, thereby aiding in future planning.

Our concept stays clear of mixing replanning or directing into the control function. Controlling may help in replanning, and it usually should. Controlling certainly equips the manager to give new and better direction, but it is the responsibility of the planning-executing function, not the controlling function, to determine the revised plan and to give the new orders or directions.

In brief, the purpose of controlling is not to make something happen, or to forbid it to happen, but to find out whether or not it is happening and how well it is happening. The purpose is not to compel it to happen, but to inform and advise the manager (accountable for the desired end result) and adequately and in time so that he can make it happen satisfactorily.

What Needs to be Controlled

In simple language, controls are needed wherever action is occurring, or should be occurring, that can have a significant effect on the ends (or purposes) underlying that action. The key to where controls are needed is to know which areas of performance are so important to success that failure in any one of them would probably endanger the whole enterprise.
In a business enterprise each natural operating unit, as well as the business as a whole, will want reliable controls for each area of activity that is essential to its operations. The use of key performance areas and indicators is essential in exercising the function of control.

Why Is So Much Attention on Control Needed?

In brief, the manager can expect that some persons will disappoint him. Not all persons on the payroll always do what they are expected to do. Management needs to know exactly what they are doing, not just what they were told to do or what management hopes they are doing.

Some conditions will surprise the manager. Conditions change as new technology and advancement come about. Assumptions are made when planning for the future which may be false, as a result of changing conditions.

Some methods will fail him. The methods, tools or devices originally selected may not work as well as the manager originally hoped they would. Only through controls that inform, predict, diagnose, and provide a history can the manager feel reasonably assured that events are proceeding according to plan. If not, he will know about deviations and the reasons underlying them in time to devise the needed corrective action. In this way he also can take a decisive part in replanning, reorganizing, re-directing, re-coordinating and recontrolling in order to attain the desired objectives.