

FUNDAMENTALS OF MANAGEMENT FOR ENGINEERS

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UNIT-5

CONTROLLING

CONTROL



- **Control** is the process of ensuring that activities are performed as planned.
- It helps managers **monitor performance and take corrective actions.**
- Control ensures that organizational goals are **achieved efficiently and effectively.**
- It involves setting **standards of performance.**
- Actual performance is **measured and compared with standards.**
- Deviations (differences) are **identified and analyzed.**
- Corrective actions are taken to **fix errors and improve performance.**
- Control helps in **reducing mistakes, waste, and inefficiency.**
- It ensures **proper use of resources** in an organization.



Types and Strategies for Control

- **Control** ensures that organizational activities are performed as planned.
- **Feedforward Control** is used before work starts to prevent problems.
- **Concurrent Control** is applied while work is in progress to correct issues immediately.
- **Feedback Control** is used after work is completed to evaluate results.
- **Budgetary Control** uses budgets to compare planned and actual performance.
- **Non-Budgetary Control** uses reports, audits, and observations for control.
- **Strategic Control** focuses on long-term goals and overall organizational direction.
- **Operational Control** focuses on day-to-day activities and performance.
- A key strategy is **setting clear standards and performance indicators**.
- Effective control strategies ensure **efficiency, quality, and goal achievement**.

Steps in Control Process,



- **Establishing Standards** – Set clear performance targets or benchmarks.
- **Defining Objectives** – Identify what the organization wants to achieve.
- **Measuring Actual Performance** – Collect data on current performance.
- **Comparing with Standards** – Check the difference between actual and expected results.
- **Identifying Deviations** – Find gaps or variations in performance.
- **Analyzing Causes** – Determine why deviations have occurred.
- **Taking Corrective Action** – Fix problems and improve performance.
- **Implementing Solutions** – Apply necessary changes in process or behavior.
- **Reviewing Results** – Check whether corrective actions are effective.
- **Feedback and Improvement** – Use results to improve future planning and control.

Budgetary and Non- Budgetary Controls



- **Control** helps ensure that organizational activities follow planned standards.
- **Budgetary control** uses budgets as a tool to plan and control financial performance.
- It compares **planned budget vs actual results**.
- Examples include **cash budgets, sales budgets, and production budgets**.
- Budgetary control helps in **cost reduction and financial discipline**.
- **Non-budgetary control** does not rely on budgets or financial plans.
- It includes tools like **performance reports, quality control, and audits**.
- Non-budgetary control focuses on **operational and behavioral performance**
- . It helps in improving **efficiency, quality, and work standards**.
- Both budgetary and non-budgetary controls are important for **effective management control systems**.

Characteristics of Effective Controls



- **Accuracy** – Control systems should provide correct and reliable information.
- **Timeliness** – Information should be available at the right time for action.
- **Simplicity** – Control methods should be easy to understand and use.
- **Flexibility** – They should adjust to changing conditions and situations.
- **Economy** – Control should be cost-effective and not too expensive.
- **Focus on Key Areas** – It should concentrate on important activities and results.
- **Objectivity** – Based on measurable and unbiased standards.
- **Action-Oriented** – Should help managers take corrective action quickly.
- **Acceptability** – Employees should accept and support the control system.
- **Integration** – It should be properly linked with planning and organizational goals.

ESTABLISHING CONTROL SYSTEM



- **Control system** is designed to monitor and regulate organizational performance.
- The first step is to **define clear objectives** of the organization.
- Next, **set performance standards** for all activities.
- Identify **key performance areas (KPIs)** to focus on important results.
- Decide the **methods of measurement** for performance evaluation.
- Collect and organize **accurate performance data** regularly.
- Compare **actual performance with standards** to identify deviations.
- Develop a system for **reporting and communication** of results.
- Design procedures for **corrective actions** when deviations occur.
- Continuously **review and improve the control system** for effectiveness.

CONTROL FREQUENCY AND METHODS



- **Control frequency** refers to how often control activities are carried out in an organization.
- It depends on the **nature of work and level of risk involved**.
- High-risk activities require **continuous or frequent control**.
- Routine tasks may require **periodic or occasional control**.
- Control methods are the techniques used to **measure and evaluate performance**.
- Common control methods include **budget reports and financial statements**
- . Other methods include **performance appraisals and audits**.
- **Observation and supervision** are also important control methods.
- Modern organizations use **digital tools and MIS (Management Information Systems)** for control.
- Effective control frequency and methods ensure **accuracy, efficiency, and timely corrective action**.