

Section 02. Management

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Steps in the Control Process

According to James Stoner, a professor of management systems at the Fordham Schools of Business, ‘Controlling is the process of ensuring that actual activities conform to the planned activities’ [1]. It is an important managerial function because it helps to analyze the mistakes and to take actions to eliminate them.

So, control as a management function involves the following steps: establishing standards; measuring performance; comparing the actual performance against chosen standards; taking corrective actions.

Establishing standards demonstrates how close the functions of control and planning are. Standards are the specific objectives in respect of which progress can be measured. These objectives explicitly grow out of the planning process. All of the standards used for the control must be chosen from numerous goals and strategies of the organization. Standards are usually measured in terms of output. They can also be measured in non-monetary terms.

Performance measuring is an indicator used to estimate how well an organization is achieving its goals. Measurement demonstrates the comparison between what is done and what was intended to be done. Many managers explore various performance measure types to evaluate demand, value of production, prices of producible items in order to get a more objective view of how the company operates and whether measures to improve its efficiency are required.

Comparing the actual performance against chosen standards enables to establish the presence of deviations in one direction or another, to identify the factors and conditions and to go to the last step of control. The results achieved can be higher, lower or can correspond to the developed standards. Before taking corrective action, you must decide what acceptable divergence with the standards is, and which requires the removal. That is, a manager should find out those deviations that are significant for business.

The final step in control process is taking corrective actions. It consists of the adjustment of the organization’s activity that is in modification of goals, revision of plans, redistribution of tasks, improving production technology and management. Correction may be accomplished through improving value of any internal elements of the organization or through developing the control system or technological process.

To sum up, not all deviations from standards should be eliminated. Sometimes the standards themselves may be unrealistic, because they are based on plans, and plans are only projections of the future. In revising the plans, standards should be necessarily reviewed.