

LCBB6022 Leadership and Management Theory and Practice

**The Importance of Controlling in Organisations: A Critical Evaluation of Its
Role, Challenges and Managerial Strategies**

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Management is the process of utilising people, funds, information, and other organisational resources to attain organisational objectives. The main functions of management are planning, Organising, Leading or influencing and controlling. These functions assist managers in directing daily work and in dealing with change in a competitive setting (Bright and Cortes, 2022). Controlling helps managers to monitor if the work matches what is planned. It includes setting clear standards, measuring performance, comparing results with targets and taking action when results are not satisfactory (Daft, 2022). Resource conservation and goal attainment are important in private firms, public institutions, charities and organisations that are not for profit, because they all have to use scarce resources carefully and attain their goals. But control can also be problematic. Staff can become stressed, rules can become unacceptable, and performance assessment may be unfair or flawed. Thus, controlling is important for being efficient, accountable, managing risk, and learning. It is dependent on applying control in a fair, flexible, and ethical manner, while maintaining trust, motivation, and innovation at every level of the organisation.

Planning is the process of establishing an organisation's aims and determining how to implement them. Managers have access to strategic, tactical and operational plans at various levels of the organisation. They also forecast demand, undertake resource allocation, and identify threats and performance targets. Clear planning provides direction and helps employees understand the expected outcomes (Griffin, 2022). However, any plans are contingent upon assumptions. They might soon become obsolete due to shifts in customer preferences, advancements in technology or new entrants into the market. Managers thus require systems of control to provide them with a means by which actual performance is compared with what is expected. For example, Tesco can foresee sales, staff and stock requirements before a busy season, then react as required to the real demand. Organising is arranging people, tasks, authority and resources for efficient work completion. Managers establish structures, delegate duties, set responsibilities and coordinate departments. Clear organisation creates accountability. Nonspecific roles can result in duplication of effort, delay and conflict. Leading involves directing, encouraging and conveying messages to workers. It also contains the style of leadership, involvement and organisational culture. Good organising and leading can enhance performance, but both need to be monitored to determine if target goals are met (Neck et al., 2022). For instance, Amazon manages its fulfilment centres, delivery system and technical staff. But too much control can decrease trust, motivation and employee freedom. Managers need to balance supervision and employee participation and be

'reasonably independent' when staff have the skills to make decisions. Control is the process of establishing standards, measuring what has occurred, comparing what has occurred with the standard, determining differences, and taking corrective action. Standards should also be reconsidered when changes occur. Control is an inseparable part of other functions. It provides feedback for the improvement of future planning, organisation and leading. The whole process, therefore, is a cyclical one of planning, organising, leading, controlling, feedback and revised planning. Control enables managers to evaluate the realisation of plans, the organisation of resources and the effectiveness of leadership. But not every control system will work for every organisation. Control measures need to reflect uncertainty, organisational requirements and operating conditions (Yang et al., 2022). Effective control should facilitate learning and improve performance, not only punishment or surveillance. This way, control becomes more useful, fair, adaptable to new business situations, and boosts the overall organisational performance in the long term.

Controlling is necessary because it links up with corporate objectives and activities of the day. Managers rely on KPIs, budgets, checkpoints, reviews and dashboards to assess if activities are on track to support strategy. If left unchecked, departments can go in separate directions and waste effort. To align better, performance frameworks need to be tailored to the needs and conditions of each organisation (Abdel-Halim and Ahmed, 2022). The Balanced Scorecard can contribute to this process, as it incorporates financial, customer, internal process and learning measures. This provides a broader level of performance visibility to managers. But targets should only consider what can be measured, so service quality, creativity, and trust can be overlooked (Wanderley, 2022). Control is also useful for efficiency and resource utilisation. It can minimise waste, rework, unnecessary expenses, and delays. For instance, Toyota employs production control to reveal defects and promote constant improvement. However, simply cutting costs can lead to compromised quality, employee health or customer service when managing for cost alone. This demonstrates that efficiency controls need to safeguard the cost goals and levels of service. Control also helps to drive quality and performance gains. Using benchmarking, customer feedback, appraisals and process monitoring, managers compare the results with agreed standards. NHS organisations audit care quality in terms of service standards and patient outcomes. But if the data aren't accurate, and managers learn about causes of poor performance, then the data are useless. Control is particularly relevant for public organisations as it contributes to public money

accountability and to public service results (Felicio et al., 2021). Lastly, control helps manage risk and ensure compliance and ethics. Internal audits, safety checks, systems for cybersecurity and financial controls can minimise fraud and reporting issues. Good internal control can also reduce earnings manipulation and enhance the reliability of financial information (Boulhaga et al., 2022). Customer needs, technology, competitors and supply issues are covered by control, which reinforces the learning process. For instance, real-time inventory data enables retailers to react to shifting consumer demand swiftly. But today's organisations require both retrospectives and forward-looking systems to detect new threats in time. Such systems facilitate rapid decision-making, increased accountability and long-term learning in both the public, private and non-profit sectors.

Control is essential but can cause trouble. Monitoring can be perceived by employees as surveillance, distrust or punishment. Tight controls may limit freedom and result in staff only seeing the targets. This might boost short-term productivity but can reduce creativity, motivation, and psychological safety. Performance measurement can enable and limit employees at the same time, and managers should consider systems that do not cause fear and do not take away reasonable choice (Ragaine, 2021). Algorithmic monitoring can be useful in measuring productivity more accurately, for instance in a warehouse, but can also put additional pressure and stress on system users. An additional challenge is measuring the wrong things. The value of some outcomes like teamwork, leadership skills, creativity, customer relationships and wellbeing is harder to quantify. If managers pay attention only to a narrow target, then the employees might try to improve that indicator but not the practice. The Wells Fargo sales scandal serves as an example of how high sales quotas can promote unethical practices (Corporate Finance Institute, 2022). Thus, managers have to take a look at the figures and also into the habits that are employed to attain them. Information is also critical to control. Accurate data, timely reporting, system interoperability and a small number of dashboards are all critical to strong decision-making. More information does not necessarily mean better control because managers may have trouble determining what to do. Digital systems enhance the speed, but can be limited in terms of employee autonomy if monitoring is too detailed (Korsen et al., 2022). There are other problems of cost and complexity. Software, specialists, training, audits, and periodic maintenance may be needed for the control systems. These costs may be too high for small organisations. Therefore, controls should vary according to organisational size, risk, and available resources. Stiff rules can also delay decisions and stifle

innovation. Standard rules help keep things consistent, but many approvals can slow customer responses or market change. Ethics and privacy are also significant issues. The data gathered by AI surveillance and productivity scoring can be personal, biased, or decisions can be made without adequate explanations. Efficiency does not equate to fairness in a system. Ethical control is required for trust and long-term legitimacy, and it is essential that managers account for privacy, transparency and human review (Hickok and Maslej, 2023). Imperfect control may foster worker deceptiveness, rule bending, or rule obedience to needless effect.

Control issues can be minimised by designing a system that suits organisations' needs. A blend of financial and non-financial metrics, near- to long-term objectives, team and personal outcomes, and operational and strategic metrics. The Balanced Scorecard provides an alternative perspective for managers. But too many measures can undermine focus and muddle staff. Managers therefore need to select a limited number of indicators relevant to their situation and ask themselves if the system leads to improvement of real performance (Kadak and Laitinen, 2021). Employee involvement is also important. Managers should involve staff in the setting of objectives, standards, performance indicators and review methods. This is an example of Management by Objectives, where employees contribute to the objective-setting process. True engagement contributes to the aspects of clarity, acceptance, and commitment. It can also point out to them realities of the world they may not have noticed. But token consultation can lead to cynicism and distrust. An effective control should also be flexible. Managers can use rolling forecasts, scenario planning, real-time dashboards and exception reports to update targets when conditions change. Decisions can be delegated to allow employees to respond rapidly, but flexibility must not be without responsibility. Managers have to clarify their procedures when they may change from one guide to another, and when strict rules need to be maintained. Better data governance is another solution. Organisations require data-quality checks, integrated systems, clear ownership, accurate reporting rules, cybersecurity and manager training. Technology can help to make the controls more rapid, but should not supersede judgment. Managers need to analyse the data based on the human and operational factors. Creative skills, teamwork, and positive relationships need to be protected as part of the control system. Control should be kept at a reasonable level, not too formal, with trust, shared values and open communication (Su et al., 2022). Ethical practice is also crucial. Managers should provide an explanation for monitoring, gather only required information, maintain privacy and offer appeal and review of automated decisions. Finally, managers should

create a learning culture. When a product does not perform as expected, there should be feedback, coaching, root-causing and improvement, not blame. However, long-term controls should not only measure short-term financial results but also social, environmental and stakeholder controls (Le et al., 2024). This method retains accountability whilst still ensuring trust, learning, and sustainable performance throughout the organisation.

To sum up, managing, planning, organising, leading and controlling are correlated administrative functions. Eventually, controlling rounds out the management process by evaluating actual performance against the management plans of the organisation. It is useful in private, public and non-profit organisations for the following reasons: But control can also become a liability. When there is strict monitoring, it can decrease trust, motivation and creativity. If performance is not measured well, it may foster a mindset for employees to concentrate on the targets as opposed to actual performance. Complex systems can also introduce other costs, delays, ethics and privacy issues. Managers can minimise these issues through balanced measurement, employee engagement, regular target rechecks and data quality improvement. They should also employ clear and ethical monitoring procedures. Importantly, control must facilitate learning and improvement, not fear and punishment. Control is therefore best achieved through a proportionate, flexible and fair approach that takes responsibility to hold accountable but also allows for innovation, trust and performance over time.

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