

LCBB6022 Leadership and Management Theory and Practice

**Critical Evaluation of the Importance of Controlling as a Managerial
Function in Contemporary Organisations**

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Management is the process of attaining organisational objectives by planning, organising, leading and controlling resources. Management is a factor in contemporary businesses as it assists organisations to enhance performance, manage resources effectively and adapt to changes. There are four primary functions of managers. Planning is the setting of goals and action planning. Organising deals with the structuring of resources and tasks (Morden, 2021). Leadership involves inspiring and mentoring workers towards goal accomplishment. Controlling is an act that involves checking performance against set targets and making corrective measures where necessary. Among these roles, the one that is fundamental is that of controlling since it helps in ensuring that organisational operations are in line with the business objectives. Yet, ineffective control systems may cause issues, such as staff resistance, lack of creativity and unjust bureaucracy. This essay is a critical assessment of the significance of controlling in various organisations, issues associated with controlling and how managers can implement effective control measures.

There are four key functions that management undertakes, which include planning, organising, leading and controlling. These functions assist organisations to attain their goals and to manage resources. The first is planning, as it entails the identification of goals, formulating plans and determining the subsequent course of action. It can assist organisations to minimise uncertainty and prepare for future challenges. To illustrate, Toyota employs long-term planning with its continuous improvement strategy, or Kaizen, to enhance the quality of production and operational efficiency (Toyota, 2026). Organising entails organising resources, setting duties and establishing systems that enable the employees, together with departments, to operate efficiently. An effective organisational structure will enhance co-ordination and avoid confusion. Leading is about influencing employee behaviour by motivating them, communicating and effective leadership. A good example of change in leadership is Microsoft, where Satya Nadella altered the company culture by fostering collaboration, innovation and learning at work, leading to its meaningful business growth (Microsoft, 2024). Controlling involves establishing performance standards, measuring actual performance, determining discrepancies between projected and achieved performance, and taking corrective actions. It and all other managerial functions are linked since it assists managers in understanding whether plans and strategies are yielding the desired results. Organisations might not be able to detect issues and meet their goals without proper control. Thus, controlling is not the only management activity but a process that, on the contrary, helps to become better and more successful as an organisation (Robbins and Coulter, 2020).

Controlling is a vital managerial activity since it helps organisations have a focus on accomplishing their objectives. It also enables managers to contrast actual performance with planned objectives and areas that need improvement. Organisations cannot rely on planning alone in competitive business environments since unplanned issues may influence performance. Good control systems enable managers to make timely decisions and have the right information. Individually, Amazon leverages customer feedback systems and operational data through performance monitoring to enhance the speed of delivery, customer satisfaction and supply chain efficiency (Amazon, 2024). The company has data-based control systems that track millions of customer interactions and enhance operational decisions. Nonetheless, although strong control enhances accountability, over-monitoring can lead to less employee autonomy and pressure. Thus, the managers should make sure that the control mechanisms assist workers instead of establishing a culture of supervision (Armstrong and Taylor, 2023).

Control is also significant since it enhances resource productivity and minimises wastage. Organisations possess scarce resources, such as money, materials, technology and human skills. The control systems assist managers to check the costs, productivity, level of inventory and quality standards. Quality control systems are applied in manufacturing industries in order to minimise production errors and improve customer satisfaction. To illustrate, Toyota has a production system based on continuous monitoring and improvement to minimise waste and enhance efficiency (Toyota, 2024). This strategy has enabled Toyota to have a good reputation for reliability and quality throughout the world. Nevertheless, financial controls should not be the main concern of organisations, as employee wellbeing, innovation and customer relations are other factors that can make a business successful. Studies demonstrate that companies that are conscious of the environmental, social and employee factors tend to perform better in the long term than organisations that are interested in only the short-term financial outcomes (Deloitte, 2023). That is why control must be done in a balanced way, taking into account the performance of financial and non-financial factors.

Moreover, control enhances decision-making and assists organisations to adjust to the evolving business environment. Organisational markets today are unpredictable, and the preferences of the customer, technology and competition fluctuate rapidly. Control systems present managers with valuable information that can assist them to modify strategies. As an illustration, sales information, customer behaviour analysis and market information are used by retail organisations to alter

product decisions and enhance customer experiences. Walmart is one of the companies that apply complex data analytics to track consumer demand and optimise the supply (Walmart, 2024). Nevertheless, the systems of control need to be flexible, as extremely rigid systems can inhibit creativity and slow down organisational reaction. Fast- changing industries require managers to have adaptive control approaches that should enable employees to react fast whilst at the same time being able to operate within organisational standards. Controlling is therefore necessary as it builds accountability, efficiency and helps in strategic decision-making, though it should be tailored in a manner that does not stifle innovation.

Despite all the advantages of controlling, there are several challenges that managers encounter in the design and application of control systems. Employee resistance and decreased motivation are among the significant challenges. Monitoring systems, when used in a manner that places excessive emphasis on individual performance measurement, can be perceived as a symbol of distrust by employees. Over-monitoring may cause pressure and a decrease in job satisfaction. As an illustration, certain technology and delivery firms have experienced criticism due to the imposition of rigid productivity tracking systems that caused employees to feel put under pressure and undervalued (Eurofound, 2020). Although monitoring is a safeguard that ensures performance standards, managers ought to strike a balance between control and trust and staff empowerment. When employees comprehend the purpose of the control systems and feel that they are part of the process, they are more likely to accept it.

The difficulty of measuring performance is another challenge. There are certain organisational outcomes which can be measured easily, like sales revenue and output or costs of production. Other significant determinants, though, are less measurable, such as creativity, leadership potential, teamwork and employee engagement. Excessive dependence on numerical goals can create an incentive among employees to concentrate on meeting measurements and not on overall performance. As an illustration, sales workers who are evaluated based solely on sales might force customers to purchase goods rather than establish relationships over time. This may hurt customer confidence and organisational goodwill. Thus, to obtain a complete picture of performance, managers should employ both quantitative and qualitative indicators (Kaplan and Norton, 1992). Control systems are also problematic due to their complexity and cost. Investments in technology, employee training, and management resources are usually needed in advanced control systems. Multinational organisations can afford advanced systems, but when it comes to smaller companies,

they might not be able to install such systems due to insufficient funds. As an example, large corporations like Unilever implement sophisticated reporting and performance frameworks in various countries, but small businesses might require less expensive and less complicated methods (Unilever, 2024). The task of managers therefore involves taking organisational size, resources and needs into consideration when coming up with control systems.

A balance between control and innovation is another challenge that is important. Too much control may lead to bureaucracy wherein employees waste time in executing the procedures instead of coming up with new ideas. Innovation may also mean that the employees will have to take calculated risks and test new ways. When managers develop too strict systems, the employees will prefer not to take any risks, as they are afraid of failing. Modern organisations must have adaptive control systems that can still be accountable, be flexible, and be creative. Thus, it is not only the control over employees but the formation of systems that promote performance and innovation that is going to be a challenge to managers.

By using structures of control that are balanced and flexible, managers can help reduce the challenge in controlling. One such strategy is to use both financial and non-financial performance metrics. Financial metrics like revenue, costs and profitability are vital but must be augmented by those associated with customer satisfaction, employee engagement and innovation. Balanced Scorecard approach can be seen as a framework that assists organisations to assess performance through different perspectives instead of just an emphasis on financial outcomes (Kaplan and Norton, 1992). This style enables managers to realistically attain short-term goals as well as promote long-term organisational growth.

The effectiveness of control can also be enhanced by managers by promoting participation and transparency among the employees. When managers articulate the reason behind the implementation of control systems and engage employees in the establishment of performance objectives, employees tend to embrace the use of control systems. Participative leadership has the potential to grow trust, motivation and commitment since the employees feel that they are important in making decisions. Companies having a culture of good communication tend to have increased employee engagement and performance (Gallup, 2023). Thus, managers need to employ feedback discussions, coaching and open communication rather than using formal monitoring systems only.

Controlling can also be enhanced with the use of technology in a responsible manner. Artificial intelligence and real-time monitoring data analytics enable managers to gather precise information and make quicker decisions. The application of data analytics by Amazon shows how technology can enhance logistics, inventory management and customer service (Amazon, 2024). Technology, however, should not supersede human judgment, but amplify it. Managers have to ponder over the ethical concerns, the privacy of employees and the adverse consequences of overly digital surveillance.

Lastly, the managers need to foster a culture of ongoing improvement whereby control is seen as a learning mechanism and not a punishment mechanism. Coaching, training and frequent feedback enable the employees to know their weak areas and how to improve on them. The Kaizen philosophy of Toyota shows how control can become the motivation to learn, solve problems, and develop constantly instead of merely pointing out errors (Toyota, 2024). Establishing facilitating control systems can help managers enhance organisational performance and sustain employee motivation. On the whole, successful controlling is a complex but balanced method that comprises responsibility, adaptability, technology as well as worker engagement. This helps organisations to achieve present goals as they work towards future challenges.

Four important functions are critical to management success: planning, organising, leading and controlling. Control is one of these functions due to the fact that it assists organisations to attain their goals, enhance resource utilisation and aid better management choices. Nevertheless, not everything is easy in controlling, and the high implementation cost, inability to measure performance, excessive monitoring, and decreased innovation can influence the effectiveness of organisations (Morden, 2021). Managers therefore should come up with flexible, transparent and balanced control systems. The goal of effective controlling should not be only to address the problems correctly, but also to promote development and constant improvement of the employees. Altogether, controlling is a primary management practice of any organisation, yet its effectiveness is conditioned by the balancing of accountability, trust, flexibility and employee empowerment. This will enable organisations to perform well and at the same time establish an effective and innovative workplace.

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