

The Four Core Functions of Management



BA (Hons) Business Management

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Contents

Introduction.....	3
Why controlling is essential in organizations.....	4
Challenges associated with controlling	5
How can managers mitigate these challenges	5
Conclusion	7
References	8

The Importance of Controlling in Organizations

Introduction

Management is a fundamental feature of all organizations, whether they operate in the private sector, public sector, or non-profit environment. In contemporary business, managers are expected to ensure that resources are used effectively, people are coordinated, and organizational goals are achieved in a changing and competitive environment.



(ClipartMax.com, 2018)

Management is commonly understood through four core functions: planning, organizing, leading, and controlling (Daft, 2021; Robbins and Coulter, 2023). These functions are closely connected, but controlling is particularly important because it allows managers to assess whether the organization is actually performing in line with its objectives (Bateman and Snell, 2013; Robbins and Coulter, 2023). Without control, plans may exist only on paper, resources may be wasted, and poor performance may continue unchecked. Controlling therefore plays a central role in maintaining standards, improving accountability, and supporting corrective action. However, although controlling is essential, it is not without difficulties. Overly rigid control systems can reduce motivation, stifle creativity, and create resistance among employees (Bligh, Kohles and Yan, 2018). In addition, measuring performance is often more difficult in complex organizations, especially those relying on knowledge work, teamwork, or innovation (Robbins and Coulter, 2023). This essay critically evaluates why controlling is essential in organizations of all types, discusses the challenges associated with controlling, and examines how managers can mitigate these challenges through effective and balanced approaches.

The four managerial functions provide the framework through which organizations operate and achieve their goals (Daft, 2021). Planning involves setting objectives and determining the actions required to reach them. It gives direction and helps organizations prepare for future conditions. Organizing is the process of arranging resources, assigning tasks, and creating a structure that supports the planned activities. Leading refers to influencing, motivating, and guiding employees so that they contribute effectively to the organization's aims. Controlling, by contrast, focuses on monitoring performance, comparing actual outcomes with expected standards, and taking corrective action where necessary (Bateman and Snell, 2013; Robbins and Coulter, 2023).

These functions are interdependent, since plans need to be organized, guided by leadership, and then checked through control systems. In practice, controlling acts as the feedback mechanism of management (Bateman and Snell, 2013). It ensures that plans are not simply created but actually implemented in a way that produces results. For this reason, control is often seen as the function that closes the management cycle, linking performance back to objectives and enabling continuous improvement.

Why controlling is essential in organizations

Controlling is essential because it allows managers to ensure that organizational activities remain aligned with strategic goals (Anthony and Govindarajan, 2007). In any organization, even the best plans can fail if performance is not monitored and deviations are not addressed early. Control systems help managers compare actual performance with targets, identify inefficiencies, and make timely adjustments (Project Guru, 2016; Sihag and Rijdsdijk, 2018). This is particularly important in competitive markets where small errors can quickly become costly problems. For example, Aldi is often associated with tight operational control and cost efficiency. Its business model depends on keeping processes streamlined, minimizing waste, and maintaining consistency across stores. Such control helps the company deliver low prices while preserving profitability (Chu, 2024). Moreover, Nestlé operates across many product categories and countries, making quality control and standardization vital to maintaining customer trust and brand reputation (Nestlé, 2025). Therefore, controlling helps ensure that standards are not lost as the firm expands across diverse markets.

Control is also important in organizations outside the private sector. A hospital, for example, must monitor patient care standards, staffing levels, and compliance with health regulations. A university must control assessment standards and financial resources. A charity must ensure that donations are used transparently and efficiently. These examples show that controlling is not just about profit; it is also about accountability, consistency, and responsible use of resources (Anthony and Govindarajan, 2007; Daft, 2021).

Another reason controlling is essential is that it supports accountability within the organization (Robbins and Coulter, 2023). When managers establish standards and monitor outcomes, they clarify what is expected from individuals and departments. This creates a stronger sense of responsibility and makes it easier to evaluate performance fairly. In organizations with large numbers of employees, such as Samsung, control systems are needed to coordinate complex operations and ensure that products, processes, and outputs meet required standards (Sihag and Rijdsdijk, 2018). Without control, a large organization may become fragmented, with different units pursuing different priorities. Control therefore contributes to coordination as well as performance. It also supports decision-making by providing managers with information about what is working and what is not (Anthony and Govindarajan, 2007). This is particularly valuable in uncertain environments where managers need evidence rather than assumptions. In this sense, controlling is not simply about checking errors after they occur; it is a proactive management tool that helps organizations stay on course and adapt to changing conditions. Therefore, controlling is essential in organizations of all types, regardless of sector or size, and a lack of control can lead to reduced productivity, poor service quality, financial losses, and reputational damage.

Challenges associated with controlling

Despite its importance, controlling presents several challenges that managers must handle carefully. One major challenge is that excessive control can reduce employee motivation and creativity (Bligh, Kohles and Yan, 2018). If employees feel that every action is monitored too closely, they may become less willing to take initiative or suggest new ideas. This is particularly relevant in organizations that depend on innovation, problem-solving, or professional judgement. For example, Samsung needs control to coordinate global operations, but too much rigidity can limit experimentation and slow down innovation (Business Model Analyst, 2025). Similarly, in organizations like Patagonia, where values, sustainability, and employee commitment are important, overly strict control could undermine the culture of trust and purpose that supports performance (Auburn University, 2021). Another challenge is the difficulty of measuring performance accurately. In manufacturing, output can often be measured relatively clearly, but in service-based or knowledge-based organizations, results are less easy to quantify (Robbins and Coulter, 2023). Creativity, teamwork, and customer satisfaction may be important, but they are harder to capture through simple performance indicators. This creates the risk that managers will rely on incomplete or misleading measures.

A further challenge is that control systems may become bureaucratic and slow. When too many procedures, reports, and approval layers are introduced, managers can spend more time checking compliance than improving performance (Bozeman et al., 2001). This can make organizations less responsive to change. In fast-moving markets, outdated control systems may fail to reflect current realities. A system that works in one period may become ineffective when technology, customer expectations, or competitive conditions shift. Control is also complicated by cultural and structural differences in global organizations (Daft, 2021). What appears acceptable in one country or department may not work in another. A multinational company such as Nestlé must therefore manage local differences while still maintaining consistent global standards (Anthony and Govindarajan, 2007). This is difficult because local markets may require adaptation, yet headquarters may want uniform procedures. In addition, employees may resist control if they perceive it as a lack of trust or as a threat to their autonomy (Bligh, Kohles and Yan, 2018). This resistance can reduce cooperation and weaken the effectiveness of the system. These challenges show that controlling is not simply a technical process; it also involves human behaviour, organizational culture, and changing external conditions.

How can managers mitigate these challenges

Managers can mitigate the challenges of controlling by designing systems that are balanced, flexible, and supportive rather than oppressive. One important approach is to combine formal and informal control. Formal controls include budgets, policies, performance measures, and procedures, while informal controls include shared values, organizational culture, and peer expectations (Schein, 2017). When used together, these approaches can promote accountability without creating excessive rigidity. For example, Patagonia is known for a strong ethical culture that supports responsible behaviour without relying only on strict surveillance (team, 2025). This shows that values can be a powerful form of control. Another

useful strategy is to establish clear and realistic performance indicators. Targets should be specific enough to guide action but not so narrow that they encourage unhealthy competition or short-term thinking. Managers should also use both quantitative and qualitative information. Numerical targets are helpful, but they should be interpreted alongside employee feedback, customer comments, and professional judgement.

Delegation is another way to reduce the negative effects of over-control. Rather than micromanaging every detail, managers can give employees responsibility for outcomes within agreed limits (Samuel, 2021). This can improve motivation and encourage ownership. In this respect, control becomes less about surveillance and more about guidance. Open communication is equally important. If employees understand why controls exist and how they support organizational goals, they are more likely to accept them. This is especially useful in large organizations such as Aldi, where operational discipline is essential but staff still needs clarity and fairness (Investment Masters Class, 2019). Managers should also adapt control systems to the nature of the work. Highly standardized tasks may require tighter controls, while creative or professional work benefits from greater flexibility. Technology can help by providing real-time data and improving transparency, but it should not be used in a way that damages trust or reduces employees to numbers. The most effective managers use control systems to support learning and improvement rather than simply to punish mistakes (Robbins and Coulter, 2023).

A useful distinction in management is that controlling people is often associated with micromanagement, fear, and dependence, whereas empowering teams promotes trust, autonomy, and accountability (Madden, 2018; Connected Assistants, 2025). In practice, effective managers do not try to control every action; instead, they set clear standards, provide guidance, and allow employees the freedom to use their judgement. This balance helps organisations maintain performance while also encouraging motivation, creativity, and responsibility.

In addition, managers can reduce control problems by reviewing systems regularly. Because organizations operate in changing environments, control methods should not remain fixed for long periods. Performance indicators, reporting systems, and rules should be evaluated to ensure that they still reflect organizational priorities (Management Study Guide, 2025). This is particularly important for multinational and innovative firms such as Nestlé and Samsung, where scale and complexity make static systems risky. A modern control approach should be dynamic, allowing managers to respond to change while preserving consistency where it matters. Managers should also avoid relying solely on top-down control. Involving employees in the design of performance measures can increase acceptance and improve the relevance of the system (Schuitema Group, 2022). This participative approach makes control more collaborative and less threatening. Ultimately, successful control is not about enforcing obedience at all costs. It is about creating conditions, in which people understand expectations, monitor progress, and contribute to organizational success in a responsible way.

In the future, controlling is likely to become more dynamic, data driven, and human centred. Managers will increasingly rely on real time dashboards, advanced analytics, and AI enabled tools to monitor performance, detect deviations early, and adjust plans proactively, rather than reacting only after problems arise. At the same time, formal control systems, such as budgets, KPIs, and digital reporting, will be balanced with informal controls based on shared values, organisational culture, and psychological safety. The emphasis will shift from strict supervision and rigid rules towards adaptive control that fits the nature of the work and the maturity of the team. In fast moving or highly creative environments, managers will design lighter, more flexible control systems, while still ensuring accountability and quality. Delegation, co design of performance measures, and continuous feedback loops will become standard practices. Ethical and transparent control will also be essential. As technology allows deeper monitoring, managers will need to communicate clearly why data is collected, how it is used, and how it supports learning and development rather than mere surveillance. In this way, controlling will move from a mechanistic checking function to a strategic enabler of performance, innovation, and sustainable organisational success (Robbins and Coulter, 2019).

Conclusion

In conclusion, management relies on four core functions: planning, organizing, leading, and controlling (Bateman and Snell, 2013; Daft, 2021). Controlling is an essential managerial function because it ensures that organizational plans are implemented effectively, standards are maintained, and corrective action is taken when performance falls short. Across all types of organizations, control supports accountability, efficiency, coordination, and quality. It is valuable in private companies such as Aldi, Nestlé, and Samsung, but also in public and non profit organizations where responsible use of resources is equally important.

However, controlling also creates challenges, including employee resistance, reduced creativity, bureaucratic delay, and difficulties in measuring performance accurately (Bligh, Kohles and Yan, 2018; Robbins and Coulter, 2023). These issues show that control can become counterproductive if it is too rigid or too narrow. Managers can mitigate these challenges by combining formal and informal controls, setting realistic targets, involving

employees, delegating responsibility, and adapting systems to changing conditions (Schein, 2017). The most effective control systems are not based on constant surveillance but on balance, flexibility, and trust. In this way, controlling becomes not only a mechanism for checking performance but also a foundation for continuous improvement and long term organizational success.

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