# Control Process

The control process of management ensures that every activity of a business is furthering its goals. This process basically helps managers in evaluating their organization's performance. By using it effectively, they can decide whether to change their plans or continue with them as they are.

The control process consists of the following basic elements and steps:

### 1. Establishing goals and standards

The task of fixing goals and standards takes place while planning but it plays a big role in controlling also. This is because the main aim of controlling is to direct a business's actions towards its goals. If the members of an organization know their goals clearly, they will invest their entire focus in achieving them.

It is very important for managers to communicate their organization's goals, standards and objectives as clearly as possible. There must never be ambiguities amongst employees in this regard. If everybody works towards common goals, it becomes easier for an organization to flourish.

### 2. Measuring actual performance against goals and standards

Once managers know what their goals are, they should next measure their actual performance and compare. This step basically helps them in knowing whether their plans are working as intended.

After implementing a plan, managers have to constantly monitor and evaluate them. They must always be ready to take corrective measures if things are not working properly. In order to do this, they should keep comparing their actual performance with their ultimate goals.

### 3. Taking corrective action

In case there are discrepancies between actual performances and goals, managers need to take corrective actions immediately. Timely corrective actions can reduce losses as well as prevent them from arising in the future again.

### 4. Following up on corrective action

Just taking corrective measures is not enough; managers must also take them to their logical conclusion. Even this step requires thorough evaluations and comparisons.

Managers should stick to the problem until they solve it. If they refer it to a subordinate, they must stay around and see to it that he completes the task. They may even mentor him personally so that he may be able to solve such problems by himself later.

## How Controlling Function Helps Managers

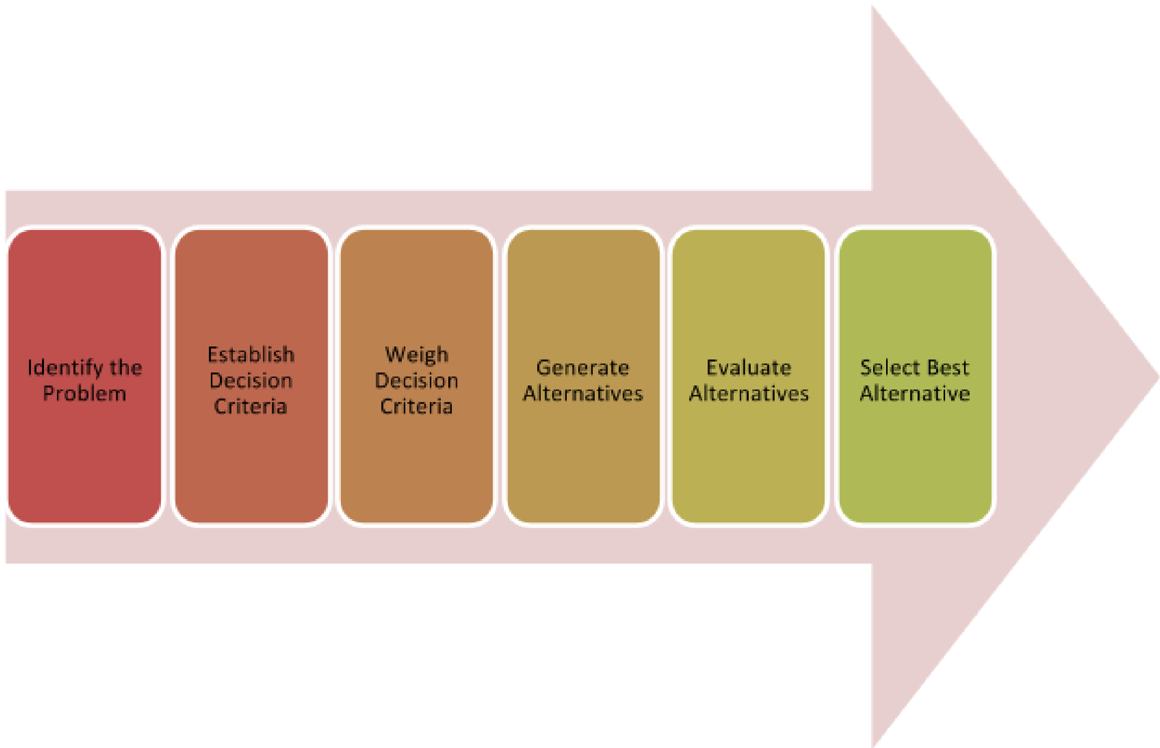
Managers at all levels of management Top, Middle & Lower – need to perform controlling function to keep control over activities in their areas. Therefore, controlling is very much important in an educational institution, military, hospital, & a club as in any business organization.

Therefore, controlling function should not be misunderstood as the last function of management. It is a function that brings back the management cycle back to the planning function. Thus, the controlling function act as a tool that helps in finding out that how actual performance deviates from standards and also finds the cause of deviations & attempts which are necessary to take corrective actions based upon the same.

This process helps in the formulation of future plans in light of the problems that were identified &, thus, helps in better planning in the future periods. So from the meaning of controlling we understand it not only completes the management process but also improves planning in the next cycle.

## The Rational Decision-Making Process

The rational decision-making process involves careful, methodical steps. The more carefully and strictly these steps are followed, the more rational the process is. We'll look at each step in closer detail.




## Step 1: Identify the Problem

Though this starting place might seem rather obvious, a failure to identify the problem clearly can derail the entire process. It can sometimes require serious thought to find the central issue that must be addressed. For example, you have taken a new job and you may initially decide you need to find a new car for commuting back and forth from work. However, the central problem is that you need a reliable way to commute to and from work.

## Step 2: Establish Decision Criteria

In this step, the decision maker needs to determine what is relevant in making the decision. This step will bring the decision maker's, and any other stakeholder's, interests, values and preferences into the process. To continue our example, let's assume you are married. Some of the criteria identified might include budget, safety, functionality, and reliability.

## Step 3: Weigh Decision Criteria

Because the criteria identified will seldom be equally important, you will need to weight the criteria to create the correct priority in the decision. For example, you may have weighted budget, safety, and reliability as the most important criteria to consider, along with several other slightly less critical criteria.

## Step 4: Generate Alternatives

Once you have identified the issue and gathered relevant information, now it is time to list potential options for how to decide what to do. Some of those alternatives will be common and fairly obvious options, but it is often helpful to be creative and name unusual solutions as well. The alternatives you generated could include the types of cars, as well as using public transportation, car pooling and a ride-hailing service.

## Step 5: Evaluate Alternatives

After creating a somewhat full list of possible alternatives, each alternative can be evaluated. Which choice is most desirable and why? Are all of the options equally feasible, or are some unrealistic or impossible? Now is the time to identify both the merits and the challenges involved in each of the possible solutions.

## Step 6: Select the Best Alternative

After a careful evaluation of alternatives, you must choose a solution. You should clearly state your decision so as to avoid confusion or uncertainty. The solution might be one of the particular options that was initially listed, an adaptation of one of those options, or a combination of different aspects from multiple suggestions. It is also possible that an entirely new solution will arise during the evaluation process.

- Bounded Rationality
  - The concept that decision makers are limited by their values and unconscious reflexes, skills, and habits.
- Satisficing
  - The tendency to search for alternatives only until one is found that meets some minimum standard of sufficiency to resolve the problem.

- Decision Making Under Certainty
  - A condition in which the decision maker knows with reasonable certainty what the alternatives are and what conditions are associated with each alternative.
- Decision Making Under Risk
  - A condition in which the availability of each alternative and its potential payoffs and costs are all associated with risks.
- Decision Making Under Uncertainty

A condition in which the decision maker does not know all the alternatives, the risks associated with each, or the consequences of each alternative.