

⇒ controlling: Refers to comparison of actual performance with the planned performance and taking corrective action in case of deviations between actual and planned performance.

⇒ Importance of controlling: It is important function because of the following point:

- (1) Accomplishing organisational Goals.
- (2) Judging accuracy of standards
- (3) Making efficient use of Resources.
- (4) Improving employee motivation.
- (5) Ensuring order and discipline.
- (6) Facilitating coordination in Action.

⇒ Limitation of controlling: It suffers from following limitation:

- (1) Difficulty in setting quantitative standard.
- (2) Little control on external factors.
- (3) Resistance from employees.
- (4) costly affairs.

⇒ Relationship between planning and controlling:

- ① Both planning and controlling are interrelated and interdependent.
- ② planning is prescriptive and controlling is evaluative.
- ③ Both are backward-looking as well as forward-looking functions.

⇒ Steps in controlling process: The process of controlling

involves following steps:

- (1) Setting performance standards.
- (2) Measurement of actual performance <sup>comparison.</sup> with standards.
- (3) Analysing Deviations.
- (4) Taking corrective actions.

(5)

