

# CONTROL AS AN IMPORTANT SEGMENT OF MODERN MANAGEMENT

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**Abstract:** *This paper presents the importance of control from the perspective of modern management. Featured in this paper is the impact of control on other segments of management of modern organizations. Further, this paper presents all aspects of control relating to modern organization. The importance of control of the economy and modern managers is particularly stressed.*

**Keywords:** *control, management*

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## 1. INTRODUCTION

Modern management follows the trends of modern economies and adapts to changing demands which inevitably impose themselves. It is precisely the market that imposes high standards in terms of quality of products and services. One of the important segments of management stressed by managers of modern organizations in order to increase the quality of products and services is the segment of control. The success of modern, market-oriented organization is conditioned on the quality of products and services at a high level. Averaging is not enough. What is needed is dominance and excellence.

Control can be defined as the process of monitoring activities to ensure their execution by previously made plans, as well as correcting any significant deviations that may occur during operations.[1] The only way that managers can have insight into the production process is to establish adequate and continuous control. Control as function plays a significant role in the function of planning, because its information enables the analysis and assessment of deviations from the plan.

Control must be seen as a complex process that consists of several segments. Each segment has its own specific role, and the coordination of all segments enables complete implementation of control activities.

## 2. ASPECTS OF CONTROL

Control of organizational business is the process of monitoring and it represents correction of activities of organizational units. Information pertinent to this level of control refer to the general understanding of the various sectors within the organization. The aim of control is to monitor the sectors and report whether tracked sectors operate within the planned activities. Based on the obtained information, managers perform analysis and ascertain the level of matching of activities with things that were pre-planned and agreed upon. If there are any exceptions, managers make decisions on corrective actions in order for the operation of the critical sectors to be returned in the direction of a clearly defined plan. When seeing that the implementation of the strategy is unsuccessful, that there is no progress in the direction of the operational accuracy, the manager has a responsibility to – through his decisions – influence the correction of certain activities.[2]

Control of personnel can appear as qualitative and quantitative control. With regards to the control of quality, quality analysis is done in terms of accuracy, precision and adequacy in the context of activities incorporated in a job. Control of quantity overlaps with the segments of control that relate to the effect of the organizational sectors; out of those, individual effects should be pointed out. This analysis compares the performance of an individual with other employees, but also with the standards that are planned for the concrete work done by the individual. If there is a deviation in terms of quality or quantity, the manager has to warn the employee, and in certain situations even to punish him.

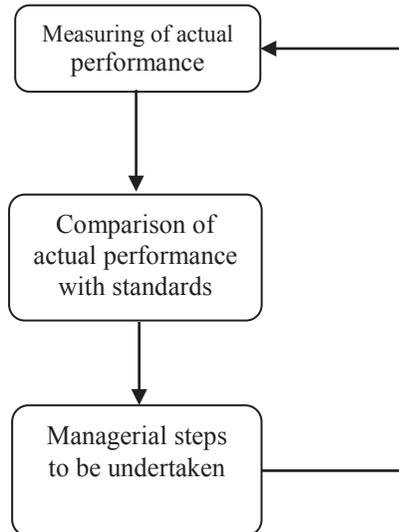
Control of staff is monitoring individuals or small groups of employees by operational managers. Control of personnel can be implemented in organizations that have developed an automated system for evaluating performance, so the penalties (withdrawal of wages, penalty points, cuts of benefits) are automatically assigned. Employees in these organizations know in advance what the consequences of poor performance are, and thus avoid conflict situations related to the subjective assessment. Transparency of performance, punishment and reward has a very great importance in terms of employee motivation. Director of the department of organizational development at Lennox Industries, Inc., an organization that produces equipment for the heating and cooling units in Texas, highlights the importance of visibility of the performance evaluation. He cites the importance of transparency in evaluation with the following words: “To make measuring visible for all is just as important as measuring itself”. In this way, he emphasizes the importance of visibility of measurement and motivates employees in the direction of achieving objectives. [3] Control of workplace of employees is a major challenge for modern managers. They need to exercise control of use of computers by their employees in order to protect the organization from several aspects. By controlling the data on the computers of their employees, managers control the abuse potential of organizational computers for private purposes. By controlling the use, managers protect organizational information in terms of their abuse (cyber crime). Managers realize another important function through computer control of employees. They motivate employees to behave responsibly towards organizational assets as well as image (business partners and associates of the organization perceive, remember and convey impressions about the behavior and professionalism of employees in the organization they visit and with whom they cooperate).

Control has much in common with ethics. The process of control must be carried out according to the standards that meet the minimum of ethics in business. If the process of control crosses the border of ethical principles, then control has more negative than posi-

tive effects. The constant pressure that managers have with regard to the performance in monitoring of individuals often leads to forms of control which can be transformed into some aspects of abusing the integrity of employees and even some form of mobbing. For its successful implementation, business ethics must necessarily meet certain criteria:

- Set clear rules,
- Defining the rules of engagement
- Regular monitoring of the implementation of the set rules,
- Defining the sanctions in case of unwanted behavior. [4]

Control of performance refers to specific information on the results achieved in terms of quantity. Control is based on a comparison of the effect of norms and standards envisioned by the plan. The purpose of the control of results is to support the work of employees in the future, and to enable managers to establish whether the activities were carried out in accordance with the plans.[5] In case it turns out that the effect is not at the level of the plan, the managers analyze the cause of failure and propose appropriate measures that will contribute to improving performance in perspective. Managers need to know what elements it is necessary to monitor so that the control would make sense. They must define which measures organizational performance will provide them with important information. The most commonly used measures of organizational performance are: organizational productivity, organizational efficiency and ranking within a particular area.[6]



**Figure 1:** The process of control

Quality control - Organizations need to identify, attract and retain quality staff who will share their knowledge, skills and abilities to take advantage of in order to achieve market-defined standards (performance). A particular challenge for organizations is evident in

specific circumstances of the global market. The success of the organization depends largely on the selection of personnel, both for management functions and for ordinary workers. Large companies invest significant efforts in the process of attracting and retaining the best and the best staff. Quality control refers to the process of monitoring and of quality standards against which to measure and compare the results (*Benchmark*). Modern organizations do not limit their monitoring system of quality control to the level of their organization. Managers monitor competition too, their performance and the quality of products and business practices. Monitoring best practices and quality solutions of competition is called "*Benchmarking*". Thanks to benchmarking, the American company from the automotive industry Daimler Chrysler saved a hundred million dollars on the cost of production of the convertible "Sebring". Saving was the result of copying and applying best practice solutions that benefit the company Mercedes-Benz, the German owner of the Chrysler.

In relation to the moment of involvement in activities that are controlled, the control can be: preventive, current and corrective. Organizations that have resource capabilities indeed use all three forms of control, in order to enable a comprehensive approach to achieve planned results with minimal errors. The advantage of preventive control is that it allows the prevention of problems due to a thorough analysis of the information indicates that problems that occur. Preventive control is not possible in all sectors of business but is preferably carried out in a situation where it is feasible. Current control is performed in parallel with the process and allows employees and managers at any moment to have information on whether there are certain differences in the activities they carry out. The greatest significance of current control is reflected in the fact that it can prevent large mistakes that might have severe negative consequences. Corrective control is the most frequently used form of control that takes place after the completion of activities, and that provides information about what the impact achieved and whether there are discrepancies achieved results than anticipated. A typical example of a corrective control is the financial report of the organization.

Progress in the field of information technology to a large extent influences the more modern and easier access to control. This is the century of modern technology, automation, lasers, robotics and electronics. Technological advances greatly humanize work and reduce the risk, together with the acceleration of the process of production, increased resource consumption and improved control of capabilities of employees.[8] Modern devices such as cameras, automated counters, scanners, detectors, etc., allow managers to monitor the performance and commitment of employees, on the other hand allow employees to control themselves in order to know whether they meet the norms of their plans and expect. LAN internet is widely used in modern organizations, so that managers of different departments can communicate among themselves by forwarding data. With these achievements in information control process is performed in a much faster way, but also much more often. Such systems allow permanent control as well as the possibility of automatic correction of errors in certain professions. Modern trucks for international transport have sensors that monitor the large number of parameters (movement of eye-pupils as a parameter of alertness and concentration, switch of the vehicle into another lane, the distance from the vehicle in front, economical driving mode, the state of tire pressure, etc.), and they alert the driver to perform necessary corrections.

### 3. CONCLUSION

Challenges in a market-oriented economy impose high standards of performance and success. Organizations in such circumstances face the inevitability of proper planning and implementation of all activities of modern management. A significant segment of modern management is control. The requirement of quality control processes are adequate financial, organizational and human resources. Organizations must form the basis of high-quality managers, who will use their knowledge and skills to recognize and take advantage of the importance of quality control at all levels. They must take advantage of science in terms of information technology and modern technical achievements, in order to speed up and improve process control. Control must be accepted as an inevitable process that not only allows for a comparison of actual and planned, but the influx of significant information, external and internal, with a view to adequate planning of future activities.

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