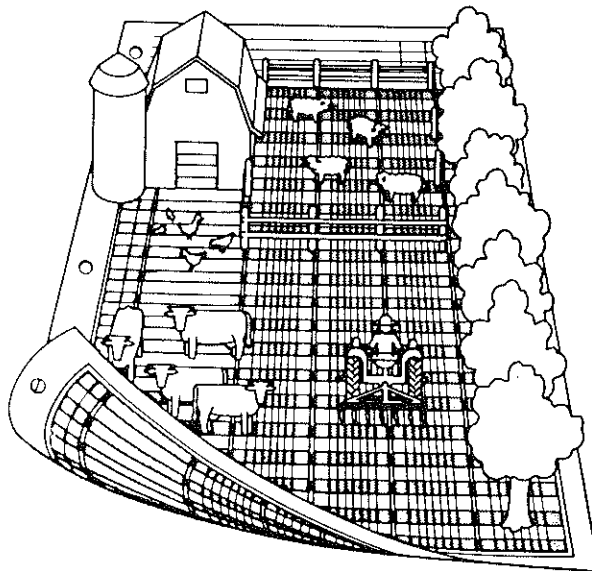


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## Management Control Clinic



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**Many thanks to those who contributed to this  
publication: Robert A. Milligan, the Cornell Cooperative  
Extension Agricultural Agents of New York State and the  
PRO-DAIRY staff.**

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## **Activities for Management Clinic**

<u>Minutes</u>	<u>Activities</u>
15	1)- Review the concepts and practices learned in MFS. Look over the TO DO lists and the planner. Coach on problems as indicated.
15	2)- Review milk weight recording sheets and coach as necessary.
30	3)- Introduce controlling through review of the 1 hr homework exercises and reading assignments.
20	4)- Audit the controls used for the appropriate opportunity area selected in MFS and coach through the process of developing a tactical plan for control.
	5)- As time permits and the level of management allows, you can move to the next area of the farm needing to be audited for control.

**ACTIVITY 1****Review MFS concepts and practices****I. Learning goal:**

1. To give the farm manager the opportunity for individual coaching and review of the management practices learned in MFS with particular concentration on the planning function.

**II. Key points :**

1. Planning is an on going process.
2. The discipline of using the planner will pay off through having clear goals and being able to control events toward the fulfillment of objectives.
3. The planner is a control system for your own activities.

**III. Suggested method/exercise/activities :**

1. Review the farm's mission, objectives, goals and tactical plans hopefully recorded in the planner. Where any of these points are weak, coach the farm manager through the appropriate process to upgrade the plans. It may be necessary to do some technical and managerial problem solving in order to make progress in planning. That is fine. Utilize the appropriate decision making grid.

**ACTIVITY 2****Review milk production control system****I. Learning goal:**

1. Establish useful milk production controlling activities.

**II. Key point:**

1. The milk production measuring, reporting, analyzing and corrective actions constitute a control system.

**III. Suggested method/exercise/activities:**

1. Look over milk weight recording sheets and coach as necessary about the proper use of the milk production control system in order to improve its use to the producer.

**ACTIVITY 3****Introduce controlling****I. Learning goals:**

1. Learn the 4 elements of controlling.
2. Identify the fundamental principles of a good control system.
3. Identify the common weaknesses and unintended consequences of a poorly managed control system.

**II. Key points:**

1. Purpose of Control. To ensure that events conform to plans. Control must concern itself with what is happening in the present.

2. Elements of Controlling. The four essential elements of controlling are:

1. Setting standards
2. Monitoring and reporting
3. Interpreting and evaluating information
4. Taking corrective action

3. Weakness of Control Systems

- a. Absence of controls or no clear standards for goals
- b. Mistake centered
- c. Too much emphasis on the past
- d. Not based on the correct key factors
- e. Too complex but not specific enough

**III. Suggested method/exercise/activities:**

1. Introduce controlling through a review of the 1 hr homework exercises and reading assignment.
2. Discuss questions relating to the concepts and practice of control.



**ACTIVITY 4****Audit of selected opportunity area control****I. Learning goal:**

1. To provide some creative assistance using technical expertise in the development of appropriate controls for technical operations.

**II. Key points :**

1. You can take specific steps to improve the your control over any aspect of the farm business.
2. The only thing that can truly be controlled by management is people's activities.
3. Development of production controls on technical operations can alert us to the need for control on general management activities.

**III. Suggested method/exercise/activities:**

1. Begin by reviewing the area of opportunity identified in MFS, milk quality, feeding, forage, finance or general management. Audit the present control system for that opportunity area. Seek to analyze and improve the control system using the concepts in the control materials. This process will take the form of coaching through the development of new and improved control systems ending up with tactical plans for control.

**ACTIVITY 5****Audit of other opportunity areas for control.****I. Learning goals:**

1. To coach through other identified opportunity areas in need of improved control.
2. To coach through the development of new and improved controls and systems.

**II. Key points:**

1. You can take specific steps to improve your control over any aspect of the farm business.
2. The only thing that can truly be controlled by management is peoples' activities.
3. Development of production controls on technical operations can alert us to the need for control on general management activities.

**III. Suggested method/exercise/activities:**

1. As time permits and the level of management allows, you can move to the next area of the farm needing to be audited for control.

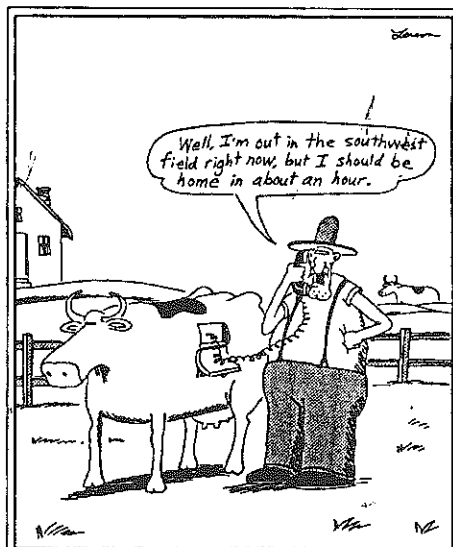
## CONTROLLING (text)<sup>1</sup>

### Key Concepts

- Learn the elements of controlling
- Purpose of Control. To ensure that events conform to plans. Control must concern itself with what is happening in the present.
- Elements of Controlling. The four essential elements of controlling are: 1-setting standards; 2- monitoring and reporting; 3-interpreting and evaluating information; and 4-taking corrective action.

### Learning Objectives

- Identify the fundamental principles of a good control system.
- Improve the management of your agricultural business through the use of control systems.
- Identify the common weaknesses and unintended consequences of a poorly managed control system.



The rural professional and his cowphone

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<sup>1</sup>Materials in this section adapted from "Management 18 " A Short Course for Managers, Burt K. Scanlan 1974

## PURPOSE OF MANAGEMENT CONTROL CLINIC

1. One on one coaching in management.
2. Receive training in managerial control.
3. Identify opportunity areas on the farm that need to come under improved control.
4. Receive creative technical assistance in developing appropriate controls for identified opportunity areas.



"Hey! That's milk! And you said you were all empty, you stinkin' liar!"

**MANAGEMENT CONTROL CLINIC (exercise)**

What is the purpose of the PRO-DAIRY management control clinic?

1.

2.

3.

4.

## ESSENTIAL ELEMENTS OF CONTROLLING (text)

### Setting Goals

Controlling assumes the existence of a target or goal. Therefore, the **first** essential element of controlling is some predetermined measurable standard contained in a "SMART" goal. Maximum productivity requires that the manager be results oriented; this means he must have something against which to measure results. Some standards will be set as part of the general farm plan and others will be developed as a part of the specific operational plan. In any case, there should be clear SMART goals set in all key areas of the farm business in order for control to be achieved.



### Measuring, Collecting, Recording, and Reporting

The **second** essential element of controlling is a method of measuring or collecting the data and recording or reporting what is happening. Reports may give the manager feedback on a day-to-day basis or over longer periods of time. Reports may be in the form of a chart in the case of milk weights or as simple as a verbal message on the phone reporting the status of a machine being fixed at the dealers. The key point is that the information which is generated must be practical and usable as well as timely. The information the manager receives should enable him to pinpoint quickly where deviations are occurring so that he can do something about them. A major problem with some reporting methods is that they are so complex and detailed that they are of little practical use to managers who must try to use them. If control is to aid in the accomplishment of results, the manager must receive the necessary feedback soon enough and simply enough to make adjustments if and when they are needed. The particular situation will dictate how frequently feedback should be given.



### Evaluating and Interpreting

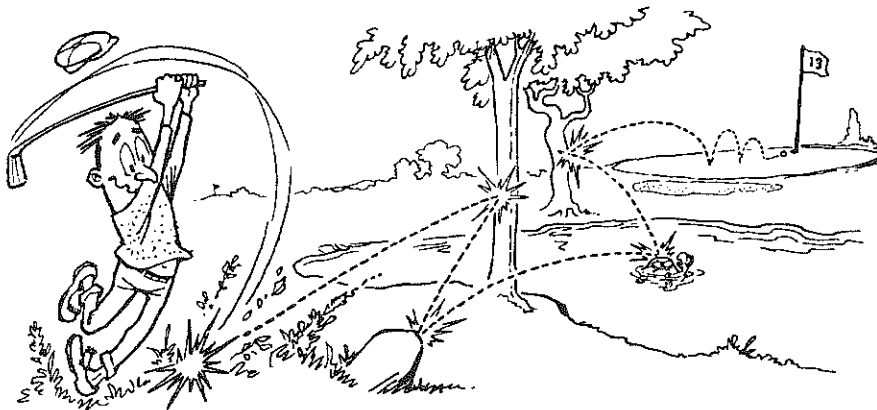
The **third** element of controlling is interpreting and evaluating the information generated by the feedback system. This is a key step, as it becomes the basis for taking corrective action when needed. The quality of evaluation by individual managers can be assured to the degree that the feedback given them about their operation is easily and readily understood and used or assimilated. Evaluating involves comparing the information against the standard to determine if any unacceptable deviations are taking place which would necessitate corrective action.

## Taking Action

The **fourth** element is taking corrective action. It is this step which links controlling so closely to the planning function and enables the manager to accomplish the purpose of control. It should also be noted that in order to take corrective action, the manager must be a good problem solver and decision maker. More specifically, he must be able to identify the real root causes of problems hindering accomplishment and causing deviations. He must create, develop, analyze, and choose between alternative approaches to over coming the problems, and he must then make a tactical plan for the implementation of the decisions he makes.

## ELEMENTS OF CONTROLLING

1. Clear predetermined standards contained in SMART goals.
2. Method of measuring, collecting, recording and reporting what is actually happening.
3. Evaluating and interpreting or comparing actual performance against standards.
4. Taking corrective action which involves returning to planning.



**ELEMENTS OF CONTROLLING (exercise)**

List two areas of the farm you want to put under improved control.

A. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

B. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Now analyze those areas to see if the 4 elements of controlling are taking place. List the number 1-4 of any control element that is weak.



## CONTROLLING AND CONTROL SYSTEMS (text)

Although controlling often appears last on a list of managerial functions, it is one of a manager's prime responsibilities. In many respects, controlling can be considered the essence of management. It is the function which gives meaning and depth to all other functions.

The importance of controlling lies in the fact that a manager's job is to get things done or, more specifically, to achieve results and meet goals in key areas. Although some of the work may be done by other people, it is the individual manager who remains ultimately responsible for the results. To ensure the desired level of achievement, he must develop and use a control system which will let him know at all times and on a continuous basis whether the work being done is on target.

The purpose of control is to ensure that events conform to plans. By necessity, this implies that control is concerned with the present. Viewed another way, it involves a regulation of what is happening now.

Controlling involves locating operational weaknesses or opportunities and then, where and when appropriate, taking the necessary action to ensure desired results.

Controls can be very simple. Asking someone who is repairing a piece of equipment at the dealership to call at noon and report on progress is effectively putting a measurable control point on the project. Another simple example of control is the checking off of items on a to do list; this lets you monitor, and potentially control, your progress through your days work toward the accomplishment of goals. Control systems can also be much more formal and involved when it is appropriate. As with planning, the amount of effort put into control should be appropriate for what is being controlled .

The importance of control can perhaps best be demonstrated by briefly mentioning some of the common weaknesses associated with control systems. First, and most common weakness is the lack of any control system at all. Events and activities are steaming along unchecked out of control. When people say that they are feeling out of control of what is happening, the simple solution is to put some controls in place where none exist. Often no control exists because there is no measurable standard associated with a goal.

Secondly, some control systems place too much emphasis on the past and are, therefore, after the fact in nature. To the extent that this condition exists, the purpose of control is defeated. For example, it does little good to discover at the end of the year that the cows have not persisted in lactation. As a control device, lactation curves should be compared to the norms on a periodic basis to ensure that the end results will be satisfactory. Similarly, to discover a major quality defect in forage after all the feed is in for the winter is equivalent to locking the gate after the horse is out of the corral. A good control system would identify the problem when it initially happens so that corrective action could be taken. This first common weakness reflects a fault in the way the control system is structured. Simply stated, the point of control is not current. It is dealing with events that are too far in the past.

A third and closely related weakness is that a control system may be mistake-centered rather than cause and correction centered. The way in which the system is managed may place too much emphasis on finding out who made a particular mistake rather than identifying a problem and then taking constructive action to remedy it. This weakness of a control system is potentially most serious when it occurs in combination with problems being identified after the fact. Another aspect of a mistake-centered control system is that it tends to produce adverse and defensive reactions on the part of those who are negatively affected, including our selves. The purpose of control is not to "should " on ourselves or those who work with us but rather to provide opportunities for improvement of performance toward goals. (The human aspects of control will be discussed in more detail later.)

A fourth weakness that can inhibit the effective functioning of a control system is that it may become too complex and not specific enough. Many control systems are designed by other people and may not be workable under the conditions someone else faces. Certain people on the farm may be given the task of monitoring various aspects of the operation on a continuous basis. It is only natural that points of friction may develop between the monitored and the monitoring. As this friction occurs and continues, there is a danger that the control system becomes an end in itself rather than a means to an end. The manager using the system may get carried away with the system itself and forget about what it is supposed to accomplish. The person subject to control attacks the system as inadequate, and this sets the stage for conflict and defensive reactions on the part of everyone involved. In this climate, the purpose of control soon becomes lost.

A fifth weakness of control systems is that they may not be based on key factors that affect results. In any operation, the list of factors which can be subject to control of one kind or another is endless. If an attempt is made to control everything, the manager will very soon be so overwhelmed with details and reports that he will not have time to manage. There are always certain key factors and points at which, if proper control is exercised, there is high degree of certainty that results will be achieved. As a result, a good control system will focus on these key areas only.

In summary, the entire thrust of the controlling function is to help the farm business and the individual manager achieve desired results. It is extremely important that this be the guideline whenever control systems are being designed or used. It is also advantageous for the operation to periodically review the control systems it has to ensure that they are doing the job.

### **Weaknesses of Control Systems**

1. Absence of controls or no clear standards relating to goals
2. Mistake centered
3. Too much emphasis on the past
4. Not based on the correct key factors
5. Too complex and not specific enough



**CONTROL (exercise)**

List and analyze two areas of your farm you want more control over to see if any of the control system weaknesses mentioned above apply to them. If so list the numbers of the weakness for each. 1-5

A \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

B \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## AREAS WHERE CONTROL SYSTEMS ARE NECESSARY (text)

As with the managerial function of planning, controlling is of concern to both the total farm organization as well as the individual enterprise. It is therefore possible to talk about control in a broad general management sense as well as in a very specific sense as it relates to such operational activities as Crops, Dairy, Finance, Personnel, Maintenance, or any other specialty. The following list outlines some common areas where control is necessary.

### 1. Production

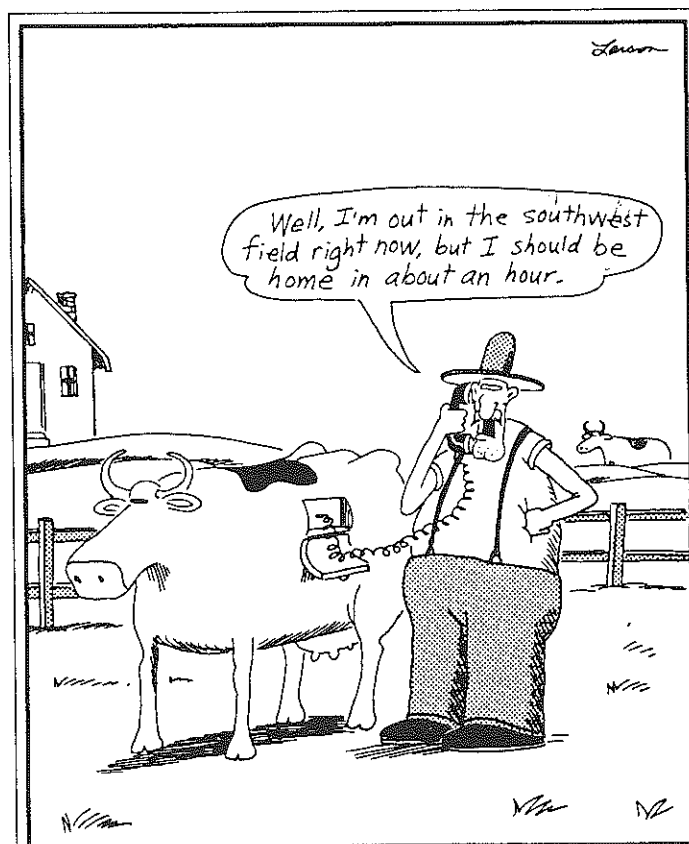
- Quality
- Quantity
- Cost
- Cow and herd productivity
- Field productivity
- Machine output
- Individual job performance

### 2. Personnel Management

- Labor turnover
- Absenteeism
- Safety

### 3. Finance and Accounting

- Capital expenditures
- Cash flow
- Inventories
- Costs



The rural professional and his cowphone

## **CONTROLLING SYSTEMS (exercise)**

The checklist that follows describes eight general types of controls. As you read this list, check off any area where a controlling function that affects you seems either inadequate or in need of critical examination. Then try to relate that area to one of the five common weaknesses of control systems.

### **Types of control systems**

\_\_\_\_ Controls used to standardize performance in order to increase efficiency and to lower costs. Included might be inspections, written procedures for milking or feeding, or production schedules for planting or harvest.

\_\_\_\_ Controls used to measure on-the-job performance. Typical of such controls would be output per hour or per person, cows milked per person per hour, and perhaps partial budgets or standard costs such as dollars of labor per 10 tons of harvested hay .

\_\_\_\_ Controls used for planning operations. Such controls would include production forecasts for crops and milk, budgets, various cost standards, and standards of work measurement.

\_\_\_\_ Controls necessary to allow general management activities to keep the farms various plans and enterprises in balance. Typical of such controls would be a master budget, policies, and such organizational techniques as farm teams which may include professionals such as a vet, and the use of outside consultants to look at progress towards goals objectively. The overriding reason for such controls would be to provide the necessary feedback for current and long run operations and to help maximize profits.

\_\_\_\_ Controls designed to motivate individuals within a firm to contribute their best efforts. Such controls necessarily would involve ways of recognizing achievement through such things as promotions, awards for suggestions, or some form of profit sharing.

## **FUNDAMENTAL PRINCIPLES OF A GOOD CONTROL SYSTEM (text)**

There are several fundamental principles that must be observed if a control system is to function effectively and accomplish its basic purpose. The following principles are particularly important:

1. The system must be current.
2. The system must develop records on all goals .
3. The system must focus on deviations from plans and goals.
4. The system must report deviations directly to the person responsible.
5. The system must reflect individual responsibilities as well as overall results.

The first principle, requiring that the control system be current, reflects a concern for the basic purpose of control. Stated earlier, control is concerned with the present. If its purpose is to be achieved then the system must be current.

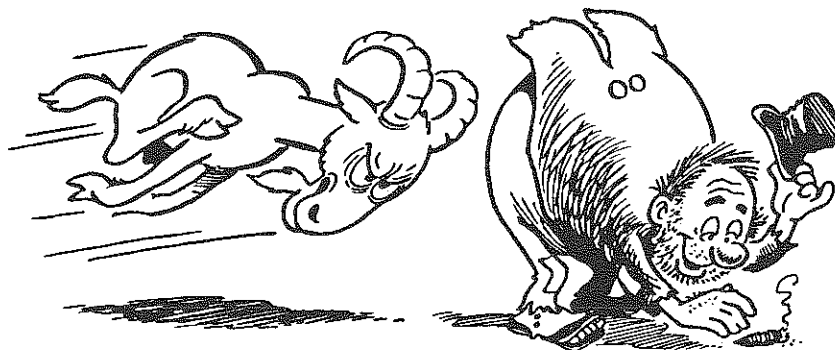
The second principle recognizes that the achievement of the total farm's overall objectives is possible only if individual operational areas accomplish their goals. Therefore, to ensure success the control system must develop records on all goals for all areas of the farm organization. Assuming that corrective action is taken wherever and whenever it is needed, there will then be a coordinated thrust toward the accomplishment of objectives throughout the entire farm. The position of a manager is not only one of responsibility but one which demands a great deal of time and concentrated effort. It might also be noted that the manager is almost constantly faced with varying degrees of pressure of one kind or another. A system of control which is properly designed and carried out can go a long way toward simplifying the manager's tasks.

As the third principle suggests, the control system should focus on deviations from goals so that problem areas can be quickly spotted. The idea behind focusing on deviations is not, of course, to chastise but rather to help to quickly pinpoint where some type of corrective action needs to be taken. If the control system does

not specifically pinpoint deviations, the manager must spend a considerable amount of time analyzing and trying to interpret the reports or information provided. Also, there is the danger that some potential problem areas will be overlooked. For example, if there are too many numbers on a DHIA report form, design one that will highlight what you want to know. The same is true for financial reports.

The fourth principle requires that deviations should be reported directly to the person in a position to make a correction. Control is best taken care of close to the source of action. This is not to say that a manager should not also receive feedback on the status of an operation, but it recognizes that if an individual is to direct and control his own performance, he must know on a periodic basis where he stands. By also making progress reports available to those who are actually doing the work, a climate is created where they can adjust their own performance as opposed to being told to do so. Also, there is less need for the manager to be acting in a "policing" capacity. Rather, he can function as a coach. The only time he needs to "step in" is when adjustments are not being made or if the performance gap is such that he wants to make sure that it has been spotted and something is being done.

The final principle acknowledges that overall general results are the sum total of the efforts of individuals working in many operational areas. Therefore, the control system must be complete in that it produces records for individuals as well as in total. If the system does not deal with individual responsibilities, there is not only danger that overall results will not be achieved but also that attention will focus on identifying, after the fact, who made a mistake or what went wrong. This, of course, is not in keeping with the purpose of control.





## CONTROLLING TACTICAL PLAN (exercise)

For each of the two areas selected for improved control, (A and B) devise a new or improved control system in light of the information above. The tactical plan for controlling may be of help.

Input or output to be monitored ?

Measuring procedure including who?

Monitoring time interval?

Type of report or recording and to whom?

Control standards taken from goals?

Actions or back up plans to bring performance back to standard ?



Plan for Controlling: \_\_\_\_\_

[illegible]

**CONTROLLING (exercise)**

Circle the letter of the correct answer or indicate true (T) or false (F) in the blank.

1. When a manager delegates the authority to perform a particular job to an employee, who is ultimately responsible for controlling the results of that job?

- a. The manager
- b. The employee
- c. Both manager and employee

2. The purpose of the controlling function is to ensure that events conform to plans. \_\_\_\_\_

3. A control system emphasizes what has happened in the past. \_\_\_\_\_

4. A common weakness of a control system is that it may be cause and correction centered rather than mistake oriented. \_\_\_\_\_

5. Controlling is a concern of the total farm organization as well as the operational area such as cropping. \_\_\_\_\_

6. Which of the following is a potential weakness of control systems?

- a. The system is not based on key factors that affect results.
- b. The system is not specific enough.
- c. The system is mistake oriented.
- d. Each of the above

7. Which of the following are types of control systems?

- a. Controls to standardize performance
- b. Controls to safeguard farm business assets
- c. Controls to set limits within which delegated authority can be exercised.
- d. Each of the above

8. Establishing objectives must be the first essential element of the controlling function. \_\_\_\_\_

9. Taking corrective action links the controlling function closely to the planning function. \_\_\_\_\_

10. Fill in the blanks to describe five fundamental principles of a good control system. The first is given.

- a. The system must be current.
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

• Exercise Answers

1.a 2.T 3.F 4.F 5.T 6.d 7.d 8.T 9.T

- 10.
  - b. Must develop records on all goals
  - c. Must focus on deviations from objectives
  - d. Must report deviations directly to the person responsible
  - e. Must reflect individual responsibilities as well as overall results.

## **HUMAN ASPECTS OF CONTROL (text)**

Someone once made the observation that there is nothing wrong with most organizations, it is only when you put people in them that they get fouled up. In a slightly different way, this observation applies to managerial control. As pointed out previously, controlling is an important and necessary function at the individual operations management level and at the over all general management level. It is important to note, however, that it is people and their performance that become the subjects of control, and when this human element is introduced, problems invariably result. The problems are a reflection of the emotional response of those being controlled to the control system. It is important to examine some of the unintended consequences of control systems, the reasons for these unintended consequences, how managers can reduce perceived threat as a result of control, and finally, to present some guidelines which will lead to a positive reaction to attempts at control.

### **Historical Assumptions Underlying Control Systems**

Historically, management's approach to installing control systems has many times been based on a Theory X Autocratic set of assumptions about people. More specifically, we tend to generalize about people based on some individuals who are not motivated, or who try to get by with as little as possible, and who try, or attempt to try, to take all the shortcuts. As a result, many control systems have been either structured or administered in a negative sense. That is, consciously or unconsciously, they have been used to exert pressure as a basis for disciplining people and as a measure to force compliance with externally imposed standards.

### **Unintended Consequences of Control Systems**

To the extent and degree that the above situations exist, several unintended consequences of control have developed. Douglas McGregor has delineated these unintended consequences as follows.

1. Antagonism to the controls and to those who put them in place.
2. Successful resistance and noncompliance. This occurs with respect to the controls we put on our own activities as well as the controls we offer to others.
3. Unreliable performance information because of 1 and 2 above.

4. The necessity for close surveillance. This results in a reduction of delegation and is expensive in terms of managerial time as well as having other consequences.

These consequences are readily observable on the farm and to different degrees are characteristic of all control systems. This should not be interpreted to mean, however, that these negative consequences are the inevitable result of all attempts at exercising the controlling function. This is far from the truth, and in a given situation quite the opposite conditions may exist. The key to a successful system lies in how it is structured and administered. Some fundamental principles of effective management of control systems will be pointed out and discussed later but first the reasons why negative consequences sometimes develop must be considered.

The reason for the negative reaction to control systems is explained by how people react to perceived threat. More specifically, if people feel, for whatever the reason, that the system represents a threat to their overall security or independence, they will adopt a pattern of behavior which, in their estimation, will defeat the system and thereby eliminate or at least temper the threat.

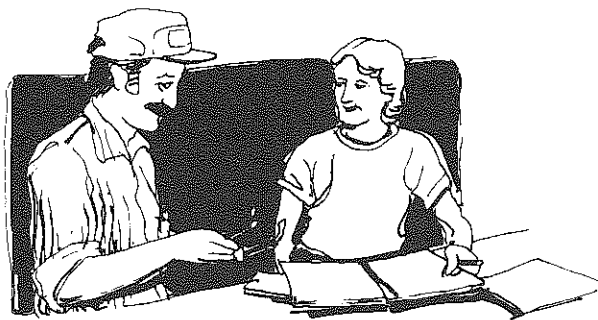
McGregor lists these primary conditions under which threat is likely to be perceived.

1. Where punishment as opposed to support and help in meeting standards and goals is emphasized.
2. Where trust is lacking in the relationships involved.
3. Where feedback negatively affects the individual in terms of his relationship to other people on the farm.

With respect to the first point, additional research has indicated that the manager who attempts to achieve results through people by exerting pressure and having a "perform or suffer the consequences" attitude, tends to achieve lower levels of productivity. Conversely, the highest levels of productivity tend to occur in situations where the manager exhibits supportive relations and a human resource approach as far as his people are concerned.

Any number of conditions can lead to lack of trust. It may be that the person does not know what is expected of him or where he stands. As a result he is constantly being called upon to account for or defend his past performance when in fact he was for all practical purposes left completely on his own with little or no direction. Another condition leading to a lack of trust occurs when the manager is not consistent in the ways in which he exercises leadership (under the directing function) on a day-to-day basis. One day he "runs hot" and the next "cold." People must constantly try to figure out what will be next.

The final condition leading to perceived threat reflects a violation of the purpose of control and also of the job of a manager as a coach whose responsibility is to help people achieve maximum results within the limits of their skill and ability. The information feedback generated by the control system should be used to pinpoint deviations as a basis for taking corrective action. The emphasis should not be on individuals but rather on the eventual goals to be achieved and mutual problem solving to get there.



## **FOUR GUIDELINES FOR ADMINISTERING CONTROL SYSTEMS (text)**

If a control system is to accomplish its purpose, it must not only be structurally sound from a technical standpoint, but it must be properly managed. The objective of effective management is to prevent or minimize the human problems which might otherwise arise. There are four important guidelines to effective general management of control.

### **Communicate**

First, a manager must communicate, discuss, and gain the highest possible degree of commitment among people who work together on the farm to the goals and objectives of the business and each supporting operational area. The greater the extent to which people are committed to a particular objective or goal, the higher their level of job performance tends to be. Also, people who are committed to objectives or goals are more likely to self-direct and control their own performance. Therefore, the manager should do everything within his power to gain this commitment. This should be a foremost concern.

### **Educate**

Second, a manager must educate people with respect to the purpose of control. The first point of concern relates to the purpose of control in terms of helping to accomplish general farm goals. The second point of concern relates to the purpose of control as it affects the individual operational areas. In the latter case, it must be made clear that controls do not exist for the purpose of finding out who has made mistakes and who should be disciplined. It should instead be clearly communicated that the control system is a tool to help the the farm business as well as the individual to attain their goals and to perform at their full level of capability.

### **Support**

Third, in his day-to-day dealings with people, and in particular those dealings involving aspects of control, the manager must establish a climate of help and support. He must create a climate where the people he works with are convinced that he is truly concerned about helping them to do the best job possible. No amount of talking can create this type of feeling among people. Their perception is a result of actions, not words.



## Review

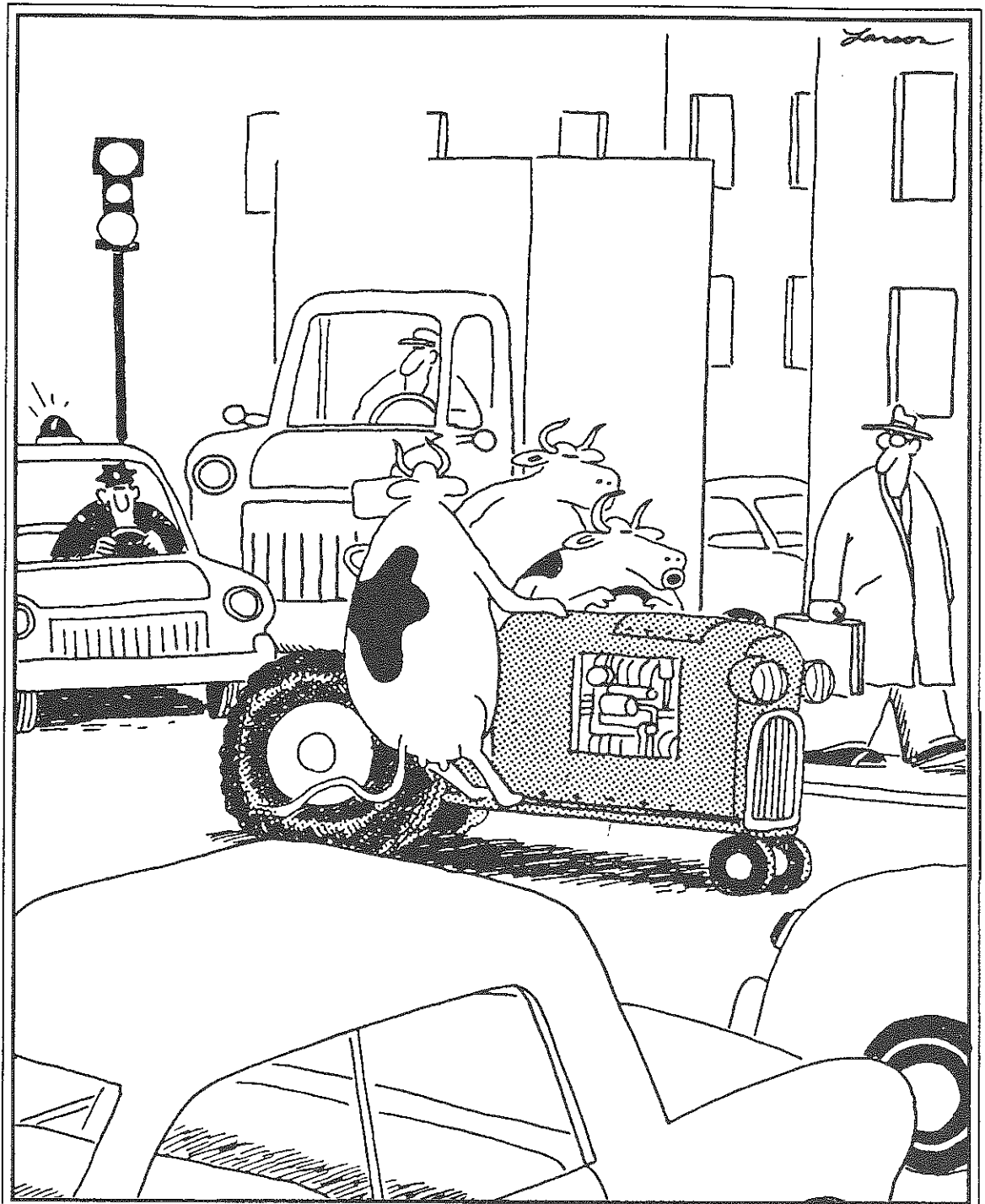
Fourth, in order to gain commitment and to reinforce the true purpose of control and keep people results oriented, the farm manager should continually review with each individual and the total work group the status of achievement and progress toward objectives. This includes getting their ideas as to the problems and difficulties being encountered, alternative courses of action that might be followed to overcome these problems, and jointly developing tactical plans for action. In summary, successful performance of managements' control function goes far beyond the designing of a control system which is just technically sound. Like all other aspects of management, the human element must receive consideration if the expected results are to be forthcoming.

## CONTROLLING (summary)

Controlling is the function of management which is designed to ensure that events conform to plans. To be effective, a control system must focus on the present; it must be correction and solution centered as opposed to mistake centered, and it must be specific in the sense that it concentrates on key factors that affect results. Control is universal in that it covers all phases of the farm's operations. The four essential elements of a control system include: the presence of measurable standards in each goal; a system of reporting; interpretation and evaluation of information; and corrective action.

In many cases, control systems have resulted in creating some unintended negative human responses both in ourselves and in those who work with us. When this occurs the reasons most often lie in the way the system is managed. For example, if a climate of punishment or "shoulding" on one self rather than a climate of help and support exists, people will react negatively. Similarly if people perceive a threat they will work to defeat the system. To prevent negative reactions to control systems requires that everyone understands the purpose of controls, that they work in a climate of help and support, and that they receive continual feedback.

1. William Travers Jerome, 111, Executive Control The Catalyst (New York: Wiley, 1961), PP 32-33 .
2. This section draws heavily from the following source: Douglas McGregor, The Professional Manager (New York: McGraw-Hill, 1987, Chapter 8.



Cow joyrides

## Workbook Pages for the Management Clinic

Please read and work through  
the exercises in preparation  
for your Clinic.

