

Relationship between Planning & Controlling

4/5 Marks Questions

1. Explain the relationship between planning and controlling. (Compartment 2014) or 'Planning and controlling are inseparable twins of management', how?(HOTS; Delhi 2013)

Ans. Planning and controlling are inseparable twins of management because:

- (i) Planning provides the basis for controlling activities.
- (ii) Controlling ensures that planned goals are achieved efficiently and effectively. It measures the performance with the pre-determined standards and finds out the deviations, if any.
- (iii) The causes of deviations as remarked by controlling are the basis of effective future planning.
- (iv) Planning and controlling both are forward looking as well as backward looking.
- (v) Both are integral parts of an organisation and are necessary for the smooth functioning of an enterprise.

2. 'There is a close and reciprocal relationship between planning and controlling'. Explain this statement. (Hots; All India 2011; Delhi 2011)

Ans. Planning is the basis for control in the sense that it provides the entire spectrum on which control function is based. In fact, these two terms are often used together in the designation of the department which carries production, planning and scheduling. Control measures the behaviour and activities in the organisation and suggests measures to remove deviations, if any.

Control is the result of particular plans, goals or policies. Thus, planning offers and affects control. Also, planning is affected by control in the sense that many of the information provided by control is used for planning. Thus, there is a reciprocal relationship between planning and controlling.

6 Marks Questions

3. Describe the relationship between planning and controlling? (All India 2014; Delhi 2014; Foreign 2014) or

Explain controlling as a function of management. How are controlling and planning related? (All India 2011)

Ans. Controlling as a function of management can be defined as the process through which managers assure that the activities and results are in conformity with the planned activities and results. It involves verifying whether activities are performed according to the adopted plans.

Relationship between planning and controlling Planning involves selecting enterprise objectives and deciding ways to achieve them. Controlling is the process of assuring that actions are in line with the plans. Planning sets the course and control makes event to conform the chosen course or initiates action to appropriately change the plan. All controls imply existence of goals and plans. No manager can ascertain whether his subordinates are operating in the desired way unless he has a plan. Control will be much better, if the plans are clear and well coordinated. Without planning, there is no basis for controlling activities. In the absence of plans, it is not possible to evaluate. In the absence of plans, it is not possible to evaluate performance. Similarly, without controlling, planned activities cannot be properly implemented and there cannot be improvement in future plans. Pre-determined goals can be achieved only through controlling. , Planning without control is useless and control without planning is meaningless. Planning, based on facts, makes controlling easier. Thus, planning and controlling are mutually inter-related and interdependent.

4. Rajeev and Sanjeev are managers in the same organisation heading different units. While discussing about the functions of management, Rajeev says that planning is looking ahead whereas, controlling is looking back. But Sanjeev says, 'You are wrong because planning is looking back and controlling is looking ahead'.

Both are giving reasons in favour of their statements. Explain the possible reasons given by both and justify who is correct. (Hots; Delhi 2009 c)
or

Vipin and Jatin are managers in the same organisation heading different units. While discussing about the functions of management, Vipin says, 'Planning is looking back whereas, controlling is looking ahead'. But Jatin says, 'You are wrong because planning is looking ahead and controlling is looking back'. Both are giving reason in favour of their statements. Explain the possible reason given by both and justify who is correct. (Hots; ah India 2009)

Ans. Both the managers are correct, as planning and controlling both are backward looking as well as forward looking process.

Controlling is backward looking because it is like a postmortem of past activities. The manager looks back to previous years' performance to find out its deviation from pre-determined standard. Planning is also backward looking because planning is guided by past experiences and feedback report of controlling function.

Planning is forward looking because plans are prepared for future. It involves looking in advance and making policy for maximum utilisation of resources in future.

Controlling is also forward looking because it does not end only by comparing past performance with standards. It involves finding the reasons for deviations and suggests the measures so that these deviations do not occur in future.

It can be stated that 'planning is forward looking and controlling is backward looking' is only partially correct as planning and controlling are both forward looking as well as backward looking process.