Chapter 17
Control of Industrial Production Management

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ABSTRACT

The control of industrial companies is actually a managerial control aimed to regularise the company’s activity, so that the level of its achievements correspond to the preset objectives and standards. By the control activity, the forecast, organisation, coordination, drive, and motivation are enabled to contribute to achieving the objectives of the industrial companies. The control system is related to strategic, tactical, and operational planning, meaning that every form of planning must be controlled. The control is done after performing the control process that implies determining the controlled fields, determining the standards, determining the performance size, comparing the performance to the standards, etc. The managerial decision to control may lead to several types of control, namely: by synchronising the cycles (pre-operative, current, post-operative), multiplicative, simultaneous, cybernetic, non-cybernetic, market, bureaucratic, group, etc. Regardless of how it is, control meets several functions: means of information, means of motivation, means of sanctioning, etc. The current ways for developing the managerial control aim to adapt the system to the evolution of the motivation system based on negative sanctions and positive sanctions. Specifically, the management by objectives and participative management by objectives had good results.

PROCESS OF CONTROL AND ITS CONTENT

Although control systems must be adapted to each situation, they generally follow a certain methodology. For the stages of the control process, it is recommended to examine attentively the issues related to the decision concerning the domains that must be controlled.

The process of performing the control (Figure 1) is conducted in the following stages:

- Establishing the Domains that Must be Controlled: At the beginning of the control process, managers should decide which are the most important domains that must be controlled. This option is necessary because the control of each aspect within the company is practically impossible to perform, and employees detest to be
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controlled at each step. Managers perform the control based on the company’s goals, activities in progress and planning process;

- **Establishing the Standards:** Standards have a special role in the control process, because they provide specific criteria for assessing the employees’ performances and behaviour. Such standards have often been included into the goals set in the planning process, so the need for a change would be relatively low. Sometimes, these standards must be however set during the control process;

Generally, standards serve important purposes related to the employee’s behaviour. First of all, standards give employees the opportunity to assess the results of their work and how they shall be evaluated; this enables employees to perform an efficient work (Ferrate & Puente, 2002).

Second of all, standards provide a starting basis for detecting the difficulties of the workstation, which are related to the personal limitations of company’s members. These limitations can be based on a lack of skill, training or experience or other types of deficiencies related to the work performed, which prevent employees to properly perform their duties. The early identification of these deficiencies makes it possible to apply some corrections before the difficulties become serious or even unsolvable. Finally, the standards help to reduce the possible negative effects of incompatibility of various goals.

The incompatibility of goals means that situation where there are significant disaccords between the employees’ individual goals and those of the company. Such incompatibilities may arise due to some different causes, such as lack of support for the organisational objectives (an employee sees the job as something temporary and tries to work as little as possible), which can often lead to behaviours inconsistent with the organisational goals. A common manifestation of incompatibility is theft, which leads to the reduction of company’s various resources, equipment or materials;