

A Case Study of British Airways- Use of Controlling

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Introduction

Controlling is an essential component of management and makes dynamic contribution in ensuring effective outputs in relation to actions that are undertaken in business. In order to define the concept of controlling, it is important to highlight that controlling is a managerial function, which is aimed at accomplishment of laid goals in timely manner. This action is undertaken by setting standards, measuring the performance, and taking corrective action to fill in the gap between planned and achieved goals (Cole 2004). The following paper throws light on the use of this managerial function with the help of case study. The paper includes a clear and composite solution to the case study and the identified problem.

Type of control that is most suitable in this situation

According to me, in such kind of problems “feed forward” control system can play an astonishing role. There were very many things that went wrong the day the terminal started off its operations. A complete thorough check-up before the actual operation would have saved the terminal from crises (Chapman 2005). The benefits of feed forward control are significant but involve little extra cost with them. However, the benefits can be well justified with the extra cost and hard work it requires to put the action into planning. Feedback control model should be of sufficient technology and should work well throughout. It is expected out of a controlled device to provide accurate result and operate at high speeds (Chapman 2005).

The benefits of feed forward control are as follows:

- It prevents large disturbances in planning.
- Helpful for condition where it involves continuous operations.
- It enables flexibility and ensures sustainability (Chapman 2005).

Feed forward would have helped in solving following issues:

1. Logistics: the terminal saw huge crises because of luggage issues. Feed forward system could have helped in keeping prior check on the belts, working of escalators, and various other technical issues (Chapman 2005).
2. Management: feed forward can be used to check if the staff members are well equipped, in appropriate number, experienced in the same field or not. It is staff that converts the actual planning into work actions and hence due diligence has to be paid
3. Morale: feed forward system can also be used to check upon the moral of the employees. Disoriented and stressed staff can worsen the situation (Chapman 2005).

Corrective action

There lies a difference between in these two methods: immediate corrective action and basic corrective action.

Immediate corrective action: this action plan deals with damage control, and quick fixing of the problems so that they do not get any worse.

This action plan will help the terminal to avoid any further damage and also will bring out more confidence in future work. Heathrow terminal 5 was encountered by numerous problems at the same time (Koontz and Weihrich 2006). Problems regarding baggage system, untrained labor, staff car parking, logistics issues, technical errors, escalators issues, low morale of the employees and many more. Immediate corrective action was a tougher task to be applied in such situation at terminal 5; however it can bring out significant changes. Following corrective actions should be introduced:

- Management should carry meetings on daily basis.
- A better feedback system by the customers should be introduced.
- Deviation charts should be maintained (Koontz and Weihrich 2006).

- Better control of information is required.

Basic corrective action: Basic corrective action refers to the situation when things are checked and looked at how and why performance deviated and then proceeds to correct the source of deviation (Koontz and Wehrich 2006).

The problem could be checked at Heathrow terminal 5 by following the basic corrective action. Basic correction action can help in acquainting the top management about the real situation on daily basis and correcting them on time. Following corrective actions should be taken:

- Clearly stating the problems or weakness including the root cause.
- Listing of individuals who are accountable for the loss.
- Creating simple and measurable solutions for the problems.
- Setting achievable deadlines (Koontz and Wehrich 2006).
- Monitoring the progress of the organization.

Discussion on effectiveness of controls of British Airways

Though the control systems used by British Airways prove to be useful yet, there is a scope for further improvements, which will ultimately help in adding more effectiveness to the control system. The controls that have been undertaken by the British Airways could have been more effective and produce better results if some initiatives and well defined actions were taken to provide better training to the terminal personnel (Anthony 2011). This could have brought in better results and contributed in better implementation of the control systems that are being used by the airlines. The actions that are being taken would have shown better results and contributed in achievement of objectives in proper manner if some actions are taken to provide the right type and pattern of training to the personnel. If they are guided in the right direction it will bring in

personalized benefits owing to good performance (Anthony 2011). Overall, the effectiveness could have increased many folds by undertaking the initiative of training the personnel of the British Airways.

Role of information controls in the situation

Right information at the right time can play a significant role in such conditions. Lack of information can worsen any situation. Information control can be used as a tool for controlling an activity that requires right piece of information by an organization and can also provide a way for the managers by letting them know about what needs to be controlled. Crises at terminal 5 situation required high flow of correct information (Dubrin 2008). Information control can acquainted the staff about what was happening around them. As seen in the case, that baggage could not be delivered on the right time and things were forced to be done manually.

Here a tool like MIS (Management Information System) can be proved to be a boon. Management information system is a system that helps management by providing information and not just the data (Dubrin 2008). This system ensures to provide the needed information regularly.

Customer interaction controls: this type of control system can help in interacting with the customers across the channels. This control system can improve the quality of service; reduce customer service cost, and thereby increasing sales. Such system can help in reducing transaction cost and capturing customer insight. It will also aims at utilizing agent resources to upgrade sales (Dubrin 2008).

Benchmarking: It can be defined as the search aimed at using the best practices that stand apart from those used by competitors or non-competitors that ultimately leads to superior performance of the company (Dubrin 2008).

There are various advantages lying behind this control system. It is a common practice followed by many companies to decide the deadlines, defining best practices of the industry and also helps in identifying improvement. The terminal 5 can set up the benchmark by learning from the Denver International Airport. An automated baggage at the airport was in 1995, total cost of 186 million (Dubrin 2008). The system could not work well, and in August 2005, the airport eventually abandoned the system.

Learning for other organizations

The case has set a good example for the other organizations. Controlling is one of the management functions that should be carried with immense care (Cole 2004). Controlling has following few advantages:

1. Reduces risk: control helps in managing the unforeseen circumstances. It helps the organization to achieve its set goals. Regular measurement is required for the smooth working (Cole 2004).
2. Basis for future action: control helps in calculating what needs to be done. It can provide the management with various corrective actions. Also evaluation of the past can help the management in avoiding wasteful and non-repetitive operations (Cole 2004).
3. Indicator for management weakness: proper control system can also indicate the weakness present in the management. It is not always possible that problem lies in the planning, as it is the people (management) that brings planning into actual work. Proper controlling can bring out the problems present in the administration (Cole 2004).
4. Simplifies supervision: control can help in finding out deviation present in the organization, thereby simplifying the work of a supervisor (Cole 2004).

5. Minimizes waste: control help in reducing wastages related to human, material and financial. This reduction of waste helps in increasing the profit levels of the organization.

It is now clear, that proper controlling help the organization to take corrective actions on time, thereby reducing waste, time and efforts. Planning has to be followed by control in order to produce the desired results.

Conclusion

Overall the above discussion has been very helpful in providing the right direction to the identified issues in the case studies. The explained concepts and actions if undertaken and adopted in the right direction and timely manner are bound to bring out best results for the organization. Thus, it can be concluded that the flow of facts and information has been helpful in taking the case study in right direction.

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