CONTROL IN HOSPITALITY MANAGEMENT

Courtesy of Marriott International.

Chapter 19

THE PURPOSE OF THIS CHAPTER

If you've ever found yourself working on too many projects at once and suddenly felt the need to sit down and figure out just what you're getting done, you will understand how important it is to control projects before they begin to control you. A hospitality system has so many varied activities that the control function is absolutely essential to its efficiency and success. In this chapter, therefore, we explore the ways in which organizations measure their results against goals—how they appraise exactly what they are getting done.

Control is too often thought of as exclusively something for accountants to address. However, nothing could be further from the truth. The information from control systems exists, first and foremost, to guide management action. In fact, in hospitality operations, control information often does not even enter the accounting stream; it may not even be numerical. Although whole courses—indeed, entire curricula, such as accounting—are devoted to a detailed study of control, our purpose here is more basic: We want you to see control as the heart of hospitality management.

THIS CHAPTER SHOULD HELP YOU

1. Explain how control relates to other functions of hospitality management and provide an example of how control functions as a future-oriented process and as a basis for management action.
2. Identify and describe four common characteristics of an effective control system.
3. Identify the two principal financial accounting statements used to report results of business operations, and explain their managerial purpose.

THE IMPORTANCE OF CONTROL

Because specialized courses are taught in the area of **control**, hospitality students sometimes get the impression that control is separate, something located "over there" in the accounting office. However, as we see in this chapter, control is an integral part of every manager's and supervisor's work: Control is the work that managers and supervisors do to measure performance against standards, detect and analyze variances from target performance, and initiate corrective action.

Control affects and is affected by all the other functions. For instance, the standards that result from planning are meaningless without some way of measuring performance, just as a set of numbers measuring performance is meaningless without some idea of the results desired (i.e., some standard).

Similarly, a major function of organizing is to fix responsibility for results. Once again, if we have a measure that can tell us something is wrong but no means of saying who takes responsibility for corrective action, the purpose of control will be stymied.

In Chapter 18, we saw that proper staffing is necessary to achieve the productivity that allows us to meet payroll cost targets and that staff planning is the basis for that control. As you read Chapter 20, on the directing and leading function, you will want to remember that information is an important basis for management action. A **control system** is part of a larger plan to measure performance and make improvements. If control systems yield nothing but numbers, they will be useless. Perhaps an illustration from the personal experience of one of the authors can demonstrate this point best:

> I once was hired to relieve a man—let's call him Mr. Brower—who was the food and beverage manager in a hotel whose food operation was losing money badly. Mr. Brower had received his early training in a well-established hotel company with several operations.
>
> When I was introduced to Mr. Brower, he took me into his office and pulled out a set of ledger books. As he opened the first, he said, "We've got a terrific control system. All our food is issued from the storeroom only on requisitions, and the storeroom man sends the requisition slips up to me and I post them. As you can see, we have a daily food cost in 18 categories!"
>
> As I talked further with Mr. Brower, I learned that most of his early experience had been as a food controller—someone responsible for maintaining the food cost accounting system for the hotel where he worked. What he had done was to come as close to duplicating the elaborate control system at the hotel where he used to work, and then he labored long and hard to maintain the system.

Unfortunately, he had produced a system that told him in great detail that his operation was going broke. He didn't know what to do about it, so he sat in his office and kept his records straight. The process of untangling the mess involved getting rid of the storeroom man, who really wasn't needed in an operation of that size (and who had been regularly stealing the food), establishing food and payroll cost standards, and then correcting performance on specific work stations and food products.

CONTROL AND THE "CYBERNETIC LOOP"

The word *cybernetic* is derived from the ancient Greek word for the steersman on a ship. In early times, the steersman would aim the ship toward some point on the horizon. If the ship's course veered to the left, he'd move the tiller to steer a bit in the other direction.

In modern management, control systems fill a similar function. As an operation progresses, various information about the progress is collected and presented to management in a usable form. If the report indicates that the food cost is on target, management can turn its attention elsewhere. If the food cost is off, however, it's up to the manager to "move the tiller" and to take corrective action on the basis of the information, just as the steersman reacted when he saw the bow of the ship moving off the point to which he was steering. The term *loop* is used in conjunction with *cybernetic* because the process is continuous. Action constantly takes place, and information about that action must constantly pass through the loop to indicate either that the process is on course or that corrective action is required. This constant vigilance results in more information being sent through the loop.

A simple example of the **cybernetic loop** in action—a cashier's report—is shown in Figure 19.1. A simple diagram of the cybernetic loop appears in Figure 19.2.

Mary, a cashier, starts her shift with a $100 bank. Throughout her eight-hour shift, she accepts cash from customers who are paying for their meals or making change. As necessary, Mary rings up each sale on a cash register. At the end of her shift, she prepares a report that shows:

1. The amount of sales rung up on the register
2. The amount of money she is depositing (which is always the amount of money in her cash drawer, less her $100 bank)
3. The difference between the sales she has collected and her deposit, or the amount she is over or short

CASHIER'S REPORT

Shift:	**AM**
Cashier:	**Mary**
Sales:	**$1,319.72**
Cash Deposit:	**$1,318.22**
Over (Short):	**$1.50**

Figure 19.1
Cashier's report.

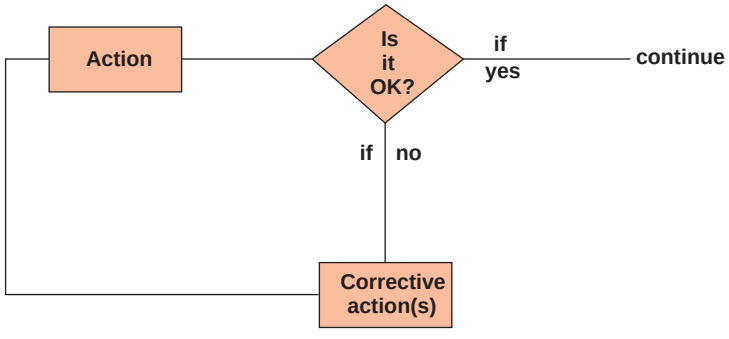

Figure 19.2
The cybernetic loop.

Most cashiers make small errors, and so they may be over or short a few cents. However, if the error is greater than $5.00 (or some other prescribed amount), management approval of the report may be required.

Notice what this procedure accomplishes. If Mary's report indicates she's on course, no management action will be needed. If she makes an error over the prescribed amount, management must be informed. Depending on the circumstances, management can accept the error or initiate corrective action. The corrective action is not intended so much to correct an error that has already occurred as it is to find the cause of the error and take steps to avoid it in the future. Once management locates the error that Mary has been making, it can help her avoid it. Thus, control is forward-looking. Control, in effect, records and studies what has happened, not principally to place the blame on someone but to discover what went wrong so that

the error can be avoided in the future. We study the past not for itself but for what it can teach us for the future.

This example also provides a good illustration of an **information system**, a concept that we've encountered repeatedly. An information system collects, transcribes, and summarizes information about transactions or other events and provides management with a summary for analysis and action. Figure 19.2 shows a simple version of an information system as a cybernetic loop. An action is followed by some test against standards. If the performance is acceptable, the process will continue; if it is not, some corrective action or actions will be taken, and then we will try again.

Information systems are concerned with more than just financial data. For instance, some information systems involve personnel and marketing. Many states have developed nutritional audits for the custodial and health care institutions they operate. These nutritional audits measure not so much the cost of food as the nutritional adequacy of the diets being served.

The key to designing an information system is to determine just what information is needed—or, to use the language of the systems analyst, just what information output is required of the system. An information system, then, is any means of collecting information (cash register tapes, meat yields, guest counts) and translating the raw information into an intelligible, usable summary form. The final element is that the report must go to the right management person to be useful.

Lest the term *information system* discourage a student with its apparent complexity, let us look at some examples of control through management action based on simple information systems.

CONTROL THROUGH MANAGEMENT ACTION

Many food service operators have found that the recipe itself can be one key to controlling food quality and reducing waste. At some food service operations, the food production manager and other members of the management team taste samples of all the food to be sure that it has been prepared correctly. Because these managers are trained to taste (and have tasted the same recipe many times before), what better way to be sure that quality standards have been met?

Recipes also specify portion sizes, but it takes skill to portion correctly when carving a roast, for example, and errors are common. To aid a carver, many operations use the over-and-under portion scale. This scale is actually a simple information system that permits a carver to correct over- or underportioning and to know when his or her carving hand has grown a little heavy or a little light. If the person

The control function includes maintaining proper levels of inventory. (Courtesy of Southwest Airlines.)

portioning the meat keeps a simple record of how many portions are served from a cut of meat, at the end of the meal a supervisor can prepare a yield report and compare the results (portions served) with the standard that has been established for that product.

Indeed, some food production managers actually study the garbage can. By periodically raking through the garbage, they can see what kind of food and how much of it is being left on plates. If one item consistently becomes waste, it can indicate either poor quality or overportioning. Further study of the information serves as the basis for management action. In short, regular garbage inspection can be part of an information system.

In large- and medium-size hotels, housekeeping supervisors below the executive housekeeper level are often called inspectors. Their supervisory duties include not only assigning work and issuing supplies but also physically inspecting each room as it is finished to be sure it has been made up to the hotel's standards and reporting the results to the housekeeper and front desk. As we've noted earlier, the role of inspectors has largely been eliminated in order to reduce costs, and the task of inspecting has been delegated to other housekeepers or supervisors. The point is that control is enacted through action.

Many hospitals (and other hospitality institutions as well) collect patient comments and tally them. If the dietary department complaint rate suddenly goes up, the dietitian knows there is a problem and can begin the necessary study to correct it. These complaints can become the focus, again, of an information system.

CHARACTERISTICS OF CONTROL SYSTEMS

We can conclude our discussion of control systems by identifying four of their common characteristics:

1. *Control systems are continuous.* Data are collected and stored on a continuing basis so that if something goes wrong, the data can be carefully analyzed to direct management's corrective action.
2. *Reports must be timely.* Data must be collected and reported so that management can act to correct a problem before there is too great a loss. Thus, many food service operators compute their food costs weekly or every ten days (or daily when problems are present) rather than monthly, in order to catch and correct promptly any unfavorable food cost patterns that develop.
3. *Control is aimed at some key point, and no action is called for unless a problem is detected.* This approach is sometimes called management by exception. Thus, a food cost is computed periodically because it is a key cost in a food service operation. If the food cost is out of line, further study and action will be initiated. If no problem is detected in the routine report, no action will be taken.
4. *Control is action-oriented.* At the risk of belaboring this point, we repeat that nothing really is controlled until it is measured and somebody does something about the problem. Thus, control systems and information systems are similar, but a control system not only includes the information but also provides for corrective action if it is required.

With profit margins as slim as they can be in the hospitality industry, particularly in food service, it is imperative to develop and maintain a workable control system. It is no coincidence that the companies that are leaders in hospitality do a particularly effective job of control. One company, Essex Partners, was highlighted in an issue of the *Cornell Quarterly* focusing on best practices. Essex follows three simple steps to achieve its control objectives: (1) It hires managers who are aware of the importance of control, it ties rewards to performance, and it provides adequate support in this area; (2) it prepares a carefully developed budget with input from various sources; and (3) it holds weekly meetings to review progress, focusing on controlling costs that include costs not typically considered a direct management responsibility.[1]

TOOLS FOR CONTROL

Managers use two somewhat different kinds of tools to achieve control: **financial accounting** and **managerial accounting**. Although each form of accounting has significant similarities, each is designed to meet particular needs.

FINANCIAL ACCOUNTING

Students will recognize financial accounting as the subject routinely taught in their first college accounting course. Financial accounting is based on a series of conventions adopted by the accounting profession to ensure a common basis of reporting the results of business operations. Financial accounting is principally designed for outsiders: for bankers who may be asked to lend money or for stockholders or potential investors who want to evaluate the firm's performance in comparison with other investments.

The principal financial reports used in financial accounting are the **balance sheet** and the **statement of income and expense**. The balance sheet is simply a statement of the firm's value and ownership. On one side, it lists the firm's assets, and, on the other, the claims against those assets by those to whom the firm owes money and by the owners. Table 19.1 provides an example of a hospitality industry balance sheet. The balance sheet offers a great deal of information to financial analysts, but its use in day-to-day operations is limited.

As we noted earlier, the statement of income and expense is used by operations people both to evaluate performance on a month-to-month basis and, as we shall see, to prepare budgets for future periods.

Each segment of the hospitality industry has a uniform system of accounts that tells accountants how to classify the various kinds of income and expenses. The uniform systems of accounts serve two purposes. First, they present income and cost information so that results in one operation can be compared to those in other operations or with industry averages. Second, uniform systems of accounts collect information in a way that pinpoints performance against responsibility. In a restaurant, the chef or food production manager is responsible for the food cost; the people responsible for certain groups of workers (cooks, wait staff, dishwashers) are responsible for their component of payroll cost; and the restaurant manager is responsible for the restaurant's overall operating performance. The accounting profession has developed the term **responsibility accounting** to describe this means of classifying and reporting financial information. This form of accounting is not, however, unique to the hospitality industry. The hotel industry (with its own uniform system of accounts) has long pioneered responsibility accounting.

Income and expenses are divided among departments—in hotels, these departments include rooms, food and beverage, and telecommunications—and a departmental net income is derived by subtracting the department's expenses from the revenue it generates. Each departmental net income represents an accurate reflection of the department head's performance. The general manager's performance is assessed by total income before fixed charges, which is the total of all departments' net operating incomes less certain unallocated expense items.

Just as the American Hotel & Lodging Association periodically updates and publishes a uniform system of accounts for hotels, the National Restaurant Association publishes a uniform system of accounts for restaurants. The American Hospital Association supplies similar guidance in health care, and the Food and Nutrition Service publishes guidelines for school lunch accounting.

One major purpose served by following the appropriate industry accounting system is that it permits your operation to compare its results with industry averages. For the hotel-motel industry, the accounting firm PKF publishes an extensive study of hotel industry performance based on the uniform system of accounts. The National Restaurant Association publishes a statistical study for restaurants called *Restaurant Industry Operations Report*. Other organizations and associations publish similar reports for other segments of the hospitality industry.

MANAGERIAL ACCOUNTING

Financial accounting is prepared according to accounting conventions that enable outsiders to evaluate performance. Financial accounting statements, particularly the statement of income and expenses, are useful to managers as well as to outsiders, we should note, but they must always follow the conventional form prescribed by the accounting profession. Managerial accounting, however, is prepared by and for insiders—that is, management. For that reason, it can take any form that is helpful to managers. The principal concerns of managerial accounting in the hospitality industry are **food and beverage cost control** and **labor cost control**. Some operators pay fairly close attention to such miscellaneous direct operating costs as cleaning and guest supplies as well as utilities, but generally much less time and effort are spent on these. The information these control systems yield, in turn, is used in the budgeting process.

FOOD AND BEVERAGE COST CONTROL.

Food and beverage cost control can be divided, in turn, into two general areas: **precost control** and **postcost control**.

Precosting refers to the process of determining in advance the cost of a portion of food or drink (or of a whole meal). This represents the "standard" cost. The best way to

TABLE 19.1

Travel-On Motel Balance Sheet as of December 31, 201X

ASSETS	
Current assets	
Cash	$10,000
Accounts receivable	15,000
Inventories	12,000
	$37,000
Fixed assets	
Building	$1,000,000
Less depreciation	250,000
	750,000
Furniture and fixtures	$110,000
Less depreciation	55,000
	55,000
TOTAL ASSETS	
Liabilities and Capital	
Current liabilities	
Accounts payable	$15,000
Accrued expenses	7,000
Mortgage payable (within one year)	10,000
Long-term liabilities	$32,000
Mortgage	600,000
Capital	
Common stock	$100,000
Retained earnings	110,000
	210,000
TOTAL LIABILITIES AND CAPITAL	$842,000

valuate this cost is to work from standard recipes and determine the cost of the recipe ingredients. Then, if standard portions are used, the recipe cost can be divided by the yield to determine the cost per portion. The cost developed in this process becomes an important selling price determinant. Once (1) the cost, (2) the selling price, and (3) the quantity of each item sold are known, an operator can predict food or beverage cost with reasonable accuracy—if nothing goes wrong.

Postcost control, sometimes called historical control, focuses on what has happened so that if something does go wrong, management will know about it at the earliest possible moment and will have the information necessary to find out specifically what did go wrong. The purpose of postcost control, then, is not so much to remedy errors that have already taken place but, as we noted earlier, to provide a basis for steps to prevent the same mistake from being repeated.

LABOR COST CONTROL. Our discussion in Chapter 18 showed that the principal technique for controlling labor costs is staff planning that includes a tight, analytical scheduling process to ensure adequate coverage for each station and to avoid wasted coverage. Scheduling may be likened to precost control. For each payroll period, the labor cost (i.e., the ratio of labor cost to sales) is computed and compared with the target that management has established for that cost. When costs are out of line, management can institute special reporting systems for overtime hours (hours in excess of 40, for which time and a half must generally be paid) and for "extra" hours (hours in excess of those budgeted for the period).

SPECIALIZED CONTROLS. Some operations develop **specialized controls**, or special reporting procedures, to control other direct operating costs such as cleaning supplies.

These procedures generally take the form of issuing systems that permit management to monitor closely the use of supplies such as soap, cleanser, and paper towels.

Some restaurants control china, glass, and silver breakage costs by taking a periodic inventory to determine the number of pieces broken or lost. This figure is then related to sales in a ratio called "the number of guests per broken piece." This kind of information can be tabulated simply by noting breakage as it happens. If management notes who broke each piece (usually by sorting the broken pieces into bins for each worker group), it becomes possible to categorize daily breakage by worker group. Management can then focus attention on those who are most responsible for the breakage.

Budgeting. The process of operating the controls described here yields a great deal of information about the business patterns that can be expected in the future. A **budget** is basically a plan of action spelled out in dollars, and it is usually based on information provided by the management accounting systems. Sales for some future period are estimated; then, applying the percentage for each expected cost (food cost, payroll cost, supplies cost, etc.), management can prepare an expense budget. Because cost

patterns change, expense budgets may be based in part on past experience and in part on expected future cost trends.

The procedure for preparing budgets in many hospitality operations, especially at the unit level, need not be especially complicated. On a copy of a current or recent statement of income and expenses, write the estimate for the budget period alongside the actual figures for the past period. Base the new figures on experience and expected future trends (as shown in Table 19.2). These estimates may then be formalized after discussion with key department heads.

In multiunit companies, budgets are sometimes drawn up at the company's headquarters using computerized records of past performance and are then rolled down to the district and unit levels. At that point, the process reverses itself, with the units forwarding the revised unit budgets to the district level. Once approved at that level, the district totals its unit budgets and sends them to the control office as the district budget. As you can imagine, this process often involves a good deal of negotiation among the different levels of a multiunit firm.

Whereas business firms base their budgets on sales, public-sector food service operators (such as school lunch programs) must use appropriations as a basis for starting the budget process. Thus, for school lunch, the local school board may supply some operating funds; the state is another source of funding; and the federal government supplies a certain amount for each lunch served, and an additional amount for each free and reduced-price lunch. In some states, most students pay a certain amount for each meal while in others a large percentage may receive a free lunch. The income portion of the budget is basically a reflection of the number of meals served (student payments and the federal subsidy) and, thus, is similar to the sales item in a commercial operation. In some cases, additional sources of revenue may also be identified.

In health care, sales (except in the pay cafeteria) are not the determining figure for budgeting. That figure is, rather, some budgeted amount based on (1) the number of patient days expected and (2) the budgeted cost per patient day for food service.

Although sales, as such, are not the key, the starting point in the budget is the number of physical units (i.e., meals) that management expects will be consumed—a concept fundamentally quite similar to the sales estimate of a commercial operation.

Expense items in nonprofits' budgets are prepared in much the same way as in the commercial sector—that is, they are based on past experience and adjusted for expected change. In some cases, the expenses themselves are different. For instance,

TABLE 19.2

Mid-Town Restaurant Statement of Income and Expense, Year Ending December 31, 201X

SALES	$	BUDGET %	ACTUAL $
Food	747,251	77.0	848,000
Beverage	226,507	23.0	252,700
Total	983,758	100.0	1,100,700
Cost of Sales			
Food	326,375	43.1	356,100
Beverage	61,116	27.0	66,000
Total	387,491	39.4	422,100
Gross Profit	596,267	60.6	678,600
Other Income	14,759	1.5	66,000
Total Income	611,023	62.1	744,600
Controllable Expenses			
Payroll	252,286	25.6	290,600
Employee Benefits	46,237	4.7	53,900
Direct Operating Expenses	54,107	5.5	60,500
Music and Entertainment	5,902	.6	6,600
Advertising and Promotion	15,740	1.6	17,600
Utilities	20,659	2.1	23,100
Administrative and General	59,025	6.0	66,000
Repairs and Maintenance	16,724	1.7	18,700
Total	470,680	47.8	537,000
Income Before Occupation Costs	140,343	14.3	207,600
Occupation Costs			
Rent, Property Taxes, and Insurance	45,253	4.6	48,000
Interest	5,998	.6	5,000
Depreciation	19,651	2.0	19,600
Total	70,902	7.2	72,600
Net Income Before Other Deductions	69,441	7.1	135,000
Other Deductions	4,918	.5	5,000
Net Income Before Taxes	64,523	6.6	130,000

public institutions may receive commodities donated by the federal government. These donations change the cost of some items, but the budgeting procedure remains basically the same.

A budget should be the basis for management's cybernetic action: Actual results are compared with budgeted results, variances from budget target are analyzed to determine causes, and corrective action is initiated.

DECISION ACCOUNTING

Both financial accounting and management accounting are basically cyclical and repetitive. Budgets, for instance, can be prepared monthly, quarterly, and annually. As a month elapses, statements of results are reflected on accounting statements and compared with the budget. Then the whole cycle begins again the next month.

Financial accounting statements, moreover, embody the conventions accepted by the accounting profession. For instance, when an asset is acquired, a useful life for that kind of an asset is assumed, and the cost of the item is written off by means of an accounting entry reflecting its depreciation. Thus, a motor hotel valued at $1 million with a 20-year useful life will charge $50,000 a year to depreciation on its accounting statements. At the end of five years, following accounting conventions, the motor hotel will be valued at $750,000. Quite clearly, these conventions are convenient and permit standard treatment (or one of several standard treatments) to be applied in a way that helps make the resulting accounting statement understandable to insiders and outsiders alike. However, although accounting conventions are necessary, they often distort what is really happening. For instance, if the motel just described has been bypassed by an expressway, its value may have dropped far more than the depreciation entry indicates; by contrast, if a new office park has been built across the street, the motel's value may have doubled instead of depreciated.

Decision accounting, which is often related to strategic planning, differs from financial and management accounting in that it is not cyclical. The information for a decision is assembled in numerical form on a one-time basis.

Also, the conventions of accounting play no part in decision accounting. The assumptions made are those deemed appropriate to the analysis of the particular decision at hand. For instance, decision accounting tends to focus on direct variable costs such as food cost and payroll. It tends to ignore bookkeeping entries such as depreciation. Some examples of decision accounting tools—the payback period, rate of return, and break-even point computation—were presented in Chapter 16.

SUMMARY

Control is the means by which management measures performance, detects and analyzes variances, and initiates corrective action. In this context, we defined a cybernetic loop and gave an example of it, a cashier's report.

Most control is carried out through an information system of some sort, and we also illustrated this with some examples: food portion sizes, inspections of cleaned rooms, and patients' comments on hospital service.

We then enumerated the characteristics of control systems and examined the principal tools to achieve control: financial accounting and managerial accounting. In regard to managerial accounting, we discussed food and beverage cost control, labor cost control, specialized controls, and budgeting. Finally, we considered decision accounting.

Key Words and Concepts

Control
Control system
Cybernetic loop
Information system
Financial accounting
Managerial accounting
Balance sheet
Statement of income and expense
Responsibility accounting
Food and beverage cost
Labor cost control
Precost control
Postcost control
Specialized controls
Decision accounting

Review Questions

1. What is a cybernetic loop? How is it used in connection with cash control?
2. Give some examples of information systems in the hospitality industry.
3. What are the four characteristics of a control system?
4. How is managerial accounting used in food and beverage costs?
5. Describe decision accounting.

Internet Exercises

1. **Site name:** Hilton Worldwide
   URL: www.hiltonworldwide.com
   Background information: Hilton Worldwide is one of the leading global hospitality companies with more than 3,400 hotels in 79 countries, including 130,000 team members worldwide.
   Exercises:
   a. Describe Hilton Worldwide's performance in terms of occupancy percentage, daily rate, and revenue per available room (RevPAR).
   b. Did the Hilton Corporation perform better or worse than in the previous quarter/year? What are the reasons it did better or worse?
   c. What are Hilton's financial goals for the future?

2. **Site name:** Brinker International
   URL: www.brinker.com
   Background information: Brinker International, Inc. is the parent company of a diverse portfolio of casual-dining restaurant concepts. Recognized by *Fortune* magazine as one of the world's most admired food service companies in 2009, Brinker is principally engaged in the ownership, operation, development, and franchising of Chili's Grill & Bar, Romano's Macaroni Grill, On The Border Mexican Grill & Cantina, and Maggiano's Little Italy. Brinker controls 1,600 restaurants located in 50 states and 22 countries.
   Exercises: Go to the Brinker International Web site and browse the "Company Information" and "Investor Relations" Web pages. Compare the most current year's reports with those of the previous year.
   a. Identify and describe the financial indicators used in these reports.
   b. Did Brinker International perform better or worse? What are the reasons for it doing better or worse?
   c. What are Brinker's financial goals for the future?

3. **Site name:** The Free Management Library: Management Function of Coordinating/Controlling: Overview of Basic Methods
   URL: www.managementhelp.org/cntrllng/cntrllng.htm
   Background information: The Free Management Library provides easy-to-access, clutter-free, comprehensive resources regarding the leadership and management of yourself, other individuals, groups, and organizations. The content is relevant to the vast majority of people, whether they are in large or small for-profit or nonprofit organizations. Over the past ten years, this library has grown to be one of the world's largest, best-organized collections of these types of resources.

Exercises: Choose one of the "chapters" on the above Web site that is of interest to you. Lead a class discussion on the management function of controlling in an organization, and describe why this information would be important to a hospitality manager.

Note

1. Judy Siguaw and Cathy Enz, "Best Practices in Hotel Operations," *Cornell Hotel and Restaurant Administration Quarterly* (December 1999).