

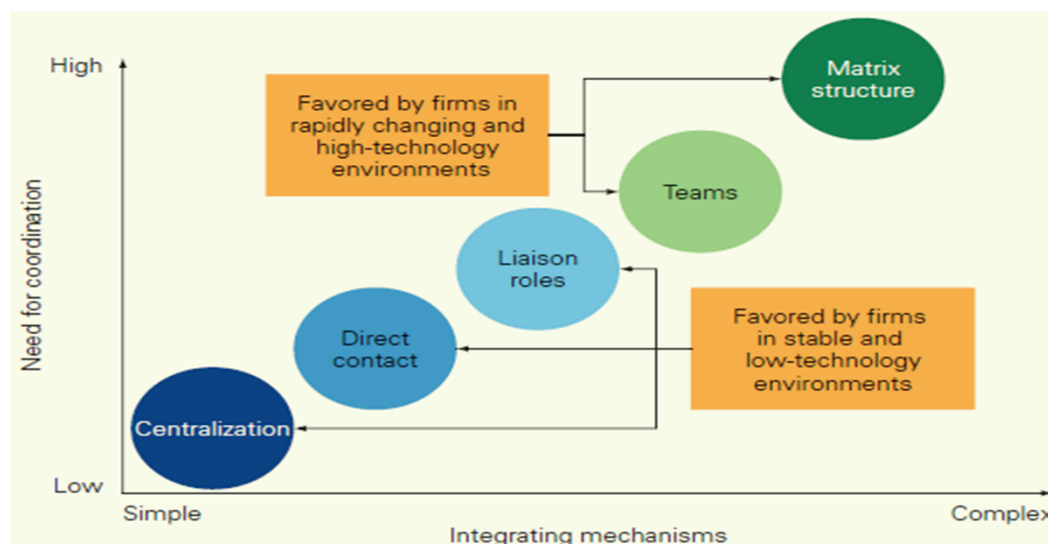
## Integrating Mechanisms

Integrating mechanisms are the techniques or ways which are used to ensure coordination or synchronization of different levels and division. It is the process of bringing all differentiated activities together so that problems can be solved and objectives can be achieved. Integrating mechanisms are more important to larger organizations which have multiple layers, many divisions, departments and more business units. The integrating mechanisms are

1. Formal Integrating Mechanisms
2. Informal Integrating Mechanisms
3. Strategy, Coordination and Integrating Mechanism

### Formal Integrating Mechanisms

The formal integrating mechanisms used to coordinate subunits vary in complexity from simple direct contact and liaison roles, to teams, to a matrix structure. In general, the greater the need for coordination between subunits, the more complex formal integrating mechanisms need to be.



#### 1. Direct Contact

Direct contact between subunit managers is the simplest integrating mechanism: Managers of the various subunits just contact each other whenever they have a common concern. They share information for common concern which will be supportive for integrating their activities to bring unity in action and meet common goals.

However, managers of various subunits may have different perceptions due to the differences on their goals, they try to impose on goal and interest avoiding others interest goals. These differences can inhibit communication between managers, who may not speak the same language. For these reasons, direct contact may not be sufficient to achieve coordination between subunits when the need for integration is high.

#### Liaison roles

Liaison roles are a bit more complex than direct contact. It is appointing a person and assigning that person to coordinate with another subunit. Through these roles, the people involved establish a permanent relationship.

The liaison persons involve in regular contact with different departments, divisions and units,

understands the problems, opinions and establishes permanent positive relationship between department or units that will be helpful to integrate activities.

### Teams

When the coordination become more complex, management can use temporary and permanent team to coordinate the complex activities. Teams can be cross functional and can be formed involving managers from different departments to make the strategy operative.

Usually, teams are formed participating members from production, marketing, research and development, finance and other departmental managers. Further, teams can be formed hiring consultant from outside, that is temporary team. Permanent teams works regularly whereas temporary teams will be disbanded after achieving coordination and ensuring integration.

### Matrix Structure

Matrix structure was developed to solve complex problems in the easiest ways. When the need for integration is very high, firms may institute a matrix structure, in which all roles are viewed as integrating roles. This structure is designed to maximize integration among subunits. Usually, matrix structure is found in function and product development teams, high technology firms, division and geographic areas and diversified multinational companies.

However, If not well managed, matrix structures can become bureaucratic, inflexible, and characterized by conflict rather than the hoped-for cooperation. For such a structure to work it needs to be somewhat flexible and to be supported by informal integrating mechanisms.

### INFORMAL INTEGRATING MECHANISMS:

Informal integrating mechanism is an attempt to alleviate or avoid the problems associated with formal integrating mechanisms in general and matrix structures. There are mainly two types of informal integration mechanisms.

#### Knowledge Network

A knowledge network is a network for transmitting information within an organization that is based on informal contacts between managers within an enterprise and on distributed information systems. In this mechanism, managers at different locations within the organization must be linked to each other at least indirectly. The greatest strength of knowledge network is non-bureaucratic in nature.

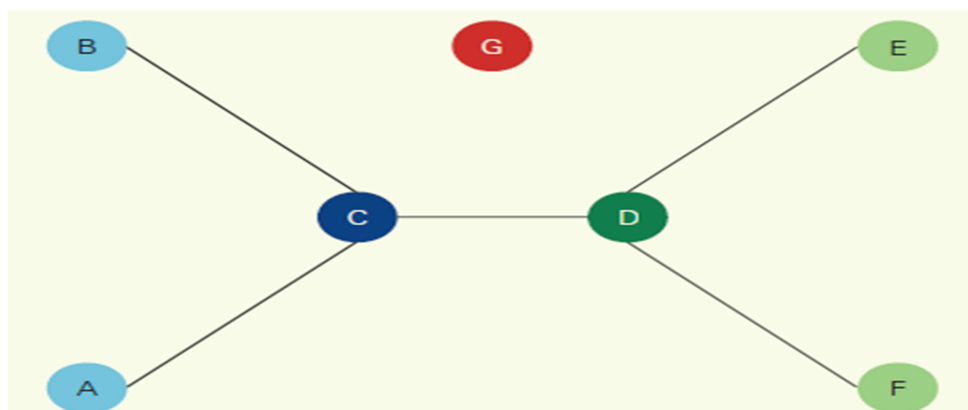


Figure shows the simple network relationships between seven managers within a complex multinational firm. Managers A, B, and C all know each other personally, as do Managers D, E, and F. Although Manager B does not know Manager F personally, they are linked through Managers C and D. Thus, Managers A through F are all part of the network. Manager G is not.

Imagine Manager B, a marketing manager in Nepal, needs to know the solution to a technical problem to better serve an important American customer. Manager F, an R&D manager in the UK has the solution to Manager B's problem. Manager B mentions her problem to all of her contacts, including Manager C, and asks if they know anyone who might be able to provide a solution.

In this way coordination is achieved informally through the network rather than by formal integrating mechanisms such as teams or a matrix structure. For such a network to function effectively it must embrace as many managers as possible. However, if Manager G had a problem similar to Manager B's, he would not be able to use the informal network to find a solution; he would have to resort to more formal mechanisms.

Managers can use different techniques to establish knowledge networks such as information systems, management development policies, and conferences.

Information system can use the techniques of distributed computer and telecommunications such as Electronic Mail, Video Conferencing, Web-based search engine etc. by which globally scattered managers can connect and share knowledge among each other.

Management development program such as job rotation of managers through various subunits, management education program etc. bring managers together and make them acquainted each other.

Further internal conferences can be used to establish contact between people in different units of the organization which helps to share ideas, increase knowledge flow within the organization.

### **Organizational Culture**

Knowledge network will not be effective, if managers are failed understand the importance of subunits goals that are linked with the wide goal of organization. Therefore, organizations must have strong organizational culture that promotes teamwork and cooperation.

For the effective function of knowledge network, managers must share strong commitment to common goals. For example, in the above figure, if managers B and F are committed to share the same organizational norms and values and if such norms fulfil the interest of organization as whole, manager F should be ready to cooperate to manager B to solve the problem.

### **Strategy, Coordination and Integration Mechanism**

Business organizations are different in nature and types. Some organizations are single business enterprises and some are multi divisional. They differ subunits whether subunits functions, business or geographic areas. All enterprises need coordination between subunits whether they are functions or business units. However, degree of coordination and integration mechanisms vary depending on the strategy of the organization. Strategy, coordination and integration mechanism of enterprises can be explained as under:

#### **Single Business Unit Enterprise**

Single Business Enterprises are those firms which are divided into departments, or divisions or functional units. These business organizations need coordination between functions which are sequential and mutually interdependent. When a firm wants to design and produce new products or service, it requires to coordinate research and development, production, and marketing functions to ensure that products are designed and manufactured efficiently, and match consumers' demand. Matrix structure is one way of achieving such coordination. Temporary teams are also more common solution to manage coordination in such situation. Once new product is produced and launched, the team is disbanded and employees return to their formal function or move to another team.

Coordination is also essential when business organizations are running uncertain and highly turbulent

competitive environment. An organization requires such mechanism that can pull together all functions into the same direction. Temporary teams will be also useful to affect such coordination. However, when the environment is stable and predictable, use of coordination mechanisms is less, simply direct contact and liaison role will be enough.

### **Multidivisional Enterprise**

A business unit with headquarter and several business units or strategic business units is called multidivisional enterprise. Multidivisional business firms are running different firms their stage of life cycle is different, they have different products, services, market, customers, managers and strategies of each firm is different. They need integration mechanism to coordinate activities. Liaison roles, temporary teams and permanent teams can be used to ensure such coordination.