DIRECTING AND CONTROLLING

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Outline

- Meaning & Nature of Directing
- Leadership Styles
- Motivation Theories
- Meaning & Importance of Communication
- Meaning & Importance of Coordination
- Techniques of Coordination.
- Meaning & Steps in Controlling
- Essentials of a Sound Control System
- Methods of Establishing Control

Directing

- Direction is a complex function that includes all those activities which are designed to encourage subordinates to work effectively and efficiently in both the short and long term

- Directing includes issuing orders, instructing, guiding, helping, motivating, designing good environment to work, providing rewards etc..

Nature or Characteristics of Direction

- **It is a Dynamic Function:** Directing is a dynamic and continuing function. A manager has to continuously direct, guide, motivate and lead his subordinates. With change in plans and organizational relationships, he will have to change the methods and techniques to direction.

- **It Initiates Action:** Directing initiates organized and planned action and ensures effective performance by subordinates towards the accomplishment of group activities. It is regarded as the essence of management-in-action.

Nature or Characteristics of Direction

◆ **It is a Universal Function:** Directing is a universal function that is performed in all organizations and at all the levels of management. All managers have to guide, motivate, lead, supervise and communicate with their subordinates, although more time is spent on directing at higher levels of management.

Nature or Characteristics of Direction

- **It Provides Necessary Link between Various Managerial Functions:** Directing links the various managerial functions of planning, organizing, staffing and controlling. Without directing the function of controlling will never arise and the other preparatory functions of management will become meaningless.

- **It is Concerned with Human Relationships:** The direction function of management deals with relationship between people working in an organization. It creates co-operation and harmony among the members of the group. It seeks to achieve orderly arrangement of group effort to provide unity of action in the pursuit of common objectives.

Principles of Directing

- **Harmony of objectives:** coordinate the individual objectives with the organizational objectives.

- **Unity of direction or command:**

- **Direct supervision:** Managers should have direct relationship with their subordinates.

- **Effective communication:**

- **Follow through:** Direction is a continuous process.

Elements of Directing

- **Leading:** It refers to an art of transferring facts, ideas, feeling, etc. from one person to another and making him understand them. A manager has to continuously tell his subordinates about what to do, how to do, and when to do various things.

- **Communicating:** It refers to influence others in a manner to do what the leader wants them to do. Leadership plays an important role in directing. Only through this quality, a manager can inculcate trust and zeal among his subordinates.

- **Motivating:** It refers to that process which excites people to work for attainment of the desired objective. Among the various factors of production, it is only the human factor which is dynamic and provides mobility to other physical resources.

Leadership

- The ability to influence people towards accomplishment of goals

- **Importance of leadership**
  - ✓Leaders Guide & Inspire Subordinate
  - ✓Leaders Build good work environment
  - ✓Leaders Build confidence in followers
  - ✓Leaders secure cooperation from the group
  - ✓Leaders act as change agents
  - ✓Leaders are representatives of the followers
  - ✓Leaders develop great vision

Leadership Styles

- ◆ Autocratic/Authoritative Style
- ◆ Democratic/Participative Style
- ◆ Laissez Faire/ Free Rein Style

Autocratic leadership

- An autocratic leader is one who dominates and drives his subordinates through coercion, command and the instilling of fear in his followers.

- An autocratic leader alone determines policies, plans and makes decisions.

- He demands strict obedience. Such leaders love power and love to use it for promoting their own ends.

- They never like to delegate their power for they fear that they may loose their authority.

Autocratic leadership

- **Merits :**
  - it can increase efficiency
  - save time
  - get quick results under emergency conditions
  - chain of command and division of work are clear.
- **Demerits:**
  - people are treated machine-like cogs without human dignity
  - One way communication without feedback
  - the leader receives little or no input from his sub-ordinates for his decision-making which is dangerous in the current dynamic environment.

Democratic leadership

- Also known as participative leadership.

- In this style, the entire group is involved in goal setting and achieving it.

- A democratic leader follows the majority opinion as expressed by his group.

- Subordinates have considerable freedom of action.

- The leader shows greater concern for his people's interest, is friendly and helpful to them.

- He is always ready to defend their subordinates individually and collectively.

Democratic leadership

- **Merits:**
  - leadership encourages people to develop and grow
  - receives information and ideas from his subordinates to make decisions
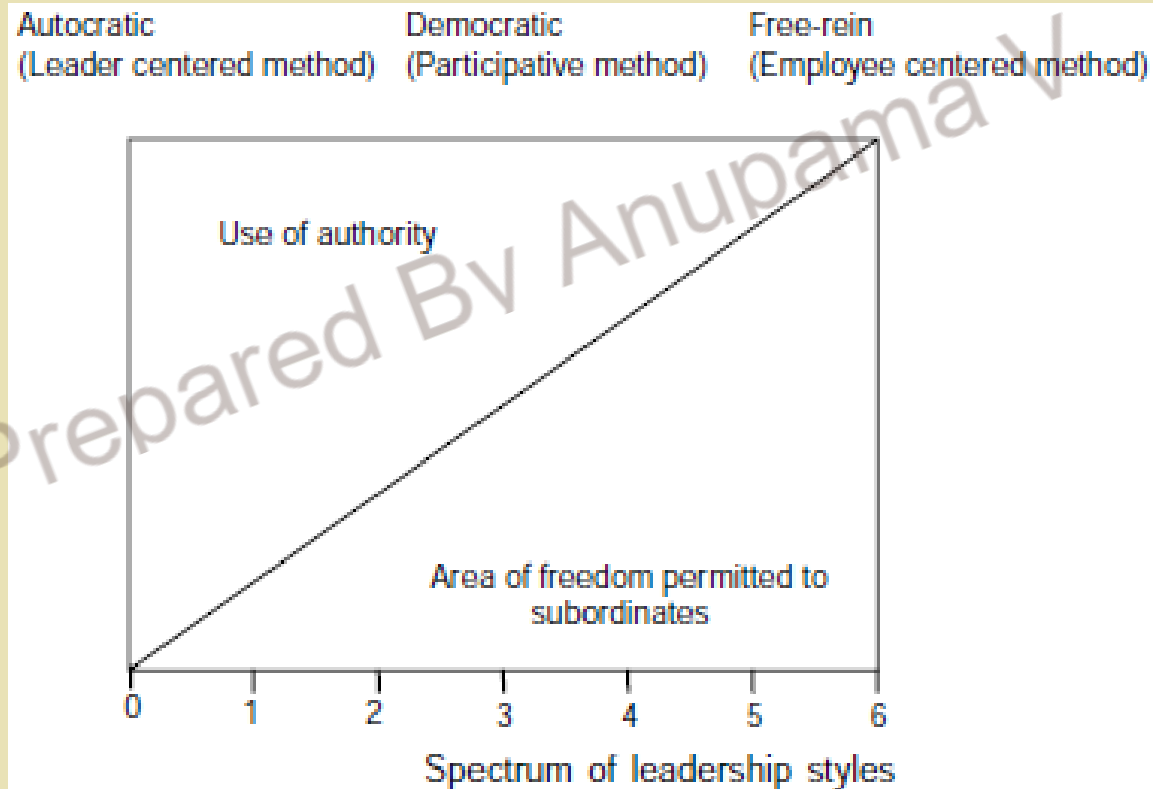 - boosts the morale of employees.
- **Demerits**
  - Some leaders may use this style as a way of avoiding responsibility
  - Can take enormous amount of time for making decisions.

Free-Rein Leadership

- The leaders exercise absolutely no control.
- He only provides information, materials and facilities to his subordinates.
- Leadership is employee centered
- The subordinates are free to establish their own
- goals and chart out the course of action
- Leadership can be disaster if the leader does not know well the competence and integrity of his people and their ability to handle this kind of freedom.

Leadership Styles

Autocratic (Leader centered method) Democratic (Participative method) Free-rein (Employee centered method)

Use of authority

Area of freedom permitted to subordinates

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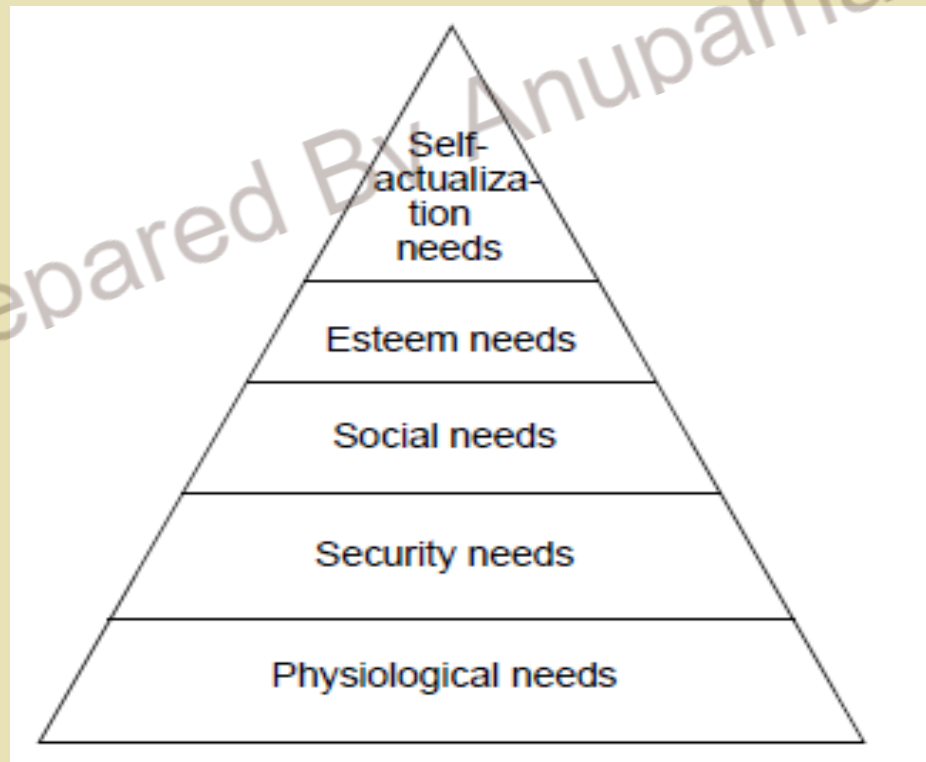
Spectrum of leadership styles

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MOTIVATION

- Motivation is inspiring the subordinates to contribute with zeal and enthusiasm towards organizational goals.

- Performance of an employee
  - Performance = Ability × willingness

- Motivation is enhancing the willingness to work which improves the performance.

Motivation Theories

- Maslow's Need Hierarchy Theory
- Hertzberg's Two Factors Theory
- McClelland's Achievement Theory
- Victor Vroom's Expectancy Theory
- Adam's Equity Theory
- Skinner's Behaviour Modification Theory

Maslow's Need Hierarchy Theory

- ◆ An unsatisfied need is the starting point in the motivation process.

- ◆ A.H. Maslow in 1943

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Self-
actualiza-
tion
needs

Esteem needs

Social needs

Security needs

Physiological needs
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Maslow's Need Hierarchy Theory

- **Physiological needs:**
  - The basic needs for sustaining human life itself, such as food, water, shelter and sleep.
  - Until these needs are satisfied to the reasonable degree necessary to maintain life, other needs will not motivate people.
- **Security or safety needs:**
  - People want to be free of physical danger and of the fear of losing job, property or shelter.
- **Social needs:**
  - Since people are social being, they need to belong, to be accepted by others.

Maslow's Need Hierarchy Theory

- **Esteem needs:**
  - Once people begin to satisfy their need to belonging, they tend to want to be held in esteem both by themselves and by others.
  - This kind of need produces such satisfaction as power, prestige and status.

- **Self-actualization needs:**
  - It is desire to become what one is capable of becoming to maximize one's potential and to accomplish something.

Hertzberg's Two Factors Theory

- Fredrick Hertzberg and his associates have proposed a two factors theory of motivation.

- In one group of needs are such things as company policy and administration, supervision, working conditions, interpersonal relations, salary, job security and personal life. These are called as dis-satisfiers and not motivators. If they exist in a work environment, they yield no dissatisfaction. Their existence does not motivate but their absence result dis-satisfaction. Hertzberg called these factors as hygiene or maintenance factors.

- The second group he listed certain satisfiers and therefore motivators, which are related to job content. They include achievement, recognition, challenging work, advancement and growth in the job.

Hertzberg's Two Factors Theory

◆ The first group of factors (the dissatisfiers) will not motivate in the organization, yet they must be present otherwise dissatisfaction will arise.

◆ The second group or the job content factors are real motivators because they have the potential of yielding a sense of satisfaction.

◆ It means managers must give considerable attention to upgrading job content.

Hygiene factors	Motivators
Status	Challenging work
Interpersonal relations	Achievement
Quality of supervision	Responsibility
Company policy and administration	Growth in the job.
Working conditions	Advancement
Job security	Recognition
Salary	

McClelland's Achievement Theory

- <u>The need for achievement</u>: A person with need for achievement is concerned with setting moderately difficult but potentially achievable goals. He does most of the things himself rather than getting them done by others.

- <u>The need for affiliation</u>: need for affiliation reflects a desire to interact socially with people

- <u>The need for power:</u> need for power, concentrates on obtaining and exercising power and authority

Victor Vroom's Expectancy Theory

- People's motivation towards doing anything will be determined by the value they place on the outcome of their effort multiplied by the confidence they have that their efforts will materially aid in achieving a goal.

- Force = Valence × Expectancy
  – valance is the strength of an individual performance for an outcome
  – expectancy is the probability that a particular action will lead to a desired outcome.

Skinner's Reinforcement Theory

- Individuals can be motivated by proper design of their work environment and praise for their performance and that punishment for poor performance produces negative results.

- They analyze work situations to determine what causes workers to act the way hey do and then they initiate changes to eliminate troublesome areas and obstructions to performance.

Adam's Equity Theory

◆ People are motivated to maintain fair relationship between their performance and reward in comparison to others

$$\frac{\text{Person's Reward}}{\text{Person Input}} = \frac{\text{Others Reward}}{\text{Others Input}}$$
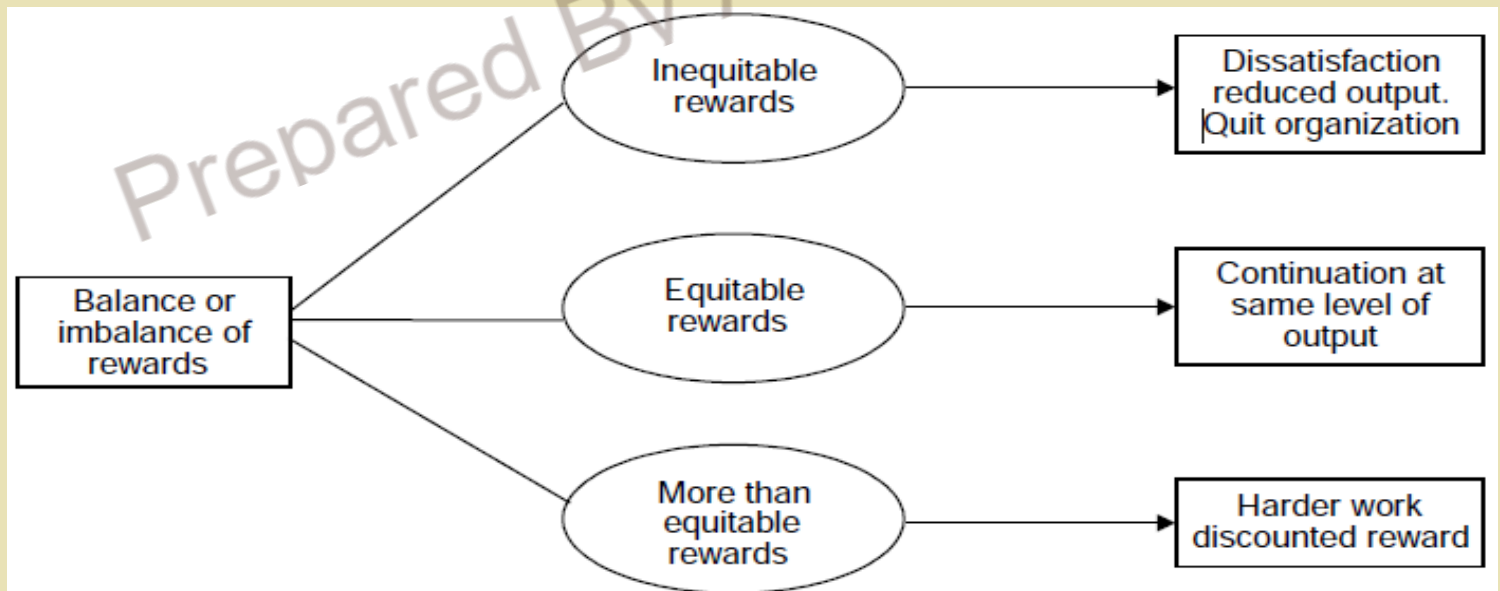
Communication

- The process of exchange of information, ideas and opinions which bring about integration of interests aims and efforts among the members of a group organized for achievement of predetermined goals.

- Process of passing information and understanding from one person to another

Communication Process
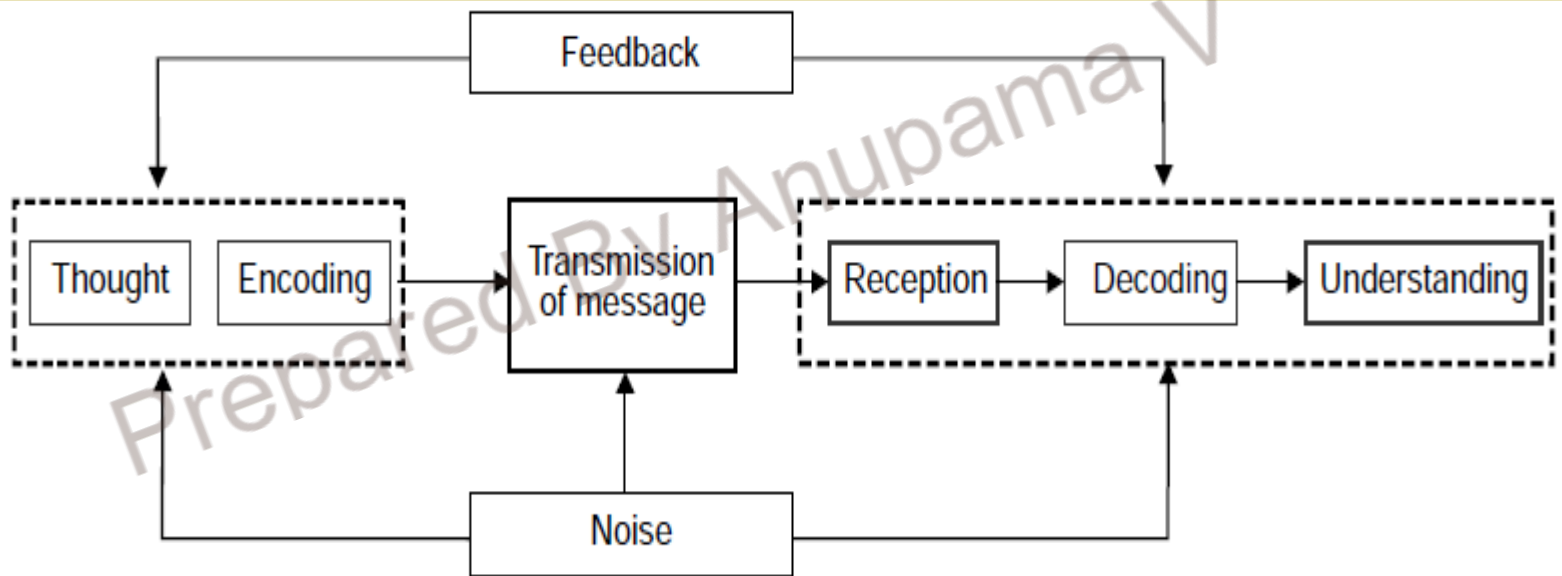
A communication process model

Importance of communication
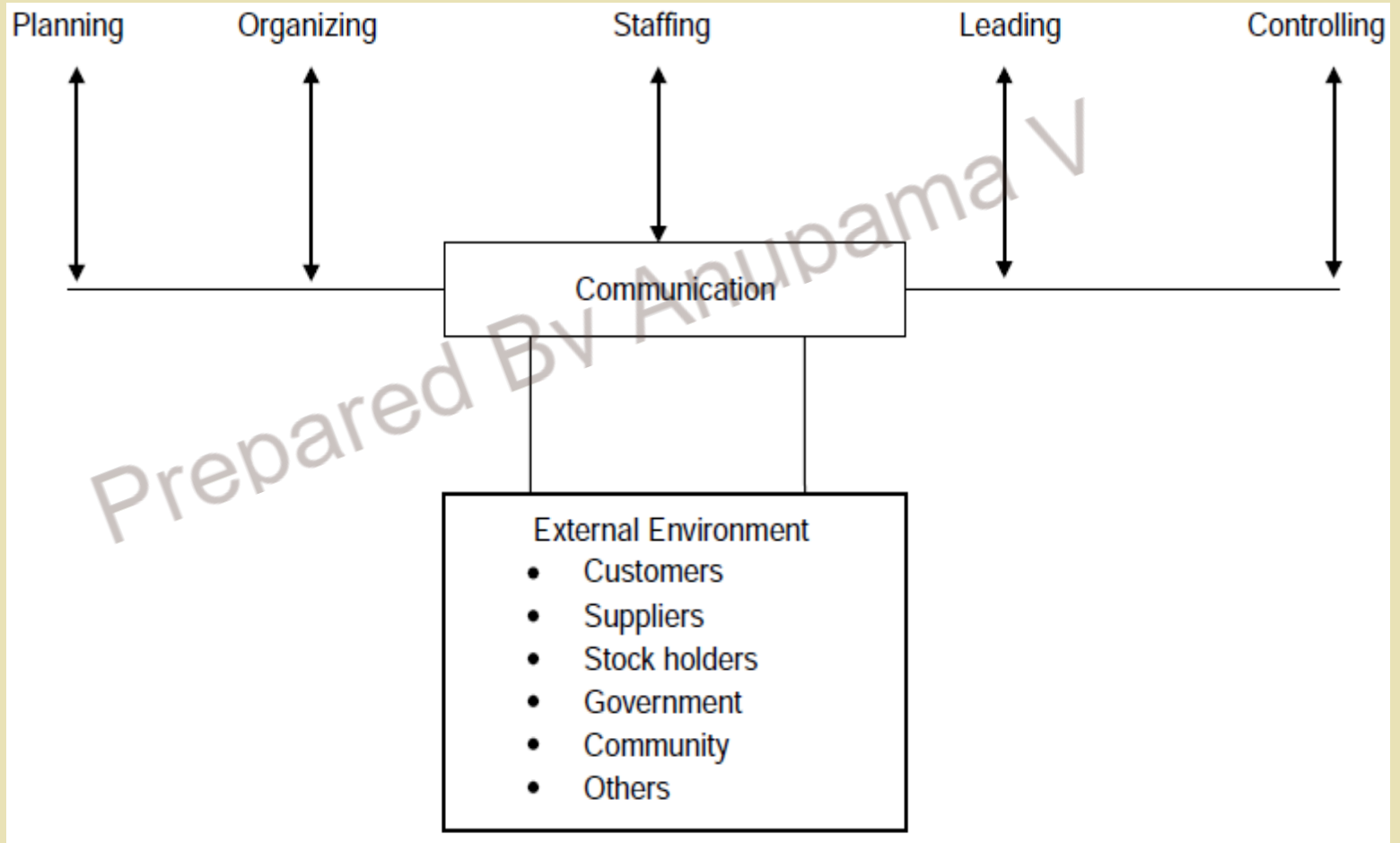
Coordination

- Coordination deals with the task of blending efforts in order to ensure successful attainment of an objective. It is accomplished by means of planning, organizing directing and controlling.

- Coordination is the orderly arrangement of group efforts to provide unity of action in pursuit of a common purpose.

Importance of coordination

- Coordination increases efficiency.
- Coordination improves human relations.
- Coordination resolves conflicts.
- Coordination makes all departments focus together.
- Coordination helps sharing of resources.
- Coordination retains & attracts talent.

Techniques of Coordination

- Coordination by plans & procedures.
- Coordination by sound & simple organization.
- Coordination by chain command.
- Coordination by effective commutation.
- Coordination by committees.
- Coordination by conference.
- Coordination by special coordinators.
- Coordination through sound leadership.

Coordination Vs Cooperation

Basis	Coordination	Cooperation
1. Definition	It is a deliberate effort by a manager	It is voluntary attitude of organization members
2. Purpose	It is an orderly arrangement of group efforts to provide unity of action in the pursuit of common objectives.	It denotes collective efforts of the group contributed voluntarily to accomplish a particular objective.
3. Relations	It is achieved through both formal and informal relations.	Cooperation arises out of informal relations.
4. Result	Coordination seeks whole hearted support of employees and departments	Cooperation without coordination is fruitless.

Controlling

- Control is checking current performance against predetermined standards contained in the plans, with the view to ensuring adequate progress and satisfactory performance.

- Controlling is determining what is being accomplished, that is, evaluating the performance and if necessary applying corrective measures so that the performance takes place according to plans

Steps in a Controlling

1. Establishment of standards

   - Quantitative standards: production level, labor hour, expense, profit

   - Qualitative standards: employee morale, company image, industrial relations

2. Measuring and comparing actual performance with standards

   - Completion

   - Objective

   - Responsiveness

Steps in a Controlling

3. Taking corrective measures

- Change in methods, rules, procedures, etc
- Introduce training program
- Job redesign
- Replacement of personnel
- Re-establishing budgets & standards
- Better compensation packages to employees
- Changing machinery & processes
- Identify recurring bottle necks & avoiding them

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Essentials of a sound control system

1. Clear definition of objectives & standards.
2. Selecting efficient control techniques.
3. Suitability of control system
4. Simplicity
5. Focus on key area
6. Flexibility

Essentials of a sound control system

7. Reasonable & practical

8. Economical

9. Self control

10. Acceptable to all

Methods of establishing control

- Traditional Control Techniques
  1. <u>Budgetary control</u>: written plan/program in monetary terms.
  2. <u>Standard costing</u>: estimating most efficient cost of manufacturing a product.

Methods of establishing control

- Modern Control Techniques
  1. <u>Break even analysis</u>: Understanding the cost involved in producing a product & fixing selling price
  2. PERT
  3. CPM
  4. <u>SQC –Statistical Quality Analysis</u>: Techniques to study deviation in actual performance against established standards.
  5. <u>Quality Circles</u>: solve quality related problem

Methods of establishing control

◆ Other Control Techniques

1. Policies & Procedures

2. Standing Rules, Limitation and Order

3. Self Control

4. Group Control

5. Personal Observation

6. Disciplinary Action