
UNIT 2: CONTROLLING AND CO- ORDINATION

Unit Structure

2.0 Learning Objectives

2.1 Introduction

2.2 Controlling

2.2.1 Meaning of Controlling

2.2.2 Features of Controlling

2.2.3 Importance of Control

2.2.4 The Control Process

2.2.5 Characteristics of an Effective Control System

2.2.6 Types of Control

2.3 Planning and Controlling

2.4 Co-ordination

2.4.1 Characteristics of Co-ordination

2.4.2 Essentials of Co-ordination

2.4.3 Types of Co-ordination

2.4.4 Techniques of Co-ordination

2.4.5 Principles of Co-ordination

2.4.6 Obstacles

2.4.7 Need

2.5 Let Us Sum Up

2.6 Answers for Check Your Progress

2.7 Glossary

2.8 Assignment

2.9 Activities

2.10 Case Study

2.11 Further Readings

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- Meaning, Features, Importance, Types and Process of Controlling.
- Effective Control System.
- How Controlling is different from Planning.
- Concept, Importance, Techniques and Principles of Co-ordination.

2.1 Introduction

In this unit you will be acquainted with the basic of controlling and its necessary factors. Controlling basically is employed as an active measurement of success that is against the standards as well as correction of variation if it exists, in order to make sure about success of organisational goals. The basic of controlling appears as to make sure about all occurring in conformities along with certain standards and principles. A well-organized system of control will rather help in predicting variations which come just before when actually takes place. Apart from this, you will also study about Co-ordination and resolution of conflicts, which are essential for smooth functioning of an organisation.

2.2 Controlling

Controlling is the method of paralleling actual performance with standards and employing necessary corrective action. The emphasis of the control system comprises of feed forward-control to prevent problems; concurrent control to monitor on-going activities and feedback control to evaluate last-performance. While incorporating controls at various levels, employee reactions must, also kept in mind.

Raghuveer's Dilemma

Raghuveer Desai is the supervisor of an engineering firm in Pune. The morale in his office was quite low, recently. The workers went back to a 9- 5 work schedule after being on flexi time for nearly two years.

When the directive came down allowing Raghuveer to place his office on flexi time, he spelled out the rules carefully to his people. All the employees were to work during the core period from 10 a.m. to 2 p.m. However, they could work

Direction,
Supervision
And Controlling
And
Coordination

the rest of the eight-hour day at any time between 6a.m. and 6p.m. Raghuveer believed his workers were honest and well-motivated, so he did not bother to setup any system of control.

Everything went along well for a long time. The morale was high and all the work seemed to be done. In November, 2010 the chief factory manager found that Raghuveer's workers were averaging seven hours a day. Two employees had been working only during the core period for more than two months. When Raghuveer's departmental head received the factory manager's report, he told Raghuveer to return-the office to regular working hours. Raghuveer was upset and disappointed with his people. He had trusted them and felt they had let him down.

What did Raghuveer fail to understand about the controlling process?

If you look at the above narrative carefully you will realise that Raghuveer was in fact wrong in assuming too many things at the very beginning. It is good to trust your sub- ordinates and co- workers however control is equally essential. Control is the process of comparing actual performance with established standards for taking action to correct deviations.

Planning organising, coordinating and directing are only preparatory steps for getting the work done; it is only through the process of control that management is able to maintain the "equilibrium between ends and means, output an effort."

It is the process wherein managers guarantee that resources obtained are used effectually and resourcefully in the accomplishment of the organisation's objectives (Robin Anthony), a properly designed system of control alerts managers of the existence of potential problems and allows them to take counteractive actions, when necessary.

The basic purpose of a well-designed control system ensures that results are achieved according to plan. Control is not just score keeping. It is not just manoeuvring the course and receiving locations report; It is, rather, steering the ship as a whole.

2.2.1 Meaning of Controlling

Controlling means implementation of a decision method and the use of feedback so that the goals and specific strategic plans of the firm are optimally obtained. To do this, managers study the accounts and other reports and compare them to the previous plans. These comparisons may show where operations are

not proceeding as planned and who is responsible for what. It is a careful analysis of the past and the present that prepares them for a comfortable future. The feedback that management receives may suggest the need to re-plan, to set new strategies or to reshape the organisational structure.



Fig 2.1 Controlling

Controlling consists of verifying whether everything occurs in conformities with the plans adopted, instructions issued and principles established. Controlling ensures that there is effective and efficient utilization of organisational resources so as to achieve the planned goals. Controlling measures the deviation of actual performance from the standard performance discovers the causes of such deviations and helps in taking corrective actions.

According to Brech, “Controlling is a systematic exercise which is called as a process of checking actual performance against the standards or plans with a view to ensure adequate progress and also recording such experience as is gained as a contribution to possible future needs.”

According to Donnell, “Just as a navigator continually takes reading to ensure whether he is relative to a planned action, so should a business manager continually take reading to assure himself that his enterprise is on right course”.

Controlling has got two basic purposes:

- It facilitates Co-ordination
- It helps in planning

2.2.2 Features of Controlling

A careful exam of the above definitions reveals the following features of controlling.

1. **Control is a Positive Force:** The primary object of control is to find areas of failure, and who is responsible for them and remedial actions to be taken. It is thus a positive force, aimed at securing performance. Just like a thermostat in a refrigerator control automatically begins to operate whenever deviations occur. It is a constructive activity designed to check deviations and advance performance.
2. **Controls Continuous Process:** It is not a one-step action plan. As pointed by the navigator continually takes readings to ascertain where he is, relative to a planned course, so should the business manager continually take readings to assure him that his enterprise or department is on course.”
3. **Control is Forward Looking:** Control involves a post-mortem examination of past events; it is often viewed negatively, as a policing or watchdog kind of job. The whole exercised of looking back is meant to improve performance in future, as past cannot be controlled.
4. **Control Process is Universal:** Control is a primary function of every manager. It has to be undertaken at every level. Managers at every level have to check deviations from standards; set it right immediately and keep the business on course. The, process of management is incomplete without controlling.
5. **Control Process is Dynamic:** Control is not static; it is dynamic in the sense, it is amenable to change and hence, highly flexible. Between the establishment and achieving of the goal many things can happen in the organisation and its environment to disrupt or slow the pace of movement toward the goal or even to change goal itself. “A properly designed control system can help managers anticipate, monitor and respond to changing circumstances.”
6. **Control is Goal-Oriented:** Control guides activities (along desired lines) towards predetermined goals. The primary focus is on achieving results, checking deviations, if any and initiating timely remedial steps. Control, thus, is not an end in itself but only a means to achieve predetermined goals.
7. **Delegation is the Key to Control:** A manager gets authority to use resources and achieve results through delegation. Without such authority, a manager may not be in a position to take effective rectification steps in time.

In addition, it should be remembered here, to put activities along right paths; a manager requires enough authority so that he can control anything and everything under his jurisdiction.

8. **Control is based on Planning:** A system or control presupposes the existence of certain standards. The plans provide the standards of performance, which serve as the basis of control. Thus, planning and control are closely related to each other. Once plans are made, control is unnecessary to measure the progress of work. Planning is useful only when there is effective control. Planning without control is meaningless.

2.2.3 Importance of Control

Control is an indispensable part of every organisation. The management process is incomplete and sometimes rendered meaningless without control function. Targets remain on paper, where people tend to use resources recklessly and managers find everything chaotic. The absence of control could be very costly and unproductive.

A good system of control, however, puts an end to all of these and offers the following advantages:

1. **Achievement of Goals:** Controlling is a goal-oriented process. It keeps activities on the right track. Whenever things go off the rails, remedial steps are undertaken immediately. Every attempt is made to confirm events, to set targets and thereby achieve results efficiently and effectively.
2. **Execution and Revision of Plans:** It is through controlling that suitable steps are taken to ensure that each plan is implemented in a predetermined way. Controlling measures progress, uncovers deviations, indicates corrective steps and thus, keeps everything on track. Of course, when conditions change dramatically, controlling helps to review, revise and update the plan. It offers valuable feedback information, reveals shortcomings in plans and thereby helps in preparing other plans for future use.
3. **Brings Order and Discipline:** In an organisation, while pursuing goals managers and their subordinates often commit mistakes. For example, problems are diagnosed incorrectly, lesser quality inputs are ordered, wrong products are introduced, and poor designs are followed. A control system helps check such tendencies before they turn into serious problems. It has a healthy impact on the behaviour of subordinates. They become cautious

Direction,
Supervision
And Controlling
And
Coordination

while discharging their duties since they are aware (that their actions are observed at every stage)

4. **Facilitates Decentralisation of Authority:** When managers delegate work to lower levels, they must also ensure that the subordinates do not deviate from a predetermined course of action. A defined system of control ensures this by forcing subordinates to conform to plans. The feedback information helps managers check whether actions taken at lower levels are in line with what has been planned or not. It helps measure progress, check deviations and adjust operations from time to time. This leads to a dynamic set up with achievable goals.
5. **Promotes Co-ordination:** Control facilitates Co-ordination between different departments and divisions by providing them unity of direction. Individuals and their activities are tied to a set of common objectives. Such a unified focus ensures accomplishment of results, efficiently and effectively.
6. **Cope with Uncertainty and Change:** The business environ is dynamic and expects the organisations to be ever prepared for a new wave of science or innovation to hit them. New products emerge, innovations come up and new regulations are passed and so on. The organisation needs to keep a watchful eye on such developments and respond intelligently. A control system helps in checking whether the diversified product lines are giving healthy margins, the sales from each region are improving, the products are accepted in the market place or not. Constant monitoring of key areas helps management encash opportunities that are thrown open from time to time. Timely actions can also be initiated to prevent mistakes from becoming serious threats.

2.2.4 The Control Process

The process of control involves the following steps:

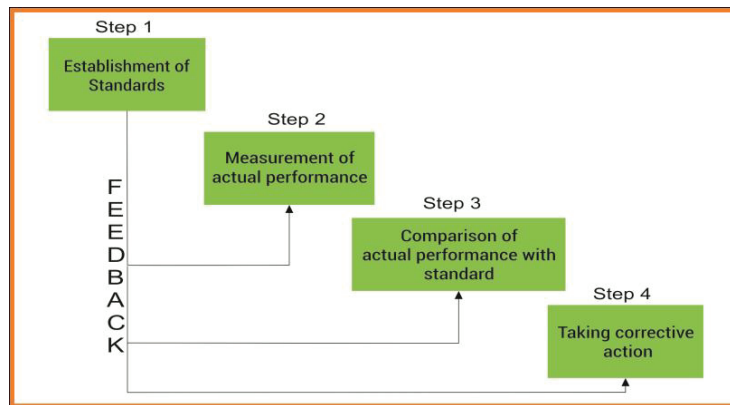


Fig 2.2 Control Process

1. **Establishment of Standards:** The first step in the control process is establishing standards. Standards are the targets against which subsequent performances will be equated with. They are, by definition, simply criteria of performance. They serve as the benchmarks because they specify acceptable levels of performance.

It is found that laying of standards for every operation is an unpreventable work which is performed by the management such as:

- In the initial phase of setting standards, it is the work of an executive to study about various characteristics related to work.
 - It is the work of executive to consider simple flexible and normally accepting levels of good performance in case of work characteristics.
 - On differing with amount of work related to operations, it is seen that the characteristics differs along with standards.
 - It is found that there are set standards that depends on characteristics of particular task.
2. **Measurement of actual performance:** Another step in control process is measurement of actual performance where actual performance of employees is measured in terms of fixed standards as per his job. Also, measuring performance of a personnel manager at the same time is difficult.

Direction,
Supervision
And Controlling
And
Coordination

To make the checking process effective, the manager has to concentrate on three key aspects of measurement, viz., completeness, objectivity and responsiveness.

- **Completeness:** Complete measures provide an opportunity for the manager to concentrate on all aspects of the job instead of neglecting unmeasured tasks in favour of measured ones.
- **Objectivity:** Objective measures avoid bias that is essentially found in subjective assessment of task and people.
- **Responsiveness:** Responsive measures support the belief that effort and performance lead to improvement in the systems of control.

These three types of measurement are equally important for all jobs in organisations.

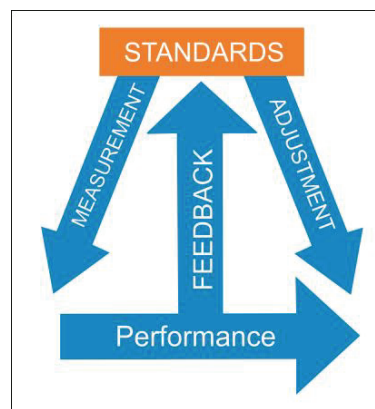


Fig 2.3 Measurement, Feedback and Adjustment during Performance

3. **Comparison of actual performance with standard:** The comparing step determines the degree of variation between actual performance and the standard. Some variation in performance can be expected in all activities. It is, therefore, important to determine the acceptable range of variation. Deviations in excess of this range become significant and receive manager's attention. All such deviations may be due to errors in planning, defective implementation or careless performance of the operatives. As a matter of fact, only major or exceptional deviations should be communicated to top management in the form of reports. This is known as 'management by exception'

4. **Taking corrective action:** The last and final step in the control process is taking corrective action, when required. Corrective steps are initiated by managers with a view to rectify the defects in actual performance. If actual performance for example- falls short of standards due to non-availability of materials, managers try to procure these materials and thus set things in order. If it is due to poor results shown by employees, it could be rectified through the introduction of attractive incentive plans. Thus, a corrective action may involve a change in methods, rules, procedures, etc. Sometimes, variations might occur due to unrealistic standards. That is, the goal may be too high or too low. In such cases, managers try to set things in order by revising the standards altogether.

Corrective action, as mentioned above, includes the change in strategy, structure, compensation practices, training programmes, redesign of jobs, replacement of personnel, re-establishment of budgets or standards, etc.

2.2.5 Characteristics of an Effective Control System

Effective control systems have certain characteristics. For a control system to be effective, it must be:

1. **Accurate:** Information on performance must be accurate. Evaluating the accuracy of the information they receive is one of the most important control tasks that managers face.
2. **Timely:** Information must be collected, routed and evaluated quickly if action is to be taken in time to produce improvements.
3. **Objective and Comprehensible:** The information in a control system should be understandable and be seen as objective by the individuals who use it. A difficult-to understand control system will cause unnecessary mistakes and confusion or frustration among employees.
4. **Focused on Strategic Control Points:** The control system should be focused on those areas where deviations from the standards are most likely to take place or where deviations would lead to the greatest harm.
5. **Economically Realistic:** The cost of implementing a control system should be less than or at most equal to, the benefits derived from the control system.
6. **Organisational Realistic:** The control system has to be compatible with organisational realities and all standards for performance must be realistic.

Direction,
Supervision
And Controlling
And
Coordination

7. **Coordinated with the Organisation's Work Flow:** Control information needs to be coordinated with the flow of work through the organisation for two reasons: (1) each step in the work process may affect the success or failure of the entire operation, (2) the control information must get to all the people who need to receive it.
8. **Flexible:** Controls must have flexibility built into them so that the organisations can react quickly to overcome adverse changes or to take advantage of new opportunities.
9. **Prescriptive and Operational:** Control systems ought to indicate, upon the detection of the deviation from standards, what corrective action should be taken.
10. **Accepted by Organisation Members:** For a control system to be accepted by organisation members, the controls must be related to meaningful and accepted goals.

These characteristics can be applied to controls at all levels of the organisation.

2.2.6 Types of Control

Management can implement controls before an activity commences, while the activity is going on or after the activity has been completed. The three respective types of control based on timing are feed forward, concurrent and feedback.

1. **Feed forward Control:** Feed forward control concentrates on the regulation of inputs (human, material and financial resources that flow into the organisation) to warrant the standards necessary for the transformation process.

Feed forward controls are desirable because they allow management to prevent problems rather than having to cure them later. Unfortunately, these controls require timely and accurate information that is often difficult to develop. Feed forward control also is sometimes called preliminary control, pre-control, preventive control or steering control.

However, some authors use term "steering control" to separate the types of control. These types of controls are designed to detect deviation some standard or goal to allow correction to be made before a particular sequence of actions is completed.

2. **Concurrent Control:** Concurrent control takes place while an activity is in progress. It involves the regulation of on-going activities that are part of transformation process to ensure that they conform to organisational standards. Concurrent control is designed to ensure that employee work activities produce the correct results.

Since concurrent control involves regulating on-going tasks, it requires a thorough understanding of the specific tasks involved and their relationship to the desired product.

Concurrent control sometimes is called screening or yes-no control, because it often involves checkpoints at which determinations are made about whether to continue progress, take corrective action or stop work altogether on products or services.

3. **Feedback Control:** This type of control focuses on the outputs or the ultimate result of the organisation after transformation is complete. Sometimes called post action or output control, fulfils a number of important functions. For one thing, it often is used when feed forward and concurrent controls are not feasible or are too costly.

Sometimes, feedback is the only viable type of control available. Moreover, feedback has two advantages over feed forward and concurrent control. First, feedback provides managers with meaningful information on how effective its planning effort was. If feedback indicates little variance between standard and actual performance, this is evidence that planning was generally on target.

If the deviation is great, a manager can use this information when formulating new plans to make them more effective. Second, feedback control can enhance employee's motivation.

The major drawback of this type of control is that, the time the manager has the information and if there is significant problem the damage is already done. But for many activities, feedback control fulfils a number of important functions.

Check your progress 1

1. Control is designed to ensure that employee work activities produce the correct results
 - a. Concurrent.
 - b. Feedback.
 - c. Feed forward.
 - d. None of the above.
2. It means implementation of a decision method and the use of feedback so that the goals and specific strategic plans of the firm are optimally obtained.
 - a. Controlling.
 - b. planning.
 - c. Organising.
 - d. Directing.

2.3 Planning and Controlling

Planning and controlling are two separate functions of management, yet they are intricately intertwined with each other. Without the basis of planning, controlling activities becomes baseless and without controlling, planning becomes a meaningless exercise. In the absence of controlling, no purpose can be served by planning. Therefore, planning and controlling reinforce each other. According to Billy Goetz, the relationship between the two can be summarised in the following points:

- Planning precedes controlling and controlling succeeds planning.
- Planning and controlling are inseparable functions of management.
- Activities are hatched and tracked by planning and they are kept at right place through controlling.
- The process of planning and controlling works on Systems Approach, which is as follows: Planning → Results → Corrective Action.
- Planning and controlling are fundamental parts of an organisation as both are important for smooth running of an enterprise.

- Planning and controlling reinforce each other. Each drives the other function of management.

Thus, control is both looking back and looking ahead. It tries to find out where things have gone wrong and initiates timely remedial steps to accomplish the results smoothly.

Table Planning and controlling

Sr. No.	Points of Distinction	Planning	Controlling
01.	Focus	Impersonal, long range problems	Personal, immediate issues
02.	Relies on	Estimates	Specific data
03.	Time	Top management's top priority	Operating and lower level people spend more time on this
04	Structure	Less structured	Highly structured
05.	Evaluation	Difficult takes time to visualize the impact	Results visible, especially when situations are stable and not so complex

Check your progress 2

1. Planning precedes controlling and controlling succeeds planning
 - a. True
 - b. False
2. Planning and controlling are inseparable functions of management.
 - a. True
 - b. False

3. Planning and controlling are two separate functions of management, yet they are not closely related.
- a. True
 - b. False

2.4 Co-ordination

The concept of Co-ordination is viewed as one of the important functions of management. If every level in an organisation works independent of each other it will lead to a mess. With specialised jobs, it does not enable an organisation to attain the desired result. An organisation is not a one man army which can plan, execute and achieve everything alone. When it comes to organisational units, Co-ordination becomes necessary.

Co-ordination is the management of interdependence in work situations; it is the orderly synchronization or fitting together of the inter-dependent efforts of individuals, in order to attain a common goal. For example, in a ballet performance, all the efforts of team must be well coordinated, right from the first to the last lady in the row. This makes it worth the watch.

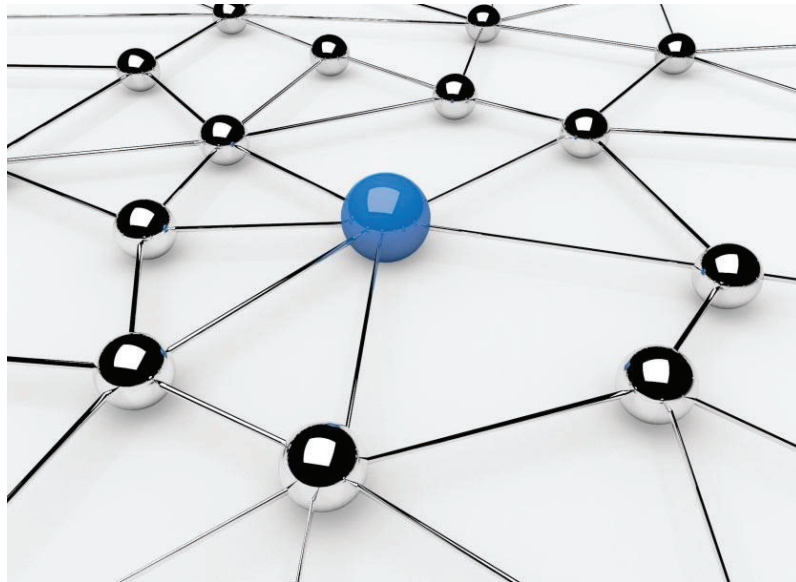


Fig 2.4 Co-ordination

Similarly, in a contemporary enterprise, which consists of a number of departments, such as production, purchase, sales, finance and personnel etc., there is need for all of them to properly time their mutually supporting activities and to ably reunite the sub-divided work.

Lack of proper Co-ordination results in inefficient operations and waste of time. To coordinate is to keep expenditure proportionate to financial resources, equipment and tools to production needs, stocks to rate of consumption, sales to production and so on. It is to build the project perfectly without flaws, neither too broad nor too narrow a road it is in brief a word to accord things and actions their rightful proportions and to adapt means to ends.

Following are the characteristics of Co-ordination.

2.4.1 Characteristics of Co-ordination

1. Co-ordination Integrates Group Effort:

The need for Co-ordination is felt when team work is desired for the accomplishment of an objective. In short, it can be said that Co-ordination is connected to group effort and not individual effort. The question of Co-ordination does not arise, if the job is done by one person only.

2. Co-ordination Ensures Unity of Action:

The nature of Co-ordination is of creating unity in action. It means during coordinating process an effort is made to create unity among the various activities of an organisation. For example, the purchase and sales departments have to coordinate their efforts so that supply of goods takes place according to purchase orders.

3. Co-ordination is a Continuous Process:

It is not a job which can be performed once and for all, but its need is felt at every step. Any business is a combination of multiple activities. Sometimes or the other, if any one of the activities goes on fluctuating either for more or less than required, the whole organisational balance is disrupted. Thus, a close watch has to be kept on all the activities to maintain the balance.

4. Co-ordination is an All-pervasive Function:

Pervasiveness refers to that truth which is applicable to all spheres (business and non-business organisations) and places uniformly. The nature of Co-ordination is pervasive. Like making of timetable in an educational institution is an apt example of establishing Co-ordination.

In the game of cricket, the placement of players at pre-determined positions is nothing but Co-ordination. In the same manner, to synchronise the activities of

different departments, like purchase, sales, production, finance, etc. in a business organisation is Co-ordination.

5. Co-ordination is the Responsibility of All Managers:

Co-ordination is needed at all the three, i.e., top, middle and lower managerial levels. Different activities performed at all the levels are equally important. Thus it is the responsibility of all the managers that they make efforts to establish Co-ordination. That is why, it could not be said that Co-ordination is of more importance to any one particular managerial level or a manager.

6. Co-ordination is a Deliberate Function:

Co-ordination is never established by itself but it is a deliberate effort. Only cooperation does not suffice but Co-ordination is also needed. For example, a lawyer aspires to practice effectively (this is cooperation) but the briefing is not prepared in time (this indicates lack of Co-ordination).

In this situation, classes cannot be arranged for. Here, the effort made by the teacher is meaningless, in the absence of Co-ordination. On the other hand, in the absence of cooperation, the workers are discontented. Thus, both are required at a given point of time.

2.4.2 Essentials of Co-ordination

Co-ordination is the unification, integration, synchronization of the efforts of group members so as to provide unity of action in the pursuit of common goals. It is a hidden force, which binds all the other functions of management.

Management seeks to achieve Co-ordination through its basic functions of planning organising, staffing, directing and controlling. That is why Co-ordination is not a distinct function of management because its emphasis is on achieving of harmony between individuals efforts towards achievement of group goals is a key to success of management. Co-ordination is the essence of management and is implicit and inherent in all functions of management.

A manager can be compared to an orchestra conductor since both of them have to create rhythm and unity in the activities of group members. Co-ordination is an integral element or ingredient of all the managerial functions as discussed below:

- 1. Co-ordination through Planning:** Planning facilitates Co-ordination by integrating the various plans through mutual discussion, exchange of ideas, e.g. Co-ordination between finance budget and purchases budget.

2. **Co-ordination through Organising:** Mooney considers Co-ordination as the very essence of organising. In fact, when a manager groups and assigns various activities to subordinates and when he creates department's Co-ordination uppermost in his mind.
3. **Co-ordination through Staffing:** A manager should bear in mind that the right number of personnel in various positions with right type of education and skills are taken which will ensure right men on the right job.
4. **Co-ordination through Directing:** The purpose of giving orders, instructions and guidance to the subordinates is served only when there is a harmony between superiors and subordinates.
5. **Co-ordination through Controlling:** Manager ensures that there should be Co-ordination between actual performance and standard performance to achieve organisational goals.

From above discussion, we can very much affirm that Co-ordination is the very much lifeline of management. It is required in every function and at each and every stage and therefore it cannot be separated.

2.4.3 Types of Co-ordination

Co-ordination can be broadly classified into one of the following four types:

1. **Internal Co-ordination:** Co-ordination among the employees of the same department or section, among workers and managers at different levels, among branch offices, plants and departments and sections is called internal Co-ordination.
2. **External Co-ordination:** Co-ordination with customers, suppliers, government and outsiders with whom the enterprise has business connections is called external Co-ordination.
3. **Vertical Co-ordination:** Vertical Co-ordination is what exists in a department where the departmental head is called upon to coordinate the activities of all those placed below him.
4. **Horizontal Co-ordination:** Horizontal Co-ordination takes place sideways. It exists between different departments such as production, sales, purchasing, finance, personnel etc.

2.4.4 Techniques of Co-ordination

The following are some important techniques of co-ordination.

1. **Hierarchy:** An ancient and effective practice for achieving, co-ordination is hierarchy or chain of command. By putting interdependent units under one, boss, some co-ordination among their activities is ensured.
2. **Rules, Procedures and Policies:** The specification of rules, procedures and policies is another common device to coordinate sub units in the performance of their repetitive activities. Standard policies, procedures and rules are laid down to cover all possible situations.
3. **Planning:** Planning ensures co-ordination efforts. Under planning, targets of each department do connect with the targets of all other departments. For example, by fixing the target of 10,000 units of additional production and sale for the production and sales departments respectively, the head of the organisation can be fairly sure that the work of the two departments would be Co-ordination since their target so demand.
4. **Committees:** Participative, committee or group decision-making is another common coordinating device. This device greatly eases the rigidity of the hierarchical structure, promotes effective communication and understanding of ideas, encourages the acceptance of the commitment to policies and makes their implementation more effective.
5. **Induction:** Inducting the new employee into the new social setting of his work is also a coordinating mechanism. This device familiarizes the new employee with the organisations rules and regulations its dominant norms of behaviour, values and beliefs and integrates his personal goals with the organisational goals.
6. **Indoctrination:** Indoctrinating organisational members with the goals and mission of the organisation. A device used commonly in religious and military organisations is still another Co-ordination device.
7. **Incentives:** Another mechanism necessitates interdependent units with an incentive to collaborate, such as a profit-sharing plan. Ardent advocates of profits-sharing privilege that it stimulates team spirit and better cooperation between employers and workers, between superiors and subordinates and between workers and workers.
8. **Liaison Departments:** In some cases where there is a large volume of contact between two departments, a liaison department evolves to handle the

transaction. This typically occurs between sales and production departments. For examples, a packaging company that is processing a particular large order of containers might have liaison department to make sure that the production department is meeting the client's specification and that delivery will take place one time.

9. **Workflow:** A workflow is the sequence of steps by which the organisation acquires inputs, transforms them into outputs and exports these to the environment. It is largely shaped by technological economic and social consideration and helps in co-ordination.

2.4.5 Principles of Co-ordination

In applying techniques for achieving effective co-ordination in the organisation, managers have to observe certain principles. Observance of these principles facilitates the application of various techniques of co-ordination. Mary Parker Follett, one of the classical management thinkers, has suggested four basic principles of co-ordination: direct contact, co-ordination at early stages, continuity and dynamism. To these, two more principles in the form of timing and reciprocal relationship were added. Let us see how these principles work and aid to effective co-ordination.

1. **Principle of Direct Contact:** Principle of direct contact states that Co-ordination can be achieved by direct contact among people whose activities are to be coordinated. This is essential as working in isolation could affect the working. Such a contact can be established through the provision of effective communication system. Direct contact helps in bringing agreement on work methods, actions and achievement of ultimate objectives. It also leaves little room for gaps in communication intra- organisation. It helps to wither away the controversies and misunderstandings among organisational members as well as external parties. Principle of direct contact is based on the theme that Co-ordination is better achieved through mutual understanding and not by force order or coercion.
2. **Co-ordination at the Early Stages:** Co-ordination can better be achieved if it is attempted at the early of stage of work cycle that is at the planning stage. At the stage of planning such as objective setting, strategy and policy formulation, etc., Co-ordination can be sought from organisational members. This may be done through their participation in decision-making process. When members are involved in decision-making process, they

realise how their work performance affects other members in the organisation. This happens because participative decision-making enables members to commit and agree on various issues. Conflict and incongruency are reduced which are major hurdles for effective Co-ordination.

3. **Principle of Continuity:** The principle of continuity states that Co-ordination should be treated as a continuous process; it should be taken on regular basis. Co-ordination should be treated as never-ceasing and never-ending exercise of all managers and in all functions. Follett has stated that Co-ordination emerges with the organisation and ends with it.
4. **Principle of Dynamism:** Principle of dynamism states that Co-ordination does not work on the basis of rigid and fixed basis but on dynamic basis. Dynamism is required because changes occur in external factors, which necessitate changes in the organisation and its processes including Co-ordination. When organisational changes take place, many old organisational practices do not remain workable. This is true for Co-ordination too.
5. **Principle of Timing:** The principle of timing involves that various organisational units and members should synchronise the timing of their work performance. One member of the organisation facilitates the working of another if he synchronises the timing of his work with the working of another. For example, in a drama, the different stages of the work are interrelated in such a way that a subsequent stage can be undertaken only when the earlier stage has been completed. In such a case, Co-ordination of timing at different stages is important. Though it is just a plain drama it still requires a lot of Co-ordination in timing. How much more then does a business organisation require?!
6. **Principle of Reciprocal Relationship:** Reciprocal relationship exists between two or more parties in which each party affects the functioning of others and in turn is affected by others. In the organisational context, various departments may have reciprocal relationship though the amount of reciprocity may not be equal in the reciprocal relationship, if a department is affected by some functions of another department but the former does not have control over these functions, the problem of Co-ordination arises. At such times it becomes necessary to establish the need for direction as well. In this situation, the functions and the way of performing such functions are altered in such a way that these affect others positively. For example, the level of production in production department may be decided in consultation

with marketing department so that optimum level of production is maintained.

2.4.6 Obstacles

Large business enterprises consist of a number of departments, such as production, purchase, sales, finance, personnel, etc. These departments find it hard to collaborate with each other due to the differences in their attitudes and working styles. Paul. R. Lawrence has identified differences:

- **Differences in orientation towards particular goals**

Members of different departments develop their own views and standards depending on their functions about how best to advance the interest of the organisation. For sales people the product variety may take precedence over product quality.

- **Differences in time orientation**

Some members of an organisation such as production managers will be more concerned with problems that have to be solved immediately or within a short period of time. Others, like members of research and development team, may be preoccupied with problems that may take years to solve.

- **Differences in interpersonal orientation**

In some organisations, activities such as production, there may be more official ways of communicating and decision making. In other activities such as R &D, the style of communication and decision may be informal. Everyone may been courage to have a say and to discuss his ideas with others.

- **Differences in formality of Structure**

Each unit in the organization may have different methods and standards for evaluating progress towards objectives and for rewarding employees. In a production department for e.g. where quantity and quality are rigidly controlled the evaluation and reward process might be quite formal. Employees will be judged quickly on how they will need or exceed well defined performance criterion.

2.4.7 Need

The extent of co-ordination needed in an organisation depends on the nature of tasks and degree of interdependence of people in various units performing them. When these tasks require or can benefit from communication between units, then a high degree of Co-ordination is the best. When information exchange is less, important work may be completed with less interaction between units. This happens at the executive levels wherein most of the senior executives have years of experience to handle situations comfortably and without assistance. Also a high degree of Co-ordination is likely to be beneficial for work that is non-routine and unpredictable. The need for Co-ordination arises because of the following factors.

1. **Division of labour:** When managers divide work into specialized function departments they are at the same time create the need for the co-ordination of these activities. Generally, the greater the division of labour, the greater is the need for Co-ordination. If two people in one unit do all the work of an organization, it is clear that there is little need for Co-ordination. But if the work has been divided into ten units with hundred employees, the need for Co-ordination is much greater. Co-ordination ensures proper synchronization between activities of different units' and avoids interruptions in operations due to reasons such as delay to introduce Co-ordination into the plan at a later stage when the damage has already been done.
2. **Direct interpersonal horizontal relationship:** Co-ordination can be secured effortlessly and effectively by direct interpersonal horizontal relationship. Such a direct personal communication brings about agreement on methods, actions and ultimate achievements and removes misunderstandings and conflicts. These will involve a system in formal communication embracing all ranks and status.
3. **Continuity:** Co-ordination must be regarded as a continuous process and must be carried out at all times. It starts from planning and runs through the functions of organizing directing and controlling.
4. **Efforts of Managers:** One should not gather the wrong impression that Co-ordination can be achieved merely by giving an order. Co-ordination is something, which cannot be ordered. On the contrary, it must be brought into by the efforts of the managers by integrating all efforts, ideas and interests to some common purpose.

5. **Dynamism:** Co-ordination should be a heady mix of rigid and flexible. Its essence lies in constant experimentation with all phases of organization and operations. Good Co-ordination will remove the critical points as they arise. Excellent Co-ordination will anticipate them and prevent their occurrence. The maintenance and operations department of an airline company provide an example of this kind of relationship. Obviously, this close interrelationship leads to the strongest need for Co-ordination.

Check your progress 3

1. Co-ordination with customers, suppliers, government and outsiders with whom the enterprise has business connections is called external Co-ordination.
 - a. External Co-ordination.
 - b. Internal Co-ordination.
 - c. Horizontal Co-ordination.
 - d. Vertical Co-ordination.
2. When managers divide work into specialized functions departments they at the same time create the need for the Co-ordination of these activities.
 - a. Division of Labour.
 - b. Division of Skills.
 - c. Division of Work.
 - d. Division of Process.

2.5 Let Us Sum Up

In this unit we have learnt that controlling is a process of comparing of actual output with standards along with necessary corrective action.

It is analysed that Control is a positive force, which a continuous process with universal forward is looking that is mostly result in achieving dynamic goals.

It is found that a good system of control has certain advantages like achievement of goals, execution and revision of plans, facilitating decentralisation of authority apart from others.

Direction,
Supervision
And Controlling
And
Coordination

The idea of process of control results in establishment of standards, measurement of actual performance, comparison of actual performance with standard and taking corrective action.

It is seen that an effective control systems tend to have certain qualities such as suitability, simplicity, selectiveness, economical, reasonability, flexibility, objectivity, etc.

There appear three types of controls such as feedback control, concurrent control and feed forward control.

It is seen that Co-ordination is not a distinct as it shows core of management with an idea to achieve common objective that could be continuous or on-going process.

2.6 Answers for Check Your Progress

Check your progress 1

Answers: (1-a), (2-a)

Check your progress 2

Answers: (1-a), (2-a), (3-b)

Check your progress 3

Answers: (1-a), (2-a)

2.7 Glossary

1. **Organisation** - Two more people engaged in a systematic effort to produce goods or services.
2. **Management** - The attainment of organisational goals in an efficient and effective manner through planning organising, leading and controlling organisational resources.
3. **Controlling** - It is concerned with monitoring employees' activities, keeping the organisation on track towards its goals and making corrections as required.

2.8 Assignment

What is controlling? Why is it so important for an organisation and managers to implement proper controlling system?

2.9 Activities

What do you understand by Co-ordination? What are the essentials, types and techniques of Co-ordination?

2.10 Case Study

How you will explain the importance of Co-ordination in your words with a suitable example?

2.11 Further Readings

1. Principles of Management, B.S. Moshal, Galgotia Publications.
2. Management Text and Cases, VSP Rao and V. Hari Krishna, published by Anurag Jain for Excel books.
3. Principles of Management, Edition 2, P. C. Tripathi and P. N. Reddy, Tata McGraw Hill Publishing Company.
4. Essentials of Management, Harold Koontz and Heinz Weihrich, Tata McGraw Hill.

Block Summary

In this block we have details about the directions, supervision, Co-ordination and controlling activities that are required and performed in an organization. The concept about important functions of management is also highlighted for reference of students which will be of great use to them. The understanding of direction and Co-ordination activities will therefore explained with the result that the user may require implementing such activities in their domains.

The benefit of reading this block is that the student will be aware about various qualities that a supervisor should carry in order to improve the productivity of the product for the company. The unit will explained about necessary features that exists while knowing certain rules and criteria's that a supervisor show know about Co-ordination activities that exists among workers and management. The responsibility of management in terms of achieving the desired goals is well detailed for future use.

Block Assignment

Short Answer Questions

1. Control Process
2. Effective control system
3. Types of Control
4. Guidelines for Effective Supervision
5. Functions of a Supervisor

Long Answer Questions

1. What is Direction? Discuss the nature and principles of Directing.
2. Explain the process of controlling.
3. Explain Co-ordination and discuss its process.

Direction,
Supervision
And Controlling
And
Coordination

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

.....

.....

.....

.....

.....

.....

.....

.....