

MOTIVATION

Meaning

Motivation comes from motives which are expression of human needs by a human-being. All human actions are caused by a particular need or motive. The need can be defined as lack of something. Human beings try to get this lackness removed.

“Motivation means a process of stimulating people to action to accomplish desired goals.”

According to William G Scot “Motivation refers to the way in which urges, desires, aspirations, strivings and needs direct control or explain the behaviour of human beings”.

According to D.E.Mc Farland Motivation means that they do those things which they think will satisfy these drives and desires and induce the subordinates to act in a desired manner.

Features of Motivation

1. Motivation is a personal and integral or complete feeling,
2. Motivation is a dynamic and continuous process.
3. Motivation causes goal directed behaviour.
4. Motivation is the product of anticipated values from an action and the probability that the action will lead to these values.

Motivation Process

Motives are the ‘whys’ of behaviour. They are the mainspring of action. They are also called as needs, wants or impulses within the Individual. It means something within an individual that prompts that person to take action. Motivation can be viewed as involving a chain reaction starting out with felt needs, resulting in wants or goals sought for, which give rise to tensions (that is) unfulfilled desires then causing action towards achieving goals, and finally satisfying wants.

We can show it as below:—

Needs - Wants or goals – Tensions - Actions toward achievement of goals -Satisfaction of wants

Importance of Motivation

Motivation is one of the most important factors determining the organisational efficiency. A sound system of motivation is desirable for more than one reasons—

1. Motivation plays an important role in determining the level of performance.
2. High motivation results in low employees’ turnover and absenteeism.
3. Effective motivation helps overcome resistance to change and negative attitude on the part of employees. So, no manager can function if he can’t inspire his subordinates to give their best to the organisation.

Principles of Motivation

1. Principle of Participation—Participation involves consultation with subordinates in matters relating to their jobs. Participation brings loyalty on the part of employees. They feel that they are working for their own organisation.
2. Principle of Communication—Communication helps employees understand the complications of motivational system. Motivation to accomplish results tends to increase as people are informed about matters affecting those results.
3. Principle of Delegated Authority—Motivation to accomplish results tend to increase as people are given authority to make decisions affecting those results. In this process, people develop sense of belongingness, this leads to more efficiency.

Techniques of Motivation

Some of the common techniques of motivation used by managers to motivate subordinates are as follows:—

1. **Financial Incentives**: These are a source of satisfaction of both the basic needs and growth needs. These are however, ineffective where basic needs are reasonably satisfied. Pay, bonus, profit sharing etc. are common financial incentives.
2. **Non-Financial Incentives**: Money alone is not sufficient to satisfy the higher order needs. A man is not motivated by money alone. He can also be encouraged by factors other than money e.g. the job, supervision, status, participation, recognition, etc.

Sound Motivation System

Since there cannot be a single source of motivation, management should devise a system of motivation within the framework permitted by the enterprise. The following guidelines are useful in developing such a system.

1. A system of motivation should fully integrate human-needs and is consistent with people's motives.
2. A system should be based upon proper selection and orientation of people on the organisation.
3. It should also be productive and motivate people to work more efficiently and according to best of their abilities and skill.
4. A system of motivation should be flexible in the sense that it should be changed in the light of changes in environment.

Theories of Motivation

The important theories in the field of Motivation are as follows:

1. Maslow's need hierarchy
2. Herzberg's two factor theory
3. McGregor's theory X and theory Y These theories are explained as below
Maslow's Need hierarchy Theory

A.H. Maslow, an American psychologist, has developed a theory of motivation on the basis of human needs. He has identified the following five categories of needs.

(i) **Physiological Needs**: These needs are essential for survival e.g. Food, clothing, shelter, sleep, sex, rest etc. They are present in all humans and must be satisfied before the individual can consider higher order needs.

(ii) **Safety Needs**: Safety represent the second level in Maslow's need hierarchy. They relate to physical and economic security. Physical security in terms of safety against fire, accident etc. Economic security relates to unemployment, old age, sickness etc.

(iii) **Social Needs**: Next in order comes the social needs. When psychological and safety needs are fairly satisfied, social needs become powerful motivators. These needs are what Maslow calls "the love and affection and belongingness need".

(iv) **Ego or esteem Needs**: They imply needs for recognition, self confidence and achievement, status, prestige and attention. Ego needs become powerful motivators only when all the three lower order needs are reasonably satisfied.

(v) **Self Actualisation Needs**: These are related to personal growth and realization of man's full potential.

2. Herzberg's Two Factor Theory: This two factor theory of Motivation, based on what are called hygiene factors, was developed by Frederick Herzberg of U.S.A. He derived his conclusions from a research study conducted on a group of 200 engineers and accountants. Those interviewed were asked to describe when they felt good about their job and when they had bad feelings about (it their job).

'The motivational factors' lead to high job satisfaction and strong motivation. These are related to job content e.g. advancement, recognition, challenging work, increased responsibility, and opportunity for growth.

The 'Hygiene' factors are necessary to avoid dissatisfaction. Their presence may not motivate workers but absence will certainly demonstrate them. These factors are also known as 'maintenance factors', e.g. company policy and administration, supervision, interpersonal relations, working conditions, salary, job security.

Comparison of Herzberg and Maslow Models

When Herzberg and Maslow models are compared, both these models focus their attention on what motivates.

Motivators - Self Actualization – Esteem Social Security – Physiological Lower to higher level

It is clear from this figure that the physiological, safety, social and part of the esteem needs are all hygiene factors. The esteem needs are divided because there is a difference between status and recognition. Status tends to be a function of the position one occupies. One may have gained this position through family ties or social pressure.

Recognition is gained through competence and achievement. So, status is classified with psychological needs while recognition is classified with esteem as a motivator.

McGregor's Theory X and Theory Y

McGregor has identified two sets of assumptions regarding human behaviour under the titles theory 'X' and theory 'Y'. McGregor suggested that managing must start with the basic question of how managers see themselves in relation to others. This view point requires some thought on the perception of human nature.

Theory X & theory Y are two sets of assumptions about the nature of people.

'Theory X'

This theory makes the following assumptions

1. An average person lacks ambition, responsibility and prefers to be led.
2. An average human being is passive.
3. A person is self centered.
4. He is resistant to change and wants security above other things.
5. A worker is mostly motivated by physiological needs.
6. Because of these characteristics, most people must be controlled, directed and threatened with punishment in order to get them to put forth adequate efforts towards the achievement of organisational objectives.

'Theory Y'

The democratic set up of society, more educational standards and training on the part of employees have called for a better approach i.e. theory 'Y'. It is based on the following assumptions:

1. Work is as natural as play. A worker has no inherent dislike for work.
2. He takes initiative. He is ready to take responsibility.
3. He is generally motivated by higher level needs of Maslow's theory.
4. The capacity to exercise a relatively high degree of imagination and creativity in the solution of organisational problems is widely distributed in the population.
5. The degree of commitment to objectives is in proportion to the size of the rewards associated with their achievement.
6. External control and the threat of punishment are not only means for getting work done.

People will exercise self direction and self-control in order to attain organisational objectives. These two sets of assumptions are fundamentally different. Theory X is pessimistic, static and rigid control is external, that is, imposed on the subordinate by the superior. In contrast, Theory Y

is optimistic, dynamic and flexible, with an emphasis on self-direction and the integration of individual needs with organisational demands.

Each set of assumptions will affect the way managers carry out their managerial functions and activities.

McGregor was of the opinion that theory X & theory Y might be misinterpreted. There are some points which clarify the areas of misunderstanding.

First point is theory X and theory Y are assumptions only. They are not prescriptions or suggestions for managerial strategies. These assumptions must be tested against reality.

These assumptions are not based on research. They are mere deductions.

Second point is that theories X and Y do not imply “hard” or “soft” management. The hard approach may create resistance and authoritarian approach. The soft approach may result in laissez-faire management and is not consistent with theory Y. Instead, effective manager should recognise the dignity and capabilities, as well as the limitations of people and adjust behaviour as needed by the situation.

Third point is that theories X and Y are not to be viewed as being on a continuous scale, with X and Y on opposite extremes. They are to be viewed as completely different views of people.

Fourth area to be clarified is that theory Y does not mean an argument against the use of authority. Instead, under theory Y, authority is seen as only one of the many ways, a manager exercises leadership. Fifth point is that different tasks and situations require different approaches to management. Thus, the productive enterprise is one that fits requirements to the people and the particular situation.

Communication

Communication is the sum-total of all things one person does to create understanding in the mind of another. It involves interchange of information and thoughts to create mutual understanding. It involves a continuous process of telling, listening and understanding.

Features:

- (1) Communication involves exchange of facts and thoughts from one person to another.
- (2) It is a two-way process involving sending of a message and receiving the reaction to that message.
- (3) It is a continuous process.
- (4) It is a pervasive function i.e. performed at all levels of management.
- (5) It aims at creating mutual understanding.

Communication Process

The communication process has the following elements:-

1. Sender—The person who intends to make contact with the objective of passing information, ideas to other person is known as sender.
2. Ideas—This is the subject matter of communication e.g. opinion, attitude, views, suggestion, order etc.
3. Encoding—Involves expressing the message in words and symbols.
4. Channel—A communication is transmitted through a channel e.g. radio, telephone etc.
5. Receiver—Receiver is the person to whom message is meant for.
6. Feed-back—Feed back is the response reaction to the message. It is necessary to ensure that the receiver has received the message and understands it in the same sense as a sender wants.

Channels of communication

- (1) Formal and informal communication, and
- (2) Vertical and horizontal communication.

Formal communication:

The formal channel is deliberately created, officially prescribed path for flow of information between the various positions in the organisation. It is designed to ensure that desired information flows smoothly and accurately to the specified points.

The downward and upward communication between a superior and his subordinates are implicit in a formal structure. In order to avoid delays in decision making, organisations now permit lateral or horizontal communication.

Formal communication is systematic and permits an orderly flow of information.

Informal Communication

The informal channel of communication, also known as 'grapevine' is the result not of any official action but of operation of social forces at workplace. While formal communication exists to meet the utilisation needs of the organisation, formal communication is the method by which people carry on social, nonprogrammed activities within the formal structure.

Informal communication is faster and more flexible than the formal communication. However, it is erratic and unsystematic. It generally carries rumours and it is not possible to fix responsibility for the distorted information.

It serves as a safety valve for emotions of the employees. It fills a vacuum in formal communication and people often learn managerial decisions long before the formal announcement.

The informal communication is a part and parcel of the organisational process. The only thing management can do is to take suitable action to minimize the adverse effects of this channel. As such, proper analysis of informal communication and a suitable clarification in this aspect will be helpful in making its use towards organisational efficiency.

Vertical communication

Vertical communication refers to the communication between a superior and his subordinates. Vertical communication may be upward or downward.

Upward communication flows from a subordinate to a superior in the form of discussions, suggestions, grievances, reports etc. Downward communication refers to communication from a superior to his subordinates in the form of orders, instructions, rules, clarifications.

Horizontal Communication

Horizontal communication takes place between equals. It helps in creating coordination between different departments and divisions. This type of communication is more relevant to an organisation engaged in research activities.

The more important thing is to find a proper balance between the various types of channels of communication.

Importance of Communication

The need of good and effective communication arises on account of the following factors:

- (1) Company Image—An effective system of communication plays an important role in building harmonious relations with trade unions, consumers, government, etc.

- (2) Effective Administration—Through communication, management issues orders and instructions and comes to know of the reactions of subordinates.
- (3) Coordination—communication is the most effective means of building coordination.
- (4) Better Delegation of Authority—Through communication, subordinates come to understand clearly the limits of their authority and responsibility.

Barriers to Communication

The following are the important barriers to communication:

- (1) Badly Expressed Message—Messages may lack in the coherence, inadequate vocabulary and inappropriate language. The use of semantic words (having more than one meaning) may lead to communication problems.
- (2) Inattention—It is a common phenomenon that people simply fail to react to bulletins, notices, minutes and reports.
- (3) Premature Evaluation—Premature evaluation is the tendency of prematurely evaluating communications rather than to keep an uncompromised position during the interchange.
- (4) Resistance to Change—When the communication involves a change that seriously affects employees, they may not take the message seriously. The basic problem in communication is not of techniques but of proper climate.
- (5) Mutual trust—Effective communication is possible when there is lack of confidence and mutual understanding between superior and subordinates. A good communication atmosphere requires mutual trust and confidence to enable people to appreciate one another's point of view.
- (6) Fear—Subordinates may not disclose the facts fully because of the fear of the consequences of such a disclosure. They may deliberately mislead the superior to seek clarification due to the feeling that it will lower down their prestige.
- (7) Complex Organisational Structure—An organisational structure involving several layers of supervision, use of staff specialists and a long chain of command is a major barrier to effective communication.

Principles of effective communication

The following are the principles for effective communication:

1. Principle of Clarity—Clarity of communication will overcome several barriers to communication. The contents of the message should be clear.
2. Principle of Integrity—All communications must be formed and transmitted in such a way as to support the integrity of the formal organisation.
3. Principle of Strategic Use of Informal Organisation—Manager should engage the informal organisation to supplement and strengthen formal channels of communication.
4. Principle of participation—Both the communicator or sender and the communicator or receiver should take active part in the process of communication.

LEADERSHIP

Leadership is the process of influencing the activities of an individual or a group for goal achievement in a given situation.

According to Keith Davis, “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is a human factor which binds a group together and motivates it towards goals.” Leadership process consists of three factors—leader, the follower and other variables.

Important elements of leadership.

- (1) Leader tries to influence the individual in a particular way.
- (2) Leadership makes interpersonal influence possible. It is rooted in feelings.
- (3) It is a dynamic and ever evolving process; a manager must lead continuously.
- (4) It is exercised in a particular situation. The situation variables affect the effectiveness of leadership.

Leadership styles

The problem of leadership style is basically concerned with deciding the extent to which a manager should be dictatorial and the extent to which he is supposed to be participative. Different leadership styles can be categorised as follows:

1. Authoritarian or autocratic style.
2. Democratic or participative style, and,
3. Laissez faire or free rein style. Autocratic leadership

This type of leadership is one-man orchestra. He shows the following characteristics:

1. He gives orders which he insists shall be obeyed.
2. He determines policies for the group without consulting them.
3. He gives no information about future plans but simply tells the group what immediate steps they must take.
4. He makes personal praise or criticism to each member on his own initiative.
5. He remains aloof for the greater part of the time.

Democratic leadership

This type of leader has the following qualities:

1. A democrat gives orders only after consulting the group.
2. He sees to it that policies are worked out in group discussion.

3. He never asks people to do things without giving long term plans on which they are working.
4. He makes it clear that praise or blame is a matter for the group.
5. He participates in the group as a member.

Laissez faire leadership

Such a leader shows the following qualities:

1. This leader does not lead.
2. He leaves the group entirely to itself.
3. He does not participate.

He may be a man who has been given leadership on grounds of technical knowledge but may be incapable of assuming any control over his subordinates.

Functions of Leadership

A leader creates confidence by his superior knowledge and builds enthusiasm by setting an example through his conduct and expression. In the process of initiating important changes and coordinating efforts to manage them, he performs the following functions:

1. To set goals for subordinates—A leader gives guidance to the group by setting and interpreting their goals.
2. To co-ordinate individual and organisational goals—A leader reconciles individual and common objectives. His main job is to develop voluntary co-operation among employees.
3. To motivate employees to perform the allotted tasks.
4. A leader maintains order and discipline and creates positive response on the part of members of the group.
5. A leader represents the group to his superiors and peers or associates of his status.

Importance of leadership

A leader guides and directs the members of an organisation towards established goals. He creates and maintains an environment conducive to the effective performance of those individuals for which he is responsible.

It is the quality of leadership that generally determines the failure or success of a business enterprise.

Leadership is the essence of direction and is provided by a manager who has leadership ability. The leader initiates changes, convinces people about the enterprise goals. No organisation can function effectively without leadership. Leadership is the cohesive or binding force which holds the group intact or as it is, the disciplinary power that keeps the group working towards the goals. He electrifies the current that energises human action, the force that transforms chaos into

order, the insight that converts despair or loss of hope into hope and changes half-hearted efforts into superior performance. In fact, there is no substitute for good leadership.

Theories of leadership

Leadership is a dynamic and ever-evolving concept. Over the years, different concepts about leadership styles have emerged. However, research in this field still continues. Starting with an emphasis on personal abilities and traits of one leader, different approaches about the nature of leadership have evolved. The more important of these approaches are :

(1) The trait theory—This theory believes that there are very few persons in society or organisations who are leaders. The vast majority of people constitute of the followers. But what is it that distinguishes leaders. This theory believes in the inborn qualities of an individual.

A number of studies have been conducted to identify traits that can be used to identify successful leaders from unsuccessful leaders. As Ivancevich has also suggested, the most research traits include the following:

1. Physical characteristics — Age, appearance and height
2. Social back-ground — Education, Social status and mobility
3. Intelligence — Judgement, knowledge, decisiveness and fluency
4. Personality — Alertness, dominance, independence, creativity and self confidence
5. Task related characteristics — Achievement drive, initiative, persistence
6. Social characteristics — Attractiveness, popularity, socialibility and interpersonal skills

Different studies have identified the different number of traits. Though with each study, the list of traits has become longer, some traits are, however, common to all studies. There seems to be a consensus or general opinion that effective leader has intelligence, social maturity, motivation and achievement drive and a human relations attitude.

1. Evaluation

- (i) Skill are sometimes mistaken for traits.
- (ii) No two lists agree about the essential characteristics and interpretations of different traits also differ.
- (iii) The theory fails to pinpoint the intensity and extent to which each of the agreed traits also differ.
- (iv) The theory fails to pinpoint the intensity and extent to which each of the agreed traits should be present in an individual.

2. The Behavioural Approach—This approach assumes that leadership is based on what the leader does. The leadership behaviour is the product of the personality of the leader, nature of task, type of group of followers, the goals and the environment. A leader uses technical, conceptual and human skills to exercise influence and modify behaviour of his subordinates.

The term technical skill i.e. ability to plan, organise, delegate, analyse and control refers to a person's knowledge and proficiency in any type of technique. Human skill is the ability to interact effectively with people and to build team work. Conceptual skill deals with ideas and enables a manager to deal successfully with abstractions, to set up models and devise plans. Behaviour of a manager in a particular situation will make him good leader while opposite of this discard him as a leader.

The basic difference between trait approach and behavioural approach is that former emphasizes some particular traits to the leader while latter emphasises particular behaviour by him. It is true that favourable behaviour provides greater satisfaction to the followers and the person can be recognised as a leader. However, this approach suffers from one weakness, that is, a particular behaviour at a time may be effective while at other times, it may not be effective.

3. The Situational Approach : The situational approach does not deny the importance of individual traits in leadership. It goes further and asserts that leadership pattern is the product of situation in a particular group and that leadership will be different in different situations. An individual who is leader in one situation may cease to be so in another situation. Thus, this theory views leadership as a function of the interactions among the managers, the group and the organisational environment.

The situation theory is based on the notion that leaders are made, not born. This approach focusses its attention not on the personality of a leader as such, but on the character of the organisation. Anyone can become a leader if circumstances allow him to perform functions dictated by the situation. According to situational theory, an effective leader is one who understands the forces of the situation and works accordingly.

Leadership qualities

It is difficult to provide a complete list of leadership qualities. But successful leaders have been found to possess the following types of qualities irrespective of their job and their leadership style

1. Sound Physical and Mental Health—A good leader should have proper physical & mental health.
2. Empathy—It refers to the ability to see things from others' point of view.
3. Self-Confidence—A successful leader has confidence in his own ability to lead others.
4. Objectivity—A leader must be fair and objective in his dealings. Emotional balance, patience, honesty and integrity of character are important virtues of an effective leader.
5. Decisiveness—A leader must take initiative, be open minded and should have maturity of his judgement.
6. Intelligence—Ability to think clearly and argue precisely is necessary to see the problems in the right perspective.
7. Responsibility—A leader needs to have a sense of purpose and responsibility in order to Inspire others towards the accomplishment of goals.

CO-ORDINATION

Meaning of coordination

It is defined as a harmonization of all resources and activities that facilitates in work. It is the essence of management for the achievement for the achievement of harmony of individual effort towards the accomplishment of group goals. It is a process by which the manager achieves harmonious group effort and unity of command of action for the attainment of a common purpose. Without coordination, other function of management can't be integrated.

“Coordination deals with the task of blending efforts in order to ensure successful attainment of an objective.”

Definition of Co-ordination

1. In the words of Terry, “Co-ordination deals with the task of blending efforts in order to ensure a successful attainment of an objective”.
2. James D. Mooney and A .C. Railey define co-ordination as. “The orderly arrangement of group effort to provide unity of action in pursuit of a common purpose”.

Types of Coordination

In an organization, the efficient coordination of internal and external components help in reducing the complexities (both internal and external). Therefore, the organization experiences an increase in productivity, easier integration of micro and macro level organizational dynamics, a better connection of roles among intra-organizational and inter-organizational groups as well as building trust among competing groups, and defining organizational tasks.

Coordination is primarily of two types – internal coordination and external coordination as described below.

Internal Coordination

Internal coordination is all about establishing a relationship between all the managers, executives, departments, divisions, branches, and employees or workers. These relationships are established with a view to coordinate the activities of the organization. Internal coordination has two groups:

Vertical coordination

In vertical coordination, a superior authority coordinates his work with that of his subordinates and vice versa. For example, a sales manager will coordinate his tasks with his sales supervisors. On the other hand, all sales supervisors ensure that they work in sync with the sales manager.

Horizontal coordination

In horizontal coordination, employees of the same status establish a relationship between them for better performance. For example, the coordination between department heads, or supervisors, or co-workers, etc.

In other words, in internal coordination, an employee either reports vertically to the supervisor and/or the subordinates and horizontally to the colleagues and/or co-workers.

External Coordination

As the name suggests, external coordination is all about establishing a relationship between the employees of the organization and people outside it.

These relationships are established with a view to having a better understanding of outsiders like market agencies, public, competitors, customers, government agencies, financial institutions, etc.

Usually, organizations entrust a Public Relations Officer (PRO) with the responsibility of establishing cordial relationships between the employees of the organization and outsiders.

Co-ordination vs. Co-operation

1. Co-operation is the collective action of one person with another or others contributed voluntarily to accomplish a particular objective. Co-ordination deals with the task of blending group efforts to provide unity of action in the pursuit of common objectives. Thus, co-ordination is a deliberate effort by a manager and co-operation is a voluntary attitude of organisational members.
2. Co-ordination is absolutely necessary where a group of people work together for a common objective. On the other hand, co-operation is voluntary in nature and is the willingness of the individuals to help each other.
3. Co-operation arises out of informal relations whereas co-ordination can be achieved through both formal and informal relations of the organisation.
4. Co-operation and Co-ordination go hand in hand and both are interrelated. Cooperation is the pillar on which the edifice of co-ordination is built.
5. Co-operation identifies individual efforts and brings about co-ordination off all activities in an enterprise.

Coordination – The Essence of Management

Coordination is the essence of management as it is inseparable from the following managerial functions:

Planning – In planning, coordination allows a manager to assess what he must include and/or exclude in a good plan. Planning also facilitates coordination by integrating various plans through mutual discussion and exchanging ideas.

Organizing – Organizing requires a lot of coordination. Whenever the management assigns tasks or activities to individuals or groups, coordination allows them to organize it well.

Staffing – In staffing, coordination helps to specify the type of staff required and its rational placement. For better coordination, the management always ensures that they hire the right number of employees with the appropriate skills and qualification. This also ensures that they have the right men in the right job.

Directing – In directing, coordination provides focus to the manager. In fact, the purpose of giving orders or instructions to subordinates is served only when there is a sense of coordination and harmony between them.

Controlling – Coordination makes reporting realistic. Through coordination, the management ensures that the actual performance is as close to the standard performance as possible.

Importance of coordination

1. **Unity of action:** – an enterprise has diverse resources; technique, activities etc, and they all must be coordinated to bring unity through unity in action.
2. **Increase in efficiency and economy:** – coordination brings efficiency because it is an effort of all organizational members. It also helps to maintain good relation among all levels of management.
3. **Development of personnel:** – coordination helps to obtain information about job, qualities of a job holder which helps to analyze about the potentialities of the job holder and improve coordination system
4. **Differential perception:** – different people have different perception. When all people are coordinated effectively their effort and power are concentrated to achieve organizational goals.
5. **Survival of the organization:** – coordination helps to harmonize the work resources and physical facilities. When their activities are not harmonized the organization can't achieve the goal and it can't survive in the society.
6. **Accomplishment of objectives:** – when the employees, their task and available resources are coordinated, their production will be increased and it helps to accomplish the objectives of the organization.
7. **Basis of managerial function:** – all managerial functions such as planning, organizing, directing, controlling etc can't be conducted effectively without communication.
8. **Specialization:** – in the absence of coordination in the organization the activities can't be moved in specialized areas. Therefore, it helps in specialization.

Techniques of Co-Ordination

The primary objective of all the management functions of planning, organising, staffing, directing and controlling is to get things done by coordinated efforts of others. Every managerial function is an exercise in co-ordination and hence management must remove the obstacles that deter co-ordination by adopting the following specific techniques.

1. Chain of Command:

This technique stresses that the hierarchy or chain of command is the most obvious method and is the traditional means of co-ordination. Management has to exercise authority to regulate the performance of different departments because clear cut authority relationships help in reducing conflicts among different departments.

This technique also emphasises that an employee should receive orders from one superior only because dual command is a continuous source of conflict. Co-ordination cannot be secured when two superiors give their orders to the same person or department.

Thus, in order to bring an orderly synchronisation of actions in an enterprise, manager must achieve co-ordination through chain of command because all subordinates under him are responsible to him.

2. Leadership:

Through effective leadership, co-ordination becomes possible because leadership provides individual motivation and persuades the group to have an identity of interests and outlook in group efforts.

To achieve the common objectives of an enterprise, the manager is a good leader and must guide and co-ordinate the activities of his subordinates.

3. Committees:

This technique of achieving co-ordination is used in most organisation by forming a committee, which helps to promote unity of purpose and uniformity of action different departments.

A committee is a group of persons and the decisions of the committee are group decisions which provide co-ordination among various activities and persons through information, advice, interchange of ideas, etc. While forming the committees, utmost care must be taken by the management, otherwise, the decisions taken by the group may not be effective to achieve Co-ordination in an enterprise.

4. Communication:

Effective communication conveys ideas, opinions, or decisions of managers to subordinate at different levels of the organisation and carries back information, suggestions and responses from subordinates. It regulates the flow of work, co-ordinates the efforts of the subordinates of an enterprise.

To be effective, communication must be as direct as possible so as to minimize the chances of misinterpretation. To ensure proper co-ordination, various kinds of communication channels may be used, such as verbal relay of information, written reports, memos or other forms of documents, mechanical devices such as teletypes, intercommunication system etc.

5. Voluntary Co-ordination:

Self co-ordination or voluntary co-ordination is possible in a climate of mutual co-operation, when two or more persons, working within the same of different departments, mutually discuss their problems and arrive at a coordinated action.

This can be easily achieved in any organisation, when the supervisor gives his consent without any hesitation for such a mutual consultation among subordinates.

6. Sound Planning and Clear-out Objectives:

The objectives of the organisation and policies must be clearly defined by the management. A well-conceived plan must clearly define the goals of the organisation so that inter-departmental objectives can be accomplished. Thus to ensure co-ordination, clear formulation of policies in the field of production, sales, finance, personnel, etc., must be correlated.

7. Incentives:

Incentives have a tendency to incite action and bring about co-ordination. In order to infuse enthusiasm in a worker for greater and better work, incentives have a distinct and significant role.

Financial incentives include wage, bonus, salary, etc. and non-financial incentives which include job security, recognition, promotion, etc., may be used to create mutuality of interest, to achieve co-ordination and to reduce conflicts.

8. Liaison Officers:

Liaison officers can be employed when personal contact of the managers of different branches in an enterprise is not possible. These liaison officers unite the different departments and collect necessary information to co-ordinate the activities of various functions in an enterprise.

9. Professional Advisors:

Professional practitioners such as management experts, legal advisers, tax consultants, technologists, industrial psychologists advise in some area of their expertise, such as management development, Government policies, consumers' interest, banking trends, labour laws, tax laws, etc. Services of these professional advisers will be of much value and essential to an enterprise to achieve external co-ordination.

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Definition of Co-ordination

1. In the words of Terry, “Co-ordination deals with the task of blending efforts in order to ensure a successful attainment of an objective”.
2. James D. Mooney and A .C. Railey define co-ordination as. “The orderly arrangement of group effort to provide unity of action in pursuit of a common purpose”.

Types of Coordination

In an organization, the efficient coordination of internal and external components help in reducing the complexities (both internal and external). Therefore, the organization experiences an increase in productivity, easier integration of micro and macro level organizational dynamics, a better connection of roles among intra-organizational and inter-organizational groups as well as building trust among competing groups, and defining organizational tasks.

Coordination is primarily of two types – internal coordination and external coordination as described below.

Internal Coordination

Internal coordination is all about establishing a relationship between all the managers, executives, departments, divisions, branches, and employees or workers. These relationships are established with a view to coordinate the activities of the organization. Internal coordination has two groups:

Vertical coordination

In vertical coordination, a superior authority coordinates his work with that of his subordinates and vice versa. For example, a sales manager will coordinate his tasks with his sales supervisors. On the other hand, all sales supervisors ensure that they work in sync with the sales manager.

Horizontal coordination

In horizontal coordination, employees of the same status establish a relationship between them for better performance. For example, the coordination between department heads, or supervisors, or co-workers, etc.

In other words, in internal coordination, an employee either reports vertically to the supervisor and/or the subordinates and horizontally to the colleagues and/or co-workers.

External Coordination

As the name suggests, external coordination is all about establishing a relationship between the employees of the organization and people outside it.

These relationships are established with a view to having a better understanding of outsiders like market agencies, public, competitors, customers, government agencies, financial institutions, etc.

Usually, organizations entrust a Public Relations Officer (PRO) with the responsibility of establishing cordial relationships between the employees of the organization and outsiders.

Co-ordination vs. Co-operation

1. Co-operation is the collective action of one person with another or others contributed voluntarily to accomplish a particular objective. Co-ordination deals with the task of blending group efforts to provide unity of action in the pursuit of common objectives. Thus, co-ordination is a deliberate effort by a manager and co-operation is a voluntary attitude of organisational members.
2. Co-ordination is absolutely necessary where a group of people work together for a common objective. On the other hand, co-operation is voluntary in nature and is the willingness of the individuals to help each other.
3. Co-operation arises out of informal relations whereas co-ordination can be achieved through both formal and informal relations of the organisation.
4. Co-operation and Co-ordination go hand in hand and both are interrelated. Cooperation is the pillar on which the edifice of co-ordination is built.
5. Co-operation identifies individual efforts and brings about co-ordination off all activities in an enterprise.

Coordination – The Essence of Management

Coordination is the essence of management as it is inseparable from the following managerial functions:

Planning – In planning, coordination allows a manager to assess what he must include and/or exclude in a good plan. Planning also facilitates coordination by integrating various plans through mutual discussion and exchanging ideas.

Organizing – Organizing requires a lot of coordination. Whenever the management assigns tasks or activities to individuals or groups, coordination allows them to organize it well.

Staffing – In staffing, coordination helps to specify the type of staff required and its rational placement. For better coordination, the management always ensures that they hire the right number of employees with the appropriate skills and qualification. This also ensures that they have the right men in the right job.

Directing – In directing, coordination provides focus to the manager. In fact, the purpose of giving orders or instructions to subordinates is served only when there is a sense of coordination and harmony between them.

Controlling – Coordination makes reporting realistic. Through coordination, the management ensures that the actual performance is as close to the standard performance as possible.

Importance of coordination

1. **Unity of action:** – an enterprise has diverse resources; technique, activities etc, and they all must be coordinated to bring unity through unity in action.

2. **Increase in efficiency and economy:** – coordination brings efficiency because it is an effort of all organizational members. It also helps to maintain good relation among all levels of management.

3. **Development of personnel:** – coordination helps to obtain information about job, qualities of a job holder which helps to analyze about the potentialities of the job holder and improve coordination system

4. **Differential perception:** – different people have different perception. When all people are coordinated effectively their effort and power are concentrated to achieve organizational goals.

5. **Survival of the organization:** – coordination helps to harmonize the work resources and physical facilities. When their activities are not harmonized the organization can't achieve the goal and it can't survive in the society.

6. **Accomplishment of objectives:** – when the employees, their task and available resources are coordinated, their production will be increased and it helps to accomplish the objectives of the organization.

7. **Basis of managerial function:** – all managerial functions such as planning, organizing, directing, controlling etc can't be conducted effectively without communication.

8. **Specialization:** – in the absence of coordination in the organization the activities can't be moved in specialized areas. Therefore, it helps in specialization.

Techniques of Co-ordination

The primary objective of all the management functions of planning, organising, staffing, directing and controlling is to get things done by coordinated efforts of others. Every managerial function is an exercise in co-ordination and hence management must remove the obstacles that deter co-ordination by adopting the following specific techniques.

1. Chain of Command:

This technique stresses that the hierarchy or chain of command is the most obvious method and is the traditional means of co-ordination. Management has to exercise authority to regulate the performance of different departments because clear cut authority relationships help in reducing conflicts among different departments.

This technique also emphasises that an employee should receive orders from one superior only because dual command is a continuous source of conflict. Co-ordination cannot be secured when two superiors give their orders to the same person or department.

Thus, in order to bring an orderly synchronisation of actions in an enterprise, manager must achieve co-ordination through chain of command because all subordinates under him are responsible to him.

2. Leadership:

Through effective leadership, co-ordination becomes possible because leadership provides individual motivation and persuades the group to have an identity of interests and outlook in group efforts.

To achieve the common objectives of an enterprise, the manager is a good leader and must guide and co-ordinate the activities of his subordinates.

3. Committees:

This technique of achieving co-ordination is used in most organisation by forming a committee, which helps to promote unity of purpose and uniformity of action different departments.

A committee is a group of persons and the decisions of the committee are group decisions which provide co-ordination among various activities and persons through information, advice, interchange of ideas, etc. While forming the committees, utmost care must be taken by the management, otherwise, the decisions taken by the group may not be effective to achieve Co-ordination in an enterprise.

4. Communication:

Effective communication conveys ideas, opinions, or decisions of managers to subordinate at different levels of the organisation and carries back information, suggestions and responses from subordinates. It regulates the flow of work, co-ordinates the efforts of the subordinates of an enterprise.

To be effective, communication must be as direct as possible so as to minimize the chances of misinterpretation. To ensure proper co-ordination, various kinds of communication channels may be used, such as verbal relay of information, written reports, memos or other forms of documents, mechanical devices such as teletypes, intercommunication system etc.

5. Voluntary Co-ordination:

Self co-ordination or voluntary co-ordination is possible in a climate of mutual co-operation, when two or more persons, working within the same of different departments, mutually discuss their problems and arrive at a coordinated action.

This can be easily achieved in any organisation, when the supervisor gives his consent without any hesitation for such a mutual consultation among subordinates.

6. Sound Planning and Clear-out Objectives:

The objectives of the organisation and policies must be clearly defined by the management. A well-conceived plan must clearly define the goals of the organisation so that inter-departmental objectives can be accomplished. Thus to ensure co-ordination, clear formulation of policies in the field of production, sales, finance, personnel, etc., must be correlated.

7. Incentives:

Incentives have a tendency to incite action and bring about co-ordination. In order to infuse enthusiasm in a worker for greater and better work, incentives have a distinct and significant role.

Financial incentives include wage, bonus, salary, etc. and non-financial incentives which include job security, recognition, promotion, etc., may be used to create mutuality of interest, to achieve co-ordination and to reduce conflicts.

8. Liaison Officers:

Liaison officers can be employed when personal contact of the managers of different branches in an enterprise is not possible. These liaison officers unite the different departments and collect necessary information to co-ordinate the activities of various functions in an enterprise.

9. Professional Advisors:

Professional practitioners such as management experts, legal advisers, tax consultants, technologists, industrial psychologists advise in some area of their expertise, such as management development, Government policies, consumers' interest, banking trends, labour laws, tax laws, etc. Services of these professional advisers will be of much value and essential to an enterprise to achieve external co-ordination.

CONTROL

Controlling involves measuring and correcting the actions of subordinates to assure that events conform to plans. Thus it measures performance against goals and plans, shows where negative deviations exist, and. By putting in remedial action to correct deviations, helps assure accomplishment of plans.

The basic control process involves three steps:

- (1) establishing standards, (2) measuring performance against these standards, and
- (3) correcting deviations from standards and plans.

(1) Establishment of Standards: Because plans are the yardsticks against which controls must be devised, it follows logically that the first step in the control process would be to establish plans. However, since plans vary in detail and complexity and since managers cannot usually watch everything, special standards are established.

Standards are by definition simply criteria of performance. These standards may be stated in physical terms, such as qualities of products, units of service, man hours, or speed, or they may be expressed in monetary terms, such as volume of sales, cost, capital expenditure, or profit. They may also be expressed in qualitative terms or in any other way that can give a clear indication of performance.

No matter how these standards are expressed, these are the selected points against which actual performance is compared so as to give managers signals as to how things are going without their having to watch every step in the execution of plans.

(2) Measurement of performance: The second step in the control process is the measurement of the performance of the subordinates. The measurement of performance may be quite simple if it is to be compared against man-hour standards for the production of a mass production item. But it may be very difficult task if the item is made according to the likes and dislikes of individual customers. Similarly, appraisal of performance may be very difficult in the less technical kinds of work. Thus, we can say that appraisal depends upon standards—if they are definite, performance will be easy to measure; if they are vague, performance will be difficult to measure.

(3) Correction of deviations: This is the third step in the control process. Correction of deviations clearly brings out the relation between control and other functions of management. Managers may correct deviations by redrawing their plans or by modifying their goals. Or they may correct deviations by exercising their organising function through reassignment or classification of duties. They may correct it by additional staffing, by better selection and training of subordinates. Or again, they may correct it through better or fuller explanation of the job or by more effective leadership techniques.

Requirements for Adequate Controls

All alert managers want to have an adequate and effective system of controls to assist them in making sure that events conform to plans. The following requirements should be kept in mind for designing an effective control system:

(1) Control should Reflect Plans and Positions: All control techniques and systems should reflect the plans these are designed to follow. Every plan has unique features. Managers require information on how well the various plans are working. The information required to evaluate the progress of different plans varies from one plan to another. The controls should be so designed that they provide different types of information for evaluating different plans.

(2) Controls must be Tailored to Individual Managers and their Personalities: Controls must be tailored to the personalities of individual managers. If they are not of a type that a manager can or will understand, they will not be useful. Some people, such as statisticians and accountants, like their information in forms of complex tables of data or bulky computer print-outs.

(3) Control should Point out Exceptions at Critical Points: Controls should point out exceptions so that managers may concentrate on them for remedial measures. They should also indicate which deviations are more important and which are less.

Therefore, controls should point out exceptions only at critical points. It is true that more the managers concentrate their control efforts on exceptions, the more efficient their control mechanism will be.

(4) Controls should be Objective: Effective control requires objective standards. Whether a subordinate is doing a good job should ideally not be a matter of subjective determination because in that case judgements of performance will be inaccurate.

(5) Controls Should be Flexible: Controls should remain workable in the face of changed plans, unforeseen circumstances, or outright failures. If controls are to remain effective, despite failure or unexpected change of plans, they must be flexible.

(6) Controls should be Economical: Controls must be worth their cost. Although this requirement is simple, it is often difficult to accomplish in practice. It is difficult to undertake a cost-benefit analysis of a control system. However, controls should ideally bring to light the causes of actual or potential deviations from plans with the minimum of costs.

(7) Controls should Lead to Corrective Action: An adequate system will disclose where failures are occurring and who is responsible for them, and it will ensure that some corrective action is taken. Control is justified only if deviation from plans are corrected through appropriate planning, organizing, staffing and leading.

Significance of Control

Controlling is a basic function of management.

It ensures that actions proceed according to plans.

A well designed system of control permits top management to delegate authority, free itself of unnecessary detail, and ensure achievement of plans.

Management control serves as a yardstick for allocating resources and evaluating performance. It provides a guide to future action.

It provides order and discipline in the organisation.

Realistic control simplifies supervision by pointing out only significant deviations. Realistic control helps the management in achieving the enterprise objectives in the most efficient manner.

Managerial Control Techniques

A variety of tools and techniques have been used to help managerial control. Some of these techniques may be classified as traditional in the sense that they have been used for long by the managers.

Some of the traditional techniques of control are: budget, statistical data, special reports and analyses, operational audit and personal observation.

Other techniques like Programme Evaluation and Review Technique (PERT) etc. represent newer generation of planning and control tools.

Traditional Techniques

A. Budgetary Control: A widely used device for managerial control is the budget. A budget is a plan showing how resources will be acquired and used over a specified time interval. The act of preparing budgets is called budgeting, and the use of budgets as a means for controlling activity is called budgetary control.

Advantages of Budgetary Control: Budgetary control leads to maximum utilization of resources with a view to ensure maximum returns because it provides aid to managerial planning and control.

1. Budgets are the result of planning function and as such they direct every action of the organisation towards goal achievements. Budgets also provide a basis for coordination and integration of various activities in the organisation.
2. Budgetary control involves measuring performance and comparing it against budgeted figures. Through this process, the variations are struck out and responsibilities fixed. In this light, reports are prepared and presented to management and suitable actions are taken. Thus, budgetary control is used as an effective and integrated control tool.

3. Budgetary control makes people in the organisation conscious about cost and performance. This leads to effective utilisation of organisational resources such as labour, machines, and materials.

4. It is somewhat a democratic way of managing and control. In the organisation where budgetary control is exercised, generally more authority for preparing budgets is delegated to subordinates.

Non-Budgetary Control

1. **Statistical Data:** Statistical analysis of the innumerable aspects of business operation is important to control. Analysis in terms of averages, percentages, ratios, correlation, etc. provides help for control. Such areas of control are production, planning and control, quality control, inventory control etc. Various tools indicate the deviations from the standard and suitable managerial actions in respect of these.

2. **Special Report and Analysis:** For control purposes reports and analysis help only in some particular problem areas. While routine accounting and statistical reports provide necessary information for control in general, there may be some areas where these may fall short of requirements, particularly in the case of specific problems of contingency. For this purpose, an investigating group may be assigned the job to go into details of the problem and to prepare a report for this purpose. The problem in this case is generally of non-routine type.

3. **Internal Audit:** Internal audit, now largely called operational audit is an effective tool of managerial control. Internal audit is carried out by managers themselves or by special staff appointed for this purpose. In contrast to external audit which remains unconcerned with the operational aspects of the organisation, internal audit is much broader in scope and encompasses the whole range of activities of the organisation.

Internal audit provides managers with a perennial or everlasting supply of control information. By measuring performance and evaluating results in the light of the standard, internal audit makes suitable recommendations for managerial actions. It also scrutinizes the applicability and relevance of policy, procedure, and method which have a tendency to become obsolete. Such a scrutiny helps in choosing a suitable working procedure and methods.

4. **Personal Observation:** Though various devices of managerial control such as budgets, standard cost, statistical tools, audit reports and recommendations are quite helpful in managerial control, managers should not forget the importance of control through personal observation. Managers need to hold discussion with the persons

whose work is being controlled and they should visit the actual operations. There are certain kinds of impressions

and information that can be conveyed only through face-to-face contact, personal observation and conversation.

When a man is new to the job, a supervisor will like to watch his work more closely than that of an experienced

operator. Managers, after all, have responsibility of achieving organisational objectives, whatever control devices they may use. This largely involves measuring of human performance. Thus, the success of personal observation as a control method depends upon how much information a manager can collect through this process.

5. Break-even analysis: It is mainly concerned with the effect which changes in fixed costs, changes in variable costs, changes in sales volume, changes in the sales prices and changes in sales mix will have on profits.

Therefore, it establishes a relationship between cost of production, sales at which total cost is fully covered and beyond which profits will be earned and below which there will be a loss. The volume of sales at which production in such a manner that it is easily understandable. It is based on the division of total costs into fixed and variable.

2. Modern Control or Network Techniques

Network analysis is a means of planning and controlling the project activities. Under this, a project is broken down to small activities or operations which are arranged in a logical sequence. After this, the order in which the various operations should be performed is decided. A network diagram may be drawn to show the relationship between all the operations involved. So it will reveal the gaps in the flow plan.

The network drawn thus shows the interdependence of various activities of a project and also points out the activities to be completed before the others are started.

The object of network analysis is to help in planning, organizing and controlling the operations to enable the management in accomplishing the project economically and efficiently. The most popular network techniques are:

A. PERT (Programme Evaluation and Review Technique)

It is an important technique in the field of project management. It involves planning, monitoring and controlling of projects. It specifies the techniques and procedures to assist project managers in:

1. Planning schedules and costs.
2. Determining time and cost status.
3. Forecasting man power skill requirements.
4. Predicting schedule slippages and cost plans.
5. Developing alternate time cost plans.
6. Allocating resources among tasks.

PERT uses probability and linear programming for planning and controlling the activities. Probability helps in estimating the timings of various activities in the project and linear programming is used to maximize the achievement of the project objectives. PERT is employed in the construction of ships, buildings and highways, in the planning and launching of new projects, in the publication of books, in the installation of computer system, etc.

B. C.P.M. (Critical Path Method)

It is most widely used as a planning and control technique in business. Unlike PERT, it is applied in those projects where timing are relatively well known. It is used for planning and controlling the most logical sequences of activities for accomplishing a project.

Under CPM, the project is analysed into different operations or activities and their relationships are determined and shown on the network diagram. The network is then used for optimizing the use of resources and time.

CPM marks critical activities in a project and concentrates on them. Here assumption is that expected time is actually the time taken to complete the project. CPM requires a greater planning than required otherwise.

Thus, it increases the planning cost, but this increase in cost is justified by concentrating on critical path only and avoiding expenses on the strict supervision and control of the whole project. Besides ascertaining time schedule,

CPM provides a standard method of communicating project plans, schedules and costs.