



COORDINATION AND CONTROLLING

OBJECTIVES

After studying this lesson, the student will be able to:

- Explain the meaning and significance of coordination;
- Explain the meaning of control;
- Describe the characteristics of control and the importance of controlling; and
- Identify the steps involved in the process of control.



Coordination is the function of management which ensures that different departments and groups work in sync. Therefore, there is unity of action among the employees, groups, and departments.



MEANING OF COORDINATION



MEANING OF COORDINATION

- Coordination brings harmony in carrying out the different tasks and activities to achieve the organization's objectives efficiently.
- Coordination function is an orderly arrangement of efforts providing unity of action in pursuance of a common goal.
- In an organization, all the departments must operate a part of a cohesive unit to optimize performance.
- Coordination implies synchronization of various efforts of different departments to reduce conflict.

MEANING OF COORDINATION

“Coordination is an orderly arrangement of group efforts to provide unity of action in the pursuit of common goals” (***Mooney and Reiley***)

“Coordination is the integration of several parts into an orderly whole to achieve the purpose of understanding” (***Charles Worth***)

“Coordination is balancing and keeping together the team by ensuring suitable allocation of tasks to the various members and seeing that the tasks are performed with the harmony among the members themselves” (***Brech***)

FEATURES OF COORDINATION

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- It is relevant for group efforts and not for individual efforts. Coordination involves an orderly pattern of group efforts. In the case of individual efforts, since the performance of the individual does not affect the functioning of others, the need for coordination does not arise.
- It is a continuous and dynamic process. Continuous because it is achieved through the performance of different functions. Also, it is dynamic since functions can change according to the stage of work.
- Most organizations have some sort of coordination in place. However, the management can always make special efforts to improve it.



FEATURES OF COORDINATION

- Coordination emphasizes the unity of efforts. This involves fixing the time and manner in which the various functions are performed in the organization. This allows individuals to integrate with the overall process.
- A higher degree of coordination happens when the degree of integration in the performance of various functions increases.
- It is the responsibility of every manager in the organization. In fact, this is integral to the role of a manager because he synchronizes the efforts of his subordinates with others.

PRINCIPLES OF COORDINATION



PRINCIPLES OF COORDINATION

1. Early Beginning

The first principle is that coordination must be attempted and arranged in the early stage of the management process and policy making. It may be impossible to secure coordination in an enterprise if not started at the planning stage. Early coordination improves the quality of plans and influences timely decisions on matter of policy.



PRINCIPLES OF COORDINATION

2. Direct Personal Contact

Direct personal contact removes misunderstanding and conflict between departments or between personnel. It involves direct face to face communication, personal discussion, settlement of differences, exchanges of ideas between the personnel.

PRINCIPLES OF COORDINATION

3. Reciprocal Relationship of Factors

No department can work in isolation from the other departments. That is, when purchase department works with sales department, which in turn works with finance department and personnel department, each of the four departments finds itself influenced by the other department in the total situation. Similarly, in a group every person influences all others and is in turn influenced by others. When reciprocal relationships are maintained cordially, adequate coordination can be secured in an enterprise.



PRINCIPLES OF COORDINATION

4. Continuous Process

Coordination is a continuous process and must go on all the time. In contrast to the principle of continuity, difference of opinions and information gap may appear and misunderstanding in inter departmental operations may crop up in the absence of coordination. By keeping the process of coordination as a continuous flow of information, sound coordination can be ensured in an enterprise.

PRINCIPLES OF COORDINATION

5. Action Plan is the Fundamental Element of All Coordination Activities:

Most individual human interactions are modelled by an action plan in which a performer delivers a condition satisfying a customer. The action plan has a requester, performer and four time segments culminating in request, promise, delivery, and acceptance. Each of the four segments can be linked to further action plans that respond to requests from components of the segment. The resulting network of action plan is called an action process or workflow.

PRINCIPLES OF COORDINATION

6. Coordination Tasks Can Be Delegated to Computational Processes:

Humans delegate tasks to agents by designing computational processes to perform the task. There are two categories of coordination systems according to the amount of task delegation:

- (a) Human-to-human with computer assistance (e.g. Computer Supported Cooperative Work- CSCW)
- (b) Human-to-Computer (e.g. Human Computer Interaction- HCI)

PRINCIPLES OF COORDINATION

7. Coordination is a Solution to the Concurrency Control Problems of Arbitration, Synchronization, Serialization, Determinacy and Deadlock:

Concurrency means that tasks can be executed in parallel. A concurrent system is a set of tasks, some of which are ordered and the rest concurrent (unordered). Ordered tasks can never be executed at the same time; concurrent tasks can. Arbitration arises when a task is required to select only one of two (or more) potentially simultaneous activities, deferring action on the unselected ones without losing them.

TECHNIQUES OF COORDINATION

TECHNIQUES OF COORDINATION

Every manager must remove the obstacles that determines coordination by adopting the following specific techniques:

- **Chain of Command:**

This technique also emphasizes that an employee should receive order from one superior only because dual command is a continuous source of conflict. Management has to exercise authority to regulate the performance of different departments because clear cut authority relationship help in reducing conflicts among different departments.



TECHNIQUES OF COORDINATION

- **Leadership:**

Coordination becomes possible through leadership as it 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 must guide and coordinate the activities of his subordinates.

TECHNIQUES OF COORDINATION

- **Communication:**

Effective communication conveys ideas, opinions or decisions of managers to subordinate at different levels of the organization and carries back information, suggestions' and responses from subordinates. It regulates the flow of work, coordinates 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.

TECHNIQUES OF COORDINATION

- **Voluntarily Coordination:**

Self-coordination or voluntary coordination is possible in a climate of mutual cooperation, when two or more persons working within the same or different departments, mutually discuss their problems and arrive at a coordinated action. This can be easily achieved in any organization, when the supervisor gives his consent without any hesitation for such a mutual consultation among subordinates.

TECHNIQUES OF COORDINATION

- **Sound Planning and Clear-Cut Objectives:**

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

TECHNIQUES OF COORDINATION

- **Incentives:**

Incentives have a tendency to ignite action and bring about coordination. In order to infuse enthusiasm in a worker for greater and better work, incentives have a distinct and significant role. Financial incentives which include wage, bonus, salary, etc., and non-financial incentives which include job security of interest, to achieve coordination and reduce conflicts.

TYPES OF COORDINATION



TYPES OF COORDINATION

1. Vertical Coordination

Vertical coordination is the coordination between different levels of the organization to ensure that all levels of organization are in harmony with the organizational policies and programmes. This is achieved through delegation of authority by directing and by controlling.



TYPES OF COORDINATION

2. Horizontal Coordination

Horizontal coordination is the coordination between departments on the same level of managerial hierarchy. Coordination between production and marketing departments at the same level or organizational hierarchy is an example of horizontal coordination. This is achieved by forming cross-functional teams and self-managed teams.



TYPES OF COORDINATION

3. Internal Coordination

Vertical and horizontal types of coordination, if carried out within an organization, are called internal coordination. Internal coordination is achieved through following techniques.



TYPES OF COORDINATION

4. External Coordination

Success or failure of an organization also depends on number of external forces. No organization can operate in isolation, it has to continuously interact with dynamic environmental forces and devise its strategies to respond to such forces to survive.

PROBLEMS OF COORDINATION



PROBLEMS OF COORDINATION

1. Natural Hindrance

Due to lack of knowledge, the superior and subordinate communication gap will be raised. Therefore, it prevents effective coordination in the organization.



PROBLEMS OF COORDINATION

2. Lack of administrative talent

Lack of administrative talent is widely applicable for the superiors in the organization such as autocratic attitudes and non-acceptance of feedback from the subordinates.



PROBLEMS OF COORDINATION

3. Lack of techniques of coordination

Without mutual respect among the subordinates, the coordination may not survive. Moreover, the managers must respect the feelings and emotions of the employees.



PROBLEMS OF COORDINATION

4. Ideas and objectives

Every manager in an organization must know the objectives very clearly. If he cannot understand the objectives, then the coordination will not be successful and effective.

CHARACTERISTICS OF COORDINATION

CHARACTERISTICS OF COORDINATION

A good system of coordination should satisfy the following characteristics:

- Coordination is a continuous process carried on by the managers. It involves an orderly arrangement of group efforts. Its purpose is to secure unity of action towards common objectives.
- Coordination should not be made through orders. It should not come from the above. Instead it should come through cooperation and willingness. Coordination through cooperation and willingness ensures better results.
- Coordinating activities must respond to time, policies, programmes and objectives. They should always be in time.

CHARACTERISTICS OF COORDINATION

A good system of coordination should satisfy the following characteristics:

- Coordinating approach should be balanced and as far as possible it should be of both the types; vertical as well as horizontal.
- It should be based on personal contact, mutual confidence, good human relations and above all on the continuity principles.
- It should aim to morale boosting of the workers.



Controlling is one of the important functions of a manager. It ensures that the activities in an organization are performed as per the plans.



MEANING OF CONTROLLING

MEANING OF CONTROLLING

Controlling also ensures that an organization's resources are being used effectively and efficiently for the achievement of predetermined goals.

- Controlling is a goal-oriented function.
- It is a primary function of every manager.
- Controlling the function of a manager is a pervasive function.

IMPORTANCE OF CONTROLLING



IMPORTANCE OF CONTROLLING

1. Accomplishing Organizational Goals

The controlling function is an accomplishment of measures that further makes progress towards the organizational goals and brings to light the deviation, and indicates corrective action. Therefore it helps in guiding the organizational goals which can be achieved by performing a controlling function.



IMPORTANCE OF CONTROLLING

2. Judging Accuracy of Standards

A good control system enables management to verify whether the standards set are accurate & objective. The efficient control system also helps in keeping careful and progress check on the changes which help in taking the major place in the organization & in the environment and also helps to review & revise the standards in light of such changes.

IMPORTANCE OF CONTROLLING

3. Making Efficient use of Resources

Another important function of controlling is that in this, each activity is performed in such manner so as in accordance with predetermined standards and norms so as to ensure that the resources are used in the most effective and efficient manner for the further availability of resources.

IMPORTANCE OF CONTROLLING

4. Improving Employee Motivation

Another important function is that controlling help in accommodating a good control system which ensures that each employee knows well in advance what they expect and what are the standards of performance on the basis of which they will be appraised. Therefore it helps in motivating and increasing their potential so to make them and help them to give better performance.



IMPORTANCE OF CONTROLLING

5. Ensuring Order & Discipline

Controlling creates an atmosphere of order & discipline in the organization which helps to minimize dishonest behaviour on the part of the employees. It keeps a close check on the activities of employees and the company can be able to track and find out the dishonest employees by using computer monitoring as a part of their control system.



IMPORTANCE OF CONTROLLING

6. Facilitating Coordination in Action

The last important function of controlling is that each department and employee is governed by such pre-determined standards and goals which are well versed and coordinated with one another. This ensures that overall organizational objectives are accomplished in an overall manner.

PROCESS OF CONTROL



PROCESS OF CONTROL

Following are the steps involved into the process of control:

1. Establish the Standards

Within an organization's overall strategic plan, managers define goals for organizational departments in specific, precise, operational terms that include standards of performance to compare with organizational activities.

PROCESS OF CONTROL

Following are the steps involved into the process of control:

2. Measure Actual Performance

Most organizations prepare formal reports of performance measurements both quantitative and qualitative that the managers review regularly. These measurements should be related to the standards set in the first step of the control process.

PROCESS OF CONTROL

Following are the steps involved into the process of control:

3. Compare Performance with the Standards

This step compares actual activities to performance standards. When managers read computer reports or walk through their plans, they identify whether actual performance meets, exceeds, or falls short of standards.

PROCESS OF CONTROL

Following are the steps involved into the process of control:

4. Take Corrective Action and Reinforcement of Success

When performance deviates from standards, managers must determine what changes, if any, are necessary and how to apply them. In the productivity and quality- centered environment, workers and managers are often empowered to evaluate their own work. After the evaluator determines the cause or causes of deviation, he or she can take the fourth step – corrective action.

REQUIREMENT OR EFFECTIVE CONTROL SYSTEM

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

It is the duty of the manager to improve the effectiveness of organization's control system as the last step of management where how the implemented plan is working is assessed and evasive actions are taken.

1. Suitable

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REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

It is the duty of the manager to improve the effectiveness of organization's control system as the last step of management where how the implemented plan is working is assessed and evasive actions are taken.

2. Understandable

The system must be understandable, i.e., the control information supplied should be capable of being understood by those who use it. A control system that a manager cannot understand is bound to remain ineffective. It is the duty of the manager concerned to make sure that the control information supplied to him is of a nature that will serve his purpose.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

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3. Economical

The cost of a control system should not exceed the possible savings from its use. Undue complexity of the control system should be avoided to keep a check on the costs of control. It is necessary to concentrate the control system on factors which are strategic to keep the costs down and the system economical.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

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4. Flexible

The system of control must be flexible, i.e. workable even if the plans have to be changed. In case the control systems can work only on the basis of one specific plan, it becomes useless if the plan breaks down and another has to be substituted. A good control system would be sufficiently flexible to permit the changes so necessitated. The control system should report failures and should contain sufficient elements of flexibility to maintain managerial control operations in spite of such failures.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

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5. **Expeditious**

The control system should report deviations from plans expeditious. No useful purpose can be served by a deviation detected months after its occurrence. The objective of the control system should be to correct deviations in the immediate future. The lime-lag between the occurrence of a deviation and its reporting be kept at the minimum possible.

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6. Forward Looking

The control system must be forward looking as the manager cannot control the past. Cash forecasts and cash control is an example in point where a financial manager can forecast the future cash requirements and provide for them in advance.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

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7. Organizational Conformity

It is necessary that the control data and system must conform to the organizational patterns. The control data must be so prepared that it is possible to fix responsibility for the deviations within the areas of accountability. Organization and control are difficult to separate, being dependent on one another for effective management.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

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8. Indicative of Exceptions at Critical Points

The management principle of exception should be used to show up not only deviations but the critical areas must also be fixed for most effective control.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

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9. Objectivity

The measurements used must be objectivity. The use of indefinite terms can frustrate the subordinate like being told that he is not doing a good job.

REQUIREMENT OF EFFECTIVE CONTROL SYSTEM

It is the duty of the manager to improve the effectiveness of organization's control system as the last step of management where how the implemented plan is working is assessed and evasive actions are taken.

10. Suggestive of Corrective Action

An effective control system will disclose where failures are occurring and who is/are responsible for the failures and it will ensure that some corrective action is taken. Control is justified only if deviations from plans are corrected by an appropriate authority. As a matter of fact, taking the proper corrective action necessitates sufficient authority to accomplish this task.

TECHNIQUES OF CONTROLLING

TECHNIQUES OF CONTROLLING

1. Direct Supervision and Observation
2. Financial Statements
3. Budgetary Control
4. Break Even Analysis
5. Return of Investment (ROI)
6. Management by Objectives (MBO)
7. Management Audit
8. Management Information System
9. PERT and CPM Techniques
10. Self-Control

LIMITATIONS OF CONTROLLING

LIMITATIONS OF CONTROLLING

The defects or limitations of controlling are as follows:

1. Difficulty in Setting Quantitative Standards

It becomes very difficult to compare the actual performance with the predetermined standards, if these standards are not expressed in quantitative terms. This is especially so in areas of job satisfaction, human behaviour and employee morale.

LIMITATIONS OF CONTROLLING

The defects or limitations of controlling are as follows:

2. No Control on External Factors

An organization fails to have control on external factors like technological changes, competition, government policies, changes in taste of consumers etc.

LIMITATIONS OF CONTROLLING

The defects or limitations of controlling are as follows:

3. Resistance from Employees

Often employees resist the control systems since they consider them as curbs on their freedom. For example, surveillance through closed circuit television (CCTV).

LIMITATIONS OF CONTROLLING

The defects or limitations of controlling are as follows:

4. Costly Affair

Controlling involves a lot of expenditure, time and effort, thus it is a costly affair. Managers are required to ensure that the cost involved in installing and operating a control system should not be more than the benefits expected from it.

Q & A

THANK YOU!