

UNIT V

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DIRECTING

Directing - is the managerial function of guiding, inspiring, instructing and harnessing people towards the accomplishment of desired results. It is that part of the management process which actuates the members of an organisation to work effectively and efficiently for the achievement of the goals. The process of direction is concerned with the way an executive issues orders and — instructions and otherwise indicates how the work is to be done. But directing does not simply mean issuing orders and instructions. It also includes guiding and inspiring people. It is a comprehensive function. According to J.L. Massie, “directing concerns the total manner in which a manager influences the actions of subordinates. It is the final action of a manager in getting others to act after all preparations have been completed.”

The process of directing consists of the following steps: (i) Issuing orders and instructions that are clear, complete and within the capabilities of subordinates;

(ii) Continuing guidance and supervision to ensure that the assigned tasks are carried out effectively and efficiently,

(iii) Maintaining discipline and rewarding those who perform well;

(iv) Inspiring the subordinates to work hard for the achievement of predetermined targets;

Thus, motivation, leadership, communication and supervision are the main elements of directing.

The main **characteristics** of directing function are as follows:

1. **Pervasive Function.** Directing is a managerial function performed by all the managers at all levels of the organisation. Every manager provides guidance and inspiration to his subordinates. Chief executives instruct and guide middle level managers who in turn direct supervisors. Supervisors provide direction to workers or rank and file.

2. **Continuing Function.** Directing is an on-going process as it continues throughout the life of an organisation. A manager never ceases to guide and inspire his subordinates.

3. **Linking function.** Directing serves as a connecting link between preparatory functions

(planning, organising and staffing) and controlling. It provides the material for comparison with the plans.

4. **Creative Function.** Direction converts plans into performance. It is the process around which performance revolves. Without direction human factors in the organisation become inactive and physical factors remain unutilised. Directing is management in action. It breathes life into an organisation.

5. **Human Factor.** Directing is the interpersonal aspect of managing by which subordinates are led to understand and contribute effectively and efficiently to the attainment of enterprise objectives.

6. **Chain of Command.** Direction initiates at the top level in the organisation and follows to bottom through the hierarchy. It emphasises that subordinate is to be directed by his own superior only.

Directing is a key element in the management process and is the heart of administration. Effective direction provides the following **benefits:**

1. **Initiates action.** Direction constitutes the life spark and like electric current it sets into motion the organisation. A good plan may have been prepared, a sound organisation may have been developed and a team of efficient workers may be employed. But all of these will not produce result until people are directed in the efficient use of resources. Without direction, planning, organising and staffing become ineffective.

2. **Ensures co-ordination.** Each individual in the organisation is related with others. His functioning affects others and is, in turn, affected by others. Therefore, it becomes necessary to integrate individual's efforts so that organisation achieves its objectives in the most efficient manner. Direction helps in coordination among various operations of the enterprise. It is the essence of operations and coordination is a necessary by-product of effective direction.

3. **Improves efficiency.** In an organisation, every individual has some potential and capacity. Through direction, managers encourage and influence employees to contribute to the best of their capability for the achievement of organisational objectives. In the absence of proper motivation and leadership, the potential of employees may remain underutilised.

4. **Facilitates change.** An organisation must adapt itself to environmental changes in order to be effective. Moreover, there are changes in organisation structure and in its members. In order to incorporate and implement these changes management has to motivate and guide the employees.

5. **Assists stability and growth.** In order to survive and grow in the long run, an Organisation must maintain balance in its different parts. Effective leadership and communication provide stability in the organisation and help to ensure that its parts work in a harmonious way.

Principles of Direction

Direction is a complex function as it deals with people whose behaviour is unpredictable. Effective direction is an art which a manager can learn and perfect through practice. However, managers can follow the following principles while directing their subordinates:

1. **Harmony of objectives.** Individuals join the organisation to satisfy their physiological and psychological needs. They are expected to work for the achievement of organisational objectives. They will perform their tasks better if they feel that it will satisfy their personal goals. Therefore, management should reconcile the personal goals of employees with the organisational goals.

2. **Maximum individual contribution.** Organisational objectives are achieved at the optimum level when every individual in the organisation makes maximum contribution towards them. Managers should, therefore, try to elicit maximum possible contribution from each subordinate.

3. **Unity of command.** A subordinate should get orders and instructions from one superior only. If he is made accountable to two bosses simultaneously, there will be confusion, conflict, disorder and indiscipline in the organisation. Therefore, every subordinate should be asked to report to only one manager.

4. **Appropriate techniques** The managers should use correct direction techniques to ensure efficiency of direction. The techniques used should be suitable to the superior, the subordinates and the situation. Only efficient direction can lead to accomplishment of goals.

5. **Direct supervision.** Direction becomes more effective when there is direct personal contact between a superior and his subordinates. Such direct contact improves the morale and commitment of employees. Therefore wherever possible direct supervision should be used.

6. **Strategic use of informal organisation.** Management should try to understand and make use of informal groups to strengthen formal or official relationships. This will improve the effectiveness of direction.

7. **Managerial communication.** A good system of communication between the superior and his subordinates helps to improve mutual understanding. Upward communication enables a manager to understand the subordinates and gives an opportunity to the subordinates to express their feelings.

8. **Comprehension.** Communication of orders and instructions is not sufficient. Managers should ensure that subordinates correctly understand what they are to do and how and when they are to do. This will avoid unnecessary queries and explanations.

9. **Effective leadership.** Managers should act as leaders so that they can influence the activities of their subordinates without dissatisfying them. As leaders, they should guide and counsel subordinates in their personal problems too. In this way, they can win the confidence and trust of their subordinates.

10. **Principle of follow through.** Directing is a continuous process. Therefore, after issuing orders and instructions, a manager should find out whether the subordinates are working properly and what problems they are facing. He should modify, if necessary, his orders in the light of these findings.

Techniques of Direction - In order to direct the subordinates effectively, managers use several techniques. Some of these techniques are delegation, supervision, orders and instructions.

Delegation as a Means of Directing. Delegation of authority implies that a superior entrusts his subordinates with certain rights or powers. He assigns a part of his work to the subordinate and authorises him to do the work. Delegation is a useful technique of directing. It is a means of sharing authority with a subordinate and providing him an opportunity to learn. Use of delegation as a means of direction may, however, give rise to following problems:

1. It may not be possible to spell out the tasks and duties of every subordinate. The subordinate managers have, therefore, to learn to live with overlapping of jobs and uncertainties in job descriptions.
2. The extent of delegated authority may not be exactly clear and some vagueness in this regard may be unavoidable.
3. The detail in which authority granted to a subordinate is spelt out may differ with the nature of the work assignment.

CONTROLLING

Controlling may be defined as the process of ensuring that activities are producing the desired results. It involves guiding and regulating operations towards some pre-determined goal. According to Koontz and O'Donnell, "Managerial control implies the measurement of accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans." It is the continuous process of measuring the actual results of the operations of an organisation in relation to the planned results and of minimising the gap

between the two. In the words of Robert N, Anthony, “Management control is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of an organisation’s objectives.”

Thus, control may be defined as the continuous process of verifying whether actions are being taken as planned and taking corrective action.

The main **characteristics** of managerial control are given below:

1. Control process is universal. Control process consists of the same, elements irrespective of the type of organisation or function to be controlled, is the responsibility of every manager to regulate on-going activity and to keep the operations focused towards goal attainment.

2. Control is a continuous process. As long as an organisation exists lot of control is required. “Just as the navigator continually takes reading to ascertain whether he is relative to a planned course, so should the busy manager continually take reading to assure himself that his enterprise department is on course.” Control is dynamic not static.

3. Control is forward looking. Control aims at future because one can control future events and not the past. However, control is in the nature of follow-up to other functions of management. It involves review of past performance and one cannot measure the outcome of an event which has not taken place. But the corrective action decided on the basis of past experience is taken for future.

4. Control involves measurement. To control means to check or monitor actual performance, to keep a watch on activities. It requires measuring results against pre-established targets and review of the outcome of activities. But control not only involves checking current performance. It also suggests guidelines for future course of action. It helps to steer events towards targets so as to make things happen. Evaluation and measurement is the heart of control process.

5. Control is an influence process. Control seeks to structure events and to condition behaviour. It is designed to curb undesirable trends and to shape the pattern of future events. It induces people to conform to certain norms and standards.

6. Management control is a system. Control is often considered a watchdog, a judgment on behaviour and performance. Management control is in fact a system consisting of certain interdependent elements, eg; goal of standard, sensory device to monitor events, mechanism to detect and analyse deviations (warning signal), and adjustment or corrective element.

STEPS/PROCESS OF CONTROL

Basic steps in the process of control are as follows:

1. **Establishment of Standards.** The first step in control process is the setting up of control standards. Standards represent the criteria against which actual performance is measured. Standards serve as the benchmarks because they reflect the desired results or acceptable level of performance. Control standards may be of the following kinds:
 - (a) **Quantitative standards.** These standards are set in physical or monetary terms. Such standards are set up in production, sales, finance and other areas where results can be measured in precise quantitative terminology. Quantitative standards may be further classified as follows:
 - (i) Cost standards which specify the cost limits within which results should be achieved
 - (ii) Revenue standards which represent the desired level of profits,
 - (iii) Time standards, eg., quantity of output, units of sales, number of customers, etc.
 - (b) **Qualitative Standards.** There are certain areas in which it is not possible to set standards in quantitative terms. Goodwill, employee morale, motivation, industrial relations, etc., are such areas. In these areas standards are laid down in intangible terms.
2. **Measurement of Performance.** After performance standards are established, the next step is the measurement of actual performance. Measurement of performance should be accurate and reliable. It should be clear, simple and objective. Where quantitative standards are established, performance should be measured in quantitative terms. This will make evaluation easy and reliable.
3. **Comparing Performance with Standards,** The third major step in the control process involves the comparison of actual performance with standard performance. Such comparison will reveal the deviation between actual and desired results. Comparison is easy where standards have been set in quantitative terms. In other cases where results are intangible direct personal observation and reports may be used to identify defects or deficiencies in performance.
4. **Analysis of Deviations,** All deviations need not be brought to the notice of top management. A range of deviations should be established and only cases beyond this range should be reported. This is known as control by exception. When the deviation between standard and actual performance is beyond the prescribed limit, an analysis of deviations is made to identify the causes of deviations. Then the deviations and causes are reported to the managers who are authorised to take action.

5. Taking Corrective Action. The final step in the control process is taking corrective action so that deviations may not occur again and the objectives are achieved. Corrective action may be (a) revision of standards, (b) change in the assignment of task, (c) training of employees, (d) improvement in the techniques of direction, etc) At this stage a manager should avoid two types of mistakes. First, taking corrective action when no action is required and, secondly, not taking action when action is required. The real test of a good control system is whether right action is taken at the right time.

IMPORTANCE OF CONTROL

Control an indispensable function of management. Without control function the management process is incomplete. In business organisations, the need for control arises due to several factors. First, it is difficult to establish fully accurate standards of performance in large and complex organisations. An executive needs all kinds of timely information which are not always available, Control is required to judge the accuracy of standards. Secondly, there are several temptations in business. Employees are entrusted with large sums of money and valuable resources. In the absence of control employees may yield to these temptations. An efficient control system helps to minimise dishonest behaviour on the part of employees. Thirdly, in the absence of control employees may become lax in their efforts and their performance may be below normal. A good control system offers the following **benefits**:

1. **Guide to operations.** Like a traffic signal control guides the organisation and keeps it on the right track. It measures progress towards the goal and brings to light the adjustments, if any, required in day-to-day operations. A sound control system is needed to measure progress, to uncover deviations and to indicate corrective actions.
2. **Policy verification.** Control enables management to verify the quality of various plans. It may reveal that plans need to be redrawn or goals need to be modified. Changes in the environment may render the original plans non workable or deficient. Control helps to review, revise and update the plans.
3. **Managerial accountability.** When a manager assigns some activities and delegates authority to his subordinates, he remains responsible for ultimate performance. Therefore, a manager should check up the performance of subordinates to ensure that they are utilising the delegated authority in the desired manner, In this way control enables managers to discharge their responsibilities.
4. **Employee morale.** Control creates an atmosphere of order and discipline in the organisation. Absence of control leads to a lowering of morale among employees

because they cannot predict what will happen to them.

5. **Psychological pressure.** The existence of a sound control system inspires employees to work hard and give better performance. When they know that their performance is being judged and their rewards are linked to such appraisal, they try to contribute their best efforts.

6. **Coordination in action.** Control helps to maintain between ends and means. Actions proceed according to plans, that proper various factors are maintained.

COORDINATION

Meaning and Definition

Coordination is a conscious and rational process of pulling together the different parts of an organisation and unifying them into a team to achieve predetermined goals in an effective manner. According to Henry Fayol, "To co-ordinate is to harmonise all the activities of a concern so as to facilitate its working and its success. In a well-coordinated enterprise, each department or division works in harmony with others and is fully informed of its role in the organisation. The working schedules of various departments are constantly tuned to circumstances."

Nature of Coordination

The distinctive features of coordination are as follows:

- (i) Coordination is not a distinct function but the very essence of management. It is inherent in managerial job and embodied in all the functions of management.
- (ii) Coordination is the basic responsibility of management and it can be achieved through the managerial functions. No manager can evade or avoid this responsibility.
- (iii) Coordination does not arise spontaneously or by force. It is the result of conscious and concerted action by management. It cannot be left to chance.
- (iv) The heart of coordination is the unity of purpose which involves fixing the time and manner of performing various activities.
- (v) Coordination is a continuous or on-going process. It is also a dynamic process involving give and take.
- (vi) Coordination is required in group efforts, not in individual effort. It involves the orderly arrangement of group efforts.
- (vii) Coordination is a systems concept in the sense that it regards an organisation as a system of co-operative efforts.

Types of Coordination

Coordination may be of the following **kinds**:

1. **Internal and External Coordination.** Coordination between various departments or divisions of an organisation is known as internal coordination. On the other hand, coordination between an organisation and the external groups (e.g., government, customers, investors, suppliers, dealers, trade unions, research institutions, competitors, etc.) is called external coordination.
2. **Vertical and Horizontal Coordination:** Coordination between different levels of management hierarchy is known as vertical coordination. It is a by-product of efficient performance of managerial functions. Delegation of 'authority is also used to link various levels of authority into a chain of command. Horizontal coordination implies synchronising the activities at the same level of authority. Coordination between a branch and the head office is an example of vertical coordination whereas coordination between two branches is horizontal coordination.
3. **Procedural and Substantive Coordination:** According to Herbert Simon, procedural coordination refers to the specification of the organisation itself. It is the generalised description of the behaviour and relationships of the Organisation. On the contrary, substantive coordination is concerned with the content of activities in an organisation.

Significance of Coordination

1.Unity in diversity. Effective coordination is the sine qua non of good management. It is the only method by which a manager can avoid potential sources of conflict among the members of the organisation. According to C.I. Barnard, "the quality of coordination is the crucial factor in the survival of organisation. An Organisation is characterised by diversity of resources, skills, activities, perceptions and viewpoints of its members. Unless unity of action is created in the midst of such diversity, organised activity will be haphazard and inefficient. Coordination is the basic mechanism for creating unity in diversity.

2.Team work. Without coordination, members of a group will pull in different directions and may work at cross-purposes. The efforts, energies and skills of various persons must be integrated to achieve group effort and team work. Through coordination duplication of work and work at cross-purposes can be eliminated. This way coordination results in economical and effective management.

3. Conflicting goals. Each department or division of an organisation has its own goals. Similarly, each individual has his own goals. In practice, every department and

individual becomes so committed to its goals that it may overlook the goals of the organisation. Coordination becomes essential to harmonise departmental/personal goals with the goals of the organisation.

4. Growth in size. In a large organisation, the number of jobs and employees is also large. Communication becomes difficult due to complex organisation structure. Personal contacts between executives are few. All this makes coordination more essential.

5. Specialisation. Specialisation leads to a narrow outlook. Specialists performing the various tasks know very little of other jobs and differences in outlook lead to frequent disputes. Coordination among the activities of specialists is very difficult.

6. Synergy Effect. If the efforts of employees are properly coordinated, their total accomplishment will be far greater than the sum total of individual achievements. This is known as the synergy effect.

7. Interdependence. In an enterprise, every department or division depends for its effective working on other departments and divisions. For example, the sales department depends on the production department for the required volume, range and quality of products at the right time, to serve the customers. Such interdependence requires coordination among the various functional departments. According to Thompson there are **three types of interdependence**. **Pooled** interdependence requires minimum coordination as the units are not directly related. **Sequential** interdependence implies that later units (e.g., production) depend on earlier ones (e.g., purchase of materials). **Reciprocal** interdependence refers to the situation where the outputs of one unit become the inputs of another. Such interdependence requires maximum coordination among the interdependent units.

8. Empire-building. Empire builders always expect co-operation from others but they are not prepared to provide co-operation to others. Coordination is required to cope with such disruptive elements. Need for coordination also arises on account of conflict between line and staff. Staff specialists tend to follow their own line of action and may not appreciate the viewpoint of line executives.

9. Human Nature. People in general are preoccupied with the work of their own departments or units and fail to appreciate the role of other departments or units. Deliberate efforts are required to maintain coordination between different departments and units.

10. Congruence of flows. An organisation is a dynamic system, of flows of inputs

and outputs. These flows must be harnessed properly in terms of their volume, direction and timing. Coordination facilitates a smooth and congruent system of flows.

11. Differentiation and integration. The activities of an organisation are classified into specialised and different units, Similarly, authority is delegated among the various levels in a graded manner. Differentiated work units and authority centres must be fused together to achieve synergetic efforts. Coordination ensures unity and synergy in differentiation.

Techniques of Coordination.

The main techniques of coordination are as follows:

- 1, **Clearly defined goals.** The goals of the enterprise should be laid down clearly. Every individual in the enterprise should understand the overall objectives and the contribution which his job makes to these objectives.
2. **Harmonised policies and procedures.** Standing plans like policies, procedures and rules serve as guidelines for decision-making in a consistent manner. These plans condition and tie together the day-to-day decisions, actions, work methods and behaviour patterns in the organisation. They help to ensure uniformity of action.
3. **Co-operation.** Coordination becomes very easy when individuals in the organisation are willing to help each other voluntarily. Co-operation can be obtained by keeping harmonious relations among the people in the organisation. Informal contacts should be encouraged to supplement formal communication. Ideal coordination is self-coordination which can be achieved through informal and inter-personal contacts.
4. **Managerial hierarchy.** The vertical authority structure (chain of command) is the supreme mechanism of coordination. At each level, the superior coordinates the activities and efforts of his subordinates by means of his authority. An able common supervisor is a great coordinating factor because he supervises activities of different subordinates.
5. **Sound organisation structure.** A good organisational set-up with clearly defined authorities and responsibilities is an effective means of integrating the activities of different units and sub-units in the enterprise. Such formal organisation can be supplemented with informal group relationships to achieve horizontal coordination among positions of equal rank. Social and unofficial interactions and relationships are often more effective than formal ones.

6. **Committees.** Committees are useful means of coordinating the efforts of different work groups towards a common end. Meetings of departmental heads may be convened periodically to iron out differences. In general, committees facilitate coordination by bringing together representatives of conflicting interests.

7. **Communication system.** A good communication system contributes to effective coordination by promoting mutual understanding and co-operation among different groups and individuals in the organisation. Incentives, leadership and supervision are also helpful in achieving coordination.

8. **Liaison officers.** These are special coordinators appointed to provide liaison among different branches and units of an organisation. For example, a project manager maintains liaison among different work groups involved in the project. Staff groups also help to promote coordination.