DEPARTMENT OF ACCOUNTING AND FINANCE

PRINCIPLES OF MANAGEMENT

UNIT-1

SEC-A

1.Define management?

Management includes the activities of setting the strategy of an organization

and coordinating the efforts of its employees (or of volunteers) to accomplish

its objectives through the application of available resources, such as financial, natural, technological, and human resources.

2.What are three levels of management?

Management levels indicate the three levels of the organizational

hierarchy that are top-level management, middle management, lower level management.

3.What are the function of area management?

The administrative and management is the backbone of the business.

The administrative and management's function is to handle the business, planning, decision-making,

and also financial review. This department links with other departments to ensure the smooth flow

of information and operations.

4.what is MBO?

Management by objectives (MBO) is a management model that aims to improve performance of an organization

by clearly defining objectives that are agreed to by both management and employees. ... The term was first outlined

by management guru Peter Drucker in 1954 in his book "The Practice of Management."

SECTION-C

1.General principles of management?

1. Division of Work

In practice, employees are specialized in different areas and they have different skills. Different levels of expertise can be distinguished within the knowledge areas (from generalist to specialist). Personal and professional developments support this. According to Henri Fayol specialization promotes efficiency of the workforce and increases productivity. In addition, the specialization of the workforce increases their accuracy and speed. This management principle of the 14 principles of management is applicable to both technical and managerial activities.

2. Authority and Responsibility

In order to get things done in an organization, management has the authority to give orders to the employees. Of course with this authority comes responsibility. According to Henri Fayol, the accompanying power or authority gives the management the right to give orders to the subordinates. The responsibility can be traced back from performance and it is therefore necessary to make agreements about this. In other words, authority and responsibility go together and they are two sides of the same coin.

3. Discipline

This third principle of the 14 principles of management is about obedience. It is often a part of the core values of a mission and vision in the form of good conduct and respectful interactions. This management principle is essential and is seen as the oil to make the engine of an organization run smoothly.

4. Unity of Command

The management principle 'Unity of command' means that an individual employee should receive orders from one manager and that the employee is answerable to that manager. If tasks and related responsibilities are given to the employee by more than one manager, this may lead to confusion which may lead to possible conflicts for employees. By using this principle, the responsibility for mistakes can be established more easily.

5. Unity of Direction

This management principle of the 14 principles of management is all about focus and unity. All employees deliver the same activities that can be linked to the same objectives. All activities must be carried out by one group that forms a team. These activities must be described in a plan of action. The manager is ultimately responsible for this plan and he monitors the progress of the defined and planned activities. Focus areas are the efforts made by the employees and coordination.

6. Subordination of Individual Interest

There are always all kinds of interests in an organization. In order to have an organization function well, Henri Fayol indicated that personal interests are subordinate to the interests of the organization (ethics). The primary focus is on the organizational objectives and not on those of the individual. This applies to all levels of the entire organization, including the managers.

7. Remuneration

Motivation and productivity are close to one another as far as the smooth running of an organization is concerned. This management principle of the 14 principles of management argues that the remuneration should be sufficient to keep employees motivated and productive. There are two types of remuneration namely non-monetary (a compliment, more responsibilities, credits) and monetary (compensation, bonus or other financial compensation). Ultimately, it is about rewarding the efforts that have been made.

8. The Degree of Centralization

Management and authority for decision-making process must be properly balanced in an organization. This depends on the volume and size of an organization including its hierarchy.

Centralization implies the concentration of decision making authority at the top management (executive board). Sharing of authorities for the decision-making process with lower levels (middle and lower management), is referred to as decentralization by Henri Fayol. Henri Fayol indicated that an organization should strive for a good balance in this.

9. Scalar Chain

Hierarchy presents itself in any given organization. This varies from senior management (executive board) to the lowest levels in the organization. Henri Fayol 's "hierarchy" management principle states that there should be a clear line in the area of authority (from top to bottom and all managers at all levels). This can be seen as a type of management structure. Each employee can contact a manager or a superior in an emergency situation without challenging the hierarchy. Especially, when it concerns reports about calamities to the immediate managers/superiors.

10. Order

According to this principle of the 14 principles of management, employees in an organization must have the right resources at their disposal so that they can function properly in an organization. In addition to social order (responsibility of the managers) the work environment must be safe, clean and tidy.

11. Equity

The management principle of equity often occurs in the core values of an organization. According to Henri Fayol, employees must be treated kindly and equally. Employees must be in the right place in the organization to do things right. Managers should supervise and monitor this process and they should treat employees fairly and impartially.

12. Stability of Tenure of Personnel

This management principle of the 14 principles of management represents deployment and managing of personnel and this should be in balance with the service that is provided from the organization. Management strives to minimize employee turnover and to have the right staff in the right place. Focus areas such as frequent change of position and sufficient development must be managed well.

13. Initiative

Henri Fayol argued that with this management principle employees should be allowed to express new ideas. This encourages interest and involvement and creates added value for the company. Employee initiatives are a source of strength for the organization according to Henri Fayol. This encourages the employees to be involved and interested.

14. Esprit de Corps

The management principle 'esprit de corps' of the 14 principles of management stands for striving for the involvement and unity of the employees. Managers are responsible for the development of morale in the workplace; individually and in the area of communication. Esprit de corps contributes to the development of the culture and creates an atmosphere of mutual trust and understanding.

UNIT-2

SECTION-A

1.Define planning?

Definition of planning. : the act or process of making or carrying out plans; specifically : the establishment of goals, policies, and procedures for a social or economic unit

2.Define objective?

Management by objectives is the process of defining specific objectives within an organization that management can convey to organization members, then deciding on how to achieve each objective in sequence.

3.What is polices?

(1) The basic principles by which a government is guided. (2) The declared objectives that a government or party seeks to achieve and preserve in the interest of national community. ... Management: The set of basic principles and associated guidelines, formulated and enforced

4.Define decision-making?

We think having a clear definition of decision making can help you make better decisions. Our definition has 4 elements to help with all decision making.

SECTION B

1.What are the advantages of planning?

1.Planning facilitates management by objectives.

Planning begins with determination of objectives.

It highlights the purposes for which various activities are to be undertaken.

In fact, it makes objectives more clear and specific.

Planning helps in focusing the attention of employees on the objectives or goals of enterprise.

Without planning an organization has no guide.

Planning compels manager to prepare a Blue-print of the courses of action to be followed for accomplishment of objectives.

Therefore, planning brings order and rationality into the organization.

2.Planning minimizes uncertainties.

Business is full of uncertainties.

There are risks of various types due to uncertainties.

Planning helps in reducing uncertainties of future as it involves anticipation of future events.

Although future cannot be predicted with cent percent accuracy but planning helps management to anticipate future and prepare for risks by necessary provisions to meet unexpected turn of events.

Therefore with the help of planning, uncertainties can be forecasted which helps in preparing standbys as a result, uncertainties are minimized to a great extent.

3.Planning facilitates co-ordination.

Planning revolves around organizational goals.

All activities are directed towards common goals.

There is an integrated effort throughout the enterprise in various departments and groups.

It avoids duplication of efforts. In other words, it leads to better co-ordination.

It helps in finding out problems of work performance and aims at rectifying the same.

4.Planning improves employee’s moral.

Planning creates an atmosphere of order and discipline in organization.

Employees know in advance what is expected of them and therefore conformity can be achieved easily.

This encourages employees to show their best and also earn reward for the same.

Planning creates a healthy attitude towards work environment which helps in boosting employees moral and efficiency.

5.Planning helps in achieving economies.

Effective planning secures economy since it leads to orderly allocation ofresources to various operations.

It also facilitates optimum utilization of resources which brings economy in operations.

It also avoids wastage of resources by selecting most appropriate use that will contribute to the objective of enterprise. For example, raw materials can be purchased in bulk and transportation cost can be minimized. At the same time it ensures regular supply for the production department, that is, overall efficiency.

6.Planning facilitates controlling.

Planning facilitates existence of certain planned goals and standard of performance.

It provides basis of controlling.

We cannot think of an effective system of controlling without existence of well thought out plans.

Planning provides pre-determined goals against which actual performance is compared.

In fact, planning and controlling are the two sides of a same coin. If planning is root, controlling is the fruit.

7.Planning provides competitive edge.

Planning provides competitive edge to the enterprise over the others which do not have effective planning. This is because of the fact that planning may involve changing in work methods, quality, quantity designs, extension of work, redefining of goals, etc.

With the help of forecasting not only the enterprise secures its future but at the same time it is able to estimate the future motives of it’s competitor which helps in facing future challenges.

Therefore, planning leads to best utilization of possible resources, improves quality of production and thus the competitive strength of the enterprise is improved.

8.Planning encourages innovations.

In the process of planning, managers have the opportunities of suggesting ways and means of improving performance.

Planning is basically a decision making function which involves creative thinking and imagination that ultimately leads to innovation of methods and operations for growth and prosperity of the enterprise.

2.Bring out the limitation of planning

Following are the limitations of planning:

(1) Planning Creates Rigidity:

Although the quality of flexibility is inherent in planning, meaning thereby that in case of need changes can be brought in, but it must be admitted that only small changes are possible. Big changes are neither possible nor in the interest of the organisation.

Since it is not possible to introduce desired changes according to the changed situations, the organisation loses many chances of earning profits. For this limited flexibility in planning, both the internal as well as external factors are responsible. These facts are called internal and external inflexibility.

They are the following:

(i) Internal Inflexibility:

At the time of planning the objectives of the organisation, its policies, procedures, rules, programmes, etc. are determined. It is very difficult to bring in changes time and again. It is known as internal inflexibility,

(ii) External Inflexibility:

External inflexibility means various external factors that cause limited flexibility in planning.

These factors are beyond the control of the planners. The chief among them are: political climate, economic changes, technical changes, natural calamities, policies of the competitors, etc.

For example, in political context, as a result of change, a new government brings up a new trade policy, policy of taxation, import policy, etc. All these changes make every sort of planning a meaningless waste. Similarly, a change in the policies of the competitors suddenly makes all types of planning ineffective.

(2) Planning Does Not Work in a Dynamic Environment:

Planning is based on the anticipation of future happenings. Since future is uncertain and dynamic, therefore, the future anticipations are not always true. Therefore, to consider planning as the basis of success is like a leap in the dark.

Generally, a longer period of planning makes it less effective. Therefore, it can be said that planning does not work in dynamic environment.

For example, a company anticipated that the government was thinking about allowing the export of some particular product. With this hope the same company started manufacturing that product. But the government did not allow the export of this product. In this way, the wrong anticipation proved all planning wrong or incorrect. It brought loss instead of profit.

(3) Planning Reduces Creativity:

Under planning all the activities connected with the attainment of objectives of the organisation are pre-determined. Consequently, everybody works as they have been directed to do and as it has been made clear in the plans.

Therefore, it checks their incisiveness. It means that they do not think about appropriate ways of discovering new alternatives. According to Terry, “Planning strangulates the initiative of the employees and compels them to work in an inflexible manner.”

(4) Planning Involves Huge Costs:

Planning is a small work but its process is really big. Planning becomes meaningful only after traversing a long path. It takes a lot of time to cover this path.

During this entire period the managers remain busy in collecting a lot of information and analysing it. In this way, when so many people remain busy in the same activity, the organisation is bound to face huge costs.

(5) Planning is a Time-consuming Process:

Planning is a blessing in facing a definite situation but because of its long process it cannot face sudden emergencies. Sudden emergencies can be in the form of some unforeseen problem or some opportunity of profits and there has been no planning for all these situations beforehand and which now requires immediate decision.

In such a situation, if the manager thinks of completing the planning process before taking some decision, it may be possible that the situations may worsen or the chance of earning profit may slip away. Thus, planning is time consuming and it delays action.

(6) Planning Does Not Guarantee Success:

Sometimes the managers think that planning solves all their problems. Such thinking makes them neglect their real work and the adverse effect of such an attitude has to be faced by the organisation.

In this way, planning offers the managers a false sense of security and makes them careless. Hence, we can say that mere planning does not ensure success; rather efforts have to be made for it.

3.Mentions the characteristics of decision-making?

The following characteristics of decision making:

(i) Decision making is a process of selection or choice among alters native courses of action. The need for decision making arises only when more than one alternative exists for doing the work.

(ii) The aim of decision making is to find out the best possible course of action. It is a rational and purposeful activity designed to attain well-defined objectives.

Decisions relate means to ends. In order to identify the best alternative, it is necessary to evaluate all available alternatives. As decision making is always purposeful, there may just be a decision not to decide.

(iii) Decision making is an intellectual or rational process. As a mental exercise, it involves considerable deliberation and thoughtful consideration of various factors influencing the choice. It is the end pro-cess preceded by reasoning and judgment.

(iv) Decision making involves a certain commitment. A decision results into the commitment of resources and reputation of the organisa-tion.

This commitment may be for short term or long term depending upon the type of decision. Decision making involves a time dimension and a time lags.

(v) Decision making is always related to the situation or the en-vironment. A manager may take one decision in a particular situation and an opposite decision in a different situation. In some situations, there may just be a decision not to decide.

(vi) Decision making is a pervasive function of management. This function is performed by managers at all levels though the nature of decisions may differ from one level to another. Decision making is a con-tinuous process.

(vii) Decision making is a human and social process. It involves the use not simply of the intellectual abilities but also of intuition, subjective values and judgment.

It is not a purely intellectual process. Perception and human judgment are indispensable and no technique can replace them. But knowledge and experience also provide basis for correct decisions.

(viii) The choice in decision making implies freedom to choose from among alternative courses of action without coercion. It also implies uncertainty about the final outcome.

SECTION-C

1.Discuss the various steps involed in the process of planning

Step # 1. Perception of Opportunities:

Perception of opportunities is not strictly a part of the planning process. But this awareness of opportunities in the external environment as well as within the organisation is the real starting point for planning. It is important to take a preliminary look at possible future opportunities and see them clearly and completely.

All managers should know where they stand in the light of their strengths and weaknesses, understand the problems they wish to solve and know what they gain. Setting objectives depends on the awareness. Planning requires realistic diagnosis of the opportunity sit

Step # 2. Establishing Objectives:This is the second step in the planning process. The major organisational and unit objectives are set in this stage. This is to be done for the long term as well as for the short range. Objective specify the expected results and indicate the end points of what is to be done, where the primary emphasis is to be placed and what is to be accomplished by the various types of plans.

Organisational objectives give direction to the major plans, which by reflecting these objectives define the objective of every major department. Major objectives, in turn, control the objectives of subordinate departments and so on down the line. In other words, objectives from a hierarchy.

The objectives of lesser departments will be more accurate if subdivision managers understand the overall enterprise objectives and the derivative goals. Managers should also have the opportunity to contribute their ideal to setting their own goals and those of the organisation.

Step # 3. Planning Premises:

After determination of organisational objectives, the next step is establishing planning premises that is the conditions under which planning activities will be undertaken. Planning premises are planning assumptions the expected environmental and internal conditions.Thus planning premises are external and internal. External premises include total factors in task environment like political, social, technological, competitors, plans and actions, government policies. Internal factors include organisation’s policies, resources of various types, and the ability of the organisation to withstand the environmental pressure. The plans are formulated in the light of both external and internal factors.

The nature of planning premises differs at different levels of planning. At the top level, it is mostly externally focused. As one moves down the organisational hierarchy the composition of planning premises changes from external to internal. The major plans both old and new will materially affect the future against which the managers at lower units must plan.

Step # 4. Identification of Alternatives:

The fourth step in planning is to identify the alternatives. Various alternatives can be identified based on the organisational objectives and planning premises. The concept of various alternatives suggests that a particular objective can be achieved through various actions.

For example, if an organisation has set its objectives to grow further, it can be achieved in several ways like expanding in the same Field of business or product line diversifying in other areas, joining hands with other organisations, or taking over another organisation and so on. Within each category, there may be several alternatives.

The most common problem is not finding alternatives but reducing the number of alternatives so that the most promising may be analysed. Even with mathematical techniques and the computer, there is a limit to the number of alternatives that can be thoroughly examined. The planner must usually make a preliminary examination to discover the most fruitful possibilities.

Step # 5. Evaluation of Alternatives:

The various alternative course of action should be analysed in the light of premises and goals. There are various techniques available to evaluate alternatives. The evaluation is to be done in the light of various factors. Example, cash inflow and outflow, risks, limited resources, expected pay back etc., the alternatives should give us the best chance of meeting our goals at the lowest cost and highest profit.

Step # 6. Choice of Alternative Plans:

This is the real point of decision-making. An analysis and evaluation of alternative courses will disclose that two or more .ire advisable and beneficial. The fit one is selected.

Step # 7. Formulation of Supporting Plan:

After formulating the basic plan, various plan are derived so as to support the main plan. In an organisation there can be various derivative plans like planning for buying equipment, buying raw materials, recruiting and training personal, developing new product etc. These derivative plans are formulated out of the basic or main plan and almost invariably required to support the basic plan.

Step # 8. Establishing Sequence of Activities:

After formulating basic and derivative plans, the sequence of activities is determined so those plans are put into action. After decisions are made and plans are set, budgets for various periods and divisions can be prepared to give plans more concrete meaning for implementation.

The overall budgets of an enterprise represent the sum total of income and expenses, with resultant profit or surplus, and budgets of major balance sheet items such as cash and capital expenditures. Each department or programme of a business or other enterprise can have its own budgets, usually of expenses and capital expenditures, which tie into the overall budget.

If done well, budgets become a means of adding together the various plans and also set important standards against which planning progress can be measured.

2.Explain the various stages involved in the process of decision-making

Steps of the Decision Making Process

The following are the seven key steps of the decision making process.

1.Identify the decision.

The first step in making the right decision is recognizing the problem or opportunity and deciding to address it. Determine why this decision will make a difference to your customers or fellow employees.

2.Gather information.

Next, it's time to gather information so that you can make a decision based on facts and data. This requires making a value judgment, determining what information is relevant to the decision at hand, along with how you can get it. Ask yourself what you need to know in order to make the right decision, then actively seek out anyone who needs to be involved.

3.Identify alternatives.

Once you have a clear understanding of the issue, it's time to identify the various solutions at your disposal. It's likely that you have many different options when it comes to making your decision, so it is important to come up with a range of options. This helps you determine which course of action is the best way to achieve your objective.

Weigh the evidence. In this step, you'll need to "evaluate for feasibility, acceptability and desirability" to know which alternative is best, according to management experts Phil Higson and Anthony Sturgess. Managers need to be able to weigh pros and cons, then select the option that has the highest chances of success. It may be helpful to seek out a trusted second opinion to gain a new perspective on the issue at hand.

4.Choose among alternatives.

When it's time to make your decision, be sure that you understand the risks involved with your chosen route. You may also choose a combination of alternatives now that you fully grasp all relevant information and potential risks.

5.Take action.

Next, you'll need to create a plan for implementation. This involves identifying what resources are required and gaining support from employees and stakeholders. Getting others onboard with your decision is a key component of executing your plan effectively, so be prepared to address any questions or concerns that may arise.

6.Review your decision.

An often-overlooked but important step in the decision making process is evaluating your decision for effectiveness. Ask yourself what you did well and what can be improved next time.

3.Explain the different types of managerial decisions

1. Programmed and non programmed decisions: Programmed decisions are those which are normally repetitive in nature and are taken as a routine job and responsibilities. These types of decisions are made by middle level management in accordance with some policies, rules and procedures. They have short term impact. For example: – granting a leave to an employee, purchasing office materials etc. non programmed decisions are non repetitively taken by top executives. They need to collect data and analyze then and forecast the strategic plans

2. Major and minor decisions: among different decisions some decisions are considerably more important than others and are prioritized. They are called major decisions. For example, replacement of man by machine, diversification of product etc. contrary to that, some of the remaining decisions are considerably less important than others and are not so prioritized. They are minor decisions. For example, store of raw materials etc.

3. Routine and strategic decisions: Routine decisions are those decisions which are considered as tactical decisions. They are taken frequently to achieve high degree of efficiency in the organizational activities. For example, parking facilities, lighting and canteen etc. strategic decisions are those which are related to lowering the prices of products, changing the product etc. they take more fund and degree of partials.

4. Organizational and personal decision: Organizational decision is taken by top executives. For official purpose. They affect the organizational activities directly. Authority is also delegated. Personal decisions are concerned to an employee. The executives whenever takes the decisions personally that is known as personal decisions

5. Individual and group decisions: When a single employee is involved in decision making it is called individual decision. They are taken by ole proprietor when the problem is of routine nature. On the other hand when the decision is of group taken in a large organization where important and strategic decisions are taken the it is a group decision

6. Policy and operating decisions: Policy decisions are taken by top level management to change the rules, procedures, organizational structure etc and they have a long tern effect. Operational decisions are taken by low level management which have short term effect and which affect the day to day operation of the organization.

UNIT-3

SECTION-A

1.Define organasation

Definition of organization - an organized group of people with a particular purpose, such as a business or government department, the action of organizing some.

2.Write a note on informal organasation?

The informal organization is the interlocking social structure that governs how people work together in practice. It is the aggregate of, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations.

3.What is an ad hoc committee?

Committee formed for a specific task or objective, and dissolved after the completion of the task or achievement of the objective. Most committees (other than the standing committees) are of ad hoc type.

4.What does authority mean?

The authorities are the people who have the power to make decisions and to make sure that Meaning, pronunciation, translations and examples. Authority is official permission to do something. The prison governor has refused to let him go, saying he must first be given authority from his own.

5.What is responsibility?

A duty or obligation to satisfactorily perform or complete a task (assigned by someone, or created by one's own promise or circumstances) that one must fulfill, and which has a consequent penalty for failure. ... Use 'responsibility' in a Sentence. As the manager it is your

6.Define delegation?

Delegation is the assignment of any responsibility or authority to another person (normally from a manager to a subordinate) to carry out specific activities, such as starting on proper tires during a wet race. It is one of the core concepts of management leadership.

7.What do you mean by decentralisation?

Decentralization is the process of distributing or dispersing functions, powers, people or things away from a central location or authority. While centralization, especially in the governmental sphere, is widely studied and practiced, there is no common definition or understanding of decentralization

8.Span of contorl?

The concept of "span of control," also known as management ratio, refers to the number of subordinates controlled directly by a superior. It is a particularly important concept for small business owners to understand because small businesses often get into trouble when the founder ends up with too wide a span of control.

9.Organizational structure

Organizational structure is a system that consists of explicit and implicit institutional rules and policies designed to outline how various work roles and responsibilities are delegated, controlled and coordinated. Organizational structure also determines how information flows from level to level within the company.

SECTION-B

1.Explain the process of Organization?

1.Review plans and objectives.

Objectives are the specific activities that must be completed to achieve goals. Plans shape the activities needed to reach those goals. Managers must examine plans initially and continue to do so as plans change and new goals are developed.

2.Determine the work activities necessary to accomplish objectives.

Although this task may seem overwhelming to some managers, it doesn't need to be. Managers simply list and analyze all the tasks that need to be accomplished in order to reach organizational goals.

3.Classify and group the necessary work activities into manageable units.

A manager can group activities based on four models of departmentalization: functional, geographical, product, and customer.

4.Assign activities and delegate authority.

Managers assign the defined work activities to specific individuals. Also, they give each individual the authority (right) to carry out the assigned tasks.

5.Design a hierarchy of relationships.

A manager should determine the vertical (decision-making) and horizontal (coordinating) relationships of the organization as a whole. Next, using the organizational chart, a manager should diagram the relationships.

2.EXPALINE THE PROCESS OF DELEGATION OF AUTHORITY?

Authority - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misutilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority.

Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.

Responsibility - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.

Accountability - means giving explanations for any variance in the actual performance from the expectations set. Accountability can not be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the person will think beyond his scope of job. Accountability, in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

For achieving delegation, a manager has to work in a system and has to perform following steps : -

Assignment of tasks and duties

Granting of authority

Creating responsibility and accountability

Delegation of authority is the base of superior-subordinate relationship, it involves following steps:-

Assignment of Duties - The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.

Granting of authority - Subdivision of authority takes place when a superior divides and shares his authority with the subordinate. It is for this reason, every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very important to get effective results.

Creating Responsibility and Accountability - The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Responsibility is very important. Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted. Accountability, on the others hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

3.Limitation of authority?

LIMITATIONS OF AUTHORITYAuthority includes the right to require actionsof others. Actions of others are directed by oralor written orders that are subject to general

LIMITATIONS of AUTHORITY. Orders mustbe lawful since subordinates are only required toobey lawful orders (article 1132, Navy Regs).

Orders must not be characterized by harsh orerratic conduct or abusive language (article 1023,Navy Regs). Since authority is given only to fulfillduties and responsibilities, only the authoritynecessary to complete the tasks assigned can bedelegated; authority should never be delegatedbeyond the lowest level of competence.Punishment may only be awarded throughthe judicial process or nonjudicially througharticle 15 of the Uniform Code of Military Justice(UCMJ). Authority to administer nonjudicialpunishment is carefully reserved by the UCMJ forcertain commanders, commanding officers, andofficers in charge. Petty officers have authorityto take certain measures to correct minorinfractions that do not merit punishment underarticle 15. They have authority to correctsubordinates who are deficient in the performanceof their military duties and in the performanceof their work assignments. However, many pettyofficers do not understand what measures theymay take to correct their subordinates. As a resulteach command differs in the application of thesemeasures, and petty officers do not always knowthe extent of their authority.As a leading petty officer, you should bethoroughly familiar with the tools available to youto correct military deficiencies in your personnel.You should also know the proper procedures forapplying these corrective measures.Two of the most common measures used tocorrect military duty deficiencies are thewithholding of privileges and extra militaryinstruction (EMI). Another measure that iscorrective in nature, but is not used to correct adeficiency, is the extension of working hours.These three management tools are discussed in thefollowing paragraphs.Extra Military InstructionPeople often confuse EMI and extra duty.Extra duty is work assigned that is completelyoutside one’s normal duties. Extra duty is punitivein the legal sense and is only awarded asnonjudicial punishment or as a result of a court-martial.EMI is a lesson in a phase of military dutydesigned to correct a deficiency of performance.EMI is nonpunitive in the legal sense and issanctioned by the Manual for Courts-Martial(MCM); however, it may be viewed asinconvenient or unpleasant. EMI is assignedinformally, usually by the division chief ifauthorized by the commanding officer. EMI canonly be given to correct an observed deficiencylogically related to the deficiency. It is a bona fidetraining device intended to improve the efficiencyof a command or unit.EMI within the Navy is assigned, whenrequired, with the following limitations:

4.Difference between authority and responsibility?

Definitions of Authority and Responsibility:

• Authority can be defined as the ability that an individual has to give orders and enforce obedience.

• Responsibility can be defined as a thing required to be done as part of a job or legal obligation.

• Sense:

• The word authority is used in the sense of ‘power.’

• The word responsibility is used in the sense of ‘duty.’

• Connection to the Individual:

• Authority is something that an individual possesses.

• Responsibility is something that an individual has towards another.

• Connection:

• People with authority also have a responsibility towards those who are under his scope of authority.

SECTION-C

1.Explain the principles of organasation?

An organizing principle is a core assumption from which everything else by proximity can derive a classification or a value. It is like a central reference point that allows all other objects to be located, often used in a conceptual framework. Having an organizing principle might help one simplify and get a handle on a particularly complicated domain or phenomenon. On the other hand, it might create a deceptive prism that colors one's judgment.

Examples[edit]

1] In a Brookings Institution article, James Steinberg describes how counter-terrorism has become the organizing principle of U.S. national security.

2.The idea of the solar system is based on the organizing principle that the sun is located at a central point, and all planets rotate around it.

3.Most modern cities are based on the organizing principle of the Grid plan in order to better manage transportation and addressing.

4.Most religions (as opposed to cults) can be described by social scientists as built around an organizing principle (for example, the divinity of Christ) that allows for the sustainable or improvable recursion of a unique population.[2]

5.Organizations can be constructed around a set of organizing principles, such as concepts, priorities, or goals. For example, an organization may intend to be innovative, international, quality and agile.

6.The central organising principle of the Welsh Government is sustainability.

7.Legitimation Code Theory is an explanatory framework in the sociology of knowledge and education that seeks to understand different social fields of practices in terms of their operating principles, which determines the basis of success and failure

2.Type of organasation

1. Line Organisation:

Line organisation is the simplest and oldest form of organisation structure. It is called as military or departmental or scalar type of organization. Under this system, authority flows directly and vertically from the top of the managerial hierarchy ‘down to different levels of managers and subordinates and down to the operative level of workers.

Line organisation clearly identifies authority, responsibility and accountability at each level. The personnel in Line organization are directly involved in achieving the objectives of the organization.

Advantages of Line Organization:

a. The line organization structure is very simple to understand and simple to operate.

b. Communication is fast and easy and feedback can be acted upon faster.

c. Responsibility is fixed and unified at each level and authority and accountability are clear-cut, hence each individual knows to whom he is responsible and who is or in truth responsible to him.

d. Since it is especially useful when the company is small in size, it provides for greater control and discipline in the organization.

e. It makes rapid decisions and effective coordination possible. So it is economic and effective.

f. The people in line type of organization get to know each other better and tend to feel close to each other.

g. The system is capable of adjusting itself to changing conditions for the simple reason that each executive has sole responsibility in his own sphere.

Disadvantages of Line Organization:

a. It is a rigid and inflexible form of organization.

b. There is a tendency for line authority to become dictatorial.

c. It overloads the executive with pressing activities so that long-range planning and policy formulation are often neglected.,

d. There is no provision for specialists and specialization, which is essential for growth and optimisation.

e. Different departments may be much interested in their self-interests, rather than overall organizational interests and welfare.

f. It is likely to encourage nepotism.

g. It does not provide any means by which a good worker may be rewarded and a bad one punished.

Type # 2. Line and Staff Organization:

This type of organization structure is in large enterprises. The functional specialists are added to the line in line and staff organization. Mere, staff is basically advisory in nature and usually does not possess any command authority over line managers. Allen has defined line and staff organization as follows.

“Line functions are those which have direct responsibility for accomplishing the objectives of the enterprises and staff refers to those elements of the organization that help the line to work most effectively in accomplishing the primary objectives of the enterprises.”

In the line and staff organisation, staffs assist the line managers in their duties in order to achieve the high performance. So, in an organization which has the production of textiles, the production manger, marketing manager and the finance manager may be treated as line executives, and the department headed by them may be called line departments

On the other hand, the personnel manager who deal with the recruitment, training and placement of workers, the quality control manager who ensure the quality of products and the public relations manager are the executives who perform staff functions.

Here, it is better to see the type of staff, which may be in an organization.

Type of Staff:

The staff organizations mentioned above all has in common the fact that they are auxiliary to the main functions of the business. There are, however, different types of staff.

The three main divisions may be listed as:

1. Personal Staff.

2. Specialized Staff.

3. General Staff.

1. Personal Staff:

Personal staff consists of a personal assistant or adviser attached to the line executive at any level. His main function is to aid and advise the line executive as also to perform any other work assigned to him.

In business, the personal staffs is typified by the private secretary, who may keep the executive’s personal check book, buy his Christmas presents and arrange his appointments. General or business executives are given personal staff assistants on the same theory. Their time is too valuable to be spent in handling the details of daily living.

2. Specialised Staff:

The specialised staff have expert knowledge in the specific fields. The specialised staff are those that handle the specialised functions. For example, accounting, personnel, engineering and research. It is now impossible for one man to familiarise himself with all the various specialities needed in the modern large business.

Hence the general or the company president, and perhaps the department head, is provided with experts in each Field to counsel him on the various specialise staff could serve in any of the following capacities:

a. Advisory Capacity.

b. Service Capacity.

c. Control Capacity.

a. Advisory Capacity:

Its purpose is to render specialised advice and assistance to management while needed. Some typical areas covered by advisory staff is legal, public relations and economic development areas.

b. Service Capacity:

This group provides a service, which is useful to the organisation as a whole and not to any specific division or function. An example would be the personnel department serving the enterprises by procuring and training the needed personnel for all departments. Other areas of service include research and development, purchasing, statistical analysis, insurance problems etc.

c. Control Capacity:

This includes quality control staff that may have the authority to control the quality and enforce standards.

3. General Staff:

Any decision that cuts across departmental lines must be made by the Chief Executive. It cannot be delegated to the head of a specialised staff group or to a line department head, since other department heads will naturally resent interference in their department heads will naturally resent interference in their department by someone who is in no way their superior.

A typical case would be a change in the organisation structure of the company as a whole: the combination of two departments under a single head, for example or the organisation of a new top-level department.

It is with these functional that cannot be delegated that the general staff personnel can provide assistance and save the time of the top man. True, the chief cannot delegate any one of these functions to a general staff person, but he can often delegate parts of each of them.

The title of the general staff person is most often “assistance to” the company president, or other executive.

A staff member may serve as a coach, diagnostician, policy planner, coordinator, trainer, strategist etc.

A line and staff organisation chart is given below:

Line and Staff Organisation

Advantages of Line and Staff Organisation:

a. Line officers can concentrate mainly on the doing function as the work of planning and investigation is performed by the staff. Specialisation provides for experts advice and efficiency in management.

b. Since the organisation comprises line and staff functions, decisions can be taken easily.

c. The staff officers supply complete factual data to the line officers covering activity within and without their own units. This will help to greater co-ordination.

d. It provides an adequate opportunity for the advancement of workers.

e. The staff services provides a training ground for the different positions.

f. Adequate organisation a balance among the various activities can be attained easily.

g. The system is flexible for new activities may be undertaken by the staff without forcing early adjustments of line arrangements.

h. Staff specialists are conceptually oriented towards looking ahead and have the time to do programme and strategic planning and analyse the possible effects of expected future events.

Disadvantages of Line and Staff Organisation:

a. Confusion and conflict may arise between line and staff. Because the allocation of authority and responsibility is not clear and members of the lower levels may be confused by various line orders and staff advices.

b. Staff generally advise to the lines, but line decides and acts. Therefore the staffs often feel powerless.

c. Too much reliance on staff officers may not be beneficial to the business because line officials may lose much of their judgment and imitative.

d. Normally, staff employees have specialised knowledge and expert. Line makes the final decisions, even though staff give their suggestions. Staff officers, therefore, may be resented.

e. Staff officers are much educated so their ideas may be more theoretical and academic rather than practical.

f. Although expert advice is available it reaches the workers through the managers. Here it is liable to create a greater deal of misunderstanding and misinterpretation.

g. Since staff specialists demand higher payments, it is expensive.

h. The staff are unable to carry out its plan or recommendations because of lack of authority. So they become ineffective sometimes, it will make them careless and indifferent towards their jobs.

i. Since the line are performed, with the advise provided by the staff, if things go right then the staff takes the credit and if things go wrong then the line get the blame for it.

Type # 3. Functional Organisation:

The functional organisation was evolved by F.W. Taylor while he was working as a foreman. He suggested eight foremen, four in factory and four in planning division as under.

Factory Division:

(i) The gang boss,

(ii) The speed boss,

(iii) The inspector, and

(iv) The maintenance or repair boss.

Planning Division:

(i) Route Clerk,

(ii) Instruction card clerk,

(iii) Time and cost clerk, and

(iv) The shop disciplinarian.

He evolved his functional organisation system, which consists in "so dividing the work of management that each man, from the assistant superintendent down, shall have as few functions as possible to perform."

According to Terry, "Functional organisation refers to the organisation which is divided into a number of functions such as finance, production, sales, personnel, office and research and development and each of functions are performed by an expert". Line authority, staff authority and functional authority as a third type of authority are in this type of organisation.

Features of Functional Organisation:

a. Each worker receives instructions not only from one superior, but also from a group of specialists.

b. Three types of authority relationships are in the functional organisation such as line authority, staff authority and functional authority.

c. Staff specialists are given the authority to decide and do things in a limited way.

d. The scope of the work is kept limited but the area of authority is left unlimited.

e. There is a grouping of activities of the enterprise into certain major functional departments.

Advantages of Functional Organisation:

a. Each manager is an expert in his field. He has to perform a limited number of functions. So complete specialisation will be in functional organisation.

b. The greater degree of specialisation leads the improvement in the quality of product.

c. Since the job requirements are definite and tangible, organisation can achieve the intensive utilisation of the principle of specialisation of labour at the managerial level.

d. Specialisation will lead for mass production and standardisation.

e. Since experts get sufficient time for creative thinking, planning and supervision are made efficient.

f. It increases the work satisfaction for specialists who presumably do what they like to do.

Disadvantages of Functional Organisation:

a. Since there is no direct boss or controller of the workers, co-ordination is hard to achieve.

b. Since workers are under different bosses, discipline is hard to achieve. As results there will be low morale on the part of the workers.

c. The non-supervisory employees are uncertain as to whom they should turn for advice and aid when problem call for analysis.

d. Due to that control is divided, action cannot be taken immediately.

e. Since there will be many foreman of equal rank in the same department, the conflicts of leadership may arise.

f. It reduces the opportunities for the training of all-round executives to assume further leadership in the firm.

Type # 4. Project Organisation:

This organisational structure are temporarily formed for specific projects for a specific period of time, for the project of achieving the goal of developing new product, the specialists from different functional departments such as production, engineering, quality control, marketing research etc., will be drawn to work together. These specialists go back to their respective duties as soon as the project is completed.

Really, the project organisation is set-up with the object of overcoming the major weakness of the functional organisation, such as absence of unity of command, delay in decision-making, and lack of coordination.

The project organization chart may be shown as follows:

Project Organisation

Advantages of Project Organisation:

a. It is a remarkable illustration of relationship between environment, strategy and structure.

b. The grouping of activities on the basis of each project results in introduction of new authority patterns.

c. Since the specialists from different departments is drawn to work together under the project organisation it helps to coordination.

d. It makes for meaningful control and fixation of individual responsibility.

Disadvantages of Project Organisation:

a. The uncertainty may be attributed to the diverse backgrounds of the professional who are deputed to the project.

b. The project manager finds it difficult to motivate and control the staff in a traditional way in the absence of well-defined areas of responsibility lines of communication and criteria to judge performance.

c. Delay in completion of the project may occur.

d. Effective project management may also be hindered by the top management who may not be wholly are of the problems at the project centre.

Type # 5. Matrix Organisation:

According to Stanley Davis and Paul Lawrence matrix organisation is “any organisation that employs a multiple command system that includes not only the multiple command structure, but also related support mechanism and an associated organisational culture and behaviour pattern.”

A matrix organisation, also referred to as the “multiple command system” has two chains of command. One chain of command is functional in which the flow of authority is vertical.

The second chain is horizontal depicted by a project team, which is led by the project, or group manager who is an expert in his team’s assigned area of specialisation.

Since the matrix structure integrates the efforts of functional and project authority, the vertical and horizontal lines of authority are combination of the authority flows both down and across. The matrix form of organisation is given below.

Matrix Organisation

Advantages of Matrix Organisation:

1. Since there is both vertical and horizontal communication it increases the coordination and this coordination leads to greater and more effective control over operations.

2. Since the matrix organisation is handling a number of projects, available resources will be used fully.

3. It focuses the organisational resources on the specified projects, thus enabling better planning and control.

4. It is highly flexible as regards adherence to rules, procedures etc. Here experience is the best guide to establishing rules and procedures.

5. As any department or division has to harness its effort towards accomplishment of a single project, employees are effectively motivated.

Disadvantages of Matrix Organisation:

1. Since, there is more than one supervisor for each worker, it causes confusion and conflicts and reduce effective control.

2. There is continuous communication both vertically as well horizontally, which increases paper work and costs.

3. It is difficult to achieve a balance below on the projects technical and administrative aspects.

UNIT-4

SECTION-A

1.Define'Departmentation'?

Departmentation: it's Meaning and Definition – Explained! ... Departmentalization (or simply departmentation) refers to the grouping of operating tasks into jobs, the combining of jobs into effective work groups and the combining of groups into divisions often termed as 'Departments'

SECTION B

1.Explain the importance of departmentation?

Importance of Departmentation:

The following points highlight the importance of departmentation:

1. Organisation structure:Division of work into units and sub-units creates departments. Supervisors and managers are appointed to manage these departments. People are placed in different departments according to their specialised skills. The departmental heads ensure efficient functioning of their departments within the broad principles of organisation (scalar chain, unity of command, unity of direction etc.).

Thus, organisation structure is facilitated through departmentation. If there are no departments, it will be difficult to keep track of who is doing what and who is accountable to whom.

Departmentation creates departments, assigns tasks to people, fixes their responsibility and accountability to their departmental heads, creates a span of management so that work can be easily supervised. This network of authority- responsibility relationships is the basis of designing a sound organisation structure.

2. Flexibility:

In large organisations, one person cannot look after all the managerial functions (planning, organising etc.) for all the departments. He cannot adapt the organisation to its internal and external environment. Such an organisation would become an inflexible organisation. Creating departments and departmental heads makes an organisation flexible and adaptive to environment. Environmental changes can be incorporated which strengthen the organisation’s competitiveness in the market.

3. Specialisation:Division of work into departments leads to specialisation as people of one department perform activities related to that department only. They focus on a narrow set of activities and repeatedly performing the same task increases their ability to perform more speedily and efficiently. Specialisation promotes efficiency, lowers the cost of production and makes the products competitive.

4. Sharing of resources:

If there are no departments, organisational resources; physical, financial and human, will be commonly shared by different work units. Departmentation helps in sharing resources according to departmental needs. Priorities are set and resources are allocated according to the need, importance and urgency regarding their use by different departments.

5. Co-ordination:

"The organisation is a system of integrated parts, and to give undue emphasis to any functional part at the expense of the entire organisation creates organisational islands, thus, resulting in inefficiency and significant behavioural problems". Creating departments focuses on departmental activities and facilitates co-ordination.

6. Control:

Managers cannot control organisational activities if they have to be collectively supervised. Departmentation facilitates control by departmental manager over the activities of his department only. Activities are divided into smaller segments, standards of performance can be framed, factors affecting performance can be identified and control can be more objective in nature.

7. Efficiency:

Flow of work from one level to another and for every department, i.e., vertical and horizontal flow of work in the organisation increases organisational efficiency.

8. Scope for growth and diversification:

In the absence of departmentation, managers can supervise a limited number of activities, depending upon their skills and abilities. Departmentation enables them to expand their area of operation into new product lines and geographical divisions. Departmentation provides scope for organisational growth (along the same product lines) and expansion (adding new product lines).

9. Responsibility:

Since similar activities are grouped in one department headed by departmental managers, it becomes easy for top managers to fix responsibility of respective managers for achieving the desired results. If planned performance is not achieved, the department responsible becomes answerable. When responsibility is clear, authority can also be delegated to managers. Clear identification of responsibility and authority increases efficiency of the departmental activities.

10. Development of managers:

Departmentation enables departmental heads to be creative in making decisions with respect to their departmental activities. Training needs can also be identified because manager’s task is clear and specific. There are opportunities to improve performance in their area of specialisation.

This develops their potential to be promoted to higher managerial positions in the organisation. It also facilitates recruitment and selection of top managers from within the organisation rather than depending on outside sources.

SECTION C

1.Explain the various bases of departmentation together with their relative merits and demerits?

Introduction to Departmentation

The process of organization consists of Dividing different duties and Assigning responsibilities to different people. Dividing and grouping of activities is of paramount importance to all developing organizations.

The span of control i.e.. the limitation on the number of subordinates that can be directly managed would restrict the size of the enterprise. Therefore, the work and people should be divided and grouped to facilitate expansion of the firm. Dividing the work and people, and grouping them on some logical basis is called Departmentation.

With this introduction, we shall now see the meaning of departmentation, bases of departmentation and their relative merits and demerits.

Meaning and Definition of Departmentation

Departmentation is the process which is used to group activities into units for purpose of administration at all levels. By this process, the personnel and functions of an enterprise are departmentalized by division into separate units.

Dividing the work naturally means the identification of individual activities which have to be undertaken for attaining the objectives of the enterprise. But once the various activities have been identified, it is necessary to group them together on some logical basis. This process of grouping is known as departmentation.

The administrative units so created may be called as divisions, units, branches or by some other name. Each department or division is a distinct area of activities over which a manager will be given authority and for which he is responsible. The departments are agencies of management and simplify the tasks of the management within a workable span.

Bases of Departmentation

There is no single best way of departmentation applicable to all organizations or to all situations. The pattern that will be used will depend on the given situation and what managers believe will yield the best result for them in the situation they face. However, there are a few basic methods for dividing responsibilities within an organization.

They are as follows:

Functional basis.

Territorial basis.

Process basis.

Product basis.

Customer basis.

Time basis.

Number basis.

1. Departmentation by Function

The most commonly accepted practice is the grouping of the activities in accordance with the functions of an enterprise. The basic enterprise functions generally consist of production, marketing, finance, etc. This method is more logical and hence present in almost all enterprises at some level.

Merits of Departmentation by function

1. It is a logical and time proven method.

2. This method follows the principle of specialization.

3. Authority and responsibilities can be clearly defined and fixed.

4. Since the top managers are responsible for the end results, control shall become effective.

Demerits of Departmentation by function

1. This type of departmentation shall develop a loyalty towards the functions and not towards the enterprise as a whole.

2. Coordination of different functions shall become difficult.

3. Only the departmental heads are held responsible for defective work.

4. This pattern is not a best training ground for promotable top management people.

2. Departmentation by Territories

When the organization is large and geographically dispersed, departmentation on territorial basis is the best. This is also considered suitable where the branches produce the same goods or perform similar services at various locations.

Merits of Departmentation by Territory

Departmentation on territorial basis has many points to its credit.

1. This method is highly suitable when the needs of the local customers are to be satisfied effectively.

2. Certain economies of localized operation can be availed.

3. Sales activities can be conducted more effectively. Sales personnel can spend more time on sales rather than on traveling.

4. The executives of territorial departments shall become thoroughly familiar with the key details and can take on the spot decisions in times of emergency.

5. The department has an excellent training situation for all round managers needed in the future at higher levels.

Demerits of Departmentation by Territory

1. This type of departmentation requires more persons with general managerial abilities needed in the future at higher levels.

2. Coordination shall become difficult and the problem of maintaining top management control shall also acute.

3. Territorial grouping may sometime cause some problems if authority over financial matters is also decentralized.

UNIT 5

SEC-A

1.Define co-ordination?

1 : the process of organizing people or groups so that they work together properly and well.

2 : the harmonious functioning of parts for effective results. The game requires excellent hand-eye coordination.

SECTION B

1.Importance of co-ordination?

1. Higher Efficiency and Economy:

Coordination helps to improve the efficiency of operations by avoiding overlapping efforts and duplication of work. Integration and balancing of individual efforts provide a smooth and harmonious team work. Coordination is a creative force which makes possible a total result which is greater than the sum of individual achievements. This is the synergetic effect coordination. Coordination enables an organisation to rake optimum use of its resources.

The success of organized Endeavour depends upon the quality of coordination. In fact, coordination is the first principle of organisa-tion as it expresses the principle of organisation in to. The quality of coordination is the crucial factor in the survival of an organisation.

2. Good Human Relations:

Besides promoting the efficiency of operations, coordination improves the morale and job satisfaction of employees. Composite and orderly effort established through team spirit and executive leadership enables employees to derive a sense of security and personal contentment from their job. A well-coordinated organisa-tion can attract, retain and utilize better personnel. Coordination improves human relations by reconciling individual and organizational objectives.

3. Unity of direction:

Coordination helps to ensure unity of action in the face of disruptive forces. By welding together different departments and sections into one entity, coordination ensures the stability and growth of an organisation. It enables the executives to see the enterprise as a whole instead of narrow sectional goals. Individual interests are sub-ordinated to the common interest more easily and effectively.

4. Quintessence of management:

Coordination is an all inclusive concepts or the end result of the management process. Management is noth-ing more than coordination of all activities, efforts and forces that affect the organisation from within and without. Coordination serves as a key to all managerial functions. According to Mary Parker Follett, "the first test of a business administration should be whether you have a business with all its parts so coordinated, so moving together in their closely knit and adjusting activities, so linking, inter-locking, inter-relating, that they make a working unit that is not a congenis of separate pieces, but a functional whole or integrated unit".

5. Organizational Effectiveness:

Coordination fosters loyalty and commitment among employees. This enhances the effectiveness and stability of the organisation. According to McFarland, "if job satisfac-tions are present, executives will tend to remain longer with the com-pany. They will feel that they have a place in the organisation. They will feel that they have earned that place. The presence of coordination becomes part of their job experience and hence can form a very useful part of their training." Thus, coordination is the sine qua non of effective management.

2.Types of co-ordination?

1. Scope – on the basis of scope or coverage, co-ordination can be.

Internal – refers to co-ordination between the different units of an organisation within and is achieved by integrating the goals and activities of different departments of the enterprise.

External – refers to co-ordination between an organisation and its external environment comprising government, community, customers, investors, suppliers, competitors, research institutions, etc. It requires proper match between policies and activities of the enterprise and the outside world.

2. Flow – on the basis of flow, co-ordination can classified into:

vertical – implies co-ordination between different levels of the organisation and has to ensure that all the levels in the organisation act in harmony and in accordance with the goals and policies of the organisation. Vertical co-ordination is assured by top management through delegation of authority.

Horizontal or lateral – refers to co-ordination between different departments and other units at the same level of the management hierarchy. For instance, co-ordination between production department and marketing department is horizontal or lateral co-ordination.

3. Procedural and substantive – which according to Herbert A. Simon, procedural co-ordination implies the specification of the organisation in itself, i.e. the generalised description of the behaviour and relationship of the members of the organisation. On the other hand, substantive co-ordination is concerned with the content of the organisation's activities. For instance, in an automobile plant an organisation chart is an aspect of procedural co-ordination, while blueprints for the engine block of the car being manufactured are an aspect of substantive co-ordination.

3.Feature of controlling function?

Management contain of for function they are:

Planning

Organizing

Leading and directing

Controlling

Planning

The flowing is the process of the planning.

Classifying the problem identifying the main task to be done.

Establishment of objective.

Establishment of planning premises, these are the assumptions made to solve the problem.

Choice of alternative, if a plan fails can switch to the alternative plan.

Formulation of derivative plans, no need of changing the whole only some parts could be adjusted.

Arranging timing and sequence of the operations.

Secures Co-Operation: Secures Relationship between the works and top level managements.

Follow -Up/appraisal of plan_ This means Others are allowed give feedback regarding the plan. Planning enable stable running of the company and future development and success of the company (prosperity). This also enables innovation & Creativity of new Ideas and can achieve better co-ordination from the employees.

Organizing :

Organizing means putting the right things in the right place and right person in the right place to get the work done properly.

Organizing is the first step of implementation.

It's because we are physically grouping and dividing the work force.

Function of organizing:

Act as a frame work within which people can work together effectively.

There are actually three areas if objectives or aims.

First is the Organizational objective - Planning emphasized in the whole thing.

Departmental objective- Different departments will have different objectives.

Individual objectives - each and every employee will have his/her own objective of completing the task given.

Finally all the objectives facilitated by the different departments enable to gain the organizational objectives.

Organization is important for a company for the following rescores.

Allows optimum we of rescores- Using the maximum rescores which is actually needed, Without wasting the resource or using it less

Clarifies authority to perform managerial functions.

Managerial function means decision making and giving orders and instruction to the sub ordinates and scalar chain refer to the way people are arranged in an organization.

Facilitates growth and diversification of business easily. It enables to know how much of the resources would be needed.

Leading and directing

This refers to giving instructions and guidelines to achieve a pre determined goal.

Leading and directing is an important managerial function.

Leading and directing helps the organization in the following ways.

Building an effective working climate.

Creating opportunity for motivation.

Supervising to make sure employees are behaving well.

Scheduling, tasks given to each employee are finished on a given time.

Disciplining, code of conduct/formal relationship

Directing is said to be the heart of management process. directing is important to make sure that planes are working. Some characteristics of directing are as follows

Pervasive function

Required of all level of organization

Every manager provides guidelines and inspiration to his sub ordinates however, there should be someone to direct even the supervisors just like the subordinates

Continuous activity

Direction is a continuous activity as it continues through out the life of the organization

Directing is needed till you achieve the goal.

Creative activity

Directing helps to convert plane in to performance planes(written words) are implemented (Physically) this means words are converted into physical action during the process of directing . without this function people become inactive and resources are meaningless

Controlling

Checking current performance and standard performance -goals are met and performance are satisfactory. Controlling is a continuous process which enables to find out how the employees perform. This is also used to make sure the top level management is also doing their job properly .

Establishment of standards

Measurement of performance

The working environment of the work place should be good

Communicating with the higher level management

Extend of deviation

Taking corrective actions

4.Requisites for excellent coordination?

1.Direct contact: Through direct contact, the activities of different individuals within and between departments can be coordinated. By direct personal contact among the responsible people concerned, coordination can be more easily achieved. Views can be discussed by direct face-to-face or personal contact.

2.Early start: Coordination should start from the very beginning of planning and policy making process. There should be mutual consultation among the officials while preparing the plan. If it is done early, the task of adjustment will be very easier either in preparation or in integration in the process of implementation of the plan.

3.Continuity: Coordination is a continuous function, so, it should be viewed as a continuous or never ending process, it must go on all the time, starting from the stage planning. It cannot be left to chance, but management should make constant efforts to achieve it.

4.Dynamism: Coordination should be modified in the light of changes incurred in the internal and external environment. It envisages that coordination should not be rigid but dynamic.

5.Simplified organization: The organizational structure of the enterprise should be simplified to make the coordination effective. If structure is simplified, then, closely related functions and operations may be put under the charge of one executive and this would facilitate the taking of action necessary for coordination.

6.Clear cut objectives: The objectives should be clearly defined to make coordination effective. The objectives, goals and mission should be laid down clearly. The departmental managers should be told of the objectives of the firm and they should understand the overall goals.

SECTION C

1.Techniques of coordination

Techniques of co-ordination:

The main techniques of effective co-ordination are as follows.

1.Sound planning – unity of purpose is the first essential condition of co-ordination. Therefore, the goals of the organisation and the goals of its units must be clearly defined. Planning is the ideal stage for co-ordination. Clear-cut objectives, harmonised policies and unified procedures and rules ensure uniformity of action.

2.Simplified organisation – a simple and sound organisation is an important means of co-ordination. The lines of authority and responsibility from top to the bottom of the organisation structure should be clearly defined. Clear-cut authority relationships help to reduce conflicts and to hold people responsible. Related activities should be grouped together in one department or unit. Too much specialisation should be avoided as it tends to make every unit an end in itself.

3.Effective communication – open and regular communication is the key to co-ordination. Effective interchange of opinions and information helps in resolving differences and in creating mutual understanding. Personal and face-to-face contacts are the most effective means of communication and co-ordination. Committees help to promote unity of purpose and uniformity of action among different departments.

Effective leadership and supervision – effective leadership ensures co-ordination both at the planning and execution stage. A good leader can guide the activities of his subordinates in the right direction and can inspire them to pull together for the accomplishment of common objectives. Sound leadership can persuade subordinates to have identity of interest and to adopt a common outlook. Personal supervision is an important method of resolving differences of opinion.

4.Chain of command – authority is the supreme co-ordinating power in an organisation. Exercise of authority through the chain of command or hierarchy is the traditional means of co-ordination. Co-ordination between interdependent units can be secured by putting them under one boss.

Indoctrination and incentives – indoctrinating organisational members with the goals and mission of the organisation can transform a neutral body into a committed body. Similarly incentives may be used to create mutuality of interest and to reduce conflicts. For instance, profit-sharing is helpful in promoting team-spirit and co-operation between employers and workers.

5.Liaison departments – where frequent contacts between different organisational units are necessary, liaison officers may be employed. For instance, a liaison department may ensure that the production department is meeting the delivery dates and specifications promised by the sales department. Special co-ordinators may be appointed in certain cases. For instance, a project co-ordinator is appointed to co-ordinate the activities of various functionaries in a project which is to be completed within a specified period of time.

6.General staff – in large organisations, a centralised pool of staff experts is used for co-ordination. A common staff group serves as the clearing house of information and specialised advice to all department of the enterprise. Such general staff is very helpful in achieving inter-departmental or horizontal co-ordination. Task forces and projects teams are also useful in co-ordination.

7.Voluntary co-ordination – when every organisational unit appreciates the workings of related units and modifies its own functioning to suit them, there is self-co-ordination. Self-co-ordination or voluntary co-ordination is possible in a climate of dedication and mutual co-operation. It results from mutual consultation and team-spirit among the members of the organisation. However, it cannot be a substitute for the co-coordinative efforts of managers.

2.Need for coordination

Meaning of Coordination:

The purpose of organising, division of work, departmentation, span of management, centralisation and decentralisation, delegation of authority and organisation structure is to optimally achieve the organisational goals. This is possible if departments of the organisation are co-ordinated in a unified direction.

Once the activities of the organisation are broken into smaller units which are re-grouped into departments (on the basis of similarity of features), managers need to coordinate the activities of these departments by communicating organisational goals to each department, setting departmental goals and linking the performance of each department with others so that all the departments collectively contribute towards the organisational goals. Coordination is "the process of linking the activities of various departments of the organisation."

It is "the process of integrating the objectives and activities of the separate units (departments or functional areas) of an organisation in order to achieve organisational goals efficiently."Coordination is "integration of the activities of individuals and units into a concerted effort that works towards a common aim." — Pearce and Robinson

Co-ordination maintains unity of action amongst individuals and departments. Absence of co-ordination will result in sub-optimal attainment of goals. In extreme situations, it may result in losses and liquidation of companies.

Co-ordination harmonizes and balances conflicting opinions of individuals and departments, promotes group effort and directs their movement in a unified direction — the organisational goal. For example, if production department does not coordinate its activities with the sales department, production may be more or less than the required sales.

Production more than sales will result in piling of stock and blocking up funds in inventory and production less than sales will result in loss of sales revenue and goodwill of the firm. Coordination, thus, facilitates smooth running of a business.

Features/Nature of Coordination:

1. Group effort:

Coordination integrates the efforts of individuals and departments to make them work as a group. The group works to maximise group goals as well as organisational goals. It ensures that individuals work as a group to promote their individual and organisational goals.

2. Unity of action:

Every individual and department has his own perspective or way of achieving the organisational goals. Coordination ensures unity of action amongst individual and departmental activities. It ensures that activities of each individual, group and department are headed towards the common goal. All activities should be performed within the framework of policies, procedures etc.

3. Common goal:

Each individual and department strives to maximise its goal. Maximisation of departmental goals at the cost of organisational goals can be harmful for the organisation. Coordination maintains balance amongst individual, departmental and organisational goals. It ensures that resources and tasks are assigned to individuals and departments in a manner that working of one department promotes the working of other departments.

All individuals, groups and departments should have a common purpose, that is, achieve the organisational goals. Sales department, for example, may want to increase expenditure on advertisement to increase sales. Finance department, however, may not release funds for advertisement to control financial costs. Coordination harmonizes conflicting departmental goals towards a common goal, that is, goal of the organisation.

4. Continuous process:

Coordination is not a one-time attempt to integrate the individual goals. It is a continuous process that keeps going as long as the organisation survives.

5. Managerial responsibility:

Co-ordination is the responsibility of every manager at every level for every operative function (production, finance, personnel and sales). All managers continuously coordinate the efforts of people of their respective departments.

6. Essence of management:

Coordination is not a separate function of management. It is required for every managerial function. Managers coordinate human and non-human resources, internal and external organisational environment, while carrying out the managerial functions of planning, organising, staffing, directing and controlling. Coordination is, thus, the ‘essence of management.’

7. Synthesis of efforts:

Coordination integrates and synthesizes the efforts of people of all departments at all levels towards common organisational goals. It also synthesizes the organisational resources (physical, human and financial) to collectively contribute to organisational goals.

8. Necessary obligation:

Coordination is not something that managers may or may not strive for. All managers (also non-managers) must direct their efforts towards a common goal, considering this as their necessary obligation. It is an inevitable area of management.

9. Deliberate effort:

Coordination is not a spontaneous effort of managers. Managers make deliberate efforts to coordinate the departmental activities.

Importance/Need for Coordination:

The need for coordination arises because individuals and departments have different goals. They depend on each other for resources and information. Managers continuously coordinate their activities to ensure that all individuals and departments use organisational resources and information for successful attainment of organisational goals.

Coordination results in the following benefits:

1. Non-routine jobs:

Non-routine jobs need constant flow of information, both vertical and horizontal. Unless there is proper coordination amongst these jobs, they cannot be performed efficiently. Coordination, thus, helps in effectively carrying out non-routine jobs.

2. Dynamic activities:

Organisations operate in the dynamic environment. Environmental changes have to be adopted by organisations for their survival and growth. Coordination helps in integrating activities which constantly change according to changes in the environment.

3. Standards of performance:

When standards of performance against which actual performance is to be measured are too high, managers coordinate the various business activities to ensure that high performance standards are achieved.

4. Interdependence of activities:

When different units of the organisation are dependent on each other for resources or information, there is great need for coordination amongst them. Greater the interdependence, greater is the need for coordination. According to Thompson, there are three types of interdependence: pooled, sequential and reciprocal interdependence.

In pooled interdependence, organisational performance depends upon pooled or combined performance of all the departments. This happens when different divisions make different products not dependent on each other.

The need for coordination is, therefore, minimum. In a diversified market, if a company manufactures textiles and electronic items (for instance, Reliance Industries), the performance of textile industry does not depend upon the performance of electronics industry and nor does the performance of electronics industry depend upon that of textile industry but the overall coordinated performance of both the industries affects the performance of Reliance Industries.

If the need arises, financial and human resources can be transferred from one unit/department to the other if it affects the overall performance of the industry. Losses in one industry can be compensated by transferring funds from the profit-making industry to the loss-making industry.

In sequential interdependence, performance of one unit depends upon that or another (marketing department depends upon production department to make sales). This requires coordination between production and sales departments.

In reciprocal interdependence, there is give and take relationship amongst units. If trucks have to be loaded at the assembly station and unloaded at the warehouse, there is need for pooled interdependence. The loaded trucks have to be unloaded at the warehouse and unloaded trucks have to come back in time for re-loading at the assembly station.

If there is lack of coordination in the speed at which the trucks move, there will be huge wastage of time which may even result in loss of orders in extreme situations. With increase in degree of interdependence from pooled to reciprocal, the need for coordination also increases.

5. Specialisation:

Specialisation leads to concentration on very narrow areas of job activity. Individuals tend to overlook overall perspective of the job. This requires coordination to direct all the activities towards a common goal.

6. Growing organisation:

In growing organisations, number of people and divisions become so large that it becomes difficult for top managers to coordinate the activities performed by all of them. Various techniques of coordination (rules, procedures, plans, goals, slack resources etc.) help in unifying diverse and multiple organisational/departmental activities towards the common goal.

3.Basic control process?

These Steps are described below;

Establishing Standards and Methods for Measuring Performance

Standards are, by definition, simply the criteria of performance.

They are the selected points in an entire planning program at which performance is measured so that managers can receive signals about how things are going and thus do not have to watch every step in the execution of plans.

Standard elements form precisely worded, measurable objectives and are especially important for control.

In an industrial enterprise, standards could include sales and production targets, work attendance goals, safety records etc.

In service industries, on the other hand, standards might include a number of time customers have to wait in the queue at a bank or the number of new clients attracted by a revamped advertising campaign.

Measuring the Performance

The measurement of performance against standards should be done on a forward-looking basis so that deviations may be detected in advance of their occurrence and avoided by appropriate actions.

If standards are appropriately drawn and if means are available for determining exactly what subordinates are doing, appraisal of actual or expected performance is fairly easy.

But there are many activities for which it is difficult to develop accurate standards, and there are many activities that are hard to measure.

It may be quite simple, for example, to establish labor-hour standards for the production of a mass-produced item and it may be equally simple to measure performance against these standards, but in the less technical kinds of work.

For example, controlling the work of the industrial relations manager is not easy because definite standards cannot be easily developed.

The superior of this type of managers often relies on vague standards, such as the attitude of labor unions, the enthusiasm, and loyalty of subordinates, the index of labor turnover and/or industrial disputes etc. In such cases, the superior's measurements are often equally vague.

Determining whether Performance Matches the Standard

It is an easy but important step in the control process. It involves comparing measured results with the standards already set.

If performance matches the standard, managers may assume that "everything is under control". In such a case the managers do not have to intervene in the organization's operations.

Taking Corrective Action

This step becomes essential if performance falls short of standards and the analysis indicates that corrective action is required. The corrective action could involve a change in one or more activities of the organization's operations.

For example, the branch manager of a bank might discover that more counter clerks are needed to meet the five-minute customer-waiting standard set earlier.

Control can also reveal inappropriate standards and in that case, the corrective action could involve a change in the original standards rather than a change in performance.

It needs to be mentioned that, unless managers see the control process through to its conclusion, they are merely monitoring performance rather than exercising control.

The emphasis should always be on devising constructive ways to bring performance up to a standard rather than on merely identifying past failure.