Chapter VII

Direction, Coordination, and Control

The major purposes of this chapter are to discuss the direction, coordination and control functions of management. In addition, the application of these functions in Sangam Dairy is also dealt with in detail.

Direction:

Direction is a vital managerial function. For the effective implementation of any administrative decision, planning, organizing and staffing are not enough. The manager must stimulate action by giving direction to his subordinates through orders and also supervise their work to ensure that the plans and policies achieve the desired actions and results. Planning, organizing and staffing are concerned only with the preparation for work performance and it is the direction, which alone stimulates the organization and its staff to execute the plans. Hence it is also called management-in-action.

Direction means issuance of orders and leading and motivating subordinates as they go about executing orders. Without the issuance of orders, without leading and motivating subordinates, nothing, or at best very little, can be accomplished. According to Haimann, “Directing consists of the process and techniques utilized in issuing instructions and making certain that operations are carried on as originally planned”. According to Koontz and O’Donnell,”Directing is the inter personal aspect of managing by which subordinates are led to understand and contribute effectively and efficiently to the attainment of enterprise objectives”. The function of direction can be understood by learning the following three important aspects:
1. Giving orders

2. Motivation

3. Leadership

1. Giving Orders:

The order is a device employed by line manager in directing his immediate subordinates to start an activity, stop it and modify it. A staff executive does not issue orders. To some men the matter of giving orders and having them obeyed seems a very simple affair but the fact is that it is surrounded by many difficulties. Mary Parker Follet lays down the following principles, which should be followed in giving orders:

1. Attitude necessary for the carrying out of an order should be prepared in advance. People will obey an order if it appeals to their habit patterns. Therefore, before giving orders, it should be considered how to form the habits, which will ensure their execution.

2. Face-to-face suggestions are preferable to long distance orders.

3. An order should be depersonalized and made an integral part of a given situation so that the question of someone giving and some one receiving does not come up. Thus the task of the manager is to make the subordinates perceive the need of the hour so that the situation communicates it own message to them.

Chester Barnard lays down four conditions, which make an order acceptable. These are:

1. Order should be clear and complete.

2. Order should be compatible with the purpose of the organization.
3. Order should be compatible with the employee's personal interest.

4. Order should be operationally feasible.

Orders may be communicated verbally or in writing. Written orders are appropriate when

1. the subject is important;

2. many details are involved; and

3. there is geographical distance between the order-giver and the recipient.

The manager may follow four types of methods to ensure compliance to his orders:

1. Force,

2. Paternalism,

3. Bargain, and


The formula followed in force is "do what I say or else -------", meaning thereby that an employee will be punished if he does not follow orders. The results are frustration, restriction of output, sabotage, militant unionism, etc.

The formula followed in paternalism is "do what I say because I am good to you". The result here is that the employees develop a feeling of gratitude and indebtedness toward the manager, which they do not like. Further, paternalism operates in violation of the law of effect. Instead of increased rewards following increased compliance, the paternalistic manager provides rewards first and expects the compliance to follow.

The formula followed in bargain is," you do as I say in certain respects and I do as you say in certain other aspects". The result of this method is that the manager's control is gradually reduced.
The formula followed in *harmony of objectives* is, “if we perform together each will achieve his goal”. This is in fact is the best formula for ensuring compliance to orders.

**Direction in Sangam Dairy:**

The authority in the dairy flows from the managing director to the ultimate foremen through various departmental heads and their subordinates. The board of directors orders the managing director. The managing director with the assistance of the general manager issues direction and orders to the departmental heads. Sangam dairy has nine functional departments. Four of them have senior managers as their heads, and managers head the remaining four. All these managers receive directions from the top i.e. from general manager. There is an assistant general manager who assists the general manager. At times he also gives directions to the departmental heads.

The authority flows from senior manager to the manager, assistant manager and to the senior assistant. As usual the responsibility moves from bottom to the top level.

**Communication:**

According to Newman and Summer, *Communication is an exchange of facts, ideas, opinions or emotions by two or more persons*. Communication is nothing but the process of passing information and understanding from one person to another. If the receiver in the same meaning does not understand the information, the purpose of communication is defeated. This may result in confusion, chaos and organizational inefficiency leading to non-fulfillment of business goals. Communication is not merely transmission of information from one person to another but also correct interpretation and understanding of the information. It is not to get something *off the mind* of the person transmitting it, but to get something *into the mind* and actions of the person receiving it.
Purposes of Communication:

Communication is needed in the recruitment process to persuade potential employees of the merits of working for the enterprise. The recruits are told about the company's organization structure, its policies and practices. It is needed in the area of orientation to make people acquainted with peers, superiors and with company's rules and regulations. It is needed to enable employees to perform their functions effectively. Employees need to know their job's relationship and importance to the overall operation. This knowledge makes it easy for them to identify with the organizational mission. It is also needed to acquaint the subordinates with the evaluation of their contribution to enterprise activity. It is a matter of some motivational importance for the subordinates to know from their superior how they stand and what the future may hold for them. This appraisal, if intelligently carried out, boosts the subordinates' morale and helps them in building their career.

Communication is needed to teach employees about personal safety on the job. This is essential to reduce accidents, to lower compensation and legal costs and to decrease recruitment and training costs for replacements. It is of vital importance in projecting the image of an enterprise in the society. The amount of support that an enterprise receives from its social environment is affected by the information which elite groups and wider public have acquired about its goals, activities, and accomplishments. It helps the manager in his decision process. There is a scope of varied information produced in an enterprise. The manager must make a choice of useful and essential information that should reach him.
Communication helps in *achieving coordination*. In a large organization, working on the basis of division of labour and specialization, there is a need for coordination among its component parts. This can be achieved only through communication. A good communication system is the basis of all interdependent activities, which we find being carried out in different departments of an organization. By providing information to each unit about the relevant activities of the others, a good system of communication makes the interdependence of each unit acceptable to it. In the absence of communication, no unit would tolerate this interdependence. This will make coordination difficult.

Communication promotes *cooperation and industrial peace*. Most of the disputes in an enterprise take place because of either lack of communication or improper communication. Communication helps the management to tell the subordinates about the objectives of the business and how they can help in achieving them. Similarly, communication helps the subordinates in putting forth their grievances, suggestions, etc., before the management. Thus communication helps in promoting mutual understanding, cooperation and goodwill between the management and workers. Finally, Communication also increases *managerial efficiency*. It is said that the world of modern management is the world of communication and the success of a manager in the performance of his duties depends on his ability to communicate. Administrators in business and industry reportedly spend between 75 and 95 percent of their time communicating. Naturally then, an effective system of communication is very essential for the efficiency of a manager.
Communication in the dairy:

The dairy has effective communication system. Many of the times the communication is written in nature. All notices, rules, regulations, circulars, guidelines etc., are made in written form only. However, it also uses phone communication within the organization through intercom. At the lower level, where the employees are not educated well, the oral communication is also followed.

2. Motivation:

Motivation is the process of channeling a person’s inner drives so that he wants to accomplish goals of the organization. Motivation is a behavioral concept by which it can be understood why people behave as they do. It concerns those dynamic processes, which produce a goal-oriented behaviour. Since an increase in productivity is the ultimate goal of every industrial organization the motivation of employees at all levels is the most critical and the most baffling function of management. Almost every human problem the manager faces throughout the firm has motivational elements. Almost every aspect of personnel function is pervasively endowed with motivational attributes. Accordingly, one of the main functions of the personnel manager is to incorporate the principles and concepts of motivation into his own philosophy of management. By understanding and applying them himself, he can influence others in attaining a better degree of positive motivation.

Motivation in the Dairy:

To motivate the employees, the dairy management has taken various steps. They have provided with safety measures while they are working. Further, to enrich the work environment, the management particularly the top level and middle level managers move
closely with all employees that creates homely atmosphere in the factory premises. Nearly two-thirds of the employees are provided with housing facility within the factory premises. This gives them a feeling of security and safety while they are at work. Besides, the management provides many welfare facilities like free mineral water, cooperative stores, building for union office etc. These are also act as motivators in the work environment.

3. Leadership:

According to Peter F. Drucker, “Leadership is the lifting of man’s visions to higher sides, the rising of man’s performance to a higher standard, the building of man’s personality beyond its normal limitations”. Alford and Beatty, define “leadership as the ability to secure desirable actions from a group of followers voluntarily without the use of coercion”. According to Keith Devis, “Leadership is the ability to persuade others to seek defined objectives enthusiastically”. According to George R. Terry, “the will to do triggered by leadership and lukewarm desires for achievement are transformed into burning passion for successful accomplishment by the skillful use of leadership”.

Characteristics of Leadership:

In a business enterprise, several tasks such as determining the objectives of the enterprise, designing the methods to achieve them, directing and coordinating the activities of various departments, etc. can be successfully performed only if there is able leadership. Leadership is the process of influencing the behaviour, attitudes, activities and efforts of an individual or a group for achieving common goals. Leadership exists in every organization whether formal or informal. It may be anywhere and in every
situation; where someone tries to influence the behaviour of others, there is leadership.

The following are the main characteristics of leadership.

1. Leadership is basically a personal quality of character in a man who influences the behaviour of others. This quality motivates people to be with the leaders.

2. There must be a group of followers, because leadership cannot flourish in a vacuum. Leadership cannot be imagined without followers. The followers suspend their own decisions and allow other persons to make decisions in specific situations. The leader exerts influence only on followers.

3. Leadership is a reciprocal relationship between the leader and the led. Both influence the behaviour of each other.

4. Leadership is essentially a continuous process of influencing behaviour. It is not a onetime shot. A leader breathes life into the group and motivates it to do acts in a desired way.

5. Leadership is related to a particular situation at a given point of time and under a specific set of circumstances. However, its style may differ from time to time.

6. Leadership guides the individual and the group to achieve a common goal, and unifies and motivates the followers for this purpose.

7. Leadership is something a person does and not something he has. It is something that emerges grows and is achieved.

8. Leadership is a function of the leader, the followers, and other situational variables. It removes barriers in a situation so that followers may function with freedom and independence.
Further, Leadership is indispensable factor in managing the affairs of an organization successfully and effectively. An organization, howsoever good it may be, cannot be run effectively without effective leadership.

**Leadership in the Dairy:**

Any organization, which wants to flourish, needs good leaders. Sangam Dairy is no exception in this regard. The dairy has been running on smooth lines and with reasonable profits. Further, it is important to note that there were no strikes or lockouts in the history of Sangam Dairy. The managers always interacting with unions try to avoid any unforeseen incidences in the dairy. All these aspects show that the managers in the dairy have good qualities of leadership. The researcher observed, that the managers in the dairy follow democratic approach while dealing with their subordinates at various situations. The managers forgetting their status and authority, in most cases, mingle with the employees while the work is going on. This denotes that the managers are following the style of democratic leadership. At times, they also take the advices of the senior employees while taking important decisions relating to production, procurement, marketing etc.

**Coordination:**

The management of a modern enterprise is based on the principle of specialization or division of labour. Jobs are broken down into single respective tasks and are entrusted to individuals either working in the same department or in different departments of the enterprise. But the mere application of the principle of specialization does not enable an organization to attain the desired results. With jobs specialized and divided among units, coordination becomes necessary. According to Mooney and Reiley, “coordination is the orderly arrangement of group efforts to provide unity of action in pursuit of a common
According to Haimann, “coordination is the orderly synchronization of efforts of the subordinates to provide the proper amount, timing and quality of execution, so that their unified efforts lead to the stated objectives, namely, the common purpose of the enterprise”.

Some writers in the area of administration and management consider coordination as a separate managerial function. However, coordination might best be considered not as a separate function, but as an essential part of all the managerial functions of planning, organizing, directing, and controlling. If a manager performs these functions effectively and expertly, coordination is generated automatically and there remains no need for special coordination as such. For example, as the manager performs his function of planning, he first thinks of coordination and tries to achieve it by properly interrelating the plans of various departments. Similarly, in organizing, that is, grouping and assigning various activities to subordinates and in creating departments, the manager constantly bears in mind the need for coordination. He defines relationships between departments in such a manner and sets them in such a way that coordination will result. He also makes certain that he has right number and quality of people at various positions. In directing, the manager always takes into account the effect of his particular action will have on the other departments and executives. In other words, as the manager performs his directing function, he invariably coordinates. Similarly, the very nature of controlling function is one that brings about coordination. In controlling, the manager evaluates operations and checks whether performance is in conformity with the desired standards. If he finds deviations he takes remedial action. By does this, he assures coordination at least from then on.
Need for coordination:

Good cooperation attacks problems as they arise; excellent coordination anticipates them and prevents their occurrence. Mary Parker Follett states that coordination can be more easily achieved by direct personal contact among the responsible people concerned. By direct personal contact, ideas, ideals, goals, views, can be discussed and misunderstandings if any, can be clarified much more efficiently than by any other method. Coordination can be achieved more readily in the early stages of planning and policymaking. For example, while preparing the plan itself, there should be mutual consultation. By this, the task of adjustment and integration in the process of implementation of the plan becomes easier. Coordination is a continuous process and it must go on all the time, starting from the stage of planning. Since coordination is the basis of organization structure, it will have to be continued so long as the enterprise functions. Coordination should be dynamic and continually modified in the light of changes in the internal and external environments.

Clear-cut objectives are essential for securing effective coordination in an enterprise. The departmental managers should be told of the objectives of the enterprise and be prevailed upon to work for the common goal of the enterprise. A clear-cut objective and its effective teaching to the departmental heads are bound to produce uniformity of action. Another factor that facilitate coordination is the clear-cut definition - of authority and responsibility for each individual and department. The clear-cut authority not only reduces conflict among the different officers but also helps in making
them carry out their job with unity of purpose. Further, a clear-cut authority helps the manager in holding subordinates responsible for violating the limits. Effective communication is one of the prerequisites for proper coordination. Through continuous interchange of information, individual and departmental differences can be resolved and policy changes, adjustment of programmes, programmes for the future, etc., can be discussed. By effective communication, acts or operations, which are contrary to the objectives of the enterprise, can be avoided and the efforts of the entire staff can be harmoniously directed towards the realization of the stated objective of the enterprise.

Success of coordination is largely influenced by the nature of leadership and supervision. Effective leadership ensures coordination of the activities of people both at the planning and the implementation stage. In fact, effective leadership is the best method of coordination and no other method can replace it.

**Coordination in the Dairy:**

It can, undoubtedly, be said that there is very good coordination among all employees and managers irrespective of their line of functioning. Good coordination yields better results and this is happening in the dairy. Starting from board of directors to the floor level employee there is an amicable atmosphere and coordination. The researcher observed that there is a good coordination among all the departments. For example, the milk procurement department gets support from manufacturing department. Similarly, the manufacturing department has better support from quality control and personnel, engineering and packaging departments. There is also commendable coordination between finance & Accounts department and marketing department.
Control:

Control is one of the important functions of management. The main object of control is to bring to light the variations between the standards set and performance and then to take necessary steps to prevent the occurrence of such variations in future. It is the process through which managers assure that actual activities conform to planned activities. In the words of E.F.L. Breck, "Control is checking current performance against predetermined standards contained in the plans, with a view to ensuring adequate progress and satisfactory performance". According to George R. Terry, "Controlling is determining what is being accomplished, that is, evaluating the performance and if necessary, applying corrective measures so that the performance takes place according to plans".

There are three basic steps in a control process:

1. Establishing standards
2. Measuring and comparing actual results against standards
3. Taking corrective action.

Establishing Standards: The first step in the control process is to establish standards against which results can be measured. Since entire operations cannot be observed, each organization must first develop its own list of key result areas for the purpose of control. Some key areas in all business organizations are – profitability, market position, productivity, personnel development, employee attitudes and public responsibility. The standards the managers desire to obtain in each key area should be defined as far as
possible in quantitative terms. Even standards in areas such as public relations, while hard
to express in quantitative terms, can be defined more accurately by adding more specific
details, about the number and type of customer complaints. Standards need to be flexible
in order to adapt to changing conditions. For example, a new salesman who proves to be
an above average performer should have his sales standard adjusted accordingly. Every
objective, every goal of the many planning programmes, every policy, every procedure
and every budget becomes a standard against which actual performance might be measured.

**Measuring and comparing actual results against standards:** The second step in the
control process is to measure the performance and compare it with the predetermined
standards. Measurement of performance can be done by personal observation, as in the
case of the subordinates being observed while they are engaged in work and by a study of
various summaries of figures, reports, charts and statements. If the control system is well
organized, quick comparison of these figures with the standard figures is quite possible.
This will reveal variations. Some variations are desirable, such as the output above the
standard or expenses below the standard. But some other variations are undesirable, such
as a variation in the delivery schedule agreed upon with the customer or a variation in the
speed limit fixed for all drivers.

**Taking corrective action:** After comparing the actual performance with the prescribed
standards and finding the deviations, the next step that should be taken by the manger is to
correct these deviations. Corrective action should be taken without wasting of time so that
the normal position can be restored quickly. The manager should also determine the
correct causes for deviation. The causes for deviation may be of different types, such as
inadequate and poor equipment and machinery, inadequate communication system, lack of motivation of subordinates, defective system of training and selection of personnel, defective system of remuneration, etc. The remedial action that should be taken depends on the nature of causes for variation.

Types of control methods:

Most control methods can be grouped into one of two basic types viz., past oriented and future oriented controls.

Past - oriented controls: These are known as post-action controls and measure results after the process. They examine what has happened in a particular period in the past. Examples of such controls are most accounting records, inspection of goods and services and school grade reports. These controls can be used to plan future behaviour in the light of past errors or successes. They can also be used as a basis for rewarding, disciplining, training or promoting individuals.

Future – oriented controls: These are also known as steering controls or feed forward controls and are designed to measure results during the process so that action can be taken before the job is done or the period is over. They serve as warning-posts principally to direct attention rather than to evaluate. Examples of such controls are cash flow and funds flow analysis, network planning, etc., which enable managers to see that they will have problems in such areas as cash or on time delivery unless they take prior action.

Both these types discussed above are not alternatives to each other. Most organizations use both these types. Future – oriented controls are, however, particularly important because the information feedback in them is at the input side of the system so that correction can be made before the system output is affected. Also, no one would
deny that, even with a future – oriented control, a manager would still want to measure final system output since nothing can be expected to work perfectly enough to give the confidence that the final output will always be exactly as is desired.

**Essentials of effective control system:**

The following are the essentials of an effective control system.

1. **Appropriate:** The control system should be appropriate to the nature and needs of the activity. Controls used in the sales department will be different from those used in finance and personnel. Similarly, a machine-based method of production requires a control system, which is different from the system that is used in labour intensive methods of production. Hence every concern should evolve such a control system as would serve its specific needs.

2. **Timely and Forward Looking:** The control system should be such as to enable the subordinates to inform their superiors expeditiously about the threatened deviations and failures. The feedback system should be as short and quick as possible. This would help the managers to take immediate corrective action before the problem occurs. A manager would surely prefer a forecast of what will probably happen next week or next month – even though this contains a margin of error – to a report, accurate to several decimal points, of the past about which he can do nothing.

3. **Objective and Comprehensible:** The control system should be both objective and understandable. Objective controls specify the expected results in clear and definite terms and leave little room, for argument by the employees. They avoid red tape and provide employees with direct access to any additional information
they may need to perform their task. Employees are not made to go up and down the hierarchy to get the information.

4. **Flexible:** The control system should be flexible so that it can be adjusted to suit the needs of any change in the environment.

5. **Economical:** The benefit derives from a control system should be more than the cost involved in implementing it. To spend a rupee to protect 90 paise in not control. It is a waste.

6. **Prescriptive and Operational:** A control system in order to be effective, and adequate must not only detect deviations from the standards but should also provide for solutions to the problems that cause deviations. In other words, the system should be prescriptive and operational. It must disclose where failures are occurring, who is responsible for them, and what should be done about them. It must focus more on action than on information.

7. **Acceptable to organization members:** The system should be acceptable to organization members. When upper level managers set standards unilaterally, there is a danger that employees will regard those standards as unreasonable or unrealistic. They may then refuse to meet them. Status differences between individuals also have to be recognized. Individuals who have to report deviations to someone they perceive as a lower level staff member may stop taking the control system seriously.

8. **Reveal exceptions at strategic points:** Small exceptions in certain areas have greater significance than larger deviations in other areas. Five per cent deviations from the standard in office labour cost is more important than twenty per cent
deviation from the standard in cost postage stamps. That we can quantify something is no reason for measuring it.

9. **Motivate people to high performance:** A control system is most effective when it motivates people to high performance. Since most people respond to a challenge, successfully meeting a tough standard may well provide a greater sense of accomplishment than meeting an easy standard. However, if a target is so tough that it is impossible to meet, it will be more likely to discourage than to motivate effort. Standards that are too difficult may, therefore, cause the performance of organization members to decline.

10. **Should not lead to less attention to other aspects:** Control over one phase of operations should not lead to less attention to other aspects. For example, if controls put pressure on employees to increase output, the quality of work, care of equipment, and prevention of waste should not be neglected.

**Control measures in the Dairy:**

The management of the dairy used to take corrective measures as and when the planned activities go wrong. It is also important to note that the management takes preventive measures or corrective measures without punishing the fraudulent employee if such person unwillingly do some mistake. However, the management, prepares perfect plans, and monitors them continuously and cautiously to avoid deviations in the plans.