

Principles of Management
Prof. Usha Lenka
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture - 40
Staffing and Coordination – VII

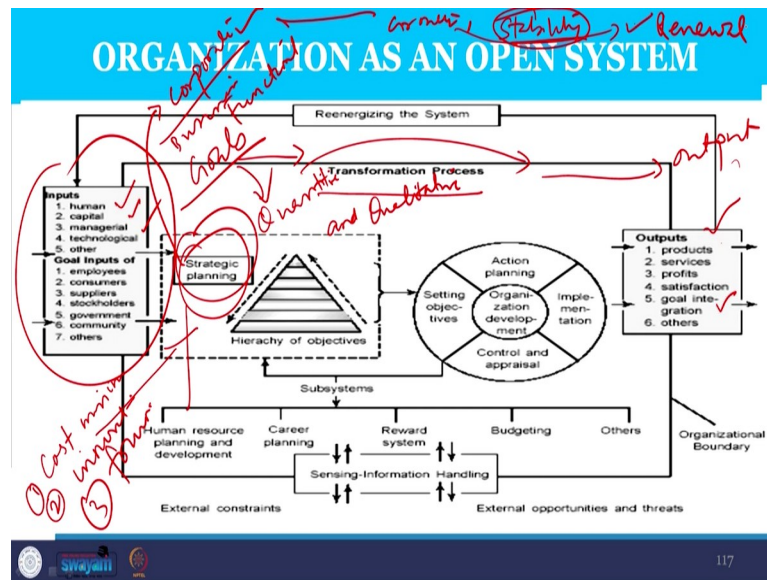
As a sequel to the Staffing and Coordination, I will discuss about coordination in details in this lecture. What we discussed as a preview; what we discussed in the previous lecture, we discussed about the human resource management process of recruitment, then selection, human resource planning, job analysis, description and specification. And further we discussed about various selection techniques; employee orientation, various training techniques, management development programs.

We also discussed about the compensation; performance appraisal, performance management system and then we will discuss about then we further discussed about human resource management practices in domestic organizations and the global organizations.

So, lastly we will conclude this session with discussing about coordination of employees is important in organizations; as an organization efficiently works, when there is inter functional interdependence of various parts, various employees in the organization. With this background, I will introduce what is co-ordination all about; I will discuss about each and every important aspect of how an organization is viewed as a systems view.

So, earlier discussions have emphasized that an organization is like an open system.

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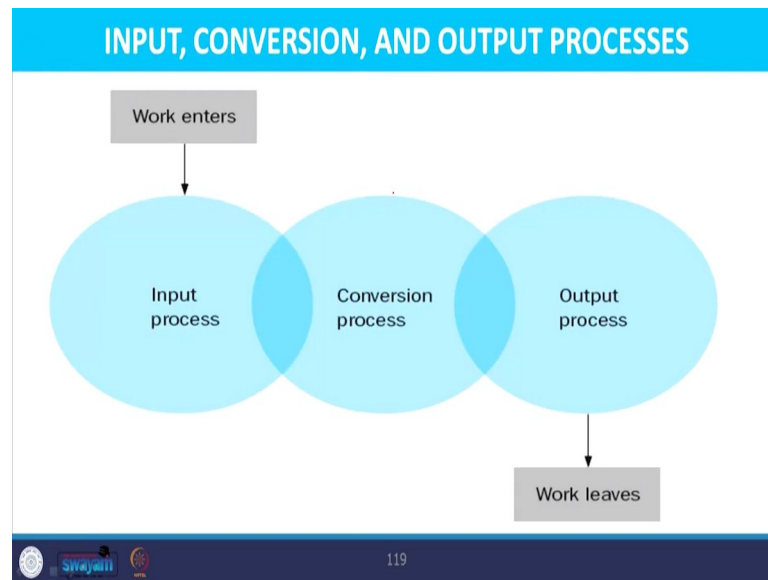


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SYSTEMS APPROACH AND ORGANIZATIONAL EFFECTIVENESS

- **Input:** allows each organizational function to handle relationships with outside stakeholders so that the organization can effectively manage its specific environment
- **Conversion:** transforms inputs into outputs
- **Output:** allows an organization to effectively dispose of finished goods and services to external stakeholders

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So, what is an open system? An organization has been defined as consisting of input processes, a conversion process and an output process. So, what are the various elements of input process, conversion and output? Input allows each organizational functions to handle relationship with outside stakeholders so that organization can effectively manage its specific environment.

Then, conversion is transforming inputs into outputs and output allows an organization to effectively dispose of finished goods and services to the external environment.

So, let us understand how the organization as a whole function as an open systems and not as a close system. So, input consists of human, capital managerial processes or management methods, technology and other resources. So, all these land, capital, resource, finance all these are resources for an organization.

And the goal of the organization is to effectively or optimally utilize these resources and so that there is minimum of wastage and the organization is able to get the desired output or desired goal which will in return earn huge profit for the organization which will also be consumed by people at large which will help in creating brand image for the organization.

The products and services; the product services, profit, satisfaction to the customers; these are the goals of the goal integration, the goals of the organization should be

attended within a particular time period. So, the inputs are processed by or inputs are converted by various management processes. There is a transformation of input into output through the managerial processes. The transformation process what happens in the transformation process; there is a strategic the goals which are set are again converted into the goals; the qualitative and the quantitative goals are converted into converted through the transformation process into output.

So, let us discuss in details how this mechanism works. What type of goals an organization has? As we earlier discussed, that goals of an organization can be quantitative and qualitative goals qualitative goals. What is quantitative? Quantitative is how many products will be produced, what is the production target, what is the target of profit to be earned by the organization? So, it is quantified in terms of number; a specific number.

Qualitative goals are those goals which cannot be quantified as numbers, but they are subjective in nature like satisfaction of customers, quality products. So, satisfaction and quality is a subjective measure subjective measure.

So, the organization plans the; plans how it will initiate the, how it will transform the inputs into desired output. So, in strategic planning; what happens, the organizations plan like the short and long term plans are converted into some sequential steps of actions.

Then the; so basically strategic planning means some action plans which can be executed by the managers. So, there is a like human resource planning and developments. So, what consist of strategic planning? For a business plan it can be cost minimization, the product should have minimum of wastage; there should be minimum of the cost can be controlled.

The second one can be innovation in product and services and then targeting a niche segment of customers or which is otherwise called the focused strategy. So, strategic plans can be of varied in nature like an organization wide plan or which can be the growth strategy of an organization or say or corporate level; the strategic planning can be at the level of organization, corporate, corporate strategy; it can be business strategy and it can be functional strategy functional strategy.

What is corporate strategy? Corporate strategy basically is how an organization can expand its business to different territories. Growth; it can be growth strategy, then growth by differentiation, growth by strategic alliance with other firms, growth by vertical integration, horizontal integration. So, these are various types of growth strategy.

The firm can also have stability strategy with stable state of affairs; not expanding beyond a certain geographic area, not including or not diversifying into different businesses, not expanding its existing product lines. So, the firm can also have stable state of affairs. The third type of strategy is when the firm is incurring huge loss or minimal loss.

When the amount of loss is significant or say minimal or say less significant; so organization in strategic planning there are different types of plans being executed, different types of strategies being planned at corporate level, at business or industry level and at functional level.

At corporate level, the organization as a organization adopts growth strategy, stability strategy and renewal strategy. Growth strategy is when there is when the form intends to expand its business; existing business through having new products and services, expanding to different geographical territories or by acquiring new businesses through say merger and acquisition, through strategic alliance or through vertical integration, diversification and so on.

And in some situations; the firm also maintains a stable state of affairs by not expanding its business, not increasing its market size, not having or not intending to increase large volume of products and services. So, there the firm takes up stability strategy or decides to have a stability strategy. Similarly, in some situations the firm may have may have incurred crisis like situation or have may have incurred loss a significant amount of loss or say the loss which is minimal in nature.

So, the firm adopts renewal strategy to restructure, to refurbish its existing plans of actions. So, what we discussed is the strategic planning includes the corporate strategies like growth, stability and renewal. Similarly, in a particular business in a in a in an industry or a business; there can be say cost minimization, innovation and focus strategy.

Cost minimization; using a strategy of minimal cost by not investing too much on the existing products, adopting or using less of resources or investing less cost on resources, resource utilization. Innovation is the existing product need to be redesigned; the product need to be redeveloped so that it is having some kind of inherent competitive advantage.

Then third strategy is adopting both cost or innovation strategy to focus on a specific segment of customers. The organization is like an open system which takes resources from external environment; in terms of land, capital, machinery, human resources, technology which these resources help in conversion of the raw materials to a finished form in the form of product, services to be consumed by the customers to be consumed by the external environment.

And the ultimate objective of organization is either to have a quantitative or a qualitative goal, number of products to be produced, the amount of services to be offered so that it can in return it can provide value to the customers.

So, the objective of organization can be either quantitative or objective in nature or qualitative or subjective in nature. Qualitative goals could be satisfaction of customers, providing quality services to the customers, quality goods to the customers, serving customers, having a brand image or brand name for the company; so these are qualitative goals.

So, what I wanted to say is during the process of conversion of input to output; the organization, in the conversion process there is the conversion is; the transformation of inputs into output, it depends on various parts of the organization. There is a need for co-ordination and an organization cannot do this immense amount of transformation of input to output without co-ordination; it is not possible; it cannot execute the process of conversion being in silos.

So, which otherwise means that an effective management function will be carried out when there is interaction between different parts; different functional departments, divisions, different hierarchical positions in the organization.

So, be it the vertical differentiation or the horizontal differentiation within the organization; there is always there has to be a co-ordination among different parts so which means that management functions planning organizing staffing and controlling

works in an open system. In other words, it cannot exist in silos and must interact with one another as well as other stakeholders in external environment.

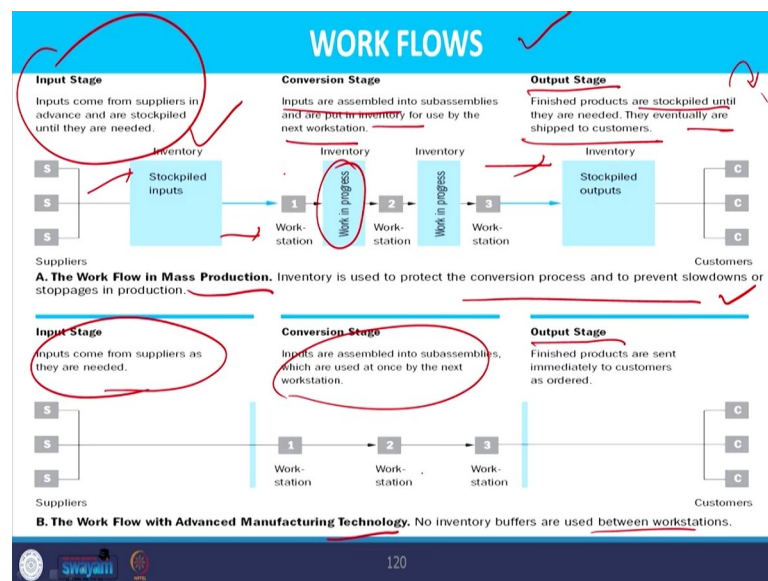
So, the organization within its own boundaries, as well as beyond external beyond the boundaries of organization like interaction with the stakeholders; the government machinery, the government, the media, the technology; the political. There has to be co-ordination with external stakeholders as well.

Like the public pressure groups media, the financial institutions, banking services, government organizations, government policies; all this will have an influence on conversion or all this will have an influence on the organization.

And an organization can effectively function if there is inter functional interdependence of various functions within the organization, various divisions within the organization. So, with this objective; we will discuss about what is co-ordination, this is where co-ordination concept is of paramount importance; is paramount for efficient and effective working of organizational system.

So, then we will discuss about what happens in input process and what is the conversion process and output process and what is the finished good?

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So, I will discuss about how the work flows in an organization. If we look at the input stage; input, comes from suppliers in advance and are stockpiled until they are needed.

So, the work flow with advanced manufacturing technology; we can discuss how the work flow happens in mass production.

The work flow in different organizations; in the work flow of mass production, inventory is used to protect the conversion process and to prevent slowdowns or stoppage in production. In the input stage, we can see that input comes from suppliers in advance and is stockpiled until they are needed. So, the inventory is stored somewhere in the warehouse.

The inputs are procured from the suppliers; as we discussed earlier that in the conversion process or in the organization as an open system, the organization cannot efficiently perform unless and until there is inter functional co-ordination within the departments, as well as there is a co-ordination with different stakeholders in the external environment.

So, in the external environment there is an influence of government, the suppliers' agencies, the investment firms, the banking institutions and the media and various public pressure groups; various stakeholders, the society is also part of the stakeholders.

So, how does it happen? The inputs are procured from the suppliers much in advance and they are stockpiled until they are needed; they are stored in a warehouse. So, there has to be co-ordination between the supplier and the inventory, or the warehouse where it is stored.

And then in the conversion process, conversion stage what happens; inputs are assembled, they are assembled into sub assemblies or sub units and are put in inventory again for use by the next work station.

So, there are different departments; in each department some inventory is kept and which will be brought together to the next work station for completion of the work. So, work in progress; the work station 1, to work station 2, to work station 3; there is an inventory always kept in between and there has to be and which will be coordinating between one department and another department.

So, in the output stage; what happens, output stage the finished products are stockpiled. The once the inputs are assembled there in through different conversion stage; they are assembled in different sub units or sub assemblies, the final finished good is stored in a

warehouse which will be then packaged, labeled and will be ready to be offered to the external environment in the market.

So, the finished products are stockpiled until they are needed and unless there is a demand for it. So, they are eventually shipped, lastly when the entire product is manufactured after it is packaged, it is labeled and brand name is it is named and then it is shipped to the to the market and then it is available to the customers.

So, in this example; what we have discussed is the work flow during the mass production stage, the inventory is used to protect to protect the conversion process and prevent any slowdown or stoppage in production.

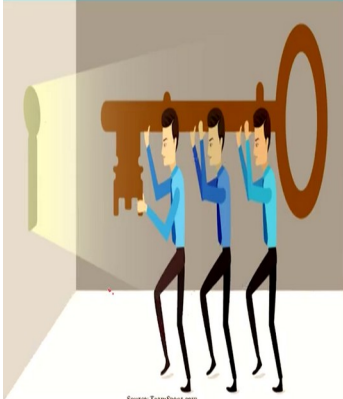
So, there has to be a continuous production; so it will not stop the work in between. So, there has to be a co-ordination and there is an inventory which is kept in; a kept in place to have a continuous supply of the various components at different points of time; as and when it is required by the by different units, different manufacturing units or the or as required by different departments.

The second example that we will discuss is the work flow with advanced manufacturing technology. No inventory buffers are used between work stations; so input comes from suppliers as they are needed and then there is a conversion which happens. Inputs are assembled into sub assemblies which are then used at once by the next work station and in the output stage, finished products are sent immediately to customers as ordered.

So, in another there is a continuous flow; there is an advanced manufacturing unit, there is a co-ordination between the work station 1, 2 and 3; so there is a continuous flow.

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CO-ORDINATION



- Co-ordination is a process which ensures smooth interplay of the functions of management.
- **Co-ordination is the essence of management** (because it permeates all levels of management). It is implicit and inherent in all functions of management.
- Co-ordination implies the orderly synchronization of efforts to provide the proper amount, timing, and directing of execution in harmonious and unified actions to a stated objective (G. R. Terry)

Source: TransSpore.com

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So, what I wanted to conclude through this is co-ordination is a process which ensures the smooth interplay of various functions of management.

Without co-ordination, there would be stoppage of work; so co-ordination is the essence of management because it permeates all levels of management. It is implicit and inherent in all functions of management like planning, organizing, directing, controlling, co-ordination implies the orderly synchronization of efforts to provide the proper amount, timing and directing of execution in harmonious and unified actions in a stated objective.

So, what we have understood is co-ordination it is inherent in all management functions. What are the main highlights here; co-ordination is important in all functions of management, co-ordination is orderly synchronization of efforts; there is an order of synchronization or synchronization of orders of efforts.

Then, it is to provide the proper amount, time and direction of execution in harmonious and unified actions; so co-ordination implies unity of action.

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FEATURES OF CO-ORDINATION

- Co-ordination is not a distinct/separate function but the very essence of management.
- Basic responsibility of management
- The heart of co-ordination is unity of action/purpose.
- A dynamic process (continuous or an ongoing process).
- Required in group efforts, not in individual effort.
- The common purpose of getting organizational objectives achieved
- Necessary to all levels of organization
- A system concept

Handwritten notes in red ink:

- ① Co-ordination is an important function of management.
- ② Unity of action

Logos at the bottom: Swajathi, 122

Features of co-ordination; co-ordination is a is not a distinct or separate function, but it is very essence of management, it is an important part of management; the basic responsibility of management is co-ordination.

Co-ordination rests on unity of action or purpose. So, what we discussed is co-ordination is co-ordination is important; is an important function is an important function of management. This is one; one important criteria of management, co-ordination depends on unity of action, there is there has to be unity of action. Each individual in an organization will have an individual goal, so individual can only be able to execute task when there is co-ordination of efforts.

Individuals goals need to be synchronized with organizational goals; synchronization is important in co-ordination. Unity of action and purpose is important, it is a dynamic process it is which means that it is continuous and an ongoing process the; it is not a static process, but it is continuous process, it is a dynamic process.

When there are changes in the; why it is dynamic process? When there are changes in the external environment, the changes need to be incorporated in organization as what we discussed in organization as an open system.

So, taking a sequel from the view of organization as an open system; so, any sudden change in the external environment, be it political, economic, technological changes in

the external environment will have an impact on the various processes sub processes within the organization. And an organization will be successfully able to attain its objectives or goals if it gives way or if it accepts or adapts the changes and accommodates it; in its various processes.

So, it is a dynamic process which is continuous and an ongoing process. So, if the organization ignores any changes in the external environment, it would not be able to successfully implement those changes and would not be able to be efficient and effective, will not be able to address to the changing requirements of business environment. So, a progressive organization need to need to rest on cooperation, unity of action and should also be dynamic and continuous.

So, required in group efforts; it is as we have understood that no organization can successfully function, if there is if they are working in silos. If the organizations are not able to effectively interact with each other. If there is no interaction between different departments and functional units, then the organization would not be able to maintain its sustainability or will not be able to be sustainable.

So, it is required to have group effort; not an individual effort. So, each department, each unit in the organization should work in synchronization; there has to be say a group effort, group commitment and not an individual commitment; if an organization has to be sustainable. So, the common purpose of getting organizational objectives achieved necessary co-ordination is necessary for all levels in the organization; co-ordination otherwise is like a systems view.

So what we discussed here? An organization can co-ordination is important for an organization; as we have discussed earlier also co-ordination is important because an organizations viewpoint widely accepted in the present management concept is a systems approach to management which rests on the principles of co-ordination, where the inputs are procured from external environment in the firms of the inputs like raw materials, resources, human capital and the technology.

So, all these resources; the finance all these resources are converted into finished goods and services which are to be consumed by the external environment which are to be offered to the customers and there is an entire process of conversion of various management processes, where there is strategic planning where there are hierarchy of

objectives. So, while setting objectives; action planning, implementation control and appraisal; the organization has the various parts of organizations are working in co-ordination with each other, in order to attain its objectives.

So, what we discussed is co-ordination is the essence of management, co-ordination is not a distinct or a separate function, but it is the responsibility of management; it is a heart of co-ordination; is unity of action or purpose. So, next lecture; we will be discussing about what are the various types of co-ordination and we will also discuss about the management techniques or principles of co-ordination. With this, I would conclude the lecture here.

Thank you.