

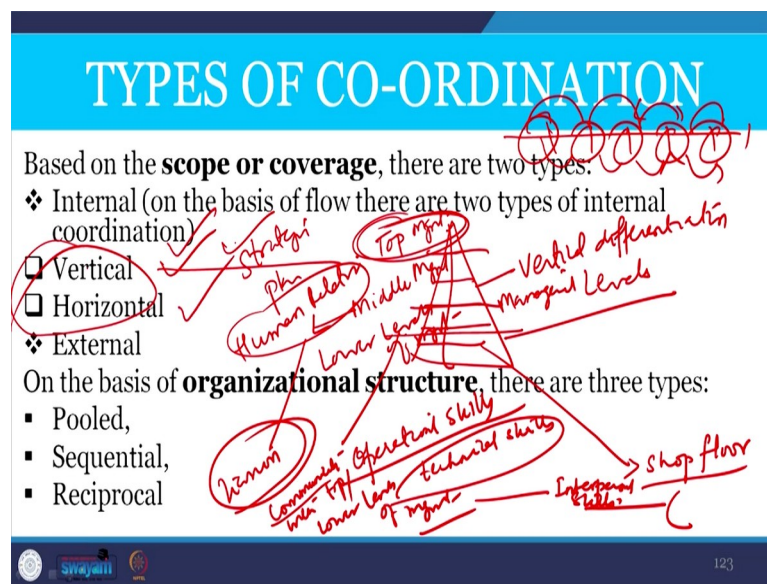
Principles of Management
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Lecture - 41
Staffing and Coordination - VIII

In this lecture, we will be discussing about types of coordination. In the earlier section, we discussed about how coordination is important management function and the purpose of coordination is unity of action and it is a dynamic process and it is a continuous process.

And an organization will be sustainable if there is effective coordination among different departments different parts of different parts units organizational say management functions. So, we coming back to what is the what type of coordination is important.

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We will discuss about that coordination is based on the scope or coverage. In the types of coordination, we will discuss about the two important types that is internal and external coordination.

So, based on the scope or coverage in the types of coordination, we will discuss broadly two types one is internal and external coordination. On the basis of flow, there are two types of internal coordination; one is vertical coordination and horizontal coordination.

What is vertical coordination? As we know that in an organization there are different vertical units, there are different there is vertical differentiation. What is vertical differentiation? Vertical differentiation that is managerial levels managerial levels. These managerial levels as we have discussed in the initial chapters on evolution of management and organizational structure.

The management levels are `say suppose the top broadly we differentiate as top management levels, the middle management and the lower levels of lower levels of management.

So, what are these levels? And they are nothing, but there is a vertical differentiation between the vertical differences of managerial levels. So, the managers in the top management they are mostly involved in strategic planning. And then we learnt that middle management need to have human relations skills, human skills and the lower level of management need to have operational skills they need to have technical skills. So, their job is mostly in the shop floor.

What is the role of middle manager? Middle managers they are liaisoning between the top manager and the lower levels of manager. So, when they are liaisoning between the top and the lower levels of managers, they need to effectively communicate with the top as well as lower levels of lower levels of management.

So, they need to have effective interaction not only communication, they also need to have interpersonal skills. What is interpersonal relationship building? They need to establish relations with the managers in hierarchy, the lower and the top managers. So, interpersonal skills will be effective when the person has ability to or when the manager has ability to effectively communicate what he intends to communicate.

Also he should be having ability to influence, should be also good in listening and observational skills, should be able to build repo with the managers or conclusively we can say the person should have emotional intelligence level of emotional intelligence should be high he can understand others.

He can empathize with others and also understand his own strengths and weaknesses. So, these skills are important for effective coordination with individuals or with people in different hierarchical positions in the organization.

So, what we discussed is the managers in different vertical positions. So, the middle manager should have human skills.

The third thing that I wanted to discuss is strategic roles of top managers. Managers in the top management positions, they need to have strategic planning ability, strategic decisions decision taking ability.

So, What are the strategic decisions? If the management is taking decisions the top managers are taking decisions of corporate strategy that is growth, stability, renewal in situations where there is expansion to different geographical territory having new lines of business or launching new products or services.

So, the manager has to think whether it is whether it is viable option to have to expand its capacity, to have a merger with other firms, to initiate a business or to initiate a new venture in a new land. So, this depends on the strategic decision making ability of an individual.

Thus the second thing that we discussed is whether to have a stable state of affairs or whether to whether not to venture into new businesses to maintain its status quo with the existing lines of products, existing business and just maintain the continuity and order.

The third situation is if a firm the firm is facing a crisis like situation should the firm should the organization limit its business, should there be should there be divorcement or should they close their existing lines of businesses.

So, such what should be the strategy of the organization? Such decisions are being taken by the top management.

So, the top management cannot execute its plans unless it is interacting with the internal employees or the managers in different positions. The plans can of course, be taken by the top management, but while executing and implementing the plans you need to have a proper coordination with different functional divisions, with different management position the people in the different.

Or managements the top management need to have say coordination with different a manager in different levels. the managers in different levels and also they need to have an interaction with the external environment. With various stakeholders in external

environment through discussions with say external agencies through financial companies the fine, bank banking institutions, the media and the stakeholders the public pressure groups.

You cannot ignore any one of them. For effective business for sustainable business, there has to be coordination between different functions different departments and not only within the organization. But also taking views taking observations and ideas of people beyond the external boundaries of organizations, then only effective coordination can happen.

So, internal on the basis of the flow there are two types of internal coordination one is vertical coordination. The next point is horizontal coordination. As we have defined the vertical differentiation, similarly there are horizontal differentiation within an organization. What is that horizontal differentiation? Different departments based on their work specialization.

There are different departmental units and an organization cannot efficiently function if there is no coordination between different departments and divisions in the organization. So, internal coordination means vertical and horizontal coordination.

Now let us discuss about the external factors or external coordination. On the basis of organizational structure there are three types pooled, sequential and reciprocal coordination. So, let us discuss about on the basis of the scope or coverage, there are two types of coordination; one is internal and external coordination.

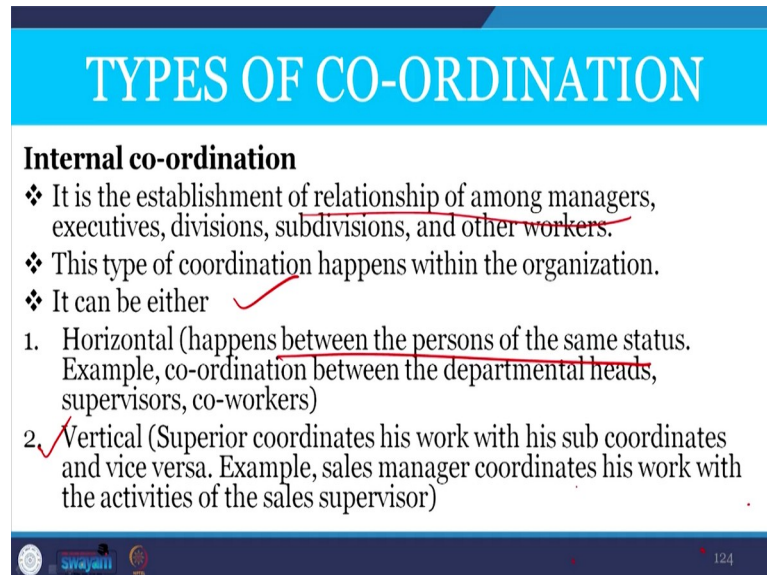
Internal coordination is vertical and horizontal coordination, external coordination is with establishing relationship with various stakeholders in the external environment of the business organization like the government, the media, public pressure groups, the investors, the financial institutions. So, these are various and the customers, the clients; these are various people or the various stakeholders in the external environment.

So, based on the scope or coverage the internal and external coordination is important.

Now coming to the next point that is on the basis of organizational structure there are three types of coordination required one is pooled sequential and reciprocal

coordination. On the basis of organizational structure, there are three types of coordination required; one is pooled sequential reciprocal.

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TYPES OF CO-ORDINATION

Internal co-ordination

- ❖ It is the establishment of relationship of among managers, executives, divisions, subdivisions, and other workers.
- ❖ This type of coordination happens within the organization.
- ❖ It can be either
 - 1. Horizontal (happens between the persons of the same status. Example, co-ordination between the departmental heads, supervisors, co-workers)
 - 2. Vertical (Superior coordinates his work with his sub coordinates and vice versa. Example, sales manager coordinates his work with the activities of the sales supervisor)

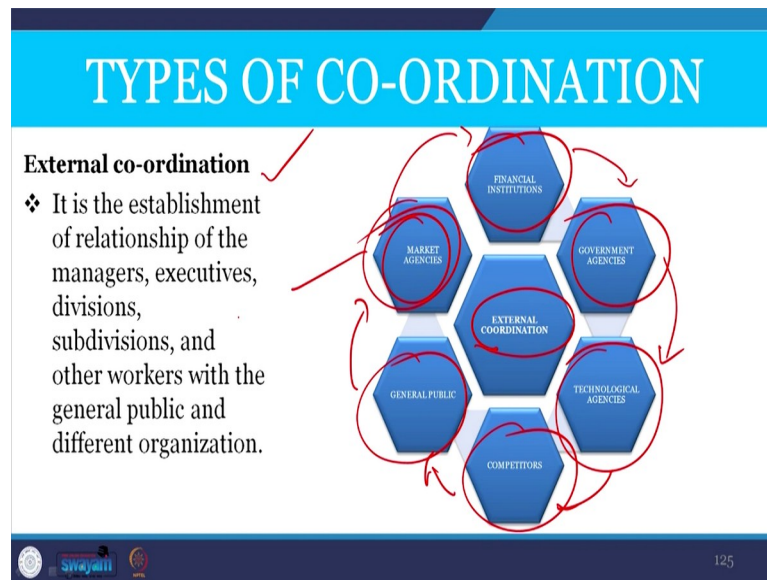
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So, let us discuss the types of coordination in more detail internal coordination. In the establishment of relationship of managers' coordination, internal coordination helps in establishment of relationship among managers, executives, divisions, sub divisions and other workers.

This type of coordination happens within the organization and it can be either horizontal that is happens between the persons of the same status between persons of same status. Horizontal coordination happens between people of the same status for example, coordination between the departmental heads, supervisors and coworkers.

The second one that is vertical coordination supervise superior coordinate coordinates is work with his subordinates. The second one that is vertical coordination where the superior coordinates work with his subordinates and vice versa. For example, sales manager coordinates is work with the activities of the sales supervisor.

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External coordination, what is external coordination? That we will discuss in details. It is the establishment of relationship of managers, executives, division, subdivisions and other workers with the general public and different organizations.

Financial institutions, government agencies, government missionaries, technological agencies, competitors, general public, market agencies; there has to be coordination with all these external stakeholders.

Market forces, if the government if the organization is ignoring the signals in the market say for example, if there is a demand for a new revolution, there is a demand for a new product then the signals in the market need to be; need to be incorporated. So, that a new product is launched like the COVID-19 has created an impact on the organization and its business.

Now every organization is abiding by the COVID-19 statement of purpose COVID-19, they are adopting there the practices, there they are changing the business process as per the COVID guidelines.

So, market agencies. So, let us take an example because COVID let to a crisis like situation.

In wherein there has to be say social distancing to be maintained. So, while discussing the types of coordination in the external coordination what we discussed is it is the

establishment of relationship of the managers, executives, divisions, sub divisions and other types of and other workers within the general public and different organizations.

So, while discussing what we have we identified that external coordination can be with financial institutions, with government agencies, technological agencies, competitors, general public and market agencies and as well as the public pressure groups the media etcetera. So, market signals cannot be ignored by the organization. Those organizations which have ignored market signals could not sustain and survive.

In due course of time there has been a sea change in the market signals. The shift in or because of advent of new technology, there have been demand for newer products newer services which are which demand the companies to incorporate those changes. CODEC has shifted from the old technology to a new technology. The service providers have been now technology savvy. So, ignoring the market forces will not lead to a sustainable business. So, there has to be effective coordination external coordination.

Now as we move on to the next discussion. On the basis of organizational structure, there are three types of coordination required that is pooled, sequential and reciprocal coordination. Let us discuss each one of them in more details. What is pooled coordination? In this type of interdependence, each organizational department or business unit performs completely separate functions.

While departments may not directly interact and do not directly depend on each other each one, each contribute individual pieces to the same overall objective.

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TYPES OF CO-ORDINATION

Sequential co-ordination

- ❖ This model occurs when one unit in the overall process produces an output necessary for the performance by the next unit.
- ❖ Example, an assembly line.

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TYPES OF CO-ORDINATION

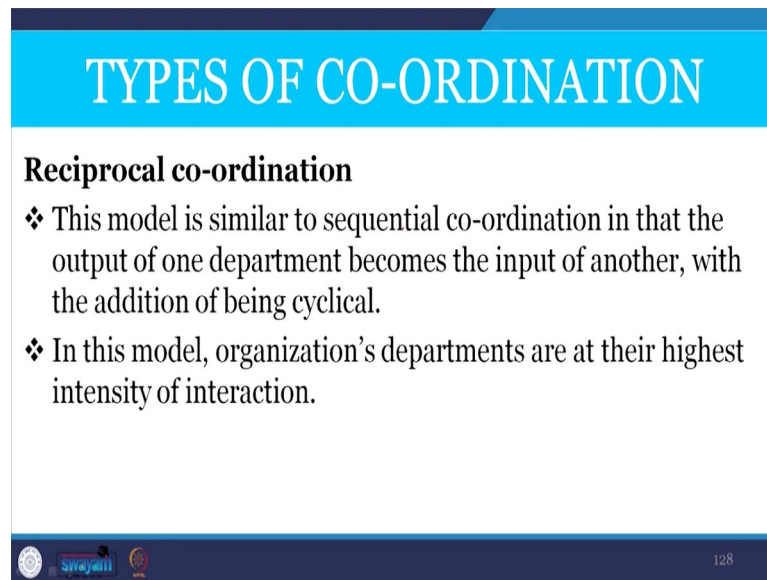
Pooled co-ordination

- ❖ In this type of interdependence, each organizational department or business unit performs completely separate functions.
- ❖ While departments may not directly interact and do not directly depend on each other, each contributes individual pieces to the same overall objective.

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Types of sequential coordination or say if we discuss about say next we will discuss about sequential coordination. The model occurs when one unit in the overall process produces an output which is necessary for performance by the next unit. For example, in the assembly line of production.

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TYPES OF CO-ORDINATION

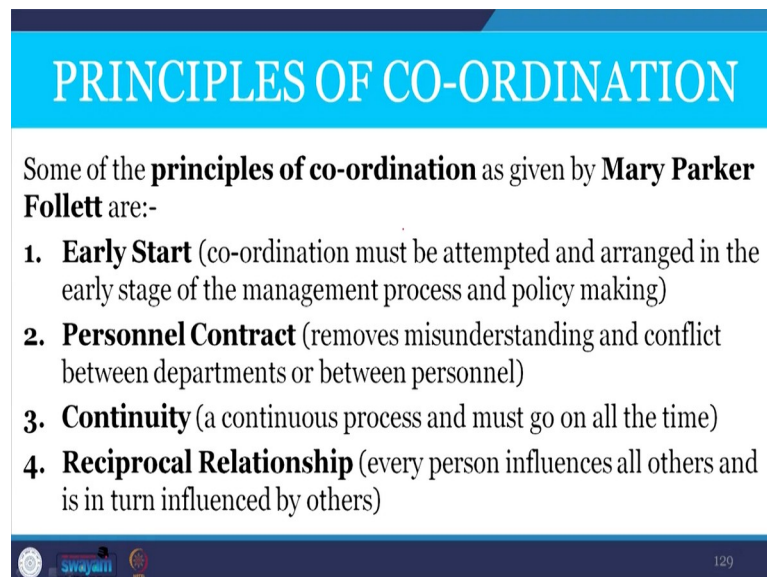
Reciprocal co-ordination

- ❖ This model is similar to sequential co-ordination in that the output of one department becomes the input of another, with the addition of being cyclical.
- ❖ In this model, organization's departments are at their highest intensity of interaction.

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Reciprocal coordination, this model is similar to sequential coordination. In that the output of one department becomes the input of another department with the addition of being cyclical. In this model organizations, departments are at the highest intensity of interaction.

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PRINCIPLES OF CO-ORDINATION

Some of the **principles of co-ordination** as given by **Mary Parker Follett** are:-

1. **Early Start** (co-ordination must be attempted and arranged in the early stage of the management process and policy making)
2. **Personnel Contract** (removes misunderstanding and conflict between departments or between personnel)
3. **Continuity** (a continuous process and must go on all the time)
4. **Reciprocal Relationship** (every person influences all others and is in turn influenced by others)

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Now, let us move on to discussing the principles of coordination. What are these? Early start that is coordination must be attempted and arranged in the earlier stage of management process and policy making. Coordination cannot happen in the middle of

the policy making or in the middle of management process. Coordination has to be initiated right from the starting of a project.

So, coordination must be attempted and arranged in early stage of management process. Personnel contract removes misunderstanding and conflict between departments or business or between personnel. So, there has to be a kind of relationship between individuals who are in coordination with each other. As we have already discussed, it depends on effective communication interpersonal relationship and say depends on empathy, trust, mutual understanding.

So, has to reduce any conflict between the departments or between the personnel who are in coordination with each other. There has to be a continuity in the process. Coordination is a continuous process and must go on all the time. It is a continuous process reciprocal relationship. Every person influences all others and is in turn influenced by others.

Now we will discuss about the management techniques which are used for effective coordination. What are the various techniques used in coordination?

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TECHNIQUES OF CO-ORDINATION

- ❖ Coordination is not achieved by orders of an executive but is brought about by the executive as he performs his managerial functions effectively and efficiently. ✓
- ❖ Management techniques available to an executive for achieving coordination are:
 1. ✓ Co-ordination by rules or procedures (ideal for structured jobs)
 2. ✓ Coordination by departmentalization
 3. Coordination by simple organization structure (lines of authority and responsibility from top to the bottom)
 4. Coordination by chain of command (clear superior-subordinate relationship)
 5. Coordination by communication
 6. Coordination by committees
 7. Coordination by leadership and supervision
 8. Coordination by special coordinators

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Now, we will discuss about the management techniques of coordination. Coordination is not achieved by order of an executive, but is brought about by executive as he performs his managerial functions effectively and efficiently.

So, what are the management techniques available in an executive? What are they; now we will discuss about the management techniques available to an executive for achieving coordination.

Coordination can be coordination by rules or procedures, coordination by simple organizational structure, coordination by departmentalization, coordination by chain of command, coordination by communication coordination by communities, by leadership and supervision, coordination by special coordinators.

So, while discussing the techniques of coordination, we will discuss each of them like the rules and procedures. In how coordination happens through rules and procedures when the problem is well structured. So, the execution of task will be defined by or will be guided by rules procedures of organization.

Coordination also happens through departmentalization. We will see each of them through some examples in the next section. Coordination by organizational structure that is simple organizational structure, there has to be proper lines of authority responsibility from the top to the bottom.

Coordination through chain of command that is clear superior subordinate relationship is well defined. We have discussed in the principles of management, the evolution of management, the early theories of management have been defined by or have been defined by Henry Fayol.

While discussing the theory of authority structures and relations, we discussed about the chain of command, formalization, authority. So, all these have emanated from the 14 principles of management proposed by Henry Fayol in the early formation of management principles early foundations of management.

So, organizations still today have been following have been incorporating those policies those principles of management proposed by Henry Fayol which is now in use in different in the contemporary management to have an effective coordination. So, coordination by departmentalization, there are different functions functional units for optimum performance. The departmentalization of the organizations is categorized under some departments, departmental units based on work specialization.

So, there has to be effective coordination by departments. So, coordination by communication, coordination by committees, there are different committees task force. Like say for example, if an organization has to develop a new product. So, the committee takes up the issue to develop a new product. So, there has to be coordination between different people who are working for development of new product.

Similarly, when an advertising campaign is designed or a brand say an advertising campaign or a packaging is being done or say a new or a new project is initiated, the quality of the project is to be quality is taken care of quality of the product has to be maintained the. So, in all these committees in all these tasks the committees are formed which can effectively work if there is coordination between different divisions different departments.

Coordination by leadership and supervision, a leader will a leader or supervisor helps in providing guidelines directions to the group of people who are working with them. So, coordination can also be initiated by the leader or the supervisor coordination by special coordinators.

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STEPS FOR EFFECTIVE CO-ORDINATION

- ❖ Proper system for reporting.
- ❖ Skilled workers must be rewarded adequately.
- ❖ Management should induce the employees to take active part in meeting.
- ❖ Management should encourage the employees to have friendly relationship with others.
- ❖ Managers should have opportunities to get training in the area of leadership, coordination, planning and staffing.
- ❖ Proper delegation of authority and responsibility
- ❖ Whole or entire activities of the organization should be divided into department/units.
- ❖ There should be rules, regulations, procedures, policies, etc.
- ❖ Adherence to rigid rules and regulations, procedures, policies, etc. must be maintained
- ❖ Establishment of an effective communication system
- ❖ Establishment of employees' grievances cell.

Steps for effective coordination: what are the various steps to be taken care of for effective coordination? Proper system of reporting, there has to be a proper system to report. Skilled workers must be rewarded, adequately reporting rewarding people for their effort.

Management should induce the employee to take active part in the meeting. Coordination can only happen coordination can be effectively in or coordination can be more effective when people participate in the meetings, when they are rewarded for their amount of contribution, when there is a reporting there is a system for reporting.

So, management should have opportunities to get training in the area of leadership. There has to be training in the area of leadership, management should encourage employees to have friendly relationship with others, management should encourage that their effective coordination will happen when there is effective reporting; when the employees who are working for a project when there is a when people are dedicatedly working, their contribution should be recognized through rewards.

They should be encouraged to participate in the meeting and there is a friendly relationship to be developed between the group members or the team members. There should also be opportunity for training leaders who are effectively leading the teams or committees. Leadership, coordination, planning, staffing should be taken care off.

Proper delegation of authority and responsibility should be there. Whole or entire activity of the organization should be divided into departments and units. The entire work need to be allocated in terms of or broken down in terms of departments and units. There should be rules regulations procedures policies etcetera to be followed adherence to rigid regulations procedures policies must be maintained and establishment of an effective communication system and grievance cell to be incorporated.

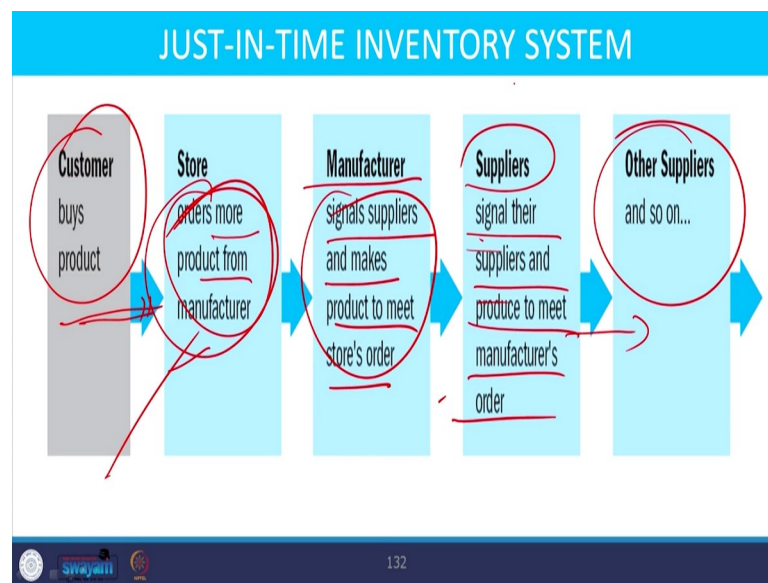
So, what we have discussed, how an effective coordination can be brought or how what are the steps what we discussed is what are the steps for effective coordination. There should be a system for reporting, rewarding people for their involvement, there should be encouragement of people to participate in meetings, contribute their views and friendly relationship to be maintained between the group members.

There should be effective training to members on leadership coordination planning and staffing, proper delegation of authority and responsibility, whole or entire activity should be divided into separate units and departments and there should be rules regulations, procedures, policies to guide individual's behavior at adherence to rigid rules, regulations must be maintained and establishment of an effective system will guide effective coordination.

Establishment of employees' grievance cell. So, that they can their grievances need to be redressed from time and again and they can effectively communicate; they can effectively contribute to the performance.

Let us discuss some examples just in time inventory system and how coordination happens.

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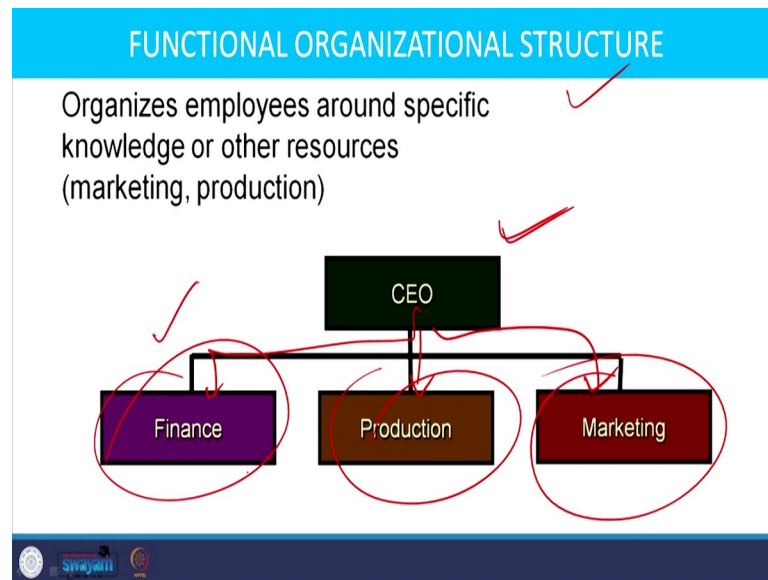


So, customer buys a product and the stores order more product from the manufacturer. Then in the manufacturer signals, manufacturer signal suppliers and mixed products to meet stores order. And suppliers signal their suppliers and produce to meet manufacturers order and then other suppliers and so on.

So, there is a continuous in just in time inventory system there is a coordination from right from the customers buying the product and then making the product available in the market customer. Once the customer buys the product the store orders, more product from the manufacturer immediately the store gives a signal to the manufacturer.

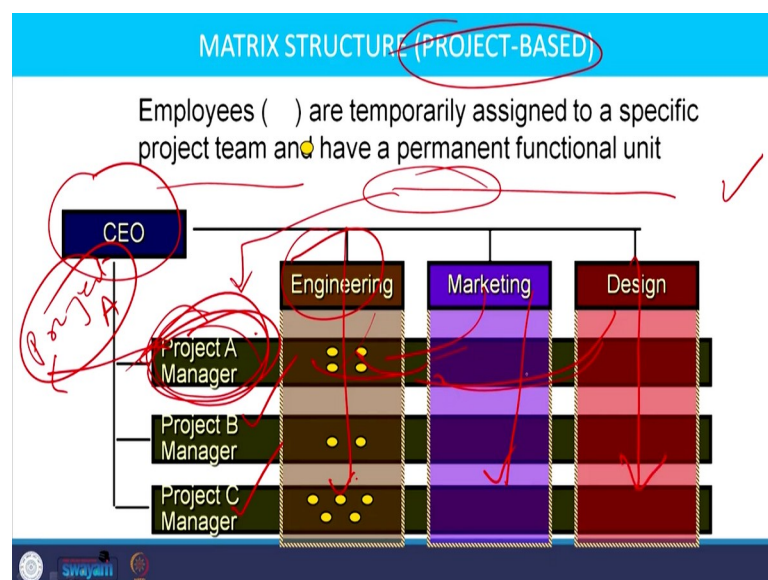
Manufacturer then signals to the supplier, their suppliers, suppliers will again interact with the co suppliers. So, that there is a proper arrangement of task coordination of all the activities and finally, they come up with the finished goods.

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I will discuss about some examples how coordination happens in functional organizational structure. Organizes employees around specific knowledge or resources like finance, production, marketing. A CEO of an of a company will have an effective coordination with different departments based on different departments so, that they can effectively function.

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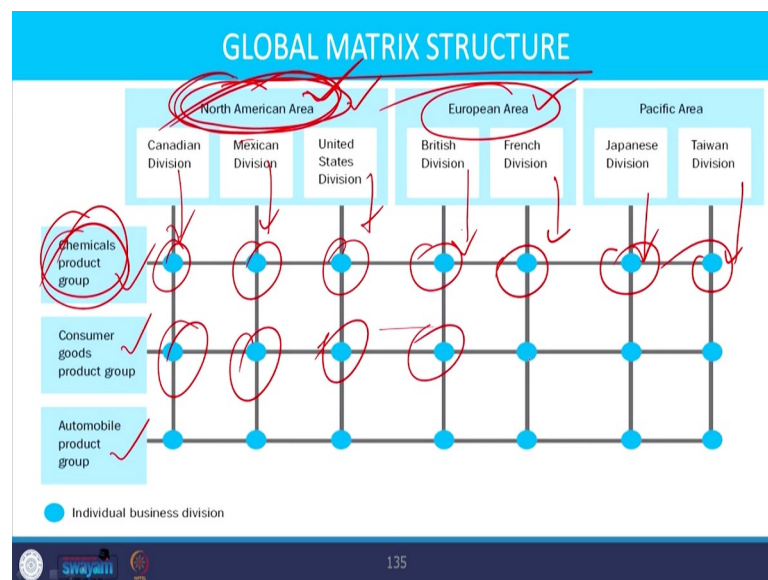


How does coordination; in the next example, I will discuss how coordination happens in a project based organization. Employees are temporally assigned to a specific project

team and have a permanent functional unit. So, if an employee is working in a project for developing a new product or working in a say quality improvement product project. So, he will be he or she will have a functional boss as well as a person whom he or she will be reporting for that specific project.

So, project A, the manager may be from a functional area from a particular functional area, but for the project; there are different people from different department and all of them will be coordinating with the project manager A. So, that the project is completed; project A is completed on time. So, coordination is important whether it is project B, project C and it is working in coordination with people from different departments from different divisions from different hierarchical a hierarchical say positions.

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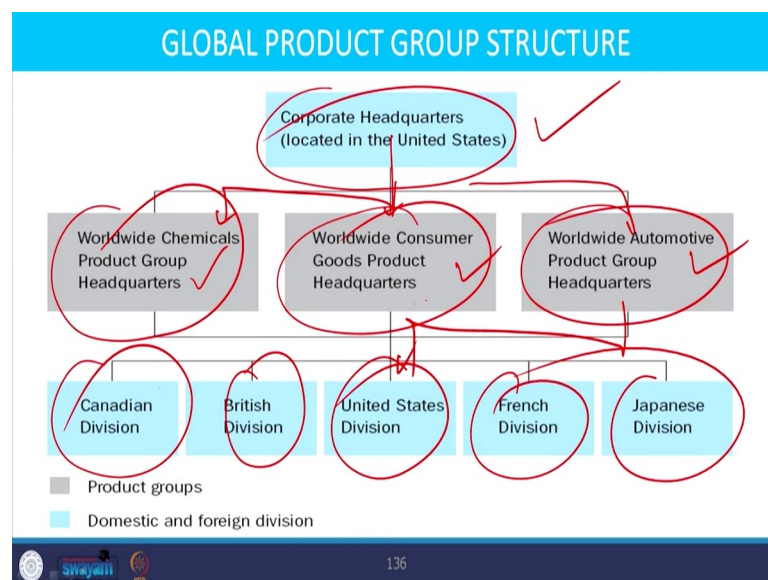
So, let us discuss about the global matrix structure. What we discussed in a simple matrix structure or a product based structure similarly the global matrix structure whether the company is in having if a company is if the project say if a project is being initiated in different regions across the globe in different areas across the globe in a in a global matrix structure.

So, if the company is having its marketing in North America, in Europe, in Pacific so, how does it initiate the how does it initiates its business? So, chemical product group say for example, consumer goods product group or automobile group if there these are three different projects.

So, there are people in the North American region, there will be Canadian division, Mexican division, United States division. Similarly, European Union in Europe, it will have British and French division. In the Pacific, it will have Japanese and Taiwanese division

So, all these you can see that there is coordination between all functional areas, coordination between different people who are working in the project; they are all related, they are all interdependent, they are all coordinated with each other there is an interfunctional interdependence whether it is a global matrix or project type organization or global product group structure.

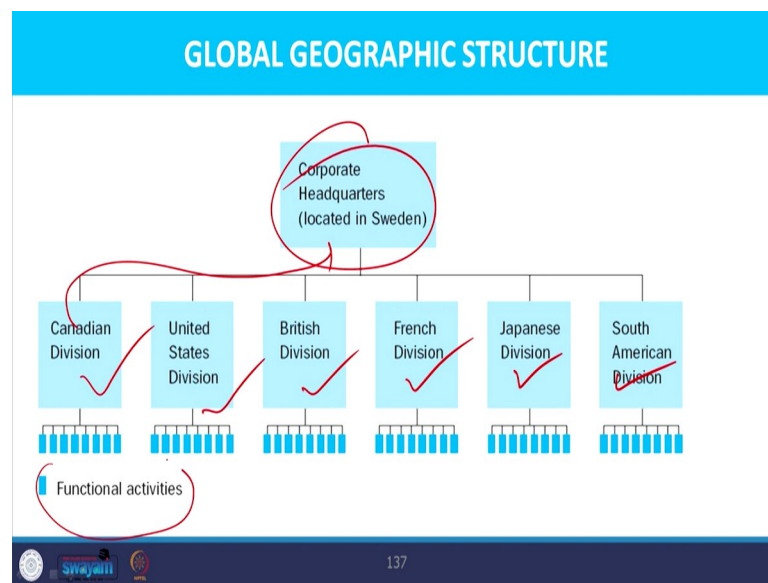
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The corporate headquarter say suppose is located in United States and for a worldwide chemicals, there is a product group headquarter, the worldwide consumer goods product headquarter, worldwide automotive product group. So, they all interacting with the different divisions British, Canadian, United States, French and Japanese division.

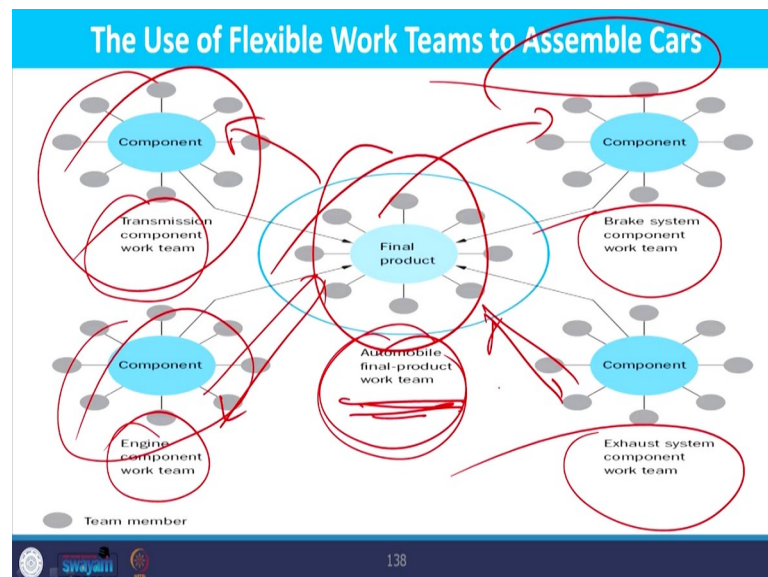
So, if you can see that there is a direct line of authority between different departments and functional groups across the globe.

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Global geographic structure you can take the example where a corporate headquarter located in Sweden will be all coordinating with the Canadian, U.S., British, French, Japanese and the South American divisions and then further all the functional activities will again be coordinated.

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So, So, in all these examples what we discussed is an effective performance, an organization will effectively perform if there is interfunctional interdependence not only

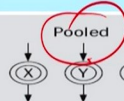
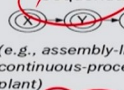
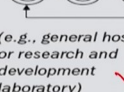
within the internal boundaries vertical and horizontal, but with the external boundaries of the organization.

Similarly, last example I would like to discuss on the use of flexible work team to assemble car. As all of us know in the automobile sector there is also the finish good the cars or the vehicles are not just completed the not just a manufactured in one plant, but there are different units which are working in coordination with each other to finally, develop a finished good or develop a car.

So, the different components which are manufactured in different units engine component work team, there is a transmission component work team, there is a break systems component work team, exhaust systems component work team will work. Finally, for the finished good that is automobile final product will be manufactured in one plant.

So, this plant has to have a coordination with all the different component groups, in different parts, different locations in across the globe, different locations, different functional units within the country and so on.

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TASK INTERDEPENDENCE AND THREE TYPES OF TECHNOLOGY				
Type of technology	Form of task interdependence	Main type of coordination	Strategy for reducing uncertainty	Cost of coordination
Mediating	 <p>Pooled (e.g., piecework or franchise)</p>	Standardization	Increase in the number of customers served	Low
Long-linked	 <p>Sequential (e.g., assembly-line or continuous-process plant)</p>	Planning and scheduling	Slack resources Vertical integration	Medium
Intensive	 <p>Reciprocal (e.g., general hospital or research and development laboratory)</p>	Mutual adjustment	Specialism of task activities	High

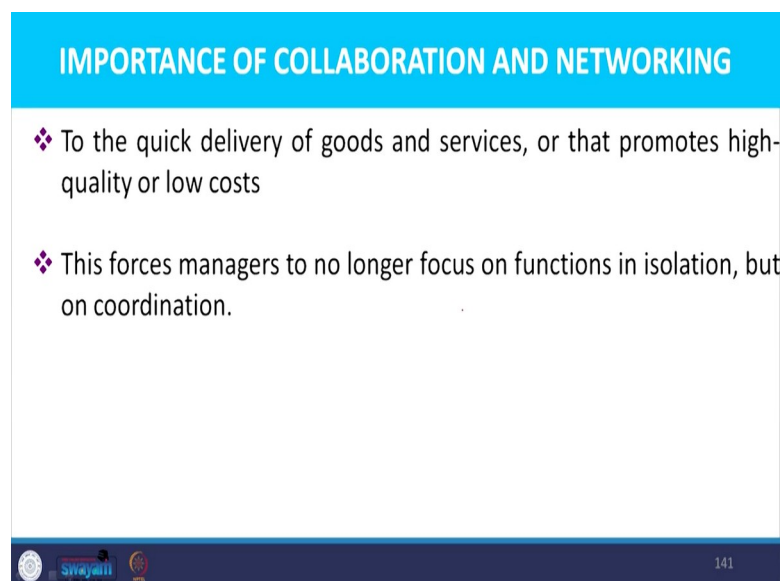
So, task interdependence and three types of technology whether we will see that in a pooled sequential or reciprocal forms of in interdependence. for example, so, coordination is important, cost of coordination may be low in the pooled type of task. In

a sequential type of task, cost of coordination is medium and cost of coordination is very high in a reciprocal coordination like for example, general research hospital general hospital of research and development laboratory.

So, lastly I would like to conclude this example saying that whether we are combating the pandemic of COVID-19 or assembling a car, there is coordination required. So, for example, the entire world is having unitedly `been fighting for to combat the problem the associated with COVID-19 with the pandemic like situation.

So, there is a coordination across the globe. So, this gives us an inference that coordination in importance of collaboration and networking, how important it is to collaborate with different units within and outside the organization internal and external parts of organizations. So, importance of collaboration and networking, the quick delivery of goods and services; it promotes high quality or low or high quality of goods and services.

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IMPORTANCE OF COLLABORATION AND NETWORKING

- ❖ To the quick delivery of goods and services, or that promotes high-quality or low costs
- ❖ This forces managers to no longer focus on functions in isolation, but on coordination.

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Coordination can or the coordination cannot happen in isolation, but coordination is a coordination can be initiated when all or when different parts have work in harmony with each other so, that they can attain the objective of an organization.

With this, I would like to conclude the session here.

Thank you.