UNIT 5: DIRECTING & CONTROLLING

5A: Motivation, Co-ordination, Communication

5B: Directing and Management Control, Decision Making

5C: Management by objectives (MBO) the concept and relevance. Objectives and Process of Management Control

Motivation

- Every organization must:
- ✓ Attract competent people and retain them with it.
- ✓ Allow people to perform tasks for which they were hired.
- ✓ Stimulate people to go beyond routine performance and over reach themselves in their work.
- Thus, if the organization were to be effective, it must address the motivational challenges involved in arousing the people's desires to be productive members of the organization.

- In fact, performance is considered as the function of ability and motivation.
- ❑ Performance= f(ability x motivation)

- Motivation is the process of rousing and sustaining goal-directed behaviour.
- Because motivation is an internal force, we cannot measure the motivation of others directly.

Significance of Motivation

Organizations' point of view

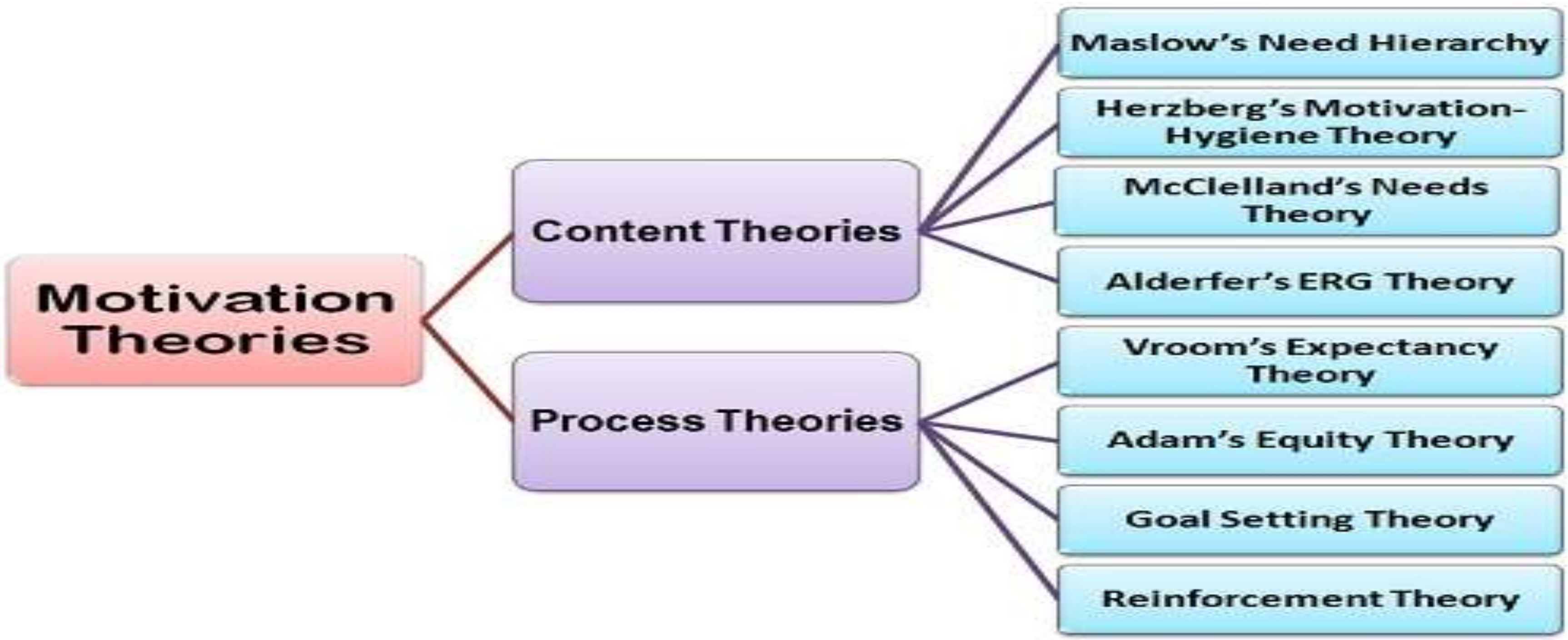
- The more motivated the employees are, the more empowered the team is.
- The more is the team work and individual employee contribution, more profitable and successful is the business.
- During period of amendments, there will be more adaptability and creativity.
- Motivation will lead to an optimistic and challenging attitude at work place.

Employees' point of view

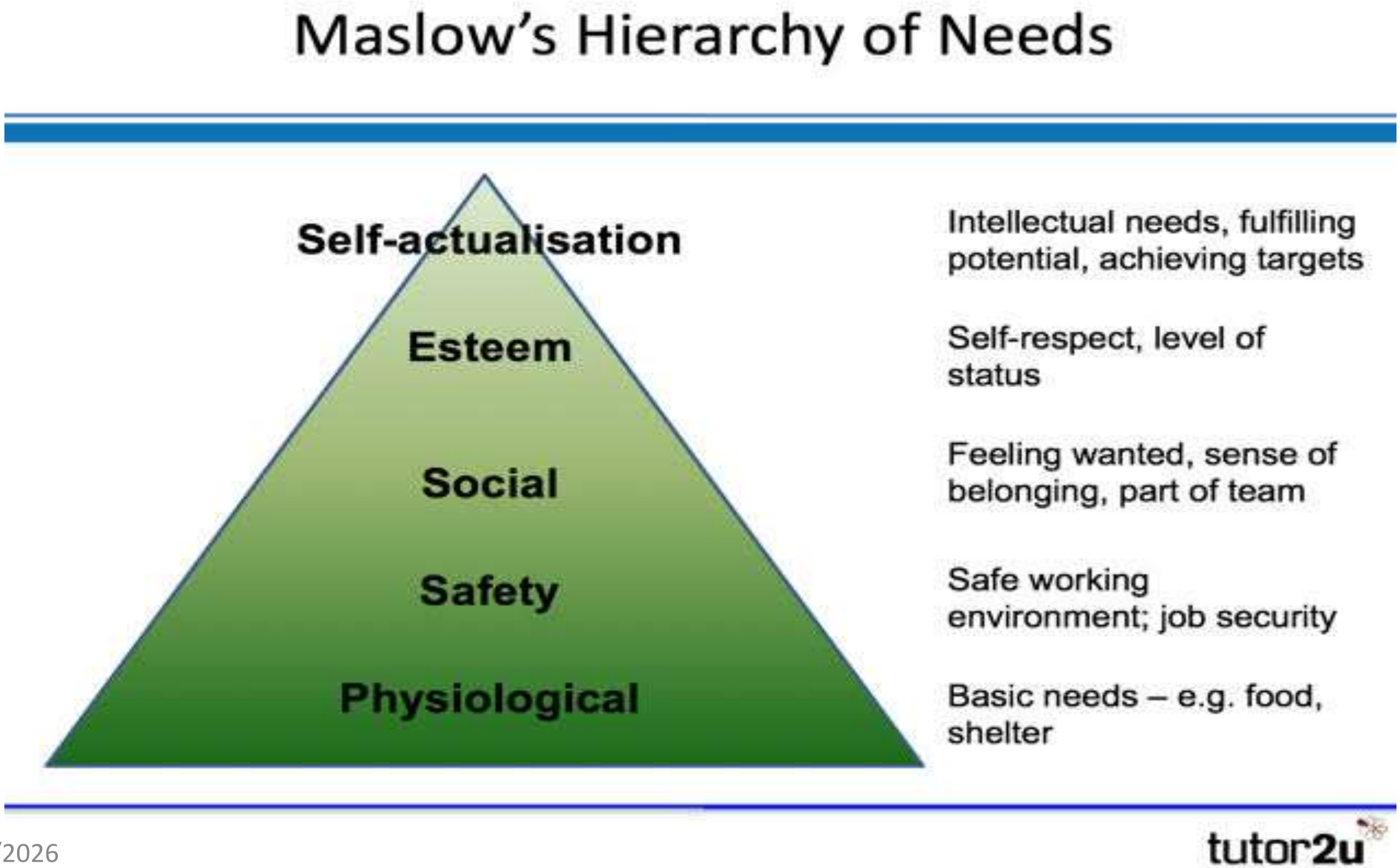
- Motivation will help him achieve his personal goals.
- If an individual is motivated, he will have job satisfaction.
- Motivation will help in self-development of individual.
- An individual would always gain by working with a dynamic team.

Motivation

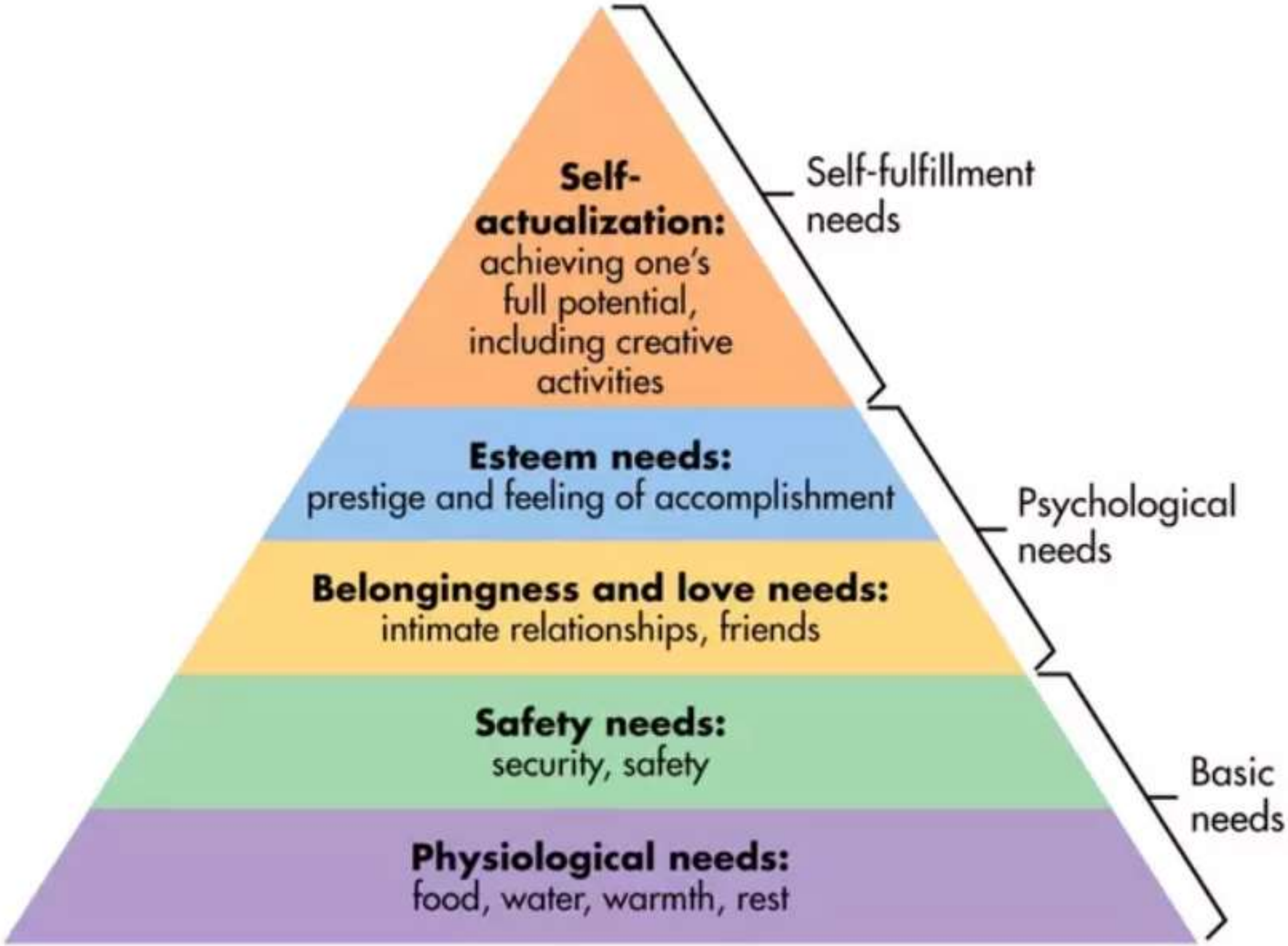
- The <u>content</u> theories deal with **"what" motivates people**, whereas the <u>process</u> theories deal with, **"How" motivation occurs**. Thus, theories of motivation can be broadly classified as:



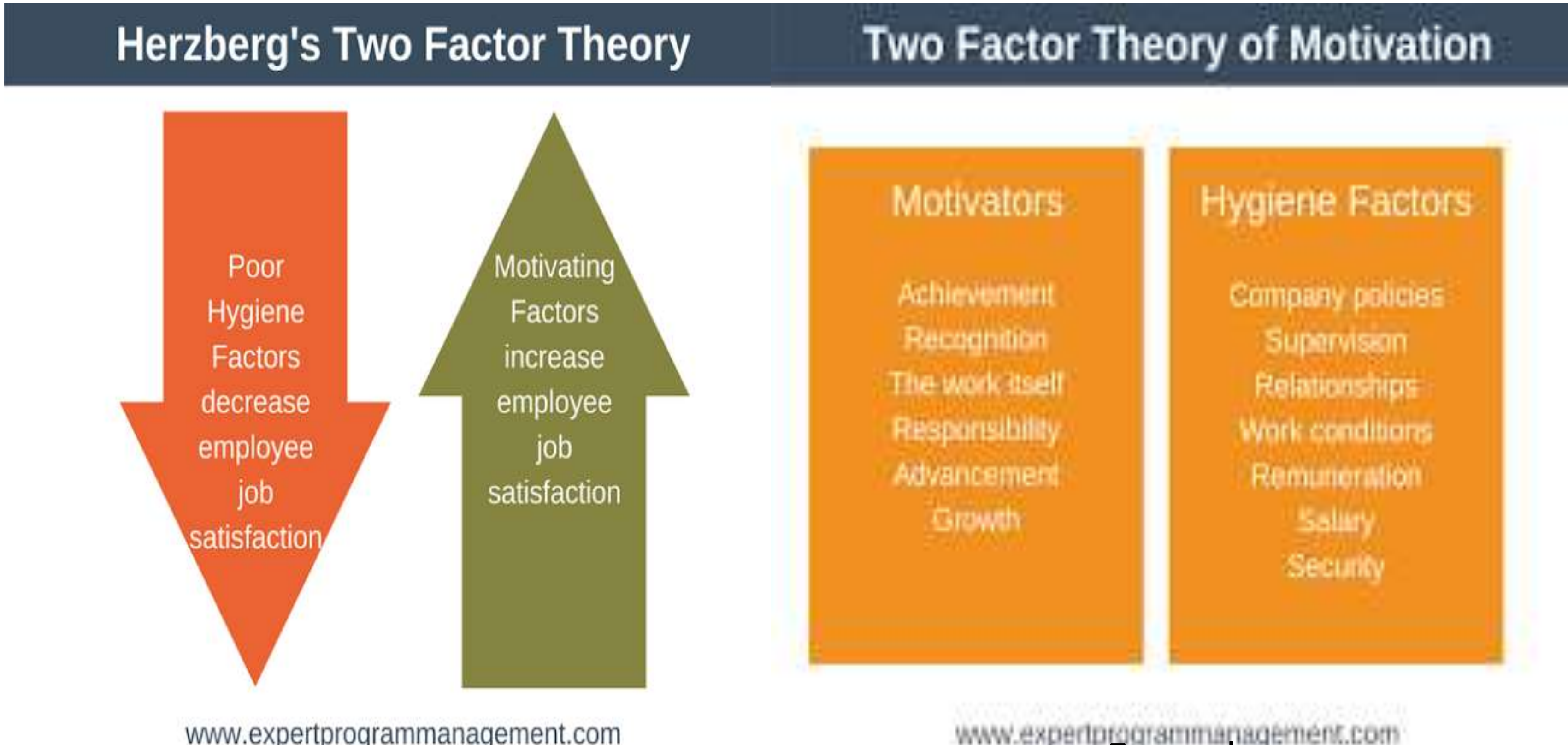
Maslows



Maslow's Hierarchy of Needs
Self-actualisation
Esteem
Social
Safety
Physiological
Intellectual needs, fulfilling potential, achieving targets
Self-respect, level of status
Feeling wanted, sense of belonging, part of team
Safe working environment; job security
Basic needs – e.g. food, shelter
tutor2u


Self-actualization: achieving one's full potential, including creative activities
Esteem needs: prestige and feeling of accomplishment
Belongingness and love needs: intimate relationships, friends
Safety needs: security, safety
Physiological needs: food, water, warmth, rest
Self-fulfillment needs
Psychological needs
Basic needs

Herzberg’s Theory of Motivation



Examples

The two factors identified by Herzberg are motivators and hygiene factors:

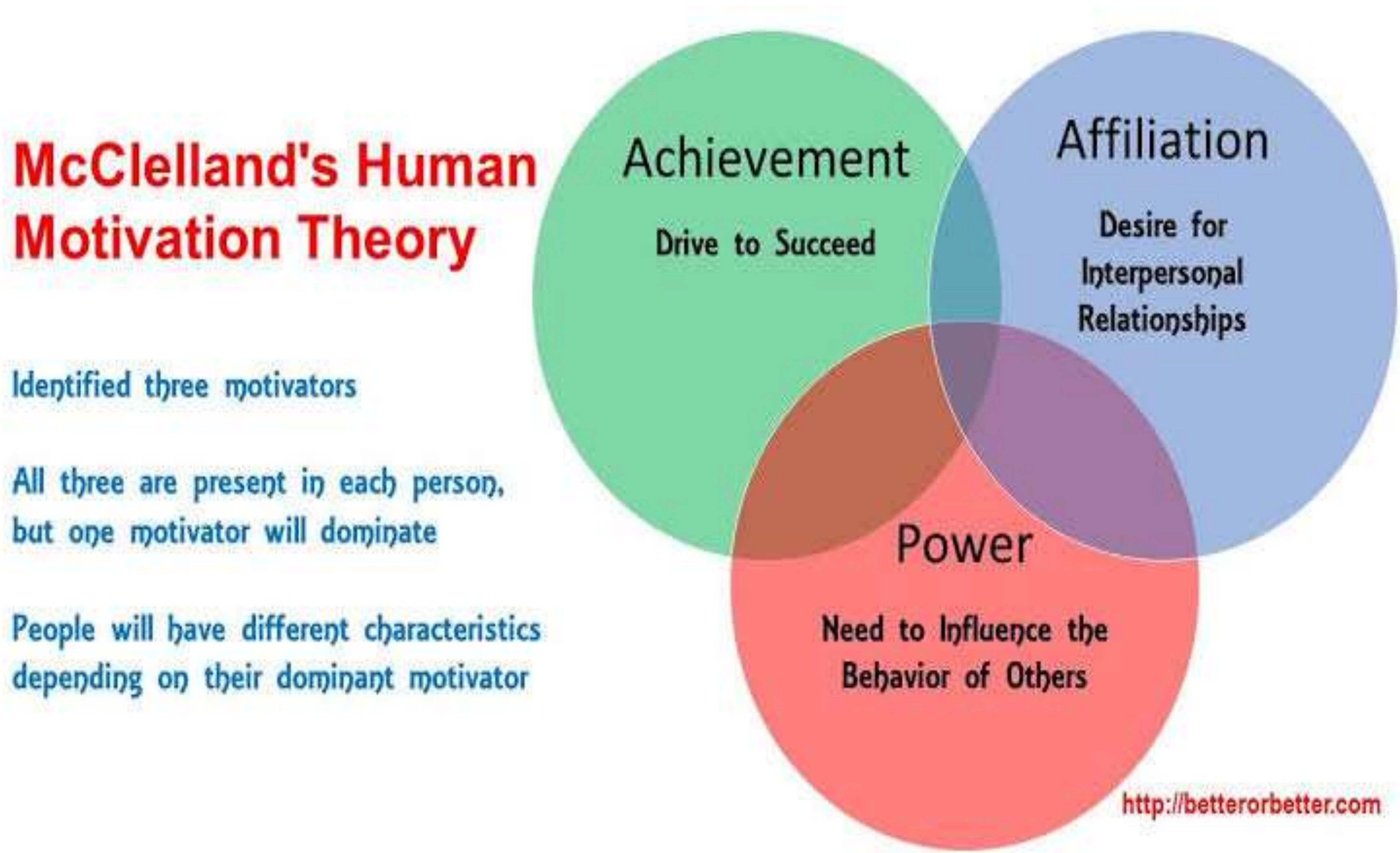
1. Motivating Factors

The presence of motivators causes employees to work harder. They are found within the actual job itself.

2. Hygiene Factors

The absence of hygiene factors will cause employees to work less hard. Hygiene factors are not present in the actual job itself but surround the job.

McClelland Theory of Motivation



- Psychologist David McClelland advocated Need theory, also **popular as Three Needs Theory**.
- This motivational theory states that the needs for **achievement**, **power**,and **affiliation** significantly influence the behavior of an individual, which is useful to understand from a managerial context.
- This theory can be considered an extension of Maslow’s hierarchy of needs.

Need For Achievement

- The need for achievement as the name itself suggests is the urge to achieve something in what you do. If you are a lawyer it is the need to win cases and be recognized, if you are a painter it is the need to paint a famous painting. The more the achievements they make the higher their performance because of higher levels of motivation.

Need For Power

- The need for power is the desire within a person to hold control and authority over another person and influence and change their decision in accordance with his own needs or desires. The need to enhance their self-esteem and reputation drives these people and they desire their views and ideas to be accepted and implemented over the views and ideas over others.

Need For Affiliation

- The need for affiliation is the urge of a person to have interpersonal and social relationships with others or a particular set of people. They seek to work in groups by creating friendly and lasting relationships and has the urge to be liked by others.

McGregor's X & Y Theory

Theory X and Theory Y (Douglas McGregor)

Theory X

The assumption that employees dislike work, are lazy, dislike responsibility, and must be coerced to perform.

Theory Y

The assumption that employees like work, are creative, seek responsibility, and can exercise self-direction.

Coordination

- Cooordination is very essential in management. Business has various functions. These functions are performed by different individuals. Moreover, performance of these functions requires division of work and grouping of activities and making decisions at different levels. All these necessitate co-ordination for attaining the desired goals.

- Co-ordination is concerned with synchronizing, integrating or unifying all the group actions in an enterprise to achieve its objectives. It is a process by which the manager achieves harmonious group efforts and unity of actions through balancing the activities of different individuals and groups of individuals and reconciling their differences in interest or approach, for the attainment of common goals.

- In the words of Mcfarland, **"Co-ordination is the process whereby an executive develops an orderly pattern of group efforts among his subordinates and secures unity of actions in the pursuit of a common purpose."**

Coordination

Features /Characteristics of Coordination

- It is not a distinct/separate function but the very essence of management.
- It is the basic responsibility of management
- It does not arise spontaneously or by force.
- The heart of co-ordination is unity of action/purpose.
- It is a dynamic process (continuous or an ongoing process).
- It is required in group efforts, not in individual effort.
- It has a common purpose of getting organisational objectives accomplished.
- It is necessary to all levels of organization
- It is a system concept

Coordination

Problems of Coordination

In practice coordination faces certain problems, These include:

- Natural hindrance (e.g. bad weather, poor health situation, etc)
- Inadequate /lack of administrative talent
- Lack/Inadequate of techniques of coordination
- Misunderstanding
- Competition for resources
- Threats to autonomy
- Disagreement on objectives and idea
- Differing expectations of coordination
- Lack of trust
- Cost/benefit perceived as unsatisfactory
- Unilateral donor actions and agendas
- Rapid staff turnover
- Poor transition preparations

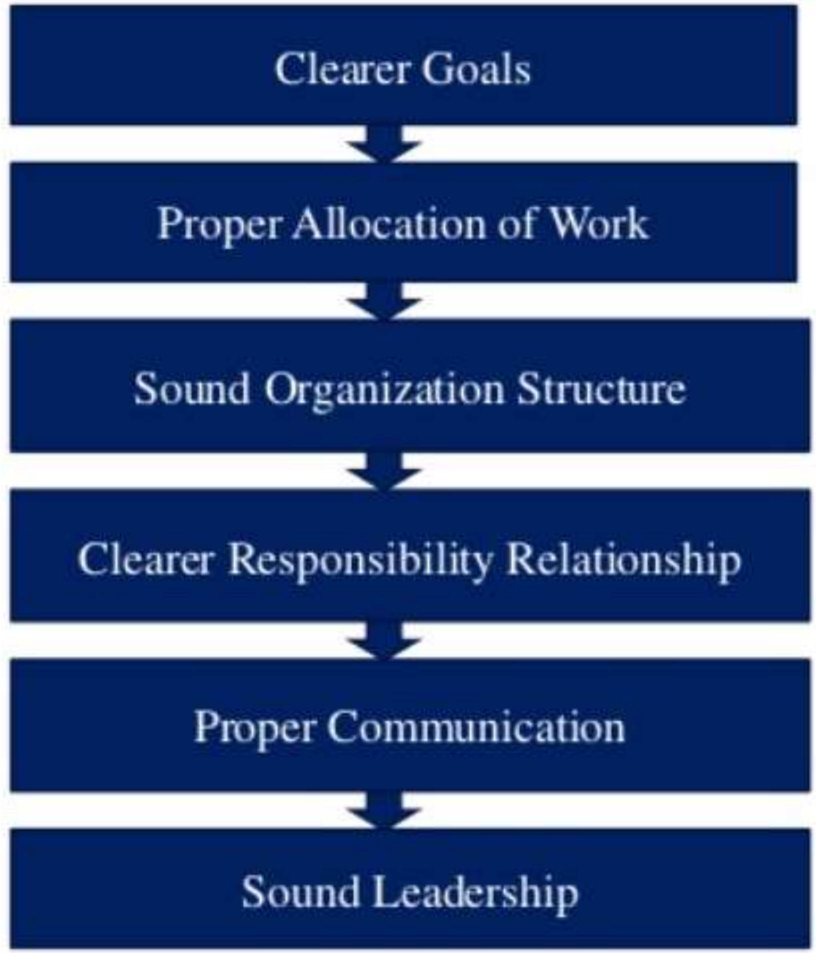
Steps of effective of Coordination

- Proper **delegation of authority** and responsibility
- Whole or entire activities of the organization should be **divided into department/section/units**
- There should be to **rigid rules and 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**.

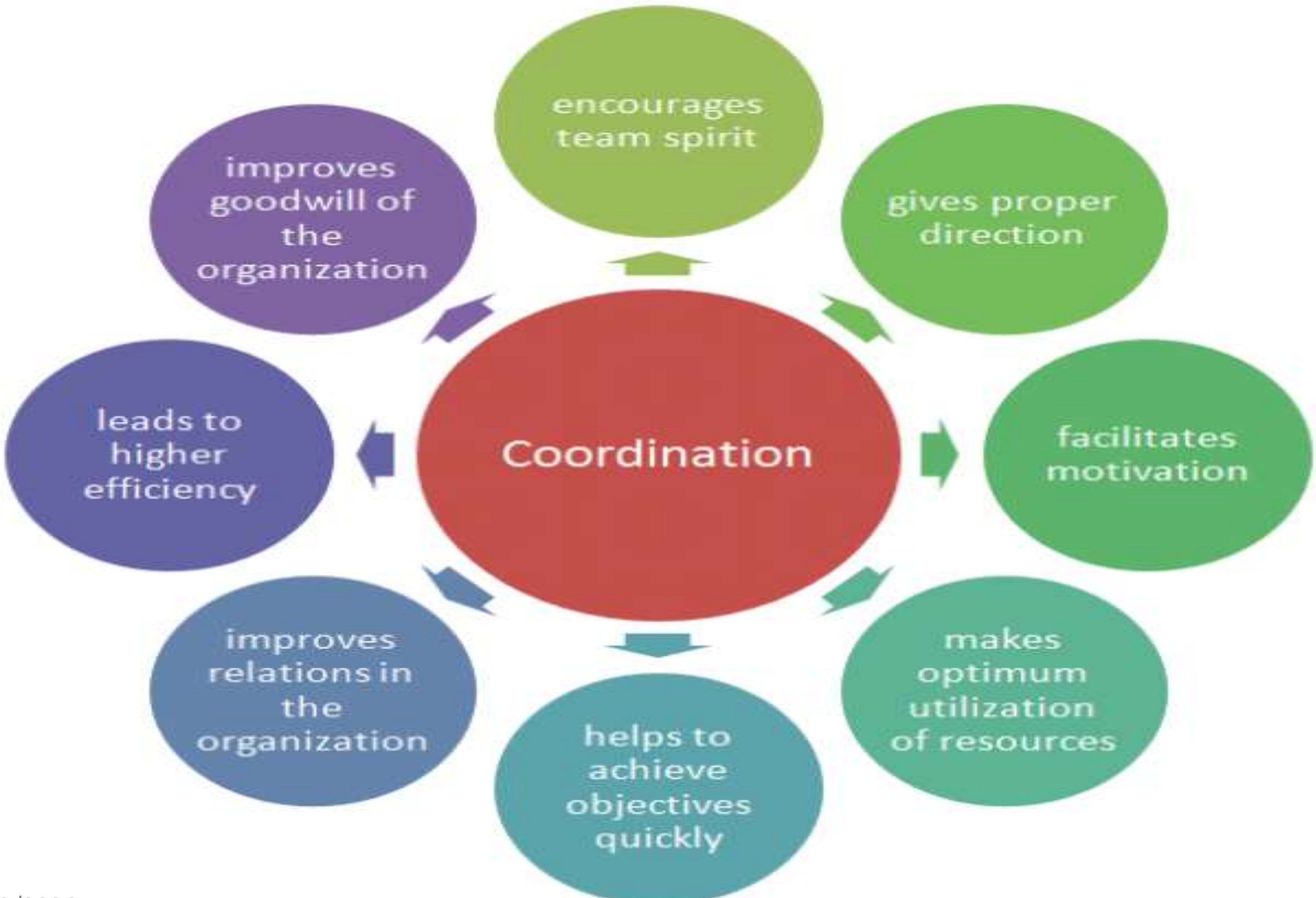
Steps of effective of Coordination…..

- There should be a proper system for **reporting**.
- Skilled workers must be **rewarded** adequately.
- The management should induce the employees to take active part in **meeting**.
- The 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 staffing and the like.

Process of Coordination



Importance of coordination



Communication

- Communication is an indispensable element in human relationships.
- The term “Communication” has been derived from the latin word “Communis”, which means “common”.
- Communication can be defined as an exchange of facts, ideas, opinions or emotions to create mutual understanding.
- It is the sum total of all the things one person does in order to create understanding in the mind of others.

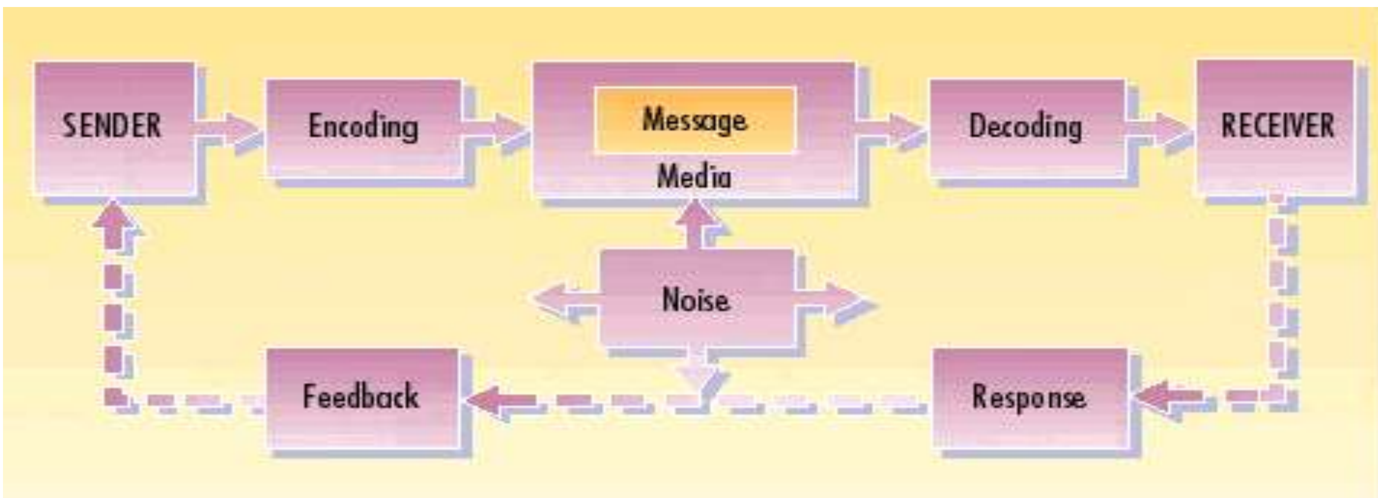
Nature Of Communication

- Communication is a pervasive function (it is vital to all managerial functions)
- Communication requires two or more people, to take place
- Communication is a sequential process, i.e., it involves several steps one after the other.
- Communication is a continuous process
- Basic purpose of communication is to create mutual understanding and cooperative human relationships
- Communication is a two way process (the process is not complete unless message is correctly understood by receiver and his response becomes known to the sender)

Importance of Communication

- Communication serves as the basis of action, because circulation of right information from right sources is necessary for an organization to function properly.
- Communication facilitates planning and decision making.
- Communication provides a means of coordination as it permits upward, downward and horizontal interaction between members at all levels of authority.
- Communication improves relationship as exchange of facts, opinions, feelings and sentiments and interchange of information concerning work would enable employees to understand each other.
- Communication improves morale and motivation by keeping people informed.

Process Of Communication



Process Of Communication

- Sender: Initiator of message; sends the message.
- Message: It is what has been conveyed by the sender. It is the subject matter of communication and it consists of words, facts, ideas, opinions, etc.
- Encoding: Sender translates the idea into a language, known to both the parties. It is the use of appropriate verbal/ non-verbal language for transmitting message.
- Channel: Medium or route through which message is passed from sender to receiver. (face-to-face, telephone, letter, radio, television, etc.)
- Receiver: Person/ group who is supposed to receive message or to whom the message has been directed to.
- Decoding: Translating message into words for the purpose of understanding. Receiver interprets message to derive meaning.
- Feedback: Reply, reaction, response of receiver, which he sends to acknowledge his understanding of the message.
- Sender receives feedback and communication process gets complete.

Importance of Communication

1. **The Basis of Co-ordination-** The manager explains to the employees the organizational goals, modes of their achievement and also the interpersonal relationships amongst them. This provides coordination between various employees and also departments. Thus, communications act as a basis for coordination in the organization.

2. **Fluent Working-** A manager coordinates the human and physical elements of an organization to run it smoothly and efficiently. This coordination is not possible without proper communication.

3. **The Basis of Decision Making-** Proper communication provides information to the manager that is useful for decision making. No decisions could be taken in the absence of information. Thus, communication is the basis for taking the right decisions.

Importance of Communication

4. **Increases Managerial Efficiency-** The manager conveys the targets and issues instructions and allocates jobs to the subordinates. All of these aspects involve communication. Thus, communication is essential for the quick and effective performance of the managers and the entire organization.

5. **Increases Cooperation and Organizational Peace-** The two-way communication process promotes co-operation and mutual understanding amongst the workers and also between them and the management. This leads to less friction and thus leads to industrial peace in the factory and efficient operations.

6. **Boosts Morale of the Employees-** Good communication helps the workers to adjust to the physical and social aspect of work. It also improves good human relations in the industry. An efficient system of communication enables the management to motivate, influence and satisfy the subordinates which in turn boosts their morale and keeps them motivated.

Types of Communication

1. Formal Communication

Formal communications are the one which flows through the official channels designed in the organizational chart. It may take place between a superior and a subordinate, a subordinate and a superior or among the same cadre employees or managers. These communications can be oral or in writing and are generally recorded and filed in the office.

Features :

1. Uses official channel.
2. Mainly used for vertical communication
3. Used for task related communication
4. Major media for routine communication
5. It may be oral or written.

2. Informal Communication

Any communication that takes place without following the formal channels of communication is said to be informal communication. The Informal communication is often referred to as the ‘grapevine’ as it spreads throughout the organization and in all directions without any regard to the levels of authority.

Features:

1. Organizational hierarchy not followed
2. Free flow of information
3. Rapid communication
4. Information may be distorted
5. Lack of evidence.

Formal Communication Channels

- ADVANTAGES
- ✓ Smooth transmission of official messages:
- ✓ Documentary evidence which can be used as future references.
- ✓ Enhance coordination for the achievement of the goal of an organization
- ✓ Reliable as it has documentary evidence
- ✓ Discipline is strictly maintained as information is transmitted by following organization hierarchy
- ✓ Accuracy
- ✓ Efficiency increases
- ✓ Clarity of the message

- DISADVANTAGES
- ✓ Lack of flexibility as strict formalities or chain of command is maintained
- ✓ Time consuming as information flows through the chain
- ✓ Not suitable for motivation
- ✓ 4. Creates misunderstanding as messages can be distorted.
- ✓ Creates mental distance as lower level employees cannot exchange their views freely with the executives by breaking the chain of command.
- ✓ Costly
- ✓ Lack of creativity as lower level employees become more interested to comply with the instructions of the authority.

Informal Communication

- ADVANTAGES
- ✓ Free flow of information
- ✓ Rapid communication:
- ✓ Suitable for motivation:
- ✓ Remove mental distances:
- ✓ Increase enthusiasm
- ✓ Evaluation of employees: Through informal communication management can come closer to the operational level employees and judge their attitudes clearly.
- ✓ Supportive
- ✓ Increase co-operation
- ✓ Flexibility
- ✓ Enhance mutual trust
- ✓ Disadvantages of the informal communication:
- ✓ can take place.

- DISADVANTAGES
- ✓ Lack of control
- ✓ Distortion of messages as it passes from top to bottom.
- ✓ Rumor can take place
- ✓ Not reliable
- ✓ No documentary evidence
- ✓ Secrecy not maintained
- ✓ Conflict
- ✓ Chance of error: As official chain and procedures are not followed, chance of error increase. Fraudulent activities also

Barriers to Communication

1. **Semantic Barriers-** These are concerned with the problems and obstructions in the process of encoding and decoding of a message into words or impressions. Normally, such barriers result due to use of wrong words, faulty translations, different interpretations, etc.

For example, a manager has to communicate with workers who have no knowledge of the English language and on the other side, he is not well conversant with the Hindi language. Here, language is a barrier to communication as the manager may not be able to communicate properly with the workers.

2. **Psychological Barriers-** Emotional or psychological factors also act as barriers to communication. The state of mind of both sender and receiver of communication reflects in effective communication. A worried person cannot communicate properly and an angry recipient cannot understand the message properly.

Thus, at the time of communication, both the sender and the receiver need to be psychologically sound. Also, they should trust each other. If they do not believe each other, they cannot understand each other's message in its original sense.

Barriers to Communication

3. **Organizational Barriers-** The factors related to organizational structure, rules and regulations authority relationships, etc. may sometimes act as barriers to effective communication. In an organization with a highly centralized pattern, people may not be encouraged to have free communication. Also, rigid rules and regulations and cumbersome procedures may also become a hurdle to communication.

4. **Personal Barriers-** The personal factors of both sender and receiver may act as a barrier to effective communication. If a superior thinks that a particular communication may adversely affect his authority, he may suppress such communication. Also, if the superiors do not have confidence in the competency of their subordinates, they may not ask for their advice. The subordinates may not be willing to offer useful suggestions in the absence of any reward or appreciation for a good suggestion.

Barriers to communication

- Organization barriers (scalar chain of command restricts free and frequent communications. Information gets filtered at different levels.
- Status Barriers (between superiors and subordinates)
- Semantic Barriers (words have different meaning to different people/ people understand words differently)
- In-attention barriers
- Perceptual Barriers (Perception means mental and sensory processes used by an individual to interpret the received information. People have different interest areas; they only see what they want to see)
- Information overload
- Premature evaluation (receiver jumps to conclusions)
- Channel distortions (noise, people talking, electronic disturbances, etc.)

Measures for overcoming barriers/ Principles of effective communication

- Clarity (Clarity of thoughts; no ambiguity; simple and precise language)
- Completeness (incomplete message creates misunderstandings and delays actions)
- Brevity (Communication should be brief; no information overload)
- Timeliness (message to reach the receiver at the right time)
- Attention (Communication must be able to secure the attention of the receiver)
- Strategic use of grapevine (manager must make use of grapevine/ informal communication channel, to supplement formal channels of communication)
- Compassion (communicator must be able to understand intelligence level and background of the receiver; wavelengths must match)

UNIT 5: DIRECTING & CONTROLLING

5A: Motivation, Co-ordination, Communication

5B: Directing and Management Control, Decision Making

5C: Management by objectives (MBO) the concept and relevance. **Objectives and Process of Management Control**

Functions of Management

Directing

- **DIRECTING** is said to be a process in which the managers instruct, guide and oversee the performance of the workers to achieve predetermined goals.

- There are four primary elements of directing – supervising, motivating, leadership, and communication.

INTRODUCTION

- **Directing** is a key managerial function to be performed by the manager along with planning, organizing, staffing and controlling.
- Directing is the heart of management process. Planning, organizing, staffing have got no importance if direction function does not take place.
- **Directing** is said to be a process in which the managers **instruct, guide and oversee** the performance of the workers to achieve predetermined goals.
- Direction can be understood as all those activities which are designed to encourage the subordinates to work effectively and efficiently, in both short and long run.

MEANING OF DIRECTING

- The function of directing is concerned with instructing, guiding, inspiring and motivating the employees in the organization so that their efforts are channelized towards attainment of pre-determined organizational objectives.
- According to Ernest Dale, “Directing is all about telling people what to do an seeing that they do it to the best of their ability.”
- Directing can be understood as the action initiating function of management.
- It is performed by managers at all the levels of the organization.
- It exists wherever superior – subordinate relationships exist.

Characteristics/ Features of Directing

- **Initiates action**
- **Continuous activity**
- **Pervasive function**
- **Creative activity** (Direction function helps in converting plans into performance. Without this function, people become inactive and physical resources are meaningless.)
- **Linking function** (Planning, organizing and staffing are merely preparation for doing the work and work actually starts when managers perform the directing function. Direction puts plans into an action and provides performance for measurement and control. In this way, directing serves as a connecting link between planning and control.)
- **Management of human factor** (Direction is the interpersonal aspects of management. It deals with the human aspect of organization. Human behavior is very dynamic and is conditioned by a complex of forces about which not much is known. Therefore, direction is a very difficult and challenging function.)

Significance of Directing Function

- Directing is the central point around which accomplishment of goals take place. A few philosophers call Direction as "*Life spark of an enterprise*". Being the central character of enterprise, it provides many benefits to a concern which are as follows:
- **It Initiates Actions -** Directions is the function which is the starting point of the work performance or actions of subordinates. It is from this function the action takes place, subordinates understand their jobs and do according to the instructions laid. Whatever are plans laid, can be implemented only once the actual work starts.
- **It Integrates Efforts -** Through direction, the superiors are able to guide, inspire and instruct the subordinates to work. For this, efforts of every individual towards accomplishment of goals are required. It is through direction the efforts of every department can be related and integrated with others. This can be done through persuasive leadership and effective communication.
- **Means of Motivation -** Direction function helps in achievement of goals. A manager makes use of the element of motivation here to improve the performances of subordinates. This can be done by providing incentives or compensation, whether monetary or non - monetary, which serves as a "Morale booster" to the subordinates ultimately helping in growth.
- **It Provides Stability -** Stability and balance in concern becomes very important for long term survival in the market. This can be brought upon by the managers with the help of four tools or elements of direction function - judicious blend of persuasive leadership, effective communication, strict supervision and efficient motivation. Stability is very important since that is an index of growth of an enterprise.

Significance of Directing Function

- **Coping up with the changes -** It is a human behavior that human beings show resistance to change. Adaptability with changing environment helps in sustaining planned growth and becoming a market leader. It is directing function which is of use to meet with changes in environment, both internal as external. Effective communication helps in coping up with the changes. It is the role of manager here to communicate the nature and contents of changes very clearly to the subordinates. This helps in clarifications, easy adaptions and smooth running of an enterprise. For example, if a concern shifts from handlooms to powerlooms, an important change in technique of production takes place. The resulting factors are less of manpower and more of machinery. This can be resisted by the subordinates. The manager here can explain that the change was in the benefit of the subordinates. Through more mechanization, production increases and thereby the profits. Indirectly, the subordinates are benefited out of that in form of higher remuneration.

- **Efficient Utilization of Resources -** Direction finance helps in clarifying the role of every subordinate towards his work. The resources can be utilized properly only when less of wastages, duplication of efforts, overlapping of performances, etc. doesn't take place. Through direction, the role of subordinates become clear as manager makes use of his supervisory, the guidance, the instructions and motivation skill to inspire the subordinates. This helps in maximum possible utilization of resources, leading to reducing costs and increasing profits.

Elements of Direction

- **Supervision**- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

- **Motivation**- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

- **Leadership**- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

- **Communications**- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

Introduction

- Leadership is the process of influencing and supporting others to work enthusiastically towards achieving objectives.
- Leadership is the ability to develop a vision that motivates others to move with a passion toward a common goal.
- So leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent.

Features of leadership

- Leadership is a continuous process of behaviour; its not just a one-time activity.
- It is the relationship between a leader and his followers which arises out of their functioning for common goals.
- Through leadership, a leader tries to influence the behaviour of individuals or groups to achieve common goals.
- Followers work willingly to achieve the goals.
- Leadership is exercised in a particular situation, at a given point of time and under specific set of circumstances. Leadership styles may be different under different situations.

Importance of Leadership

- **Initiates action-** Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
- **Motivation-** A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
- **Providing guidance-** A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
- **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
- **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster.
- **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.


Styles of Leadership
Authoritarian
The Perfect Leader
Delegative
Participative

Leadership

1. Autocratic or Authoritarian leadership

- An autocratic leader centralizes power and decision-making in himself. He gives orders, assigns tasks and duties without consulting the employees. The leader takes full authority and assumes full responsibility.
- Autocratic leadership is negative, based on threats and punishment. Subordinates act as he directs. He neither cares for their opinions nor permits them to influence the decision. He believes that because of his authority he alone can decide what is best in a given situation.
- Leader decides, decisions are passed on to the subordinates, instructions about the implementation of decisions are given and the subordinates are expected to do what the leader has told them to do.
- Decisions are enforced using rewards and the fear of punishment.
- Suitable in situations requiring quick decisions.

Advantage: tasks are efficiently completed.

Disadvantage: low employee morale, lack of initiative among employees, employees avoid responsibility for any errors.

- It is an unprofessional style called "bossing people around."

2. Democratic or Participative leadership

Participative or democratic leaders decentralize authority. It is characterized by consultation with the subordinates and their participation in the formulation of plans and policies. He encourages participation in decision-making.

Communication flows freely; suggestions are made in both directions.

- It includes democratic, consensual, and consultative styles.

a) Democratic Leaders: Leaders who solicit input from all members of the group and then allow the members to make the final decision through a vote.

b) Consultative Leaders: Leaders who confer with subordinates before making a decision, but who retain the final decision-making authority.

c) Consensual Leaders: Leaders who encourage the discussion about issues and then require that all parties involved agree to the final decision.

3. The Laissez-faire or Free-rein leadership

- Free-rein leaders avoid power and responsibility.
- The laissez-faire or non-interfering type of leader passes on the responsibility for decision-making to his subordinates and takes a minimum of initiative in administration.
- He gives no direction and allows the group to establish its own goals and work out its own problems.
- However, the leader is still responsible for the decisions that are made. This is used when employees are able to analyze the situation.
- Suitable in situations requiring creativity.

Controlling

- Controlling
  - A process of monitoring performance and taking action to ensure desired results.
  - It sees to it that the right things happen, in the right ways, and at the right time.
  - It is the process of monitoring activities to ensure that they are being accomplished as planned and correcting any significant deviations.
  - According to Brech, “Controlling is a systematic exercise which is called as a process of checking actual performance against the standards or plans with a view to ensure adequate progress and also recording such experience as is gained as a contribution to possible future needs.”
  - Done well, it ensures that the overall directions of individuals and groups are consistent with short and long range plans.
  - It helps ensure that objectives and accomplishments are consistent with one another throughout an organization.
  - It helps maintain compliance with essential organizational rules and policies.

- Controlling has got two basic purposes

✓ It facilitates co-ordination

✓ It helps in planning

- Features of controlling

1. Forward Looking
2. Universal Function
3. Continuous Process
4. Pervasive
5. Dynamic
6. Related with Planning

Importance of Controlling

- Adjustment in Operations
- Policy Verification
- Managerial Responsibility
- Psychological Pressure
- Coordination in Action
- Organizational Efficiency and Effectiveness

Relation Between Planning & Controlling

- Planning precedes controlling and controlling succeeds planning.
- Planning and controlling are inseparable functions of management.
- Activities are put on rails by planning and they are kept at right place through controlling.
- The process of planning and controlling works on Systems Approach which is as follows :

Planning → Results → Corrective Action

Relation Between Planning & Controlling

- Planning is the basis and pre requisite of Control
- Control is evaluation of performance against standards and these standards are provided by Planning
- Planning is Meaningless without Controlling
- Controlling is blind without Planning
- Planning is Looking Ahead whereas Controlling is Looking Back

The Control Process

- Establish objectives and standards.
- Measure actual performance.
- Compare actual and standard performance.
- Take necessary remedial action.

Establish Objectives and Standards

- The control process begins with planning and the establishment of performance objectives.
- Performance objectives are defined and the standards for measuring them are set.
- Standards are either Measurable or Non-measurable
- Those standards which can be measured and expressed quantitatively are called as measurable standards. They can be in form of cost, output, expenditure, time, profit, etc.
- Non-measurable or intangible are standards which cannot be measured quantitatively. For example- performance of a manager, deviation of workers, their attitudes towards a concern. These are called as intangible standards.

- **Measuring Actual Performance**

1. Measurements must be accurate enough to spot deviations or variances between what really occurs and what is most desired.
2. Without measurement, effective control is not possible.

- **Comparing Actual and Standard Performance**

1. The comparison of actual performance with desired performance establishes the need for action.
2. Deviation can be defined as the gap between actual performance and the planned targets.
3. The manager has to find out two things here- ***extent of deviation*** and ***cause of deviation***.
4. Extent of deviation means that the manager has to find out whether the deviation is positive or negative or whether the actual performance is in conformity with the planned performance.

- **Taking Corrective Action**

1. Taking any action necessary to correct or improve things.
2. Once the causes and extent of deviations are known, the manager has to detect those errors and take remedial measures for it.

Types of Control

- **Preliminary**

  Sometimes called the feedforward or preventive controls controls, they are accomplished before a work activity begins.

  They make sure that proper directions are set and that the right resources are available to accomplish them.

- **Concurrent**

  Focus on what happens during the work process. Sometimes called steering controls, they monitor ongoing operations and activities to make sure that things are being done correctly.

- **Postaction**

  Sometimes called feedback controls, they take place after an action is completed. They focus on end results, as opposed to inputs and activities.

UNIT 5: DIRECTING & CONTROLLING

5A: Motivation, Co-ordination, Communication

5B: Directing and Management Control, Decision Making

5C: **Management by objectives (MBO) the concept and relevance.** Objectives and Process of Management Control

- **The process of setting objectives in the organization to give a sense of direction to the employees is called as Management by Objectives**.
- It refers to the process of setting goals for the employees so that they know what they are supposed to do at the workplace.
- Management by Objectives defines roles and responsibilities for the employees and help them chalk out their future course of action in the organization.
- Management by objectives guides the employees to deliver their level best and achieve the targets within the stipulated time frame.
- **Management by objectives** (**MBO**), also known as **management by planning** (**MBP**)
- Management by objectives is the process of defining specific objectives within an organization that management can convey to organisation members, then deciding how to achieve each objective in sequence. This process allows managers to take work that needs to be done one step at a time to allow for a calm, yet productive work environment. This process also helps organization members to see their accomplishments as they achieve each objective, which reinforces a positive work environment and a sense of achievement.

Advantages of MBO

1. Better Planning
2. Better Organisation
3. Self-Control
4. Higher Productivity
5. Better Appraisal of Performance
6. Executive Development
7. Improvement of Managing
8. Clarity of Organisational Roles and Structures
9. Encouragement of Personal Commitment
10. Development of Effective Controls
11. Facilitate Coordination of Efforts.

Disadvantages of MBO

1. Problems in Joint Objective Setting among Unequal's
2. Problems of MBO Being Effective at the Lowest Level
3. It is Difficult to Implement in a Situation of Change
4. Resistance to Adopt MBO Technique
5. Poor Planning
6. Lack of Training
7. Limited Application
8. Inflexibility
9. Expensive Process
10. Inadequate Commitment from Top Management
11. Goal Setters not Given Any Orientation
12. Setting Goals is a Complex Process
13. Emphasis on Short-Term Goals
14. problem of Status and Authority
15. Limited Time Horizon and a Few Others.