MODULE II:

DIRECTING

- According to Dale, Direction is telling people what to do and seeing that they do it to the best of their ability.

- Direction may be defined as a function of management which is related with instructing, guiding and inspiring human factor in the organization to achieve organizational mission and objectives.

- Direction involves communicating and providing leadership and motivation to the people to contribute to the best of their capabilities for the achievement of the enterprise.

- Planning, organizing and staffing are concerned only with the preparation for work performance and it is the direction which stimulates the organization and it's staff to execute the plans.

- Hence, it is also called "management-in-action".

- Every manager gives direction to his subordinates as superior and receives directions as subordinate from his superior.

"Direction is a complex function that includes all those activities which are designed to encourage subordinates to work effectively and efficiently in both the short and long term".

"Directing consists of the process and techniques utilized in issuing instructions and making certain that operations carried on of originally planned".

The process of directing function involves following two activities:

1. Giving orders to employee
2. Leading and Motivating them

Nature or Characteristics of Direction

- **It is a Dynamic Function**: Directing is a dynamic and continuing function. A manager has

to continuously direct, guide, motivate and lead his subordinates. With change in plans and organizational relationships, he will have to change the methods and techniques to direction.

- **It Initiates Action:** Directing initiates organized and planned action and ensures effective performance by subordinates towards the accomplishment of group activities. It is regarded as the essence of management-in-action.

- **It is a Universal Function:** Directing is a universal function that is performed in all organizations and at all the levels of management. All managers have to guide, motivate, lead, supervise and communicate with their subordinates, although more time is spent on directing at higher levels of management.

- **It Provides Necessary Link between Various Managerial Functions:** Directing links the various managerial functions of planning, organizing, staffing and controlling. Without directing the function of controlling will never arise and the other preparatory functions of management will become meaningless.

- **It is Concerned with Human Relationships:** The direction function of management deals with relationship between people working in an organization. It creates co- operation and harmony among the members of the group. It seeks to achieve orderly arrangement of group effort to provide unity of action in the pursuit of common objectives.

Principles of Directing

While directing a manager should understand the needs, motives and attitudes of his subordinates. The following principles of directing may be useful to a manager.

- *Harmony of objectives*: Individuals and organization have their own objectives. The management should coordinate the individual objectives with the organizational objectives. Directions can integrate their objectives with organizational objectives.

- *Unity of direction or command*: An employee should receive orders and instructions only from one superior. If not so, there may be indiscipline and confusion among subordinates and disorder will ensue.

- *Direct supervision*: Managers should have direct relationship with their subordinates. Face

to face communication and personal touch with the subordinates will ensure successful direction.

- ◆ ***Effective communication***: The superior must ensure that plans, policies, responsibilities and orders are fully understood by the subordinates in the right direction.

- ◆ ***Follow through***: Direction is a continuous process. Mere issuing orders or instructions are not an end itself. Follow is necessary, so the management should watch whether subordinates follow the orders and whether they face difficulties in carrying out the orders or instructions.

Leadership

Leadership is generally defined as influence, the art of process of influencing people so that they will strive willingly towards the achievement of group goals. A leader is one who guides and directs other people.

Leadership is the ability to secure desirable actions from a group or followers voluntarily without the use of coercion.

A clear distinction can be made between a leader and a manager. A leader emerges out from situations where as a manager is put into his position by appointment. A leader has informal power and a manager has formal power. A leader seeks those very objectives which are the objectives of his subordinates where as a manger seeks those objectives which his subordinates do not regard their own.

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Difference between Manager and Leader:

Manager	Leader
A person emerges as a leader.	A manager is always put into his position by appointment.
A leader may or may not have positional power.	A manager always has some positional power.
A leader always has some personal power.	A manger may or may not have personal power.
There is mutuality of objective between leader and followers.	There may be clash of objective between manager and followers.
A leader is innovative and believes in doing right things.	A manager is bureaucratic and believes in doing things right.

Characteristics of leadership

1. Leadership implies the existence of followers

2. Leadership involves community of interest between the leader and followers.

3. Leadership is the process of influence

4. Leadership is related to situation

5. Leadership is the function of stimulation (motivation)

6. Leadership gives an experience of help attain the common objectives.

7. Leadership is unequal distribution of authority among leaders and group members.

8. Leadership implies that leaders can influence their followers or subordinates in addition to

 being able to give their followers or subordinates legitimate directions.

9. Employees must be satisfied with the type of Leadership provided.

Leadership Styles

Leadership styles widely used are:

   a) **Traits approach**
   b) **Behavioral approach**
   c) **Contingency Approach**

Traits approach

- The trait theory seeks to determine the personal characteristics or traits of a successful leader.

- "trait" meaning a person's characteristics, motivations and patterns of behavior.

- A successful leader is supposed to have the following traits: good personality, intellectual ability, initiative, imagination, emotional stability, desire to accept responsibility, flexibility, honesty, sincerity, integrity, ability to make quick decisions, courage, reliability, persuasive power, etc. To determine the personality traits of a successful leader, studies were conducted by selecting successful leaders and find out their traits.

- It was presumed that persons possessing these traits could become successful leaders.

This approach shared the idea that **leaders are great by virtue of the characteristics or traits that they possess**.

But this theory suffers from many limitations. They are:

1. It emphasizes mainly personal traits and does not consider the environment or situation in which they have to be applied.

2. It assumes that leadership is an in-born quality and cannot be acquired.

3. There is no common list of traits found in all successful leaders.

4. There is no objective criteria to measure individual traits of leaders.

Behavioral approach

- In this approach, the emphasis is on the actual behavior and action of the leaders and not on their traits or characteristics.

- In other words, this approach emphasises that strong leadership is the result of effective role behaviour.

- This approach states that the leader uses three skills to lead his followers. These skills are: technical (refers to a person's knowledge of the process of technique), human (refers to ability to interact with people) and conceptual (refers to manager's ideas which enable a manager to set up models and design plans).

- Prominent in the behavioural approach is the notion that <u>leaders are not born but can be trained.</u>

- Under behavioural approach researchers have studied leadership behavior from three points of view: **motivation , authority and supervision**.

Motivation:

- From the point of view of motivation leadership behavior can be either **positive or negative.**

- In positive behavior the leader's emphasis is on rewards to motivate subordinates.

- In negative behavior leader's emphasis is on penalties and punishments. The subordinates enough time is lost in covering i.e., protecting themselves against management.

Authority:

From the point of view of authority, leadership style can be **autocratic, democratic , or frerein**

1. **Autocratic or Authoritarian Leader:**

   - The autocratic leader is one who centralizes the decision-making power in himself and gives orders to his employees and also insists that they should be obeyed.

   - He decides policies for the group without consulting the group and also asks the group to take steps as per policies determined by him.

   - He does not delegate authority and runs the whole show by himself.

   - He does not inform the employees the purpose of the orders given to them and does not inform them about the future plans.

- He expects his employees to obey him blindly and without question and has no regard for them and does not like to seek their suggestions or advice Autocratic leadership can be of two types. They are:

(a) Strict autocrat: A strict autocrat is one who relies on negative influences and gives order which must be obeyed by the subordinates without question. His method of influencing subordinate behaviour is through negative motivation, that is, by imposing penalty, criticizing subordinates, etc. So employee remains under constant fear.

(b) Benevolent autocrat: A benevolent autocrat is one who uses a positive motivation style. He disperses rewards to his group Here employee remains under constant gratitude.

- The main advantages of autocratic leadership style is it can increase efficiency , save time , and get quick result under emergency condition , chain of command and division of work are clear.

- The disadvantages are people are treated machine-like cogs without human dignity , one way communication without feedback and leaders receive little or no input from his subordinates for decision making which is dangerous in the current dynamic environment.

Participative or Democratic Leader or person oriented leader:

- A democratic leader is one who takes decisions in consultation with his subordinates.

- Here as name suggest entire group is involved in goal setting and achieving it.

- He emphasizes consultation with and participation of his subordinates and encourages initiative from them.

- He follows majority opinion as expressed by his group. Subordinates have considerable freedom of action. The leader show great concern for his people's interest, is friendly and helpful to them.

- He does not take a unilateral decision and decentralises his decision-making process and also authority. Participative leaders have a high concern for people and work

.

Merits

1. When people participate in and help formulate a decision, they support it (instead of fighting or ignoring it) and work hard to make it work, because it is their idea and, now, a part of their life and their ego. In other words, the participative leader has the critical factor of built-in-personal motivation working for him.
2. The leader consistently receives the benefit of the best information, ideas, suggestions, and talent—and operating experience—of his people.
3. This style of leadership permits and encourages people to develop, grow and rise in the organisation (both in terms of responsibility they can assume and service they can contribute).

Demerits

1. The participative style can take enormous amounts of time and, if not exercised properly, may degenerate into a complete loss of leader's control.
2. Some leaders may use this style as a way of avoiding responsibility.

Free Rein In this type of leadership, the leader exercises absolutely no control. He only provides information, materials and facilities to his men to enable them to accomplish group objectives. This type can be a disaster if the leader does not know well the competence and integrity of his people and their ability to handle this kind of freedom.

Figure 17.1 shows the spectrum of a wide variety of leadership styles moving from a very authoririan style at one end to a very democratic style at the other end, as suggested by Robert Tannenbaum and Warren H. Schmidt.
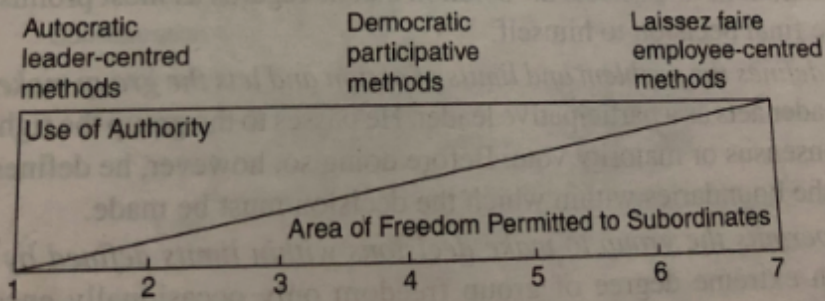
Fig. 17.1 Spectrum of leadership styles

Supervision

From the point of view of supervision, leadership style can be either **employee oriented or production oriented.**

Employee oriented leader is one who cares more for welfare of his subordinates than for production.

Production oriented leader is one who cares more for production than welfare of his subordinates.

Contingency approach

- The contingency approach is a management theory that suggests the most appropriate style of management is dependent on the context of the situation and that adopting a single, rigid style is inefficient in the long term.
- Contingency managers typically pay attention to both the situation and their own styles and make efforts to ensure both interact efficiently.

Motivation

A manger gets work done through others. Getting the work done depends mainly on whether a person has been motivated to do it. Motivating an employee is to create a need and a desire on the part of employee to better his performance.

This can be done by creating in him a sense of responsibility and feeling of special interest in his work. Motivation concern itself with "will to work.

Motivation is inspiring the subordinates to contribute with zeal and enthusiasm towards organizational goals.

Motivation is the process of channeling a person's inner drives so that he wants to accomplish the goal of organization.

Performance of an employee depends on two factors, ability to work and willingness to work.

Performance = ability * willingness

Motivation is enhancing willingness to work which improves performance.
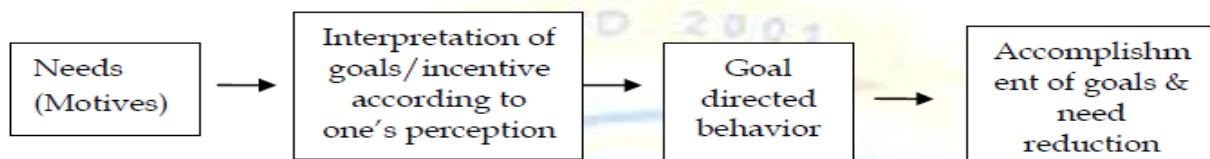
Motivation process.

Motivation Theory

- **Maslow's Need Hierarchy Theory**
- **Hertzberg's Two Factors Theory**
- **McClelland's Need Theory**

- **Victor Vroom's Expectancy Theory**
- **Adam's Equity Theory**
- **Carrot and Stick Approach**
- **Skinner's Reinforcement Theory**

1. Maslow's Need Hierarchy Theory

- Every person has a variety of needs, some of these needs are satisfied and others are unsatisfied.
- An unsatisfied need is the starting point in the motivation process.
- When a person has an unsatisfied need, he attempts to identify something that will satisfy the need. This is called as goal.
- Once a goal has been identified, he takes action to reach that goal and thereby satisfy the need.

A.H. Maslow has identified five categories of need which are arranged in hierarchy as shown in fig

Fig. 15.2   Order of priority of human needs
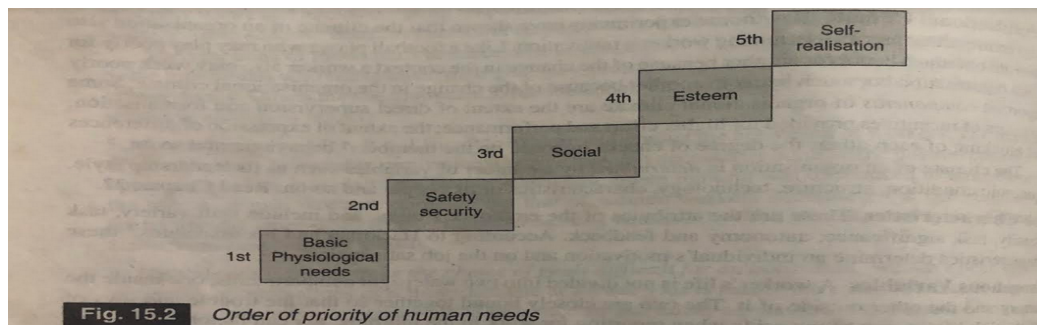
(1) *Physiological needs*: These are the basic needs for sustaining human life itself, such as food, water, shelter and sleep. Maslow took the position that until these needs are satisfied to the reasonable degree necessary to maintain life, other needs will not motivate people.

(2) *Security or safety needs*: People want to be free of physical danger and of the fear of losing job, property or shelter.

(3) *Social needs*: Since people are social being. Social needs are needs to associate with other people and be accepted by them; to love and be loved.

(4) *Esteem or egoistic needs*: are related to respect and prestige. This kind of need produces such satisfaction as power, prestige and status. These are two types: self esteem and esteem from others. Self esteem is an individual's need to feel inside himself that he is worthy. He also needed that others think he is worthy

(5) *Self-realization/self actualization needs*: are needs for realizing one's potential. It is
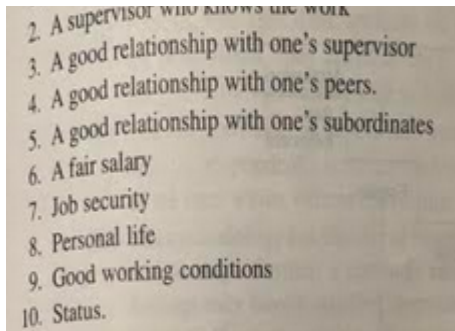
desire to become what one is capable of becoming to maximize one's potential and to accomplish something. A musician must make music if he has to be ultimately be happy.

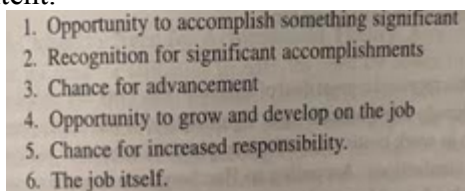## 2. **Hertzberg's Two Factors Theory**

Hertzberg and his associates interviewed 200 engineers and accountants. They asked them of think of times when they felt especially good and times when the felt especially bad about their job. Hertzberg and others repeated these interviews with variety of workers in different type of organization. Their result where generally the same.

Based on these findings, Fredrick Hertzberg and his associates have proposed a two factors theory of motivation.

According to Hertzberg, absence of certain job factors makes the workers dissatisfied. However presence of these factors does not produce high levels of motivation. They merely help avoid dissatisfaction and the problem it creates. Hertzberg called these factors **hygiene or maintenance factors** since they are necessary to maintain reasonable level of satisfaction. He concluded **maintenance factors are:**

2. A supervisor who knows the work
3. A good relationship with one's supervisor
4. A good relationship with one's peers.
5. A good relationship with one's subordinates
6. A fair salary
7. Job security
8. Personal life
9. Good working conditions
10. Status.

To build high level of motivation, a different set of factors are necessary. The second group he listed is called **satisfiers** or **motivators**, which are directly related to job content.

1. Opportunity to accomplish something significant
2. Recognition for significant accomplishments
3. Chance for advancement
4. Opportunity to grow and develop on the job
5. Chance for increased responsibility.
6. The job itself.

Motivators are job centered.
Maintenance factors are related to working conditions and environmental conditions.

3. McClelland's Need Theory

- According to McClelland**,** the three important needs are; the need for achievement , the need for affiliation, the need for power

- The need for affiliation reflects a desire to interact socially with people.
- A person with high need of affiliation is concerned about the quality of important personal relationship.

- A person with high need for power concentrates on obtaining and exercising power and authority.

- The person is concerned with influencing others and winning arguments.
- The person need for achievement has 3 distinct characteristics:

  1. Preference for setting moderately difficult but potentially achievable goals.
  2. Doing most things himself than getting them done by others.
  3. Seeking situation where concentrate feedback is possible.

- If need of employee can be accurately measured, the organization can improve selection and recruitment process.
- For example, the person with high need of achievement can be placed in a position that would enable them to achieve.

4. Victor Vroom's Expectancy Theory

- According to Victor H. Vroom, people's motivation towards doing anything will be determined by the value they place on the outcome of their effort multiplied by the confidence they have that their efforts will materially aid in achieving a goal.

- Motivation is a product of anticipated worth that an individual places on a goal and the chances he or she sees of achieving that goal.
- Using his own terms Vroom's theory may be stated as

$$\text{Force} = \text{Valence} \times \text{Expectancy}$$

Where force is the strength of a person's motivation, valance is the strength of an individual performance for an outcome and expectancy is the probability that a particular action will lead to a desired outcome.

5. Adam's Equity Theory

- This theory is based on the thesis that a major factor in job motivation, performance and satisfaction is the <u>individual's evaluation of equity or fairness of reward he or she is receiving.</u>

- Here equity is defined as <u>individual's job inputs (like effort, skill, experience, education, seniority) and job rewards (like pay or promotion) compared to rewards others are receiving for similar job inputs.</u>

- Equity refers to individuals subjective judgments about the fairness of reward he or she gets. <u>It is evaluation of relationship between his or her effort/reward ratio and effort /reward ratio of others in similar situation</u>.

- When people feel inequity exists, a state of tension develops between them.
- People try to resolve their tension by appropriately adjusting their behavior

- A worker who perceives that he or she is being underpaid, for example may try to reduce the inequity by exerting less effort.
- Over paid workers on the other hand may work harder.

6. <u>Carrot and Stick Approach</u>

- <u>The Carrot and the Stick approach to motivation, makes use of rewards and penalties in order to induce desired behavior</u>.

- The philosophy of this approach comes from the old story that the best way to make a donkey move is to put a carrot out in front of it or jab it with a stick from behind.

- <u>Carrot refers to rewards, which are offered or promised to individuals to act in the desired way; while stick refers to punishments which are to be inflicted on individuals, for not acting in the desired way</u>.

- <u>In away, carrot refers to positive motivation; and stick refers to negative motivation.</u>

7. <u>Skinner's Reinforcement Theory</u>

- The **Skinner's reinforcement theory**, also known as **operant conditioning theory** or **behavior modification theory** or **positive reinforcement theory**

- Is one of the theories focusing on human motivation.

- Reinforcement Theory was published by American social philosopher, psychologist and behaviorist B F Skinner in 1957.

- The theory is based on the principles of causality and knowledge that a <u>worker's behavior is regulated by the type of reward.</u>

- <u>If we want to reinforce the behavior in the organization, we provide a **reward** for it, and vice versa if we want to weaken any behavior, we use a **punishment**</u>.

- With this theory, we also know that the time interval for granting rewards should be as short as possible.

- Reward for positive behavior reinforces positive behavior

- Punishment for negative behavior weakens negative behavior

- If there is no reward or punishment, behavior is fading

Communication

Meaning

- According to Newman and Summer, <u>it is the exchange of facts, ideas, opinions or emotions by two or more persons.</u>

- Communication can broadly be defined as exchange of ideas, messages and information between two or more persons, through a medium, in a manner that the sender and the receiver understand the message in the common sense, that is, they develop common understanding of the message.

- <u>"Communication is the sum of all things one person does when he wants to create understanding in the mind of another. It is a bridge of meaning. It involves a systematic and continuous process of telling, listening and understanding." —</u> Allen Louis

- Proper understanding of information is one very important aspect of communication.

- If the information is not understood by the receiver in the same meaning in which sender wants him to understand it, the purpose of communication is defeated.

- In short, <u>communication is not merely transmission of information from one person to another but also correct interpretation and understanding of the information.</u>

<u>Importance of communication</u>

The following points highlight the importance of communication:

1. Helps in achieving co-ordination:

To attain the goals of the business unit, there is need for co-ordination among workers and this can be achieved only through communication. A good communication system is the basis for all interdependent activities inside an organization.

2. Helps in smooth working:

Communication helps in the smooth running of an enterprise. To achieve the goals of an enterprise, co-operative action of the persons working in its different activities is necessary. Herbert G. Hicks has pointed out that "communication is basic to an organization's existence — from the birth of the organisation on through its continuing life.

3. Increased managerial efficiency:

It is said that about 75% of the manager's time is spent on communication to others of business targets, rules, policies, etc. Communication helps the manager in performing his duties quickly and systematically and also facilitates in increasing his effectiveness.

4. Helps in decision-making:

For taking decision by the management, and also for its effective implementation, a good communication system in the enterprise is a primary requirement. Information from different levels which helps the process of decision-making is received through the system of communication. Again, these decisions are passed on through communication to those who are involved in executing them.

5. Helps in maintaining industrial peace:

Very often, lack of communication or improper communication may result in industrial disputes between management and workers. Communication helps both management and workers in putting forth their views to each other and thus it facilitates in maintaining industrial

peace.

6. Helps in recruitment process:

Communication is needed in the recruitment process to acquaint potential employees with the merits of working for the enterprise. The recruits are told about the company organisation structure, its policies and practices. After selecting the candidates for the jobs, communication is needed at the time of orientation to make candidates acquaint themselves with peers, superiors and with company rules and regulations.

7. Helps employees to perform their functions effectively:

Employees are required to know their job relationship and importance to the overall operation. This knowledge makes it easy for them to identify themselves with the organisation mission

8. Helps to acquaint subordinates with their evaluation:

Communication is needed to acquaint the subordinates with the evaluation of their contribution to enterprise activity. It is a matter of some motivational importance for the subordinates to know from their superior how they stand and what the future may hold for them. This appraisal if intelligently carried out will boost the morale of the subordinates.

9. Helps in teaching employees about Personal Safety:

Communication is needed to teach employees about their personal safety on the job. This is essential to reduce accidents, to lower compensation, to minimize legal costs and to reduce recruitment and training costs for replacement.

10. Helps in projecting the image of the enterprise:

It is of vital importance in projecting the image of an enterprise in the community. The amount of support which the enterprise receives from its social environment is affected by the information which elite groups and the wider public have acquired about its goals, activities and accomplishments.

11. Helps manager in performing his functions:

Communication helps the manager in performing his managerial functions such as planning, organizing, staffing, directing and controlling. Planning requires detailed communication among the managerial and other personnel.

- Thus, communication is an indispensable part of the management process.

From the above, we can state that a proper system of communication is essential for the existence and smooth running of an organisation. It may be noted here that in recent years, the importance of communication has been increasing due to certain factors such as increase in the size of organizations, growth of trade unions, technical improvements, emphasis on human relations in industry and increasing importance of social responsibilities of business. Alvin Dodd has rightly remarked that **"the number one management problem today is communication."**
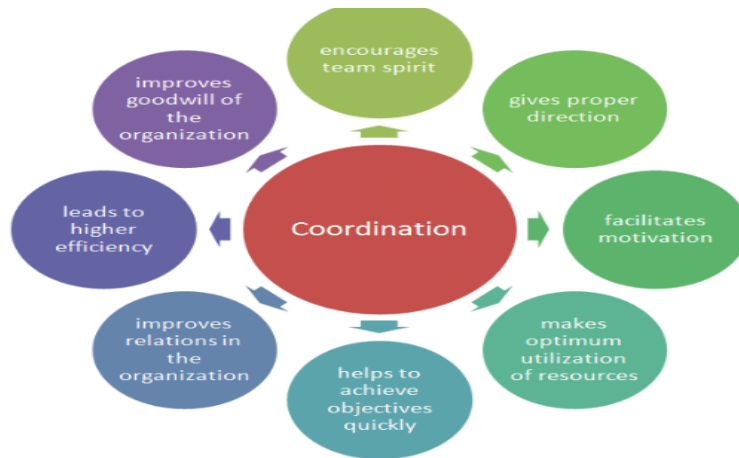
COORDINATION:

- Coordination is Management of interdependence in work situations

- According to Terry, **"Coordination deals with the task of blending efforts in order to ensure successful attainment of Objective. It is accomplished by means of planning, organizing directing and controlling"**.

- Coordination is integrate (bring together) all activities inside an organisation for achieving goals of organization

Distinction between coordination and cooperation

	Basis	Coordination	Cooperation
1.	Definition	It is a deliberate effort by a manager	It is voluntary attitude of organization members
2.	Purpose	It is an orderly arrangement of group efforts to provide unity of action in the pursuit of common objectives.	It denotes collective efforts of the group contributed voluntarily to accomplish a particular objective.
3.	Relations	It is achieved through both formal and informal relations.	Cooperation arises out of informal relations.
4.	Result	Coordination seeks whole hearted support of employees and departments	Cooperation without coordination is fruitless.

Importance of coordination

The need and importance of coordination can be judged from these points:

1. **Coordination encourages team spirit**

There exist many conflicts and rivalries between individuals, departments, between a line and staff, etc. Similarly, conflicts are also between individual objectives and organizational objectives. Coordination arranges the work and the objectives in such a way that there are minimum conflicts and rivalries. It encourages the employees to work as a team and achieve the common objectives of the organization.

2. Coordination gives proper direction

There are many departments in the organization. Each department performs different activities. Coordination integrates (bring together) these activities for achieving the common goals or objectives of the organization. Thus, coordination gives proper direction to all the departments of the organization.

3. Coordination facilitates motivation

Coordination gives complete freedom to the employees. It encourages the employees to show initiative. It also gives them many financial and non-financial incentives. Therefore, the employees get job satisfaction, and they are motivated to perform better.

4. Coordination makes optimum utilization of resources

Coordination helps to bring together the human and material resources of the organization. It helps to make optimum utilization of resources. These resources are used to achieve the objectives of the organization. Coordination also minimizes the wastage of resources in the organization.

5. Coordination helps to achieve objectives quickly

Coordination helps to minimize the conflicts, rivalries, wastages, delays and other organizational problems. It ensures smooth working of the organization. Therefore, with the help of coordination an organization can achieve its objectives easily and quickly.

6. Coordination improves relations in the organization

The Top Level Managers coordinates the activities of the Middle Level Managers and develop good relations with them. Similarly, the Middle Level Managers coordinate the activities of the Lower Level Managers and develop good relations with them. Also, the Lower Level Managers coordinate the activities of the workers and develop good relations with them. Thus, coordination, overall improves the relations in the organization.

7. Coordination leads to higher efficiency

Efficiency is the relationship between Returns and Cost. There will be higher efficiency when the returns are more and the cost is less. Since coordination leads to optimum utilization of resources it results in more returns and low cost. Thus, coordination leads to higher efficiency.

8. Coordination improves goodwill of the organization

Coordination helps an organization to sell high quality goods and services at lower prices. This improves the goodwill of the organization and helps it earn a good name and image in the market and corporate world.

Controlling:

- The main object of control is to bring to light the variations between the standards set and performance and then to take necessary steps to prevent such occurrence in the future.

- It is the process through which managers assures that actual activities conform top planned activity.

- Controlling is determining what is being accomplished, that is, evaluating the performance and if necessary applying corrective measures so that the

performance takes place according to plans.

STEPS IN A CONTROL PROCESS

The three basic steps in control process

1. **Establishment of standards**
2. **Measuring and comparing actual performance with standards**

3. **Taking corrective action**

Establishment of standards
- First step in control process is to establish standards against which the results can be measured.
- Each organization must first develop its own list of key result areas for the purpose of control. Some key areas are profitability, market position, productivity, etc..
- The standards which manager desire to obtain in each key area should be as far as in quantitative terms .
- Also standards must be flexible in order to adapt to changing conditions.

Standard tends to be following types:

a. Physical standards such as units of production per hour, labor hours per unit output and so on...

b. Cost standards, such as direct and indirect cost per unit produced, material cost per unit,

selling cost per unit and so on...

c. Revenue standards such as sales per customer.

d. Capital standards such as rate of return of capital invested.

e. Intangible standards such as competency of managers and employees.

Measuring and comparing actual performance with standards

- Measure the performance and compare it with the predetermined standards.

- Measurement of performance can be done by personal observation, by reports, charts and statements. If the control system is well organised, quick comparison of these with the standard figure is quite possible. This will reveal variations.

- After the measurement of the actual performance, the actual performance should be compared with the standards fixed quickly.

- A quick comparison of actual performance with the standard performance is possible, if the control system is well organised.
- While comparing the actual performance with the standards fixed, the manager has to find out not only the extent of variations but also the causes of variations.
- This is necessary, because some of the variations may be unimportant, while others may be important and need immediate corrective action by the manager.

Taking corrective action

- After comparing the actual performance with the predescribed standards and finding the deviation, the next step should be taken by the manager to correct these deviations.

- Corrective action should be taken without wasting time so that normal position can be restored.
- The manager should also determine the correct cause for deviation.

- Taking corrective action can be achieved in the following way:

Control Methods

- Control methods are generally categorized into two types that include past-oriented controls and future oriented controls.

Past-oriented controls:

- Past-oriented control measure results after the process.

- These are also identified as post action controls. They examine activities occurred in the past for a particular period.

- Examples of past-oriented controls are accounting records, school grade reports etc.

- These controls are used to plan future behaviour through reviewing post errors or successes. They can also be used for rewarding, disciplining, training or promoting individuals.

Future-oriented controls:

- **These are also recognized as feed-forward controls or steering controls.**

- **These controls are intended to assess results during the process, so that action can be taken before the task is completed or the period is over.**

- **Examples of such controls are cash flow and funds flow analysis, network planning which assist managers to observe that they will have problems in such areas of cash or on time delivery unless they take prior action.**

- **The two types of control we have discussed above are not alternative to each other.**

- **Most Organizations use both these types.**

- **Future-oriented controls are vital because the information feedback in them is at the input side of the system, so that improvement can be made before the system output is affected.**

Past-oriented and future-oriented controls