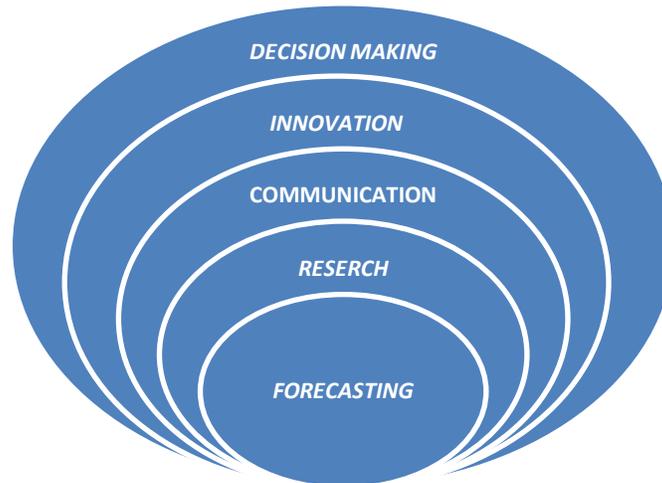


## CLASS 12<sup>TH</sup> Commerce

**SUBJECT : BUSINESS STUDIES**

### **SUBSIDIARY FUNCTION OF MANAGEMENT**



#### **1 Decision-Making :**

Decision making is the first important separate function of management. An important job of a manager is decision-making. Every day he has to decide about doing or not doing a specific work. Decision-making is the process of choosing the best from among alternatives courses- of action, evaluation of alternatives and choosing the best. However, it may be. Appropriate to cover the function of decision-making under planning function of management.

#### **2. Innovation:**

Innovation as a separate function of- management. management involves introduction of new systems, procedures, methods, techniques, products and services. However, it is not right to regard innovation as a separate function of management. Because innovation is very much a part of planning function.

#### **3. Representation:**

A manager has to represent his organisation to outsiders, financial institutions, government and others. He has to keep good relations with these agencies with a view to attaining the enterprise objectives. However, this function falls under organizing and directing functions of management.

#### **4. Communication:**

In business management ideas, facts objects, instructions, suggestions etc. have to be exchanged among managerial staff for the purpose of planning, executing or operating the business policies. This exchange of facts, ideas, opinions or emotions by two or more persons is known as communication.

#### **5. Research:**

It is also an important function of management to conduct research about the quality of product, technique of production, cost-control, fashion, demand choice of consumers etc.

It is important to note that management is of dynamic nature. It is always subjected to change according to time, place, conditions prevailing in the country, legislation and government policy etc.

Then comparing the actual results with the budgeted and taking corrective action in future so as to achieve the optimum results. Now-a-days, budgeting has become a very important function of management but it is only a technique of planning and controlling.

## **6. Forecasting:**

Forecasting is involved to some extent in every business decision. The management has to forecast while preparing plans for the future. According to Henry Fayol, the entire plan is made of a series of separate plans called forecasts. Forecasting provides a logical basis for preparing the plans. However, it will be proper to cover forecasting under planning function of management.

# COORDINATION

## **INTRODUCTION**

Various departments or sections are assigned different tasks to perform. They are assigned on the basis of their specialisation. Employees of each department perform their duties with a view to achieving common objectives collectively. It is co-ordination. Coordination is the process which ensures smooth interplay of the functions of management. Common objectives are achieved without much wastage of time, efforts and money with the help of co-ordination.

## **Coordination – Meaning and Definition**

Coordination is the essence of management or manager ship, for the achievement of harmony of individual effort towards the accomplishment of group goals is the purpose of management. It is a process by which the manager achieves harmonious group effort and unity of action in the pursuit of a common purpose. The manager brings about this process as he performs the basic managerial functions of planning, organising, staffing, directing and controlling.

Henry Fayol, “To co-ordinate is to harmonise all the activities of a person in order to facilitate its working and its success.” Co-ordination is necessary to enable a person to improve his functions. Without co-ordination, working cannot be harmonised.

## **Needs-**

Modern organisations depend upon specialisation of functions and activities delegated to different participating individuals. If each individual is allowed to perform his own function efficiently without taking note of the connected function performed by another individual, there will result a chaos in the organisation. It is essential that there be complete coordination, so that unity of action on the part of all is achieved.

If the sales manager procures a huge order to be executed within a specified period of time without reference to the production manager or the buyer, it may turn out that the goods cannot be produced in quantities ordered within the specified time. Or, even if they can be produced, the suitable raw material may not be available. Therefore, the inter-relationship between the purchasing department and production department as well as the sales department demands the establishment of coordination.

1. Constant changes
2. Poor leadership and
3. Inherent complexity of large scale organisation give rise to problems of co-ordination and controls.

It therefore becomes essential to co-ordinate, that differences in efforts, approaches or interests are reconciled and individual goals and actions are harmonized so that they may bring about common objectives. Coordination promotes efficiency, unity of command, team spirit, subordinates, individual interests of general interests of the enterprise, boost to good relations and enhancement of employee morale.

## FEATURES OF COORDINATION IN MANAGEMENT

Coordination is a process to establish harmony among the different activities of an organisation, so that the desired objectives can be achieved. Characteristics of coordination in an organisation:

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- ❖ ENSURES UNITY OF ACTION
  - ❖ INTEGRATES GROUP EFFORT
  - ❖ CONTINUOUS PROCESS
  - ❖ PERVASIVE FUNCTION
  - ❖ RESPONSIBILITY OF ALL MANAGERS
  - ❖ DELIBERATE FUNCTION

### **(1) Coordination Integrates Group Effort:**

The need for coordination is felt when group effort is needed for the accomplishment of an objective. In short, it can be said that coordination is related to group effort and not individual effort. The question of coordination does not arise, if the job is done by one person only.

### **(2) Coordination Ensures Unity of Action:**

The nature of coordination is of creating unity in action. It means during coordinating process an effort is made to create unity among the various activities of an organisation. For example, the purchase and sales departments have to coordinate their efforts so that supply of goods takes place according to purchase orders.

### **(3) Coordination is a Continuous Process:**

It is not a job which can be performed once and for all, but its need is felt at every step. Many activities are performed in a business. Sometimes or the other, if any one of the activities goes on fluctuating either for more or less than required, the whole organisational balance is disrupted. Thus, a close watch has to be kept on all the activities to maintain the balance.

### **(4) Coordination is an All-pervasive Function:**

Pervasiveness refers to that truth which is applicable to all spheres (business and non-business organisations) and places uniformly. The nature of coordination is pervasive. Like making of timetable in an educational institution is an apt example of establishing coordination.

In the game of cricket, the placement of players at pre-determined positions is nothing but coordination. In the same manner, to synchronise the activities of different departments, like purchase, sales, production, finance, etc. in a business organisation is coordination.

### **(5) Coordination is the Responsibility of All Managers:**

Coordination is needed at all the three, i.e., top, middle and lower managerial levels. Different activities performed at all the levels are equally important. Thus it is the responsibility of all the managers that they make efforts to establish coordination. That is why, it could not be said that coordination is of more importance to any one particular managerial level or a manager.

### **(6) Coordination is a Deliberate Function:**

Coordination is never established by itself but it is a deliberate effort. Only cooperation does not suffice but coordination is also needed. For example, a teacher aspires to teach effectively (this is cooperation) but the timetable is not prepared in the school (this is lack of coordination).

In this situation, classes cannot be arranged for. Here, the effort made by the teacher is meaningless, in the absence of coordination. On the other hand, in the absence of cooperation, coordination dissatisfies the employees. Thus, both are required at a given point of time.

## LIMITATIONS

1. Uncertainty of future is the greatest challenge to effective co-ordination. Every forecast is not cent percent perfect and accurate, due to some natural calamities like heavy rains, floods, droughts, earth quakes and certain abnormal changes in the behaviour of individuals and groups in organisation. These create obstacles in successful co-ordination.
2. Incomplete knowledge, consciousness, capability, talent, experience, bad character of the managers are also the constraints in effective co-ordination.
3. Lack of administrative and managerial skills and technique, on the part of executives and managers limits the degree of co-ordination in a business organisation.
4. Lack of systematic method of developing and adopting new ideas and programmes act as a constraint in effective co-ordination.
5. A vast number of variables due to the incompleteness of human knowledge limit the degree of co-ordination.
6. Large number of units with the larger number of people in it who possess varying skills and personal specialisation creates problem in securing co-ordination, because it is very difficult to co-ordination all of them.
7. Due to Subordination of general interest to individual interest, it is difficult to achieve coordination in the absence of proper motivation. Individual interest of people become more important and works as a barrier to co-ordination.
8. If the authorities have not been properly delegated and responsibilities fixed, more conflicts and confusions may arise which limit the degree of co-ordination.

### **QUESTION:**

1. State the subsidiary functions of management.
2. What is 'communication' function of management?
3. Discuss the features of coordination.
4. Explain the limitation of coordination.
5. Why coordination is needed?