
UNIT 16 DELEGATION AND INTERDEPARTMENT COORDINATION

Objectives

The objectives of this unit are to:

- clarify the process, problems and prerequisites of delegation
- distinguish between delegation, decentralisation and centralisation as they relate to authority
- identify the problems of and approaches to interdepartmental coordination

Structure

- 16.1 Delegation of Authority
- 16.2 Elements of Delegation
- 16.3 Informal Delegation
- 16.4 The Problems in Delegation
- 16.5 Prerequisites of Effective Delegation
- 16.6 Centralizations and Decentralisation
- 16.7 Coordination
- 16.8 Warnings on Interdepartmental Conflict
- 16.9 Approaches to Coordination
- 16.10 Summary
- 16.11 Self-assessment Test
- 16.12 Key Words
- 16.13 Further Readings

16.1 DELEGATION OF AUTHORITY

The process by which authority passes from one managerial level to another is known as **delegation**. As organisations grow in size and complexity, no one person can perform all the tasks or exercise all the authority that is needed to accomplish goals.

Delegation of authority is not the same as division of work. As Henry Fayol says, "Division of work permits reduction in the number of objects to which attention and effort must be directed and has been recognised as the best means of making use of individuals and of groups of people".

Delegation of authority denotes the superior vesting decision-making power in his subordinate. No one can delegate an authority which he himself does not have.

Delegation is one of the most important skills a manager must possess. The overworked managers are often those who do not know how to delegate. For they lack the skill to get results through others. An individual can perform limited work in a day, all by himself. But through delegation-through dividing his load and sharing his responsibilities with others-he can accomplish much more. No manager and no organisation can run smoothly and effectively without delegation.

16.2 ELEMENTS OF DELEGATION

The number of delegation marks the effectiveness of the manager and influences the relationship between the superior and the subordinate.



Delegation is the process where a manager divides the work assigned to him so as to get help from others in accomplishing the same. It involves the following four steps that are indivisible:

- the determination of results expected
- the assignment of tasks
- the delegation of authority for accomplishing these tasks
- the exaction of responsibility for their accomplishment

Looked at differently, these four steps have three elements: responsibility, authority and accountability. Delegation is the entrustment of responsibility and authority to another and the creation of accountability for performance. Let us briefly consider these three elements.

Responsibility: Responsibility refers to the activities which must be performed to carry out the task assigned. Responsibility can be delegated.

Authority: Authority refers to the powers and rights entrusted to enable performance of the task assigned or delegated. Certain authority is imperative to shoulder a given responsibility. In organisations people derive authority mainly from two sources: position and personal. Position authority is related to powers of decision-making, reward and punishment. Personal authority refers to the expert knowledge and certain qualities which are part of the personality of an individual manager. Position authority can be delegated, but not personal authority. Authority could be formal or informal. Here we refer to formal authority that is clear, structured and communicated to all.

Accountability: Accountability is the obligation to carry out responsibility and exercise authority as per established standards or norms. It is an obligation to account for, and report upon, the discharge of responsibility or use of authority. Accountability can not be delegated. The person who delegates continues to be responsible to his superior for what he had delegated as well.

Since accountability cannot be delegated, the accountability of superiors for the acts of their subordinates is absolute. By the same token, we see that the delegatee is accountable to the delegator to the extent he is delegated responsibility and authority. For example, if the line managers are not given the responsibility to train the operators, they cannot be held accountable for the operators' proficiency.

While accountability always moves upward, responsibility and authority move downward in a hierarchy. A person can be accountable only to one superior for delegated responsibility and authority. Accountability is easy to establish if the standards and measures of performance are predetermined.

16.3 INFORMAL DELEGATION

So far we have discussed about formal delegation in the exercise of authority defined by organisational role. Formal delegation is effective to the extent of the acceptance and respect for formal authority.

Informal delegation occurs because people want to do something, not because they are told to do. It cuts red tape. It is something that is not formally required to be done. When there is a problem in the exercise of formal authority, informal delegation may become handy.

Bottom-up-delegation: Delegation takes place, in fact, not to the extent delegated, but to the extent that the subordinate is willing to carry out the orders received. It may be possible to enforce willingness to do the job itself, but not to comply with the standards of performance established by supervisor. In large organisations, informal group leaders, without formal authority, assume authority to restrict output and workers accept such informal delegation. The people in the group will bring down production to the level they consider fair rather than comply with the orders of their superior.

Lateral Delegation: In modern organisations, few jobs are independent and teamwork may result in members of a group entrusting, informally, their responsibility and



authority to others in the group at their level. The process of entrustment that occurs when teamwork develops among members of a group is called lateral delegation.

16.4 THE PROBLEMS IN DELEGATION

We shall examine here four key problems in delegation:

- What to delegate?
- How much to delegate?
- How far down to delegate?
- How to deal with employees resistance to accept delegation?

What to Delegate?

If a manager does not delegate, he will end up doing what his subordinates must be doing. If he delegates what he should be doing himself, his leadership position would be in jeopardy and there would be conflict among subordinates.

The first step in effective delegation is for the manager to analyse his job and to determine, in principle, what he should or should not delegate. The following points help in this regard:

No manager can effectively delegate responsibility and authority for initiating and making final decisions on planning, organising, coordinating and controlling the activities and positions that report to him. Such responsibilities and authorities should be reserved for his own performance.

A large part of the work in every management position consists of activities that are routine and repetitive. These lend themselves readily to delegation. Once delegated these form the main tasks that the subordinates perform.

How much to Delegate?

Usually the dilemma is how much authority to delegate than that of responsibility. A salesman appointed to sell the products of the company should have the authority to approach customers in the name of the company, offer them the products for sale at certain price and assure growth and delivery.

Beyond this minimum authority, the supervisor should decide on other matters, if any, that arise like whether the salesman can rent a car for commuting, whether the salesman can hire people to assist him, whether the salesman can offer discounts or credit. The authority of the salesman can on each of these probable issues needs to be clarified preferably before he is asked to shoulder the responsibilities. While one can have rules and procedures laid down for routine questions that arose in the past, as and when new questions crop up prompt decisions need to be taken.

There is a popular misconception that "authority should always be delegated equal to responsibility". But people with responsibility for coordination and control, usually withhold a part of the authority and delegate only such authority as is **commensurate with responsibility**.

How far down to Delegate?

To what levels in a hierarchy can responsibility and authority be delegated? People who do the work should have the responsibility. Those with responsibility should have commensurate authority. Taken together, it means that it is necessary to delegate authority to all those who do the work at the operating levels.

How to deal with Employee Resistance?

Employee may resist accepting delegated authority for a variety of reasons:

- lack of proper job information
- lack of skills, training, supportive tools and equipment or self-confidence
- uncertain about the authority vis-a-vis responsibility
- lack of proper reward or sense of personal gain for the individual
- inertia and avoidance



Managers have the formal authority to direct others, and can invoke reward and punishment systems to enforce this formal authority. But to exercise informal authority to delegate, they should earn the confidence and respect of their subordinates.

To be sure it is imperative that managers check what their subordinates are capable of doing and remove the aforementioned inhibiting factors.

16.5 PREREQUISITES FOR EFFECTIVE DELEGATION

Delegation is an art, not a science. It depends on the personality, skills and attitudes concerning two actors: delegator (one who delegates) and delegatee (one who was delegated). The following are some of the essential prerequisites for effective delegation.

- a) **Climate** of openness, trust and confidence among employees at all levels and a culture of team work and cooperation.
- b) The two **psychological hurdles** in delegation, namely lack of faith in the competence of subordinates and fear that the subordinates may outshine them deter managers from delegating. The managers should not have any feeling of insecurity that by delegating they would be making themselves redundant.
- c) Goals should be established and made clear: Every person in an organisation should know what his contribution to the organisation is. In accomplishing his goals, he can formulate the objectives of delegation too so that delegation is done with a purpose and becomes effective. The machine operator may not be happy with running the machine. He would be happy to know how the outcome of his effort contributes to organisational purpose.
- d) People who carry out work should have clearly **defined responsibility and authority**: Job descriptions or position guides should clearly state the objectives, responsibilities, relationships and limits of authority of each position. Clear definition of responsibility and authority at each position eliminates the scope for confusion that duplication and overlap in entrustment of duties would cause.
- e) **Motivation** is important because the manager who wants to delegate should be able to motivate people to do what he wants done, willingly and enthusiastically. As Louis Allen puts it, "Motivation is the moving force in delegation".
- f) **Make delegation complete**: Delegation is supposed to reduce a manager's workload. But, if not properly done, it may increase the workload. There are often problems as to whether, at what stage and how often should the subordinate check back with his boss. The problem can be resolved if (i) the assignment is clear cut, (ii) subordinate is told how the assignment will be coordinated and motivated by the boss, (iii) the boss specifies to the subordinate at what stage, in what form and how often he should provide him with feedback on the progress and (iv) the boss provides counselling and guidance. Once an assignment is delegated the boss should intervene only to provide guidance but not withhold his approval for specific actions involved in completing the task. To delegate complete assignment or task requires certain sense of faith and self-control on the part of boss in not intervening but giving counsel and advice. Likewise, the subordinate should exercise discipline in making choice of a course of action in carrying out the task. Delegating complete tasks relieves managers from detail and provides opportunities to subordinates to learn to be independent and feel a sense of fulfilment in work.
- g) **Train**: Managers should help in preparing their subordinates to accept delegation. Such' need is all the more felt in case of subordinates who show a tendency to depend on the bosses than be independent. Managers should, therefore, carefully identify the weaknesses; develop potential and attitudes conducive to accepting and making a success of delegated authority. Training in delegation should include appraisal of current performance, counselling for improvement and coaching on the job.
- h) **Establishment** controls: Even after delegation the manager continues to be accountable. So there is need for him to control without limiting the effectiveness of delegation. The more complete is the delegation the more comprehensive should the system of control be.



Self-control is the best in establishing controls for delegation. The person to whom responsibility and authority are delegated should participate in setting standards that are to measure his *performance* so that he can understand and accept them. He should also be able to measure and evaluate his own performance if the control systems are 'auto' and 'transparent'; thus it is easy to *achieve* control without limiting the effectiveness of delegation.

Activity A

How Well Do You Delegate?

You can get a good idea of whether you are delegating as much as you should by responding to the following items. Answer as accurately and frankly as possible.

How to Test Your Delegation

	Strongly Agree	Strongly Disagree
1 I would delegate more, but the jobs I delegate never seem to get done the way I want them to be done	5 4 3	2 1
2 I do not feel I have the time to delegate properly	5 4 3	2 1
3 I carefully check on subordinates' work without letting them know I am doing it, so I can correct their mistakes if necessary before they cause too many problems	5 4 3	2 1
4 I delegate the whole job—giving the opportunity for the subordinate to complete it without any of my involvement. Then I review the end-result	5 4 3	2 1
5 When I have given clear instructions and the task is not done right, I get upset	5 4 3	2 1
6 I feel the staff lacks commitment that I have. So any task I delegate will not get done as well as I had done it myself	5 4 3	2 1
7 I would delegate more. But I feel I can do the task better than the person I might delegate it to	5 4 3	2 1
8 I would delegate more. But if the individual I delegate the task to does an incompetent job, I will be severely criticised	5 4 3	2 1
9 If I were to delegate a task, my job would not be nearly as much fun	5 4 3	2 1
10 When I delegate a task, I often find that the outcome is such that I end up doing the task over again myself	5 4 3	2 1
11 I have not really found that delegation saves any time	5 4 3	2 1
12 I delegate a task clearly and concisely, explaining exactly how it should be accomplished	5 4 3	2 1
13 I can not delegate as much as I would like to because my subordinates lack the necessary experience	5 4 3	2 1
14 I feel that when I delegate I lose control	5 4 3	2 1
15 I would delegate more but I am pretty much a perfectionist	5 4 3	2 1
16 I work longer hours than I should	5 4 3	2 1
17 I can give subordinates the routine tasks, but I feel I must keep non-routine tasks myself	5 4 3	2 1
18 My own boss expects me to keep very close to all details of my job	5 4 3	2 1

Total score

Scoring: 90-72, Ineffective delegation; 71-54, Delegation habits need substantial improvement; 53-36, You still have room to improve; 35-18, Superior delegation

Source: Theodore J. Krcin, "How to Improve Delegation Habits," *Management Review* (May 1982), p. 59.



16.6 CENTRALISATION AND DECENTRALISATION

Centralisation and decentralisation are extensions of delegation. Delegation refers mainly to entrustment of responsibility and authority from one person to another. Downward transfer of responsibility and authority at individual level is referred to as delegation and when the same is done organisation-wide in a systematic way it is known as decentralisation. Decentralisation refers to systematic delegation of authority in an organisation. An organisation is considered centralised to the degree that authority is not delegated, but concentrated at higher levels of management. In juxtaposition, to the degree that authority is delegated, an organisation is considered decentralised. As Henry Fayol puts it, "Everything that goes to increase the importance of the subordinate's role is decentralisation, everything which goes to reduce it is centralisation".

The terms centralisation and decentralisation are meaningful only in a relative sense. No organisation can operate on a completely decentralised basis since all authority to make decisions would rest at the lowest managerial levels and make it difficult to achieve coordination. Similarly, except very small firms, no organisation can be completely centralised. It is appropriate to recall the experience of two of the largest automobile corporations in the U.S. The Ford Motor Company, at one time, was said to have suffered due to centralisation while the General Motors suffered due to decentralisation. This example bears out the impracticability of complete centralisation or complete decentralisation.

Factors Influencing Centralisation

An organisation or a manager needs to have some reserve authority to integrate the efforts in an organisation and achieve the desired degree of coordination and control required to accomplish the specific goals.

Centralisation also facilitates personal leadership when the company is small, to provide for integration and uniformity of action, and to handle emergencies.

Factors Influencing Decentralisation

Decentralisation becomes important and imperative when an organisation grows bigger. The main purpose of decentralisation is to ease the burden of top executives. The warning signals that point to a need for decentralisation can be had from the problems in planning and control of operations, neglect of proactive strategies in preference to routine fire-fighting operations, proliferation of personal staff around top executives and mushrooming of committees. Decentralisation also facilitates diversification and divisionalisation and is in fact a necessary accompaniment, if not a prerequisite.

Decentralisation also encourages and motivates managers to better performance because it affords them opportunities to take more important decisions, gives them the flexibility and autonomy in their functioning.

How to Decentralise?

Clearly, as organisations grow, expand or diversify, the need for decentralisation increases. The moot question then is, 'How to decentralise'?

The first step in decentralisation, though it may sound paradoxical, is centralisation. As in the case of delegation, here again, there is need for some reserve authority for coordination and control at the nerve centre of the organisation, i.e., the corporate headquarters. Planning, overall guidance and direction for each subunit or division or department of the organisation need to be formulated, coordinated and controlled at the headquarters.

If the organisational activities are somewhat homogeneous (say, confined to one industry such as automobiles) it is relatively easy to develop sound policies and control systems for all the decentralised work units or profit centres in the organisation. But when the organisation is highly diversified and deals in a variety of businesses such as engineering, textiles, tea and chemicals, it is difficult to develop uniform policies and



control systems for all the work units or profit centres. Thus the design of the administrative structure should take into account the needs of the organisation and of its operating units as competitive units in their own markets.

Effective decentralisation requires a balance of the necessary centralisation of planning, organisation, coordination and control, while decentralised units should be developed as autonomous business units operating as individual profit centres, with provision for effective coordination and communication. The central management team should have a well-established system for measuring, recording, and reporting operating results.

16.7 COORDINATION

Organising involves not only division of jobs into separate work units through division of labour, decentralisation and delegation, but also relating the work units—be they divisions or departments—to ensure that they pull together and work in harmony. Linking or relating various parts and activities of an organisation to one another is known as coordination. In the smallest of the smaller organisations where all activities are performed by one or two persons in just one unit, there is little need for coordination. But, as activities spread and organisations grow large and complex the need for coordination becomes imperative and assumes greater significance. Lack of coordination is a common complaint against most large organisations. "The right hand does not know what the left hand is doing" is an oft heard reaction among employees, customers and suppliers. Lack of coordination results in break-down of operations, delays, wastages and frustrations.

One example of lack of coordination is the case of an organisation with different divisions operating on the same site. One of the divisions was found to be auctioning raw materials as scrap while another had been buying similar materials from the market at a premium. In another case, while the factory had to cut down production for want of storage space to stock finished goods at the plant, there was shortage in the market for the same product.

Why is Coordination a Problem?

Any organisation will have certain objectives. People are grouped in an organisation, usually, into separate departments such as production, finance, marketing, personnel, etc. Each department is allocated different tasks. One deals with production of goods and another deals with their distribution. One department may plan, a second may develop new products and a third carries out actual production. There are a number of service functions such as finance, maintenance, materials, personnel, etc., each with a different task, though all are collectively directed to accomplish the organisational goals. The process of internal specialisation and task differentiation grows with the overall size of the organisation. Over the years, modern organisations acquired centrifugal tendencies, with individuals and departments straining to pursue different paths toward functional autonomy. As a sequel, loyalty of managers today is generally more toward their own specialisation or department than to the organisation. Within the departments there may be a high degree of homogeneity and commitment to the functional tasks but the more such homogeneity and commitment the greater the problems in achieving integration between and among departments.

Such problems accumulate and aggravate in situations where allocation of different objectives, targets and resources to departments caused perceptual difficulties and misunderstanding. Sometimes the reactive approaches of top management may 'reinforce the centrifugal tendencies and quest for functional autonomy than promote what is known in current management literature as "superordinate goals" that promote and preserve awareness of an overriding organisational objective. For example, in one organisation the Chairman of a company issued directives to plant managements that they should stop overtime payments with immediate effect. Three months later, when the Chairman noticed that overtime is still being paid in some departments he issued another directive, this time to the finance department, not to make overtime payments even if the time managers authorise such payments. This new directive strained the relations between finance and production departments.



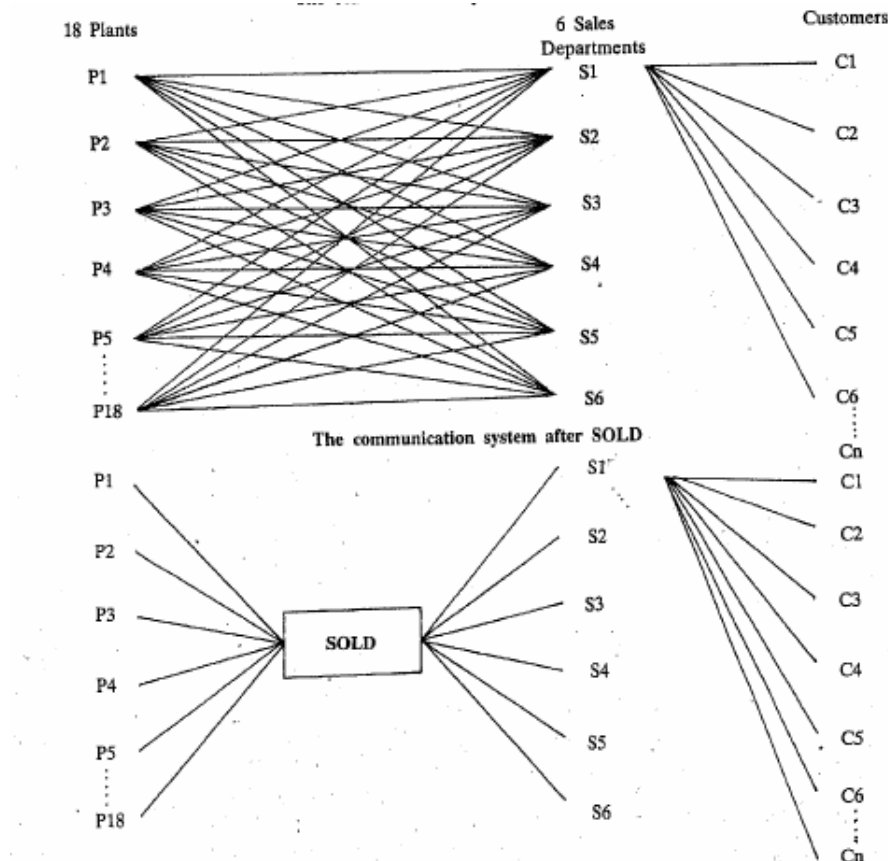
When each of the several departments in an organisation have different objectives to follow, some of them at least may conflict with those of other departments in the day to day operations. The vigorous pursuit of sectional objectives continues if reward systems encourage such behaviour.

The conflict between sales and production in a British company with six sales departments and 18 different plants was studied by A.J.M. Sykes and J. Bates. There was constant conflict between the production side, which wanted to limit the range of products in order to increase the volume of output for each one and reduce unit costs, and the sales department, which sought to force production to comply with the consumer's preferences regardless of the merits of standardisation. Among different sales departments also there was conflict with each department competing for earliest possible delivery date for its customers disregarding the system of priorities laid down by the company. The company intended to give priority to export orders as also to certain large and important customers. The sales clerks had been recruited from production and they were able to organise preferential treatment for their own customers through informal deals with the production staff.

To overcome the above problems, the company had set up a Sales Organisation Liaison Department (SOLD) between sales and production, as shown in Fig. I. SOLD's main functions were to secure information and production capacity and sales requirements, to formulate a comprehensive price policy, and to maintain statistics, producing reports for the Chairman and the Board. Detailed instructions were drawn up for how SOLD was to operate. For instance, orders to plants are to be allocated based on Plant's capacity to meet delivery schedules as required by customers. Establishing a new department for coordination and laying down new procedures helped to achieve inter-departmental coordination.

Figure I: An Example of Coordination between Sales and Promotion Departments

The communication system before SOLD



Source: Sykes, AJM and Bates, J (1962), 'Study of conflict between formal company policy and the interests of informal groups'. *Sociological Review*, November, pp. 313-327.

16.8 WARNINGS ON INTERDEPARTMENTAL CONFLICT



Common warning signs of interdepartmental conflict include the following:

- a) **Persistent conflict between departments:** When the same matters of conflict keep recurring between or among departments, conflict becomes embedded and persistent. If this is not diagnosed and dealt early enough, the departments involved start accepting it as normal and the outcomes arising out of such conflict tend to be taken for granted.
- b) **Proliferation of committees:** While committees are constituted in organisations to bring about effective coordination on important issues affecting more than one department, their proliferation may paradoxically reveal the basic weakness in the organisation, viz., lack of coordination. Proliferation of coordination committees fudge inter-departmental disputes and delay the resolution of inter-departmental conflict.
- c) **Overloading of top management:** One common tendency among departmental heads is to expect the general manager or the chief executive to intervene in matters requiring coordination between departments. If issues are not resolved often enough by departmental heads among themselves, the top management will be preoccupied more with such matters than deal with their main function of policy, planning and relationships with important constituents outside the organisation. Top management overload is another sign of inadequate coordination.
- d) **The ritual of 'red tape':** Coordination can take place through use of formal procedures. For example, the procedure may require that the two concerned departments should consult each other on certain specified matters. But managers may not follow this or take it seriously. When procedures are not followed or cut short, problems may aggravate. The purpose of adhering to procedures is not to perpetuate the red tape as a ritual. Where procedures are redundant or inappropriate, they need to be modified, than being ignored.
- e) **Empire-building:** Once coordination is provided at a level higher than the departments, the persons performing the role of coordinators may like to perpetuate the institution of coordination and strengthen their role by consciously endeavouring to avoid direct cooperation and coordination among departments. Where coordination seeks to monopolise and block initiatives at departmental level to achieve harmony in goals and actions at peer level, the writing on the wall is clear.
- f) **Complaints from constituents:** Lack of inter-departmental coordination leads to unsatisfactory performance and affect the quality of service and relations between the organisation and its constituents like the customers, suppliers, Government etc. When different departments of an organisation provide conflicting information, it affects the credibility of the organisation.

A simple exercise which can help to pinpoint the areas of difficulty is to request the managers and members of the units to complete a form of the kind shown in Figure II. This particular design was originally developed for use in an investigation of an airlines, and Figure II gives an example of a completed form in which a respondent has scored the relationships shown. In his perception, coordination between Flight operations and In-Flight services is posing serious problems. The form, however, can be adapted to suit any type of organisation. Analysis of the response helps to understand where there are shared perceptions and where problems of coordination exist and whether there is a large measure of agreement across the organisation on the location of the problematic horizontal working relations. If respondents are also asked to give examples of the performance problems/failings arising from the lack of coordination, the data may provide a useful basis to work toward resolving problems and achieving effective coordination.

Activity B

Adapt the format given in Figure II to suit your organisation. All that you have to do is to replace the names of operating units in the Figure with those in your organisation. Use the same pattern for scoring of relationships. Select the statement which you feel is most descriptive of relations between each of the units, even if you are not directly involved in them.



Figure II: Example of a Method to Assess Perceptions of Integration within an Organisation

We would like to know about relationships between different parts of the organisation. Listed below are 8 descriptive statements; each of these might be thought of as describing the general state of the relationship between various units.

Would you please select the statement which you feel is most descriptive of relationships between each of the units, even if you are not directly involved in them.

Scoring of relationships

Relations between these two units are:

1. Sound-full unity of effort is achieved
2. Almost full unity
3. Somewhat better than average relations
4. Average—sound enough to get by even though there are many problems of achieving joint efforts
5. Somewhat of breakdown in relations
6. Almost complete breakdown in relations
7. Couldn't be worse—bad relations—serious problems exist which are not being solved
8. Relations are not required.

- In-flight Services Scheduling is part of Marketing while pilot scheduling is part of Flight Operations thus creating frequent conflicts between two groups.

Matrix of relations between operating units

	SALES	AIRPORT SERVICES	IN-FLIGHT SERVICES	SCHEDULING ADJUSTMENTS	OPERATIONAL CONTROL	FLIGHT OPERATIONS	MAINTENANCE	RELATIONS BETWEEN REGIONAL DIVISIONS
AIRPORT SERVICES	3							
IN-FLIGHT SERVICES	4	3						
SCHEDULING ADJUSTMENTS	3	4	2					
OPERATIONAL CONTROL	3	2	2	1				
FLIGHT OPERATIONS	3	3	6*	1	1			
MAINTENANCE	8	2	4	2	1	2		
REGIONAL DIVISIONS/OFFICES	2	2	3	2	1	3	2	1



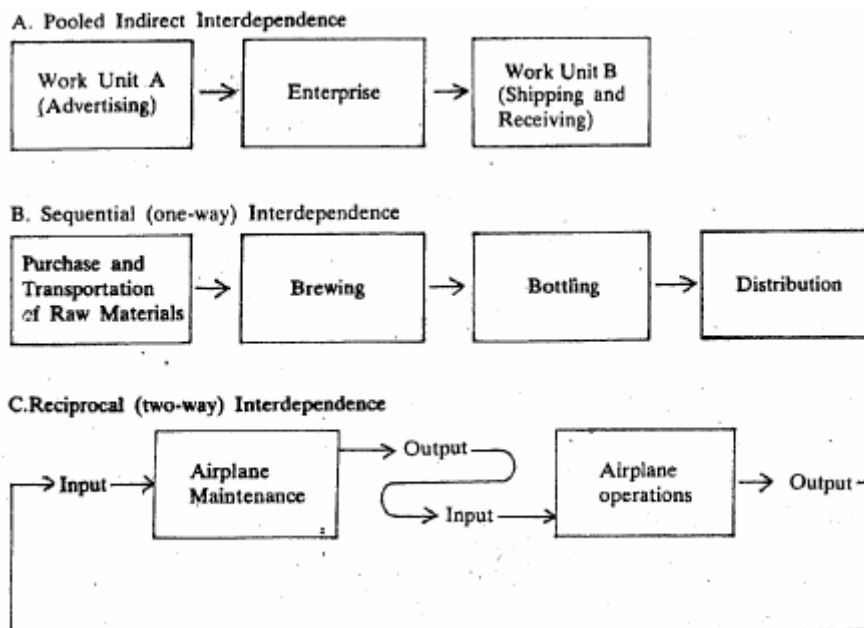
Interdepartmental cooperation and coordination are imperative for the success of any organisation. Coordination is easy, if the degree of differentiation among different departments is less. Successful companies evolve effective mechanisms and procedures to strike a balance between the requisite degree of differentiation and requisite degree of inter-dependence among departments/functions.

James D. Thompson classified internal interdependence of work units/functions into three types: Pooled indirect interdependence, sequential (one-way) inter-dependence and reciprocal (two-way) interdependence as shown in **Fig. III**.

Pooled Indirect Interdependence is a situation where the activities of **different** departments or divisions are not directly dependent on each other. For example, as shown in Fig III the advertising department is essentially independent from shipping and receiving department. Yet, they are inter-dependent in the sense that each is part of the same enterprise. Failure of either could threaten the entire company and thus other departments. Each department makes a discrete contribution to the organisation and is, in turn, supported by it. The degree of coordination required here is minimum.

In cases where the outputs from one department become the inputs for the other, **sequential (one-way) interdependence** exists. This type of interdependence occurs in process industries. The example shown in Panel B of Fig. III is that of a brewery. Here greater degree of coordination is required in the sequence in which the process occurs.

Figure III: Types of Internal Interdependence



Source: Bedeian, A.G. 1986, *Management*, Dryden Press : New York

Reciprocal (two-way) interdependence occurs when output from **one** becomes input for the other and **vice-versa**. Such two-way interdependence occurs between maintenance and operations units. The example shown here (Panel C of Fig. III) is that of an airline. Here close coordination is needed because problems in either will be 'quickly felt by the other.'

James Thompson lists three main categories of integrative **mechanisms to achieve coordination**:

- a) Integration through standardisation. This involves establishing rules or procedures that channel the actions of each job, holder or department into a direction consistent with the actions of others.



- b) Plans and schedules can be established to integrate the actions of separate units. Integration through planning is somewhat more flexible than standardisation in that the plans can be modified quickly.
- c) Integration can also occur through "mutual adjustment" This involves transmission of information directly between people and the mutual adjustment of their actions in the light of that information.

The traditional bureaucratic approach which is common to most of our organisations relies heavily on coordination through standardisation and planning. Three mechanisms are available for the purpose. Firstly, an **elaborate system of rules and procedures** is worked out to deal with recurrent problems. Secondly, non-routine problems are handled by **referring up to the hierarchy**. Where matters of policy and procedure require some deliberation, **committee meetings** are held. These committee meetings are scheduled at regular intervals in stable conditions. They are also held at short notice, if the need arises.

The advantage of a bureaucratic system is that it operates smoothly and effectively in normal and predictable conditions. But it is inadequate to meet the requirements of an organisation in an ever changing turbulent environment. Often managers complain, "If we had to go through the formal channels, we would never be able to get things done on time". This could well be an exaggeration. Carefully structured bureaucratic systems of formal coordination minimise the dependence on informal systems. There is need for a balance rather than excessive reliance on formal or the informal system.

John Child lists the various forms of coordination through lateral relationships as below in order of increasing sophistication, difficulty in design and overhead cost. Usually managements adopt the more sophisticated mechanisms as additions to rather than simply substitutes for those mentioned higher up the list:

- a) Bring about direct contact between managers or employees who share a problem.
- b) If departments are required to have a substantial amount of contact, one or more of their staff will have special responsibility to liaise with their counterparts in the other departments.
- c) In case of special situations or problems where several departments need to conflict until the matter is resolved, temporary task forces would be set up to deal with it, with members from those departments.
- d) If such inter-departmental problems recur, permanently constituted task forces or committees provide the coordination.
- e) If lateral relationships become a problem, a coordinating department such as the SOLD discussed above may be created to perform the task of coordinating.
- f) Another method of coordination is through creation of product managers in multi-product organisations with overall, responsibility to coordinate operations required to market, develop, produce and service a product.
- g) The most elaborate method is to establish a matrix organisation. Here, an attempt is made to combine integration of personnel within functionally specialised departments with their integration around a common contribution to products.

Van de Ven et al discuss three principal modes of coordination :

- **Impersonal mode, i.e.**, coordination through setting programmes and procedures
- **Personal mode, i.e.**, coordination through feedback
- **Group mode, i.e.**, committee, task force, meetings, etc.

The choice of the modes is dependent upon conditions of certainty, problems of inter-dependence and size of work units (in terms of number employed). As uncertainty increases, group mode becomes appropriate since coordination requires discussions at lateral levels in a hierarchy. As inter-dependence increases, there is greater need for personal and group modes. As the organisation grows large and complex, the structure needs to be more formal with greater stress on impersonal mode.



Whatever be the approach, wherever the organisation chooses to vest a manager in a coordination role, it should ensure that he is given proper authority. Only then can the exercise influence meaningfully over **departmental heads**. There should be clarity about the role, responsibilities, authority and accountability. The coordinators should be non-controversial and acceptable to the departments or groups they are called upon to coordinate. Coordinators should have the resources and staff.

For effective inter-functional coordination and integration of departments with different goals and criteria of performance, there is need for a climate of openness and trust, the inter-personal relationships among employees, and the careful cultivation of open confrontation for resolving conflict through a process of mutual adjustment than aggression. Before inter-functional conflict reaches a point where it affects organisational performance, organisations should initiate such organisation development programmes as would promote teamwork and cooperation. The people in the organisation need to realise that, "united we stand, divided we fall". This can occur, not so much by zealously cultivating narrow loyalties to one's function and specialisation, but by developing superordinate goals for the entire organisation.

16.10 SUMMARY

We observed that delegation is one of the most important skills a manager must possess. It has three elements: responsibility, authority and accountability. There is need for balancing formal and informal delegation and the latter should reinforce the former. The key problems in delegation include: what, how and how far to delegate? It is important to deal with employee resistance to delegation through counselling and guidance. We observed the distinction between delegation, decentralisation and centralisation. We also noted the factors influencing centralisation and decentralisation and the approach to decentralisation.

In the latter part of the unit, we have examined the problem of inter-functional coordination, analysed the warning signs of conflict and studied the various approaches to coordination.

16.11 SELF-ASSESSMENT TEST

1. Prepare a job description for your boss, yourself and your subordinate. See what part of the job of your boss can be delegated to you and how much of your job you can delegate to your subordinate. Also discuss the why and how of it.
2. What are the merits and prerequisites of delegation.
3. Give an example each to illustrate the following statements: Accountability is indivisible. Delegation is not the same as decentralisation.
4. Discuss the importance of coordination. Give one example each (other than those mentioned in the text) of the three types of internal inter-dependence among work units.
5. What are the warning signs of lack of coordination? Give one example each.
6. Give four examples of different forms/modes of coordination.

16.12 KEY WORDS

Accountability: Obligation to account for, and report upon the discharge of responsibility and/or use of authority.

Authority: Powers and rights entrusted to enable performance of task assigned.

Centralisation: Concentration of authority at higher levels of management.

Coordination: Linking or relating various parts and activities of an organisation to one another.



Delegation: Entrustment of responsibility and authority from one person to another.

Decentralisation: Systematic delegation of authority in an organisation-wide context.

Profit Centre: A work unit (department or division) which is held accountable for the profit it earns and the loss it sustains.

Responsibility: Activities which must be performed to carry out the task assigned.

16.13 FURTHER READINGS

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