Comparative Management and Administration
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Chapter 2

Elements of Management and Administration

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Introduction

The achievement of organizational objective is basic to all organizations, whether public or private. The key personnel in private enterprises are known as managers while those in public enterprises are referred to as administrators, and the major attribute connecting both of them is the element of management and administration, otherwise known as the management process.

The management process is the series of steps taken by managers and top administrators to get their work done (Bello, 1988). These are: planning, organizing, staffing, leading, controlling and co-ordinating. First, goals must be established for the organization, and plans must be developed to achieve those goals. Next, managers must organize people and other resources into a logical and efficient “well-oiled machine” that is capable of accomplishing the goals that have been chosen. Third, managers must lead employees in such a way that they are motivated to work effectively to help achieve the goals of the organization. And finally, managers need to maintain adequate control to ensure that the organization is working steadily towards its goals (Hughes and Kapoor, 1985).
Planning
Whenever there is a gap between where we are and where we want to be in the future, there is the need for us to bridge that gap. In order to achieve this, we must undergo a process. That process is the planning process. Success in business does not come easily. This is because there are so many factors at work, which are beyond the control of business. Hence, success does not necessarily depend on how hard the managers of a business have worked but how well they have planned and utilized available resources. Therefore, planning is highly imperative and critical to management. It is the most basic managerial function.

Planning involves both what is to be done and how it is to be done. Robbins and Coulter (1996) assert that planning involves defining the organization's objectives or goals, establishing an overall strategy for achieving these goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities. According to Osaze (1991), planning covers the whole process of determining what purpose to pursue and the means of attaining them as well as the mechanism for monitoring results. Planning is the formal process of choosing an organizational mission and overall goals for both the short run and long run, devising divisional, departmental, and even individual goals, and allocating resources (human, financial and material) to achieve the various goals, strategies, and tactics (Hellriegel and Slocum, 1996).

Classification of Planning
One can also define planning in terms of whether it is formal or informal.

Formal Planning: This is an organized and developed system of planning. Specific objectives are defined. It is written down for organizational members to see and follow. Thus, it is a system involving clear and laid-down procedures.

Informal Planning: This is based on the past experience of the manager. Nothing is written down for anyone to see and follow, and there is little or no sharing of objectives with others in the organization.

Although the formal planning system has its merits, it is time-wasting in today's turbulent and dynamic business environment. The informal planning system, on the other hand, lacks objectivity and continuity because of its nature. Robbins and Coulter (1996) however classify planning in terms of scope, time frame, specificity and frequency of use:

<table>
<thead>
<tr>
<th>Scope</th>
<th>Time Frame</th>
<th>Specificity</th>
<th>Frequency of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>Long-term</td>
<td>Directional</td>
<td>Single use</td>
</tr>
<tr>
<td>Tactical/Operational</td>
<td>Short-term</td>
<td>Specific</td>
<td>Standing</td>
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Source: Robbins and Coulter (1996)

Strategic Planning: This planning is done at the corporate level of the organization. It applies to the whole organization, by establishing its overall objectives and seeking to position the organization in terms of its environment. This planning method covers a longer time period.

Tactical Operational Planning: This involves the selection of the means of attaining specific objectives. It assumes the existence of objectives, and tends to cover a shorter time period.

Short-term Plan: This is a plan which does not cover more than a one-year period.

Long-term Plan: This is a plan that extends beyond five years.

Specific Plan: This plan has clearly defined objectives. It leaves no room for interpretation and ambiguity. Specific procedures and schedules of activities to reach objectives are established.

Directional Plan: This is a flexible plan that sets out general guidelines. It is better to use this planning method when uncertainty is high because it does not disclose a manager's specific objectives or courses of action.

Table 2.1: Classification of Planning Terms
Single-use Plan: This is a one-time plan that is specifically designed to meet the needs of a unique situation and it is created in response to non-programmed decisions that managers make, e.g. mergers and acquisitions or the introduction of a new product.

Standing Plan: This kind of plan is created in response to programmed decisions that managers make. It provides a guidance for activities repeatedly performed in the organization, e.g. replenish stock every Monday.

The Planning Process

The planning process comprises the steps that managers take in identifying and selecting appropriate goals and courses of action for an enterprise. The steps involve the determination of an organization's mission, goals and objectives; strengths, weaknesses, opportunities and threats (SWOT) analysis; formulation of strategy; and implementation of strategy. Fig. 2.1 displays the planning process.

**Determination of Mission, Goals and Objectives:** The determination of the mission, goals and objectives is the first and probably the most significant step in planning. A mission statement describes an organization's overriding purpose; this statement is intended to identify an organization's products and customers as well as distinguish the organization in some way from its competitors (Jones, et al, 2000). In order to determine an organization's mission, managers must first define the business in terms of who the customers are, and what and how customer needs are being satisfied. These will help managers plan and establish appropriate goals and objectives. Establishment of objectives gives a sense of direction or purpose to the organization. Osaze (1991) states that, in the process of establishing objectives, an organization must ensure that the statement of objectives is clear and understandable to those who have the responsibility of developing operational strategies for achieving them. Objectives must be realistic; that is, they must be achievable. Objectives that are unrealistic and unattainable may force managers to give up their pursuit. The time frame within which the achievement of an objective is expected should be specified so that someone can be held responsible for its non-attainment.

**SWOT Analysis:** This is a step in which managers identify organizational strengths and weaknesses in terms of resource capabilities, and organizational opportunities and threats in the environment. Before an organization can establish attainable goals and objectives, it must search for and identify potential opportunities and threats in its external environment which may affect the organization. This is because changes in the external environment forces in the form of economic factors, competition, government legislation or political instability can produce opportunities that an organization might take advantage of and threats that may harm its current situation. For a proper environmental scanning to be done, the need for useful, accurate and timely information is highly imperative. No organization can...
survive in today’s turbulent environment without thoroughly scanning its operational environment.

When organizational objectives have been established and the environment scanned, managers would need to identify (as another step in the SWOT analysis) an organization’s strengths and weaknesses: strengths in terms of high-quality personnel, adequate cash flow and fantastic marketing techniques; and weaknesses such as increasing debts, rising operational cost and obsolete technology. This analysis will enable the organization capitalize on its strengths and tackle its weaknesses. After the completion of the SWOT analysis and appraisal, managers can continue the planning process by determining strategies for achieving the organization’s mission and goals.

**Strategy Formulation:** Strategy formulation is when managers analyze an organization’s current situation and then develop strategies to accomplish its mission and achieve its goals (Andrews, 1971). The strategy formulation stage involves developing strategies and designing them to suit the objective to be achieved. The strategies must be flexible to accommodate changes occurring in the environment. All strategies must be clearly defined in terms of their cost-benefit implications. An effective strategy ensures that objectives are achieved at minimum cost, at the time scheduled for their achievement and that optimum benefits are derived therefrom (Osaze, 1991).

**Strategy Implementation:** According to Jones et al (2000), after identifying appropriate strategies to attain an organization’s mission and goals, managers confront the challenge of putting those strategies into action. Jones et al (2000) state further that strategic implementation is a five-step process:

- Allocating responsibility for implementation to the appropriate individuals or groups;
- Drafting detailed action plans that specify how a strategy is to be implemented;
- Establishing a timetable for implementation that includes precise measurable goals linked to the attainment of the action plan;
- Allocating appropriate resources to the responsible individuals or groups; and
- Holding specific individuals or groups responsible for the attainment of corporate, divisional and functional goals.

**Benefits of Planning**

Planning has a number of merits, among which are:

1. It gives a sense of direction and purpose to an organization.
2. It enables an organization to take advantage of opportunities and contain threats in the operating environment.
3. It provides awareness of a changing environment so that an organization can adapt better to it.
4. It helps an organization to concentrate resources on an area of best potentials.
5. It assists management in providing a method of ascertaining early financial and other resources or requirements.
6. It provides an organization some criteria for measuring corporate and employee performance.
8. It helps co-ordinate managers of the different functional areas of an organization to ensure they all move in the same direction.
9. It helps an organization to achieve steady growth and development.
10. It helps to pick up the pace of a weak and tired organization.

**Pitfalls in Planning**

Although the importance of planning cannot be overemphasized, many organizations still do not achieve the
desired results because of pitfalls in planning. The reasons are:

1. Too much time and effort of top management spent on
   current problems, leaving little or no time for long-range
   planning;
2. Failure to develop meaningful and realistic goals and
   objectives;
3. Lack of commitment to planning and the belief that top
   management can delegate the planning function to a
   planner;
4. Personnel inertia to changes brought about by planning
   activities;
5. Too much formality and lack of flexibility in the system
   which hinders creativity;
6. Failure to involve major line managers in the planning
   process;
7. Inadequacy or lack of necessary resources for planning
   implementation;
8. Overreliance of top management on reflective thinking
   and experience;
9. Failure to create an organizational climate that is
   conducive and not resistant to planning;
10. Failure to use plans as standards for evaluating
    managerial performance.

Organizing is the process of grouping resources and activities
in order to accomplish an end in an efficient and effective manner
(Hughes and Kappor, 1985). It is basically one way of trying
to take advantage of the principles of division of labour in
going the work of a manager done (Bello, 1988).

Out of the organizing process comes an organizational
structure which defines how tasks and activities are assigned,
who reports to whom, and the formal co-ordinating
mechanisms and interaction patterns that will be followed.
According to Jones (1995), organizational structure is the
formal system of tasks and reporting relationships that
determines how employees use resources to achieve
organization goals.

Robbins (1990) defines organizational structure as having
three components, namely; complexity, formalization and
centralization.

**Complexity:** This is concerned with the degree of
specialization or division of labour. The number of levels in
the organization's hierarchy and the extent to which the
organization's units are dispersed geographically.

**Formalization:** This is the degree to which an organization
relies on rules and procedures to direct the behaviour of
employees. Some organizations operate with a minimum of
such standardized guidelines; while others have all kinds of
regulations instructing employees as to what they can and
cannot do.

**Centralization:** This considers where the locus of decision-
making authority lies. In some organizations, decision-
making is highly centralized. In other cases, decision-making
is decentralized.' An organization is either centralized or
decentralized, since these represent two extremes on a
continuum. The placement of an organization on this
continuum is one of the major factors in determining what
type of structure exists.
A diagrammatic representation of an organization's structure is known as organizational chart. An organizational chart clarifies the position and reporting relationships among organizational members. It also helps managers to monitor growth and change in the organizational structure.

**The Organizing Process**

The following are the steps in the organizing process:

1. Identify the work to be done. Divide the work into several portions and assign those portions to positions within the organization.
2. Group the various positions logically into manageable units, i.e. departmentalization.
3. Define and distribute responsibility and authority within the organization.
4. Determine the number of employees who will report to each manager or superior.
5. Establish interrelationship between the positions, units and departments, and distinguish between positions that have direct authority and those that have supporting roles.

**Departmentalization**

Departmentalization is the process of subdividing tasks into manageable units and assigning them to specialized groups within an organization. The main methods of departmentalization are by function, product, place and customer.

**By Function:** This method of departmentalization involves the grouping together of all jobs that relate to the same organizational activity. Under this classification, all the finance personnel are grouped together in the finance department, while the personnel in marketing are grouped together in the marketing department as shown in Fig. 2.2.

**Advantages**

- Such grouping is simple and logical, and therefore economical.
- Supervision is simplified because the workers are involved in the same kinds of activities.

**Disadvantages:** It may invoke narrowness of outlook, i.e. inability to see business as a whole. (Appleby, 1981).

This method tends to de-emphasize the goals of the entire organization. Employees may concentrate on departmental goals and lose sight of the corporate goal.

Top management may have difficulty in co-ordinating the activities of employees in the different departments.

**By Product:** This method of departmentalization is concerned with the grouping together of all activities related to a particular product or product group (Hughes and Kapoor, 1985). It is often used by older and larger organizations that produce and sell a variety of goods. Each product department handles its own marketing, production, financial and personnel activities. (See Fig. 2.3 on page 50).
Advantages
♦ It brings about specialization of man and machines.
♦ Responsibility for profit can be introduced, by setting a standard for a product department with the manager responsible for most of the functions involved (Appleby, 1981).
♦ Management is able to develop a distinctive competence, or strategic advantage for each product line (Hellriegel and Slocum, 1996).

Disadvantages
♦ It causes duplication of specialized activities, such as marketing and finance from department to department.
♦ Emphasis is placed on the product rather than on the whole organization.

Managing Director

Corporate Managers

Food Division
Electrical Division
Health Care Division
Textile Division

Fig. 2.3: Departmentalization by Product
Source: Developed by the Authors.

By Place: Departmentalization by place involves the grouping of activities according to the geographic area in which they are performed as shown in Fig.2.4 on next page. Functional departmentalization can create problems, especially when an organization is growing rapidly, and this is because managers in one particular geographic area may find it very difficult to deal with the different problems and issues that may arise in each location or area.

Advantages
♦ It allows the organization respond readily to the unique demands or requirements of different locations.
♦ Knowledge of local circumstances helps in decision-making and aids the creation of customer goodwill.
♦ It also brings about a good training ground for managers.

Disadvantages
♦ Departmentalization by place increases the problem of control and co-ordination for top management.
♦ Because of the necessity of duplicating an organization’s functional departments, costs are higher than they would be for an organization that is operationally centralized.

Managing Director

Corporate Managers

Western Region
Eastern Region
Northern Region
Southern Region

Fig.2.4: Departmentalization by Place
Source: Developed by the Authors.

By Customer: Departmentalization by customer is concerned with the grouping of activities according to the needs of different customer groups. For instance, in a bank, a staff may be assigned to deal with ‘savings’ account-holders while another staff is assigned to deal with ‘current’ account-holders as indicated in Fig.2.5 on page 52.
**Advantage:** It caters for customers of different needs.

**Disadvantage:** More administrative staff are required to deal with the needs of different customer groups.

![Organizational Structure Diagram]

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**Determinants of Organizational Structure**

There is no 'best' way to design an organization. Organizational structures should be designed to fit and reflect the circumstances affecting each organization. However, Duncan (1979) mentions four important determinants of organizational structure. These are: the nature of the organizational environment; the types of strategy being pursued; the technology that is put in place; and the organization's human resources.

**The Nature of the Organizational Environment:** An environment that is very dynamic and full of uncertainty requires a flexible structure. The reason is that, in this situation, authority is likely to be decentralized, while more co-ordination and communication among employees and functions are needed to obtain resources and get results. But when the external environments are stable and uncertainty is low, managers tend to bring more formality to the organizational structure. In this situation, managers prefer to make decisions within a clearly defined hierarchy of authority and use extensive rules and standard operating procedures to govern activities (Jones *et al*, 2000).

**Types of Strategy:** Different strategies require different organizational structures. For instance, the differentiation strategy usually succeeds best in a flexible structure where managers can develop new products quickly (because of the co-operation among departments and functions). On the other hand, a low-cost strategy which focuses on cutting down cost in all functions usually does best in a more formal structure, which affords managers greater control over the expenditures and actions of the various departments of the business (Miller, 1987).

**Technology:** A more complicated technology requires a greater flexible structure, so that managers' ability to respond to unexpected situations can improve, and they can have the freedom to work out new solutions to the problems facing them. On the other hand, the simpler the technology, the more suitable is a formal structure.

**Human Resources:** The characteristics of the organization's workforce also determine the choice of organizational structure. The more an organization requires highly skilled personnel and more people to work together in teams to achieve results, and the more unskilled personnel (who need guidance and supervision) required in a workplace, the more formalized the organizational structure that is required.

**Staffing**

After setting up a structure of roles for an organization through the process of organizing, management must give great attention to filling these roles. The right people must fill the roles; hence, the need for the managerial function of staffing. Staffing involves people, and people are very vital to the effective operation of an organization, it is a crucial...
function of managements which may well determine the success or failure of an organization. Staffing is the process of identifying, meeting and maintaining the human resource needs of an organization for the purpose of accomplishing organizational objectives. Rynes and Barber (1990) define staffing as the process by which organizations meet their human resource requirements, including forecasting future requirements, recruiting and selecting candidates, and giving orientation to new employees. Koontz et al. (1980), describe staffing as involving effective recruitment, selection, placement, appraisal, and development of people to occupy the roles in the organizational structure.

The Staffing Process
According to Hellriegel and Slocum (1996), apart from hiring people, the staffing process involves easing an employee’s entrance into an organization, as well as movement through (promotion, job rotation, transfer) and out of (termination, retirement) it. They highlight six components of the staffing process, namely: planning, recruitment, selection and hiring, orientation, movement and separation.

(a) Planning: Human resource planning is the development of strategies for the acquisition of the right number of competent people who will meet the firm’s future human resource needs. This phase involves forecasting the organization’s future demand for human resources, determining whether the required number will be available, and taking steps to match supply with demand.

(b) Recruitment: This involves the request for job candidates, and looking for the right people to take up the job. It serves to attract new employees into the organization.

Banjoko (1996) highlights some of the objectives of recruitment as follows:

(i) To increase the pool of qualified job applicants from which the organization could pick and choose at very minimal costs.

(ii) To help enhance the success rate of the selection process by identifying potentially qualified candidates who could be shortlisted for the next selection stage.

Sources of Recruitment: There are two main types of recruitment: internal and external.

Internal Recruitment: In this case, vacant positions in the organization are filled with workers already in the service of the firm. The foremost thing is to place a notice on the company’s notice board(s) explaining the existence of the job vacancy. Applications are accepted from interested candidates, and qualified ones among them are used to fill the vacancy.

This method is motivational because it raises the morale of workers, and they put in their best, hoping that one day they will rise to a higher position, if they work hard.

External Recruitment: This is the recruitment of staff from outside the organization. It is done through employee recommendations, advertisements, manpower service commissions, private employment bureaux, universities and colleges, and professional bodies.

(c) Selection and Hiring: This is the process of gathering information about candidates who have been recruited for the available positions and then using that information to choose and hire the most appropriate applicant. The most common information sources available to managers making selection and hiring decisions are: job applications, curriculum vitae, pre-employment tests, interviews, reference checks, and assessment centres. In order to make good selections, managers should ensure that the information concerning the applicant is valid and reliable.

(d) Orientation: Orientation is the process of formally introducing new employees to their jobs and the organi-
zation. After employees have been hired, management must give them orientation. This familiarizes the new employees with the company's history, policies, products and services, safety rules, work expectations, compensation and employee benefits.

(e) Movement: After completing the orientation process, employees' participation in the staffing process continues. This staffing process includes employee movement; promotion, demotion, job rotation, transfer and training.

(f) Separation: The final stage of the staffing process is separation of the employee from the organization. Separation can occur as a result of the employee's retiring, being retrenched, or dismissed, or finding a new job.

Leading

After plans have been made, the structure put in place, and the right personnel hired for the organization, there is the need to supplement all the managerial functions by giving people guidance, by good communication, and by an ability to lead. Koontz et al. (1980) define leading as that which involves the interpersonal relations of managers and non-managers.

Managing people can be a very difficult task, and this is because people have attitudes, behaviours, aspirations and beliefs. Therefore, in order to meet the desire of people and make them contribute to organizational goals, managers must have the ability to influence people to work towards a common goal, provide reasons for them to work in the best interest of the organization and communicate with them. Thus, 'leading involves motivation,' leadership and communication.

Motivation: Consideration of what motivates people is central to effective management because it explains why people behave the way they do. Management can only be effective when the work environment is conducive for individuals who are working together towards the achievement of a common objective. Appleby (1981) defines motivation as that which concerns the way the urges, aspirations, drives and needs of human beings direct, control or explain their behaviour. For an organization to have a good system of motivation, Appleby goes further to list some requirements:

(a) Subordinates must be induced to work and produce more.
(b) A system must be flexible so that it can account for the varying requirements of people who need different stimuli, e.g. some would work harder for more pay; others for status only.
(c) A good system must be comprehensive in providing for the satisfaction of all needs.
(d) There must be provision for financial opportunities, particularly those giving more personal freedom, e.g. shares in the company.
(e) Security is a vital element which must be assured the employees.

In his explanation, Koontz et al. (1980) assert that all those who are responsible for the management of any organization must build into the entire system factors that will induce people to contribute as effectively and efficiently as possible.

Leadership: According to Kuye (2008), leadership is the art of influencing others to direct their will, abilities and efforts towards the achievement of the leader's goals. Leadership presupposes followership. Leadership is a means of direction. Subordinates look up to their leader for direction and guidance towards the attainment of the organization's goals. For a leader to be effective, he needs to possess the following attributes:

(a) Self-confidence;
(b) Intelligence;
(c) Tenacity;
(d) Decisiveness;
(e) Human relations skills;
(f) Conceptual skills;
(g) Team-building skills;
(h) Communication skill; and
(i) Value congruence.

**The Tasks of Leadership**

The responsibilities of Leadership include the following:

(a) To integrate the individuals and the informal groups with the organization for efforts' optimization towards the accomplishment of organizational goals.

(b) To create a healthy climate that would permit employees to seek the satisfaction of their needs within the organizational constraints.

(c) To inspire people, and direct their efforts towards goal attainment.

(d) To anticipate, identify and interpret change to organizational members, and facilitate its accommodation.

However, there are three types of leaders or leadership styles. These are: democratic, autocratic, or laissez-faire.

(a) *Democratic Leader*: This is an employee-centred leader who persuades and considers the feelings of subordinates and involves them individually or as a group in decision-making.

(b) *Autocratic Leader*: This type of leader permits little or no subordinate influence in decision-making. He uses coercion, threat, and authority to enforce discipline and ensure performance.

(c) *Laissez-faire Leader*: This leader does not set any goal for the group. He merely allows the individuals or group to do whatever they want, and decision-making is performed by whoever in the group is willing to accept responsibility.

**Communication**

Communication is the sharing of information between two or more individuals or groups to reach a common understanding (Jones et al., 2000). Managers need to learn about new technologies, implement them, and train workers on how to use them. They need to communicate to the organizational members the importance of high quality and how to attain it. Managers must communicate with employees to determine how best to respond to changing customer preferences. They must also communicate among themselves and with subordinates about innovation. In other words, effective communication is highly imperative for managers and other organizational members to achieve increased efficiency, quality, responsiveness to customers, and innovation. Communication is very essential because it integrates the managerial functions. The essence of communication is to help control performance; define and disseminate goals; develop plans for their attainment; organize human and material resources in the most effective and efficient manner; select, develop and appraise members of the organization; lead, direct, motivate, and create a climate in which people want to contribute (Koontz et al., 1980).

**Controlling**

Every organization wants to survive and grow. Growth is a function of how well the managers of an organization are attuned to the whole process of moving the organization forward. A forward-looking organization must have a control system that tells it how it is performing, and how its performance can be enhanced in terms of quality of its products, efficient use of resources, satisfying the needs of customers, and innovation.

After planning, organizing, leading and staffing activities have been carried out, work activities must be regulated in accordance with predetermined plans, so as to accomplish organizational objectives. Thus, the importance of controll-
ing in facilitating the accomplishment of organizational objectives cannot be over-emphasized.

Control is the process whereby behaviour is compared with plans to determine whether the two are in accord with each other; if deviations are found, either plans or behaviours must be changed (Atchison and Hill, 1978). Control is a process of monitoring activities, which involves identifying, detecting and correcting unintentional performance errors and intentional irregularities, such as fraud, theft or misuse of resources. Control is the mechanism used to ensure that behaviour and performance conform to an organization’s rules and procedures (Simons, 1995). Chandan opines that there is more to control than measurement and reporting of activities. According to him, management control is the process by which managers ensure that resources are obtained and used effectively and efficiently in the accomplishment of organizational objectives.

The Importance of Control

- It helps management to achieve organizational objectives by providing a framework for the development of good short-term plans; the recording of the degree of success of such plans along the set of control variables and the diagnosis of deviation. Control variables form the content of the short-term plan. They are the items that represent the goals of the organization and they determine what is to be tracked (Lorange and Morton, 1974).

- It helps to verify whether results are in conformity with the standards laid down and directives given.

- It helps to point out errors and weaknesses periodically, so that corrective actions can be taken and recurrence prevented.

- In today’s turbulent and dynamic environment, it is only with a properly designed control system that managers can anticipate, monitor and respond to changing situations.

- An effective control system will eliminate waste and bring down costs generally.

The Control Process

The control process involves three distinct steps. These are: measuring actual performance; comparing actual performance with standard; and taking managerial action to correct deviations or inadequate standards. However, it should be noted that the control process assumes that standards of performance are already in existence (having been established at the planning stage), and it precedes the three distinct steps in the control process.

Standards of Performance: These are criteria against which actual results can be measured. Standards provide some degree of guidance for employees in reaching the set target. They can be classified into four: quantity, quality, cost and time.

Measuring Actual Performance: After standards have been set, the next phase of the control process is for managers to measure actual performance. This can be done through personal observation, oral/written and statistical reports.

Comparing Actual Performance with Standard: Comparison occurs when performance has been carried out; that is, when results are already completed. This step focuses on determining the degree of agreement between established standards and actual results. Any significant deviation from standard is brought to the attention of management.

Taking Corrective Action: This is the final step in the control process. After comparisons have been made between standards and actual performance, deviations are reported to managers who are expected to take action to correct the deviations. If the comparison shows little variance between actual and expected behaviour, usually no corrective action is necessary; but if there is a considerable variation, corrective action is needed and decision must be taken as to whether to change the behaviour of the standards. Corrective
action may take one of three forms: no further action; change the behaviour; or change the standard.

In his elucidation of the control process, Bello (1988) asserts that the process affects practically all the main activities of all organizations. These are quality, quantity, waste reduction, price, cost reduction, employee morale, absenteeism, attitude change, employee turnover, and standard desired by a given organization.

Fig. 2.6 shows how control is directly linked with the planning process in organizations, in assessing the level of performance.

Types of Control

Control systems are developed to evaluate performance at each stage of conversion of inputs into finished goods and services (Jones et al., 2000).

There are three types of control as shown in Fig. 2.7 below:

**Feed-forward Control:** This type of control is implemented before the commencement of an activity; that is, at the input stage. Managers use it to anticipate problems before they occur. It is the most desirable type of control because it prevents anticipated problems, which could arise during the conversion process. For example, if one hears the announcement that one has been awarded a contract to construct a road, one might decide to hire personnel ahead of time to prevent delays. Unfortunately, this approach has a limitation because it requires timely and accurate information, which is often difficult to develop; hence the manager’s reliance on concurrent control and feedback control.

**Concurrent Control:** This type of control is implemented while an activity is in progress; that is, at the conversion stage. It enables managers to correct problems before they become too costly. Managers get immediate feedback on how inputs are being efficiently transformed into outputs. The best form of this approach is direct supervision, by which the manager can concurrently monitor the actions of an employee and correct problems as they occur, since he oversees the actions of the employee.

**Feedback Control:** This type of control provides information to managers about the results of an activity. In other words, feedback control is implemented after the activity has been completed. It is the most popular type of control. An example of this form of control is the profit-and-loss account statement, which shows that profits are declining. The event has already occurred. The manager only tries to correct the situation after the event has happened. The advantages of this control system over the others include: managers are provided the
information as to how effective their planning effort was; it enhances employee motivation, employees want information on how well they have performed, and feedback control provides them that information (Kuye, 2008).

Control Techniques

Control arises from the comparison of actual performance with standard, showing the need for corrective action, which can only be taken if the manager who will initiate the corrective action has the knowledge and competence to use the appropriate control techniques. Some of the control techniques used by managers include the following:

(a) **Budgeting**: Budget is a plan formulated for a given future period, expressed in quantitative terms. It is used as a check on the income of a business activity. Comparison of actual expenditure with budget and cost may reveal a deviation; if any. The budget variance analysis and the corrective action taken are an important part of the control mechanism.

(b) **Ratio Analysis**: This is a control technique used in showing interrelationships between groups of figures, as a measure of efficiency. It can also be used in assessing solvency, profitability and overtrading. The ratios often used by business concerns are liquidity, leverage, profitability and activity.

(c) **Break-even Point Analysis**: This provides information to managers regarding the profit or loss at different levels of activity, the contributions at different levels of activity, and the sales level necessary to achieve a predetermined profit.

(d) **Management By Objectives**: This involves both managers and subordinates jointly participating in goal-setting, periodic review of progress towards objectives and taking corrective action when necessary.

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**Control and Human Elements**

The desired results of an organization can only be achieved through people because they are the key ingredients in the workplace. Since the purpose of managerial control is to increase organizational efficiency and effectiveness by producing the desired results, people must be given due recognition, and the organization must be able to know the reactions of employees for the various types of control imposed on them.

According to Tannenbaum (1968), control has some impacts on employees, and these are that:

(a) It indicates clearly what an individual must do or must not do.

(b) An individual is more likely to identify with and support the organization's objectives when he can exercise some control.
(e) **Operational Research**: This is a technique which provides an improved basis for executive decision-making by scientifically assessing an alternative course of action. It is used in production, marketing research and development, and planning in general.

(f) **Operational Audit**: This is used in determining the current position of the organization by measuring the performance of its operation in specified areas in relation to accepted standards. Any discrepancy can then be rectified.

(g) **Value Chain Analysis**: This control technique describes the activities within and around an organization, and relates them to an analysis of the competitive strength of the organization.

(h) **Benchmarking**: This is the comparison of selected performance measurements with some challenging yardsticks. This can be generated by the internal historical comparison of an organization with the key competitors in the industry.

(i) **Personal Observation**: This is a good technique, which can detect discrepancy immediately it occurs. For example, when one is having a direct supervision of workers, it is possible to detect errors or deviations from set standards. This technique is not always adequate and error-free because of the human element. It should therefore be used with other techniques.

(j) **Statistical Reports and Data**: This type of technique is a feedback mechanism. It specifies the results of an event, which are then measured against the standard or expected performance. When a deviation is revealed, the appropriate officers take corrective action.

**Requirements for Effective Control**

For a control system to be effective, the following conditions must be met:

- (a) It must generate accurate information.
- (b) It must provide timely information.
- (c) It should be sufficiently flexible as to provide for alternative remedies when failure occurs, and be responsive to changing circumstances.
- (d) It should be economical, that is, it should not cost more than its worth.
- (e) Control must be understandable. The control system format must be simple, clear and unambiguous.
- (f) It should report deviation promptly, and be able to identify potential problem areas before they arise.
- (g) Control should lead to corrective action, and not just detecting deviations. Detection of deviations is not very useful in itself. An effective control system should be able to suggest what action should be taken to correct deviation.
- (h) Control standards must be reasonable and attainable. Employees will no longer be motivated if standards are too high or unreasonable.
- (i) The control system should be designed in such a way that the right people monitor the activities of their own fields.
- (j) It should lay emphasis on the exception. This type of system ensures that a manager is not overwhelmed by information on variations from standard. What need attention are those instances of behaviour that vary beyond the tolerance limits. Paying attention only to those behaviours that vary significantly from tolerance limits is called the exception principle.
- (k) The control system should be acceptable to all members of the organization. Resentment may result in poor performance.

**Co-ordinating**

This is another element of management and administration. The process of division of labour and allocation of duties and
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responsibilities implies that work will be interrelated and interdependent (Lawal, 1993).

Co-ordination is the process of integrating organizational activities into a unified system. For instance, the production department should be informed by the marketing department about what to produce and in what quantity? The personnel department will be expected to oversee the welfare of staff within the organization and create harmonious working relationships among the workers. The finance department is concerned with how to fund the operations of the organization internally and externally. Lawal (1993) notes that the "need for co-ordination arises as a result of division of labour and interdependence of subunits." Co-ordination can be achieved through well-designed plans, communication policies, rules and discipline.

Innovation and Representation

Drucker (1974) considers management functions as including innovation. He states that managing a business cannot be a bureaucratic and administrative or policy-making job; but a creative rather than an adaptive task. It should be noted that 21st century public organizations are becoming innovative in their behaviour. Managers and administrators must be innovators by originating new ideas or acting as catalysts for the evolution of new ideas, new products/services or information.

A manager's or administrator's job also includes representing his/her organization in dealing with a number of outsiders such as customers, suppliers, shareholders, government agencies, unions, the press, and so on...

Finally, the relative importance of the functions discussed in this chapter depends on the situation of the organization, or the level of management within the organization. For example, an organization in a dynamic situation will give due consideration to the planning, organizing, and staffing functions. Lawal (1993) notes that organizations facing hard times may deem tight financial control as necessary. The transferability and universality of management and administration principles mean that these elements are applicable to both the private and public sectors.

References

Duncan, R. (1979). “What is the Right Organizational Design?” "Organizational Dynamics"

**Theories of**

**Introduction**

Essentially, comparative management chapter begins with a theory of comparative management. It is established that the comparative thought are also reviewed. The link between the two is also reviewed.

Relevance of Theories

The relevance of theory can be overemphasized. It has no practical application today. It is common to interrelated concepts to, or ties together, a nature, it can also be organizing knowledge.

"Comparative management practices analyzed with the o