



WEEK 1: INTRODUCTION TO MANAGEMENT

1 What is an Organisation?

Definition:

An organisation is a group of **two or more people working together** in a **hierarchical structure** to achieve **specific common goals**.

Key Points:

- Built on **coordination and cooperation**.
- Exists in all areas of life – schools, hospitals, banks, military, etc.
- Hierarchy represents the **flow of authority** from top to bottom.
- Employees align their work with the organisation's **vision and mission**.

2 What is a Goal?

Definition:

A **desired future condition** that an organisation aims to achieve within a specified period.

Key Point:

Goals act as **targets** – usually set for at least a year – to measure performance and success.

3 What is Management?

Definition:

Management is the process of **effectively utilising resources (Man, Machinery, Materials, Money – 4Ms)** to achieve organisational goals.

Effectiveness = achieving objectives.

Efficiency = achieving them with minimum resource usage.

Interrelation of Resources:

All resources (4Ms) are **interconnected** – money enables acquisition of people, materials, and machinery.

4 Who is a Manager?

A **manager** gets work done **through others** by making decisions, allocating resources, supervising activities, and ensuring goals are met.

Concepts of Management:

1. **As a Discipline** – A body of knowledge with concepts and principles.
2. **As a Group of People** – Managers performing managerial activities together.
3. **As a Process** – Continuous functions: **Planning, Organising, Staffing, Directing, Controlling (POSDC)**.

5 Definitions by Experts

- **F.W. Taylor:** “Art of knowing what you want to do and seeing that it is done in the best and cheapest way.”
 - **Henry Fayol:** “To manage is to forecast, to plan, to organize, to command, to coordinate and to control.”
 - **Peter F. Drucker:** “Management is work – it has its own skills, tools, and techniques.”
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6 | Nature of Management

Characteristics:

1. **Multidisciplinary** – Draws from psychology, sociology, economics, statistics, etc.
 2. **Dynamic Principles** – Flexible, adapting to environmental changes.
 3. **Relative, not Absolute** – Applied based on organisational needs and context.
 4. **Science & Art** –
 - Science: Tested, cause-effect relationships, universal principles.
 - Art: Creativity, experience, and intuition.
 5. **Profession** – Practiced in various specializations (HR, Finance, Marketing, etc.).
 6. **Universality** – Applicable everywhere but adapted to circumstances.
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7 | Functions of Management (POSDC)

1. **Planning:**
 - Setting goals and determining strategies.
 - Involves predicting the future and bridging the gap between current and desired states.
2. **Organising:**
 - Structuring activities and assigning authority.
 - Creates a **hierarchy** for smooth functioning.
3. **Staffing:**
 - Recruiting, selecting, training, and developing employees.
 - Ensures “right person in the right job.”
4. **Directing (Leading):**
 - Guiding and motivating employees to achieve goals.
 - Involves communication and leadership.
5. **Controlling:**
 - Monitoring performance and taking corrective action.
 - Compares **actual results** with **set standards**.

Conclusion:

Top-level managers focus on **planning & organising**; lower-level managers on **directing & supervising**.

8 Levels of Management

1. Top Level:

- Executives (CEO, MD, VP).
- Set mission, vision, and strategy; ensure survival and growth.

2. Middle Level:

- Department Heads (Marketing, Finance, HR).
- Act as a bridge between top and lower levels; coordinate, recruit, and supervise.

3. Lower/Operational Level:

- Supervisors, Foremen, Clerks.
- Manage daily operations, train staff, maintain discipline, and report issues.

9 Managerial Roles (Mintzberg)

Divided into 3 categories with 10 roles:

Category	Roles	Description
Interpersonal	Figurehead, Leader, Liaison	Perform ceremonial duties, motivate employees, build external networks.
Informational	Monitor, Disseminator, Spokesperson	Gather, share, and represent organisational information.
Decisional	Entrepreneur, Disturbance Handler, Resource Allocator, Negotiator	Innovate, resolve issues, allocate resources, negotiate internally/externally.

10 Responsibilities of Managers

- Hiring, training, and appraising employees.
- Translating goals into departmental objectives.
- Managing budgets and expenses.
- Ensuring productivity and performance improvement.
- Reporting to senior management.

11 Managerial Skills and Competencies (Robert Katz)

Skill Type	Definition	Level Importance
Conceptual	Big-picture thinking, problem diagnosis, strategic vision.	High – Top Managers

Human	Working and motivating people effectively.	All Levels
Technical	Using tools, techniques, and field expertise.	High – Lower Managers
Design	Creating solutions to organisational problems.	Top/Mid Managers

Institution-Building Skills (Prof. T.V. Rao & Pareek):

- Identity creation
- Enabling resources
- Synergising departments
- Balancing creativity & conformity
- Building linkages
- Futuristic planning
- Creating impact
- Instilling pride and purpose among employees

OVERALL HIGHLIGHT:

Week 1 establishes the **foundation of management**, covering its meaning, nature, and essential functions (POSDC).

It emphasises how **managers transform resources into results** through **planning, structure, leadership, and control**, supported by skills that blend **science, art, and professionalism**.

WEEK 2: CHARACTERISTICS OF QUALITY MANAGERS & DEVELOPMENT OF MANAGEMENT THOUGHT

1 CHARACTERISTICS OF QUALITY MANAGERS

Definition:

Quality managers are those who **continuously strive for excellence**, ensure performance, monitor quality, engage with customers, and guide employees.

10 Essential Characteristics:

- 1. Professional Competence**
 - Deep knowledge of management principles and self-awareness of strengths & weaknesses.
 - 2. Belief in High Achievement**
 - Internal locus of control – confidence that success depends on one's own effort.
 - 3. Creativity**
 - Ability to find innovative, original solutions; drives productivity and organisational growth.
 - 4. Analytical Skills**
 - Break problems into parts, identify key relationships, and plan effectively.
 - 5. Decisiveness**
 - Take timely, confident decisions after analysis; avoid indecision and delay.
 - 6. Excellent Communication Skills**
 - Ability to convey, persuade, and listen effectively; vital for teamwork and motivation.
 - 7. Leading from the Front**
 - Lead by example; actions speak louder than words.
 - 8. Openness**
 - Approachable, transparent, and willing to accept new ideas or change.
 - 9. High Integrity**
 - Ethical conduct, honesty, and accountability in all actions.
 - 10. Team-based Approach**
 - Promotes collaboration, shared responsibility, and mutual growth.
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2 DEVELOPMENT OF MANAGEMENT THOUGHT

Essence:

Management evolved **alongside human civilisation**, adapting with social, political, and economic changes.

Ancient management practices can be traced to **Egypt, Greece, Rome, India (Kautilya's Arthashastra)**, and **Italy (Luca Pacioli – Double Entry System, 1494)**.

Evolutionary Stages of Management Thought:

3 CLASSICAL THEORY (1900–1930)

Core Idea:

Focus on **efficiency, structure, and task optimization**.

Divided into **three schools of thought**:

(i) Scientific Management – F.W. Taylor

- Father of Scientific Management.
- Aim: Minimise waste, improve efficiency.
- **Four Principles:**
 - a. Find *one best way* to perform each job.
 - b. Convert that method into *rules and standards*.
 - c. *Select and train* the right people.
 - d. *Pay based on performance*.

(ii) Administrative Management – Henri Fayol

- Father of Modern Management.
- Wrote "*General and Industrial Management*" (1916).
- Defined 6 functional areas and **14 Universal Principles**, including:
 - Division of Labour
 - Authority & Responsibility
 - Unity of Command
 - Line of Authority
 - Centralisation
 - Unity of Direction
 - Equity
 - Order
 - Initiative
 - Discipline
 - Remuneration
 - Stability of Tenure
 - General Interest > Individual Interest
 - *Esprit de Corps* (Team Spirit)

(iii) Bureaucratic Management – Max Weber

- Aim: Efficiency through structure and rules.

- **Principles:**
 - a. Written rules and procedures.
 - b. Hierarchy of authority.
 - c. Fair evaluation and rewards.
 - d. Task interrelationship and coordination.
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4 NEO-CLASSICAL THEORY (1930–1960)

Focus: **Human relations and behaviour.**

Recognises that **motivation, relationships, and social factors** affect productivity.

(i) Human Relations Approach – Elton Mayo

- Based on **Hawthorne Experiments** at Western Electric Company.
- **Phases:**
 - a. *Illumination Tests* – Productivity not solely dependent on lighting.
 - b. *Relay Assembly Test Room* – Motivation due to special attention.
 - c. *Interviewing Program* – Importance of communication and attitude.
 - d. *Bank Wiring Room* – Group norms and peer pressure affect performance.
- **Conclusion:** Productivity improves when employees feel valued and socially connected (Hawthorne Effect).

(ii) Behavioural Science Approach

- Focus on motivation, leadership, communication, and group dynamics.
 - Foundation for **Organisational Behaviour (OB)**.
 - Key Insight: Productivity depends on **employee behaviour, attitude, and morale.**
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5 MODERN THEORY (1960–PRESENT)

Focus: Integration of **technology, environment, and systems thinking.**

(i) Management Science (Quantitative) Approach

- Uses **mathematical and statistical techniques** for decision-making.
- Includes **Operations Research, TQM, MIS, and Simulation Models.**
- Originated during **WWII (1940s)** to improve productivity and logistics.

(ii) Systems Approach

- Organisation = **Open system** of interrelated parts (Task, People, Structure, Technology).
- Operates through **Input → Process → Output → Feedback**.
- Emphasises **synergy** (combined effort > sum of individual parts).
- Example: HR System – input (people), process (training), output (performance), feedback (evaluation).

(iii) Contingency (Situational) Approach

- “No one best way” to manage.
- Best management style depends on **situation and environment**.
- Managers must adapt to **technology, people, and conditions** dynamically.

OVERALL HIGHLIGHT:

Week 2 bridges **managerial qualities** with **evolutionary management thought**.

It shows that successful management requires:

- **Human traits** (competence, creativity, communication)
- **Scientific foundation** (Taylor, Fayol, Weber)
- **Behavioural understanding** (Mayo)
- **Modern adaptability** (Systems & Contingency approaches)

In essence, **management is both a human and analytical discipline**, evolving from rigid structure to flexible, situational practice.

WEEK 3: MANAGEMENT CHALLENGES, SOCIAL RESPONSIBILITY, AND PLANNING

MANAGEMENT CHALLENGES AND HOW TO OVERCOME THEM

Managers face multiple practical challenges that affect team performance, motivation, and productivity.

Top 10 Challenges:

1. **Decreased Performance Levels** – Manage dips in motivation using engagement and recognition strategies.
 2. **Hiring Skilled Employees** – Focus on cultural fit and role-specific competencies.
 3. **Poor Communication** – Build clarity through regular feedback and open channels.
 4. **Poor Teamwork** – Foster collaboration and define clear team goals.
 5. **Dealing with Difficult Employees** – Handle conflicts early to preserve morale.
 6. **Time Management** – Prioritize tasks and set realistic deadlines.
 7. **Performance Pressure** – Manage stress, delegate tasks, and maintain work-life balance.
 8. **Skepticism** – Ensure transparency to build trust and credibility.
 9. **Retaining High Performers** – Recognize achievements, offer growth opportunities.
 10. **Firing Employees** – Handle terminations respectfully, communicate clearly.
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2 CAREER OPPORTUNITIES IN MANAGEMENT

Management graduates can work in all sectors – manufacturing, healthcare, finance, IT, tourism, and government.

Example roles:

- HR Director
- Financial Analyst
- Management Consultant
- Marketing Consultant
- Employee Relations Manager
- Compensation & Benefits Manager

Growth Strategies for Employees:

- Identify potential
 - Determine skill gaps
 - Offer stretch roles
 - Encourage continuous learning
 - Invest managerial time in development
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3 SOCIAL RESPONSIBILITIES AND ETHICS OF MANAGERS

Definition:

Social responsibility is the obligation of managers to contribute to society's welfare while protecting organisational interests.

Key Reasons for Social Responsibility:

1. **Organisational Resources** – Firms have people, money, and expertise to solve social issues.
 2. **Precautionary Measure** – Proactive engagement avoids future crises.
 3. **Moral Obligation** – Ethical duty to serve society.
 4. **Efficient & Effective Employees** – Socially responsible firms attract better talent.
 5. **Better Organisational Environment** – A responsible organisation fosters low turnover, low crime, and a positive image.
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4 FUNDAMENTALS OF PLANNING

Definition:

Planning is setting future goals and determining the actions, resources, and timelines to achieve them.

Two Concepts:

- **Planning:** The process of deciding future actions.
- **Plan:** The outcome—a specific, actionable commitment to a course of action.

Example:

India's Five-Year Plans illustrate how planning (process) leads to specific plans (documents and actions).

Importance:

- Anticipates change and uncertainty.
 - Focuses on objectives and coordination.
 - Provides control standards.
 - Improves resource effectiveness.
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5 TYPES OF PLANNING

Category	Description
Corporate vs Functional	Corporate covers entire organisation; Functional focuses on departments (HR, Finance, etc.)
Strategic vs Operational	Strategic = Long-term direction; Operational = Short-term actions
Long-term vs Short-term	Long-term = 3–5 years; Short-term = 1 year
Proactive vs Reactive	Proactive = anticipates change (Netflix, Amazon); Reactive = responds after change
Formal vs Informal	Formal = structured (used by large firms); Informal = intuitive (used by small firms)

6 STEPS IN ORGANISATIONAL PLANNING

- Perception of Opportunities** – Identify strengths, weaknesses, and market gaps.
- Establishing Objectives** – Set organisational and departmental goals.
- Planning Premises** – Make assumptions about internal/external factors.
- Identification of Alternatives** – Generate multiple ways to reach goals.
- Evaluation of Alternatives** – Assess feasibility and resource use.
- Selecting Best Course** – Choose or combine options; prepare contingency plans.
- Formulating Derivative Plans** – Create supporting plans (e.g., HR, Finance).
- Establishing Sequence of Activities** – Define timelines and assign responsibilities.

7 BARRIERS TO EFFECTIVE PLANNING

Common Barriers:

- Lack of top management support.
- Poor coordination across departments.

- Over-rigidity in plans.
- Inaccurate forecasting.
- Weak follow-up mechanisms.

Major Barriers Explained:

- **Inadequate Inputs:** Outdated or insufficient data.
 - **Lack of Ability:** Weak analytical and creative thinking.
 - **Sudden Emergencies:** Unexpected crises hinder planned actions.
 - **Resistance to Change:** Employees fear or reject new approaches.
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✓ OVERALL HIGHLIGHT:

Week 3 integrates **practical management realities** (challenges, ethics, and social responsibility) with **strategic and operational tools** (planning concepts, types, steps, and barriers). It connects theory with practice – showing how managers must plan proactively, act ethically, and adapt continuously to succeed.

WEEK 4: PLANNING PROCESS, PREMISES & TYPES OF PLANS

1 STEPS INVOLVED IN PLANNING

Planning is the **systematic process** of converting ideas into action through structured steps.

The process differs for each organisation, depending on scale and context.

8 Key Steps in Organisational Planning:

1. **Perception of Opportunities** – Identify potential opportunities, strengths, weaknesses, and threats.
2. **Establishing Objectives** – Define organisational and departmental goals; align with KRAs.
3. **Planning Premises** – Make assumptions about future internal & external conditions (economic, political, social, etc.).
4. **Identification of Alternatives** – Generate multiple ways to achieve goals.
5. **Evaluation of Alternatives** – Compare each option based on feasibility,

resources, and risk.

6. **Selecting the Best Course** – Choose the most practical and viable alternative (include contingency plan).
 7. **Formulating Derivative Plans** – Create supporting plans (HR, finance, procurement, R&D).
 8. **Establishing Sequence of Activities** – Define the order of implementation, responsibilities, and timelines.
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2] BARRIERS TO EFFECTIVE PLANNING

Despite following structured steps, some conditions limit planning effectiveness.

Common Barriers:

- Lack of top management involvement
- Poor coordination between departments
- Overly rigid plans
- Forecasting difficulties
- Weak follow-up

Major Barriers Explained:

- **Inadequate Inputs** – Outdated or insufficient data.
 - **Lack of Ability** – Weak analytical or creative skills.
 - **Sudden Emergencies** – Unexpected disruptions.
 - **Need for Creativity** – Resistance to innovation.
 - **Resistance to Change** – Employee reluctance toward new systems or strategies.
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3] PLANNING PREMISES

Definition:

Premises are **assumptions or anticipated conditions** under which plans are made. They represent the **expected environment** in which organisational plans will operate.

According to Koontz & Wehrich:

“Planning premises are the anticipated environment in which plans are expected to operate. They include assumptions or forecasts of the future and known conditions that will affect the operation of plans.”

Purpose of Planning Premises:

- Provide structure and direction for effective planning.
- Reduce uncertainty and risk.
- Improve coordination and profitability.

Types of Premises:

1. **Internal Premises** – Sales forecasts, company policies, resources, employee attitudes.
2. **External Premises** – Economic, political, legal, technological, and socio-cultural factors.

Importance:

Premises help managers align assumptions, predict trends, and make consistent decisions across departments.

4 | TYPES OF PLANNING PREMISES

Planning premises are classified based on **place, calculation, and control**:

Basis	Type	Key Points
Viewpoint of Place	External – Economic, political, technological, socio-cultural, international, and competitive factors	Analysed using environmental scanning to find opportunities & threats
	Internal – Organisational structure, management systems, resources	Evaluated through SWOT (Strengths, Weaknesses, Opportunities, Threats)
Viewpoint of Calculation	Tangible – Quantifiable (sales, production, cost, time)	Measurable in numbers
	Intangible – Qualitative (morale, reputation, leadership)	Cannot be measured; based on judgement
Viewpoint of Control	Controllable – Factors under	

Control	management control (money, materials, manpower)	
	Semi-controllable – Partly controlled (trade union relations, product demand)	
	Uncontrollable – Beyond control (natural disasters, political instability)	

5 ORGANISATIONAL PLANS – TYPES OF PLANS

Planning leads to multiple **types of plans** depending on hierarchy, frequency, and purpose.

1. Hierarchical Plans

Drawn at three levels:

- **Strategic Plans (Top-level)** – Long-term, big-picture goals (mission, vision, values, strategies).
- **Administrative Plans (Middle-level)** – Allocation of resources and coordination among departments.
- **Operational Plans (Lower-level)** – Daily procedures, short-term goals, standard operating methods.

2. Standing Plans

Used repeatedly; serve as **guidelines for recurring situations**.

- **Mission/Purpose:** Core reason for organisation's existence.
- **Strategies:** Long-term resource allocation plans.
- **Policies:** General guidelines for decisions (e.g., promotion, recruitment).
- **Rules:** Specific do's and don'ts (no-smoking policy).
- **Procedures:** Step-by-step methods for recurring activities (hiring, training, etc.).

3. Single-use Plans

Used once for specific goals or periods.

- **Objectives/Goals:** Define desired outcomes.
- **Programs:** Broad actions to achieve goals.
- **Projects:** Smaller tasks within a program.
- **Budgets:** Quantified financial or resource plans (used as control tools too).

4. Contingency Plans

Alternative plans prepared for **unexpected situations** (e.g., strikes, natural disasters). Help organisations remain flexible and responsive to uncertainty.

OVERALL HIGHLIGHT:

Week 4 consolidates the **core of the planning function** – from structured steps and assumptions (premises) to implementation through hierarchical and contingency plans. It emphasizes that **effective planning is a blend of analysis, flexibility, foresight, and coordination**, built on realistic assumptions about both internal and external conditions.

WEEK 5: OBJECTIVES, MBO (Management by Objectives), STRATEGY & POLICY

1 OBJECTIVES – ROLE AND IMPORTANCE

Definition:

Objectives are **specific, measurable end results** that an organisation aims to achieve within a set time frame. They are more precise than mission statements and guide all managerial efforts.

Terry & Franklin:

“A managerial objective is the intended goal that prescribes definite scope and suggests direction to the planning efforts of a manager.”

Key Points:

- Objectives specify **what** is to be achieved, **when**, and **by whom**.

- They can be **long-term or short-term** and provide focus to planning and decision-making.
- In some cases (e.g., unstable environment or formative stage), it may not be possible to set precise objectives.

Roles of Objectives:

1. **Define the Organisation** – Clarify its identity, purpose, and scope.
 2. **Provide Direction for Decision-Making** – Establish limits for managerial discretion.
 3. **Serve as Performance Standards** – Enable measurement and control.
 4. **Basis for Decentralisation** – Assign authority while maintaining coordination.
 5. **Integrate Organisation, Groups & Individuals** – Align efforts toward common goals.
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2 MANAGEMENT BY OBJECTIVES (MBO)

Definition:

MBO is a **strategic and systematic approach** to improve organisational performance by aligning **individual goals** with **organisational objectives**.

Coined by **Peter F. Drucker (1954)** in “*The Practice of Management*.”

Core Idea:

Managers and employees **jointly set goals**, monitor progress, and evaluate performance to achieve results efficiently.

Characteristics of MBO:

- Goals are **SMART** (Specific, Measurable, Achievable, Realistic, Time-bound).
- Emphasis on **participation, feedback, and performance review**.
- Encourages alignment between **corporate goals** and **individual KRAs**.

Types of Objectives under MBO:

1. **Work Objectives** – Key result areas (e.g., customer satisfaction).
2. **Targets** – Quantifiable results (e.g., sales, cost reduction).
3. **Tasks/Projects** – Time-bound deliverables.
4. **Behavioural Parameters** – Attitude and soft skills aligned with company values.
5. **Values** – Upholding company ethics and core principles.

6. **Performance Improvement** – Plans to enhance productivity and quality.
7. **Developmental Objectives** – Focus on skill and knowledge enhancement.

Prerequisites of Good Objectives:

- Clear, measurable, challenging yet achievable.
 - Time-bound, realistic, and consistent with organisational values.
 - Mutually agreed upon between manager and employee.
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3 STEPS IN THE MBO PROCESS

1. **Define Organisational Goals** – Set overall mission and measurable outcomes.
2. **Define Employee Objectives** – Translate corporate goals into individual responsibilities.
3. **Continuous Monitoring** – Track progress and ensure alignment.
4. **Performance Evaluation** – Assess outcomes against set objectives.
5. **Provide Feedback** – Offer guidance for improvement and adjustment.
6. **Performance Appraisal** – Formal review and setting new goals.

Benefits of MBO:

- Clarifies roles and responsibilities.
- Enhances teamwork and communication.
- Motivates employees through participation.
- Links performance with rewards and recognition.
- Builds loyalty by aligning personal and organisational success.

Examples:

- **Company Level:** Achieve ₹5 lakh monthly cash flow; reduce carbon footprint by 5%.
 - **Marketing:** Generate 1,000 MQLs per month; increase ROI by 7.5%.
 - **Sales:** 20% win rate; 3-month average sales cycle.
 - **HR:** Maintain 97% retention; implement leadership training.
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4 STRATEGY – DEFINITION AND LEVELS

Definition:

“Strategy is a course of action through which an organisation relates itself with its environment to develop advantages for achieving objectives.”

Key Concepts:

- Derived from Greek word “*Strategos*” (general’s art).
- Strategy = **Long-term direction + resource allocation + environmental adaptation.**
- Focuses on **what business to pursue, how to compete, and how to allocate resources.**

Levels of Strategy:

1. **Corporate Level Strategy** –
 - Formulated by top management.
 - Defines the **overall scope**, long-term goals, and allocation of resources.
 - Example: Diversification, mergers, or new market entry.
2. **Business Level Strategy** –
 - For each **Strategic Business Unit (SBU)**.
 - Determines **how to compete** in a particular market.
 - Example: Reliance’s different strategies for textiles, telecom, and petrochemicals.
3. **Functional Level Strategy** –
 - Departmental or tactical strategies (e.g., marketing, finance, HR).
 - Supports business-level strategy through specific actions (pricing, R&D, etc.).

Hierarchy:

Corporate Strategy → Business Strategy → Functional Strategy

Each lower-level strategy supports higher-level goals.

5 POLICY – MEANING, GUIDELINES & TYPES

Definition:

“A policy is a general statement or understanding that guides thinking and decision-making in an organisation.” – *Koontz & Weihrich*

Policies define **boundaries** and **guidelines** for consistent decision-making, ensuring

unified action across departments.

Guidelines for Effective Policies:

1. Must relate to organisational objectives.
2. Include specific steps and actions.
3. Simple, clear, and easy to understand.
4. Based on facts and figures.
5. Precise yet flexible to adapt to changes.
6. Ensure consistency and fairness across all levels.

Types of Policies:

Type	Description	Example
Formulated	Explicitly written policies guiding employee actions	Recruitment policy, quality policy
Implied	Based on managerial behaviour or verbal communication	Unwritten code of conduct
Imposed	Influenced by external forces like government or parent company	Labour law compliance, leave policy
Appealed	Created in response to requests from subordinates or special cases	Compassionate appointment policy

Example (Hotel Industry):

- **Construction Policy:** Limit hotel size (300–500 rooms).
- **Food & Beverage Policy:** Attach foreign chef to each hotel.
- **Service Policy:** Personalized guest experience.
- **Pricing Policy:** Premium pricing with high-value service.
- **Manpower Policy:** Select best candidates and train intensively.
- **Delegation Policy:** Decentralised authority to hotel managers.

✓ OVERALL HIGHLIGHT:

Week 5 focuses on the **core managerial frameworks** –

- **Objectives** define what to achieve,
- **MBO** provides the process to align and measure it,
- **Strategy** outlines how to achieve it, and
- **Policy** gives operational direction and consistency.

Together, these form the **foundation of effective management planning and execution**, connecting goals, actions, and accountability across all organisational levels.



WEEK 6: DECISION MAKING & ORGANISING

1 DECISION MAKING – DEFINITION & CONCEPT

Definition:

Decision-making is the **process of selecting the best course of action** among alternatives to achieve objectives.

It is central to all managerial functions – planning, organising, staffing, directing, and controlling.

William Moore: “Management means decision-making.”

Felex M. Lopez: “A decision represents a judgement or a commitment to action in uncertainty.”

Shull et al.: “Decision-making is a conscious human process based on facts and values that concludes with a choice of one behavioural activity.”

Nature:

- Both **managerial function** and **organisational process**.
 - Involves **individual and group participation**.
 - Rooted in **problem-solving** and **rational thinking**.
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2 COMPONENTS OF DECISION MAKING

1. Decision Environment:

- Consists of information, alternatives, values, and preferences available at decision time.
- Limited by **time, effort, and resources**.

- Decisions are made under **uncertainty and risk**.
2. **Quantity of Information:**
 - Excess information causes **delay, overload, selective bias**, and **mental fatigue**.
 - Managers must balance **adequacy and efficiency**.
 3. **Decision Streams:**
 - Decisions are **interconnected** – past decisions shape current ones, and current ones influence future choices.
 - Each decision exists within a **continuum** of prior and future actions.
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3 RATIONAL DECISION-MAKING PROCESS

Decision-making is a **dynamic and continuous process** involving multiple stages:

1. **Setting Specific Objectives** – Define what needs to be achieved.
 2. **Problem Identification** – Recognize the gap between the current and desired state.
 3. **Diagnosis** – Identify symptoms and root causes of the problem.
 4. **Analysis** – Determine who decides, what information is needed, and its sources.
 5. **Search for Alternatives** – Generate possible courses of action.
 6. **Evaluation of Alternatives** – Assess tangible (quantitative) and intangible (qualitative) factors.
 7. **Choice of Alternative** – Select the most suitable one (based on *satisficing*, not maximizing).
 8. **Action (Implementation)** – Convert decision into operational results with subordinate support.
 9. **Results & Feedback** – Compare outcomes with objectives and modify future decisions.
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4 INTRODUCTION TO ORGANISING

Definition:

Organising is the **process of establishing relationships among people and tasks** to achieve objectives efficiently.

It involves **division of work, assignment of duties, and coordination**.

Louis A. Allen:

“Organising involves identification and grouping of activities and creating

authority-responsibility relationships."

Purpose:

- Defines roles and responsibilities.
 - Facilitates coordination and delegation.
 - Ensures effective resource utilisation.
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5 PROCESS OF ORGANISING

1. **Determination of Objectives** – Define enterprise goals.
 2. **Enumeration of Activities** – Identify tasks to achieve objectives.
 3. **Classification of Activities** – Group similar functions (e.g., production, HR, finance).
 4. **Assignment of Duties** – Allocate responsibilities to individuals.
 5. **Delegation of Authority** – Grant authority to execute assigned duties.
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6 ORGANISATION STRUCTURE

Meaning:

Organisation structure shows **who reports to whom** and how roles are related. It defines **authority, responsibility, communication, and coordination** patterns.

Significance:

- Promotes teamwork and clarity.
 - Facilitates decision-making.
 - Encourages initiative and innovation.
 - Supports enterprise growth.
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7 ORGANISATION DESIGN – KEY ELEMENTS

Organisation design integrates **people, processes, and technology** to achieve goals.

Six Key Elements:

1. **Work Specialisation** – Division of work based on skills.
2. **Departmentalisation** – Grouping jobs into units (by function, product, geography, process, or customer).

3. **Chain of Command** – Clear reporting relationships.
 4. **Span of Control** – Number of subordinates managed effectively (ideal: 6–8).
 5. **Centralisation vs Decentralisation** – Where decisions are made.
 6. **Formalisation** – Extent to which rules and procedures guide actions.
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8 FACTORS AFFECTING ORGANISATION STRUCTURE

Factor	Impact
Size	Larger organisations → more formal, hierarchical structure.
Life Cycle	Birth → Youth → Midlife → Maturity; structure evolves from simple to complex.
Strategy	Structure must align with goals (organic for innovation, mechanistic for efficiency).
Environment	Stable → mechanistic; Dynamic → organic.
Technology	Small-batch → flexible; Mass production → rigid; Continuous → automated, organic.

9 TYPES OF ORGANISATION STRUCTURES

Mechanistic (Classical)	Organic (Modern)
Highly specialised, rigid hierarchy	Flexible, team-based, adaptive
Narrow span of control	Wide span of control
Centralised decisions	Decentralised authority
High formalisation	Low formalisation

10 MODERN ORGANISATIONAL DESIGNS

1. **Team Structure** – Based on cross-functional teams; promotes flexibility and collaboration.

2. **Matrix/Project Structure** – Dual reporting (functional + project manager); encourages resource sharing.
 3. **Boundaryless Structure** – Removes hierarchy; encourages open communication.
 4. **Virtual Organisation** – Small core firm outsources major functions (e.g., Nike, IBM).
 5. **Modular Organisation** – Uses external suppliers for components, focusing on assembly and integration.
-

1 | 1 DEPARTMENTALISATION – BASIS AND TYPES

Grouping activities into departments improves coordination and focus.

Type	Basis	Example
Functional	By activities (Production, Marketing)	Manufacturing firm
Geographical	By region	Multinational companies
Product	By product line	Samsung – phones, TVs
Process	By production stages	Textile or chemical industries
Customer	By client type	HP – Consumer vs Enterprise division

1 | 2 SPAN OF CONTROL / MANAGEMENT

Definition:

Number of subordinates a manager can effectively supervise.

- Narrow span → more hierarchy, close supervision.
- Wide span → fewer layers, more autonomy.
- Ideal ratio:
 - **Top level:** 1:6
 - **Lower level:** 1:20

VA Graicunas Formula:

An arithmetic increase in subordinates leads to geometric growth in relationships –

hence, span must be balanced.

OVERALL HIGHLIGHT:

Week 6 unites two key managerial dimensions – **Decision Making** (analytical and problem-solving process) and **Organising** (structural and operational setup).

Together, they show how **effective decisions** drive **efficient organisational structures**, enabling clarity, coordination, and control – the essence of successful management practice.

WEEK 7: ORGANISATION, POWER, STAFFING & HR PLANNING

1 FORMAL AND INFORMAL ORGANISATION

Formal Organisation

- **Definition (Chester I. Barnard):**
A system of consciously coordinated activities among two or more people with defined authority, responsibility, and accountability.
- **Essence:** Built around division of labour, hierarchy, defined structure, and span of control.
- **Purpose:** Achieve organisational goals efficiently through planned coordination.

Characteristics:

- Deliberately designed by management.
- Defines clear roles, relationships, and accountability.
- Bound by rules, systems, and procedures.
- Focuses on jobs, not individuals.
- Impersonal – doesn't consider emotions or sentiments.

Advantages:

- Clear responsibility and accountability.
- Ensures order, coordination, and discipline.
- Provides structure for achieving goals.

Disadvantages:

- Ignores personal goals and emotions.
 - Overly rigid; can reduce flexibility and innovation.
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Informal Organisation

- **Definition:**

Emerges naturally from personal and social relationships among people in the workplace – not planned or prescribed by management.

- **Nature:** Spontaneous, voluntary, and emotional in origin.

Characteristics:

- Arises naturally without formal authority.
- Based on friendship, language, culture, or interests.
- No fixed hierarchy; overlaps with multiple groups.
- Communication is informal and faster.

Benefits:

- Complements formal structure, improving effectiveness.
- Boosts morale, belonging, and job satisfaction.
- Acts as a safety valve for stress and frustrations.
- Enhances communication, cooperation, and productivity.

Managerial Attitude:

Keith Davis: "Both formal and informal systems are necessary for group activity – like two blades of a pair of scissors."

Managers should understand informal networks and use them positively to support organisational goals.

2 POWER AND AUTHORITY

Basis	Power	Authority
Meaning	Ability to influence or control	Legal right to command and make

	others' actions	decisions
Nature	Personal, informal	Formal, positional
Source	Knowledge, charisma, expertise	Official position in hierarchy
Flow	Any direction (upward, downward, diagonal)	Downward (superior → subordinate)
Legitimacy	Not always legitimate	Always legitimate
Dependency	Lies in person	Lies in designation

 **Essence:**

Power is **influence-based**, while authority is **position-based**.

Both are necessary – power for persuasion, authority for command.

3 | CONFLICT MANAGEMENT

Definition:

Conflict management is the process of identifying and handling disputes **sensibly, fairly, and efficiently**.

Conflicts arise due to **divergent goals, values, and interests**, and must be resolved constructively.

Importance:

- Maintains healthy relationships and teamwork.
- Prevents disruption and promotes productivity.
- Essential in competitive, high-pressure environments.

Approach:

- Understand causes → Communicate openly → Seek common goals → Use mediation if necessary.
-

4 COORDINATION

Definition:

Coordination ensures **unity of action** among individuals, groups, and departments toward common organisational objectives.

Purpose:

- Harmonises efforts to reduce conflict and duplication.
- Links departmental goals with organisational objectives.
- Essential for teamwork and synergy.

Features:

- Integrates efforts of different departments.
 - Achieves unity and synchronisation of actions.
 - Continuous managerial responsibility.
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5 ORGANISATIONAL CHANGE

Meaning:

Organisational change involves modifying **structure, strategy, culture, technology, or processes** to adapt to internal and external pressures.

Types of Forces:

- **Controllable:** Internal (e.g., staff, policies).
- **Uncontrollable:** External (e.g., technology, competition, market).

Reasons for Change:

- Technological advancements.
- Globalisation and new market conditions.
- Customer expectations and poor performance.

Challenges:

- Resistance due to fear of adjustment or uncertainty.
 - Change must be managed strategically with communication and participation.
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6 STAFFING – MEANING & IMPORTANCE

Definition:

“Staffing involves manning the organisation structure through proper and effective selection, appraisal, and development of employees.” – Koontz & O’Donnell

Core Activities:

- **Manpower Planning**
- **Recruitment, Selection, and Placement**
- **Training and Development**
- **Performance Appraisal**
- **Promotion and Transfer**
- **Remuneration and Orientation**

Importance:

- Ensures *right person at the right job at the right time*.
- Enhances productivity and morale.
- Supports employee development and retention.
- Promotes harmony and reduces turnover.

7 PROCESS OF STAFFING

1. **Estimating Manpower Requirements** – Analyse current and future needs.
2. **Recruitment & Selection** – Identify and hire capable candidates.
3. **Training & Development** – Enhance skills and performance.
4. **Promotion & Transfer** – Reward merit and ensure optimal placement.
5. **Remuneration** – Fair compensation to motivate employees.
6. **Orientation** – Familiarise new employees with workplace culture.
7. **Performance Evaluation** – Review, monitor, and improve performance.

8 HUMAN RESOURCE PLANNING (HRP)

Definition:

HRP is the process of forecasting **future manpower needs and availability**, and

developing plans to balance them.

Gordon McBeath:

"HRP is concerned with planning of manpower requirements and supplies."

Need for HRP:

- Avoid shortages or surpluses.
- Base recruitment and training on real needs.
- Reduce labour costs and improve utilisation.
- Stabilise workforce and plan for future expansion.

Four Phases:

1. **Data Gathering & Forecasting** – Assess current manpower and future trends.
 2. **Setting Objectives & Policies** – Align with corporate strategy.
 3. **Implementation** – Execute recruitment, training, and retention plans.
 4. **Control & Evaluation** – Review outcomes and refine strategy.
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9 HRP PROCESS STEPS

1. **Environmental Scanning** – Analyse external factors (economic, social, political, technological).
 2. **Setting Organisational Objectives** – Align HR needs with goals.
 3. **Forecasting HR Demand** – Estimate future personnel quantity and quality.
 4. **Forecasting HR Supply** – Determine availability (internal/external sources).
 5. **HR Programming** – Match demand and supply.
 6. **Implementation** – Execute HR initiatives.
 7. **Control & Evaluation** – Measure success against plans.
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10 JOB ANALYSIS, DESCRIPTION & SPECIFICATION

Job Analysis:

Study of a job's duties, skills, and responsibilities to define what work is done and who fits it.

Aspect	Definition	Outcome
Job	Written statement of duties, responsibilities,	Defines what the job

Description	and conditions.	entails.
Job Specification	Statement of required qualifications, skills, and attributes.	Defines who fits the job.

Importance:

- Forms basis for recruitment, training, performance appraisal, and compensation.
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1 | 1 RECRUITMENT – MEANING & POLICY

Definition:

“Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs.” – *Edwin B. Flippo*

Objective:

To attract qualified applicants and create a talent pool for current or future vacancies.

Process:

- Identify vacancies → Source candidates (internal/external) → Screen applications → Select candidates.

Recruitment Policy Includes:

- Promotion-from-within policy.
 - Equal opportunity and diversity principles.
 - Centralised vs decentralised recruitment.
 - Budget and procedural guidelines.
 - Legal and ethical compliance.
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✓ OVERALL HIGHLIGHT:

Week 7 covers **human and structural aspects** of management – from **formal/informal organisation** and **power dynamics**, to **staffing and HR planning**.

It integrates **structure, people, and processes**, showing that effective management depends on both **technical systems and human relationships**, supported by systematic recruitment, training, and evaluation.
