TRIMESTER I

BA6111 - PRINCIPLES OF MANAGEMENT

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Management and Global Theory of Management.

Total: 45

TEXT BOOK

1. H. Koontz, H. Weihrich, and Ramachandra Aryasri A., “Principles of Management”, 1st Edition, Tata McGraw -Hill Publishing Company Ltd., 2006.

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1. Stephen P Robbins, “Fundamentals of Management: Essential Concepts and Applications”, 5th Edition, Pearson Education., 2005

2. R. Sivarethinamohan and P. Aranganathan, “Principles of Management”, 1st Edition, CBA/Tata McGraw -Hill Publishing Company Ltd., 2005.

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PRINCIPLES OF MANAGEMENT-BA*111

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Principles of Management

Definition of Management

“Management is the process of designing and maintaining of an environment in which individuals working together in groups efficiently accomplish selected aims”.

Koontz and weihrich

“Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way.” F.W.Taylor

Management --- Science or an Art

What is science?

The following characteristics are essential for a subject to be recognized as a science.

- The existence of a systematic body of knowledge with array of principles.
- Based on scientific enquiry.
- Principle should be verifiable.
- Reliable basis for predicting future events.

Management as a discipline fulfills the science criterion. The application of these principles helps any practicing manager to achieve the desired goals. Management is a dynamic subject in that it has heavily from economic, psychology, sociology, mathematics and engineering. Management is multi disciplinary in nature.

Science classified in to two types. There are exact science and inexact science. Exact science where the results are accurate. In the case of management it is an inexact science.

Management is inexact science because

- Every organizations human resources are different attitudes, aspirations and perceptions. So standard results may not be obtained.
- Readymade and standard solutions cannot be obtained.
- Management is complex and unpredictable.
- Every organization decisions are influenced by the environment. The environment is so complexes and unexpected changes.

What is an art?

Art means application of skill in finding a desired result. Art is the way of doing things skillfully. Management is an art because of the following facts.

- Management process involves the use of practical knowledge and personal skills.
- Management is creative.
- Application of practical knowledge and certain skills helps to achieve concrete results.

Management is both – science and an art:

Management is a science because it contains general principles. It is also and art because it requires certain personal skills to achieve desired results.

Is Management a Profession?

According to McFarland, following are the characteristics of profession:

1. Existence of an organised and systematic knowledge.
2. Formalized methods of acquiring training and experience
3. Existence of an association with professionalization as its goal.
4. Existence of an ethical code to regulate the behaviour of the members of the profession.
5. Charging of fees based on service , but with due regard for the priority of service over the desire for monetary reward.

Management, does not posses all the above characteristics of a profession. Unlike medicine or law, Management does not have any fixed norms of managerial behaviour. There is no uniform code of conduct or licensing of managers. Further the entry to managerial jobs is not restricted to individuals with a special academic degree only. In the light of this analysis we can conclude that management cannot be called a profession.

MANAGEMENT AND ADMINISTRATION

The two terms 'Management' and ' Administration' are used interchangeably.There is a lot of controversy on the use of these two terms.

1. **Administration is above management:**

Many management experts like Oliver Shelton, Milward, Lansberg, etc are view that administration is higher-level activity. Administration is concerned with decision - making and policy formulation, while management is concerned with the execution of what has been laid down by the administrators.

2. **Administration is a part of management:**

According to E.F.L.Breech "management is the generic term for total process of executive control involving responsibility for effective planning and guidance of the operations of an enterprise.Administration is the part of management which is concerned with the installation and carrying out of the procedure by which the programme is laid down and communicated and the progress of activities is resulted and checked against plans. This breech concerns administration as part of management.

3. **Administration and managemnt are the same:**

The third view is a more practical one, where there is no distinction between the two terms 'management' and 'administration'. Management is used for higher level functions like plans, organizing, directions and controlling in a business organization where as administration is used for the same set of functions in government organizations.

Sl.no	Administration	Management
1.	It is the higher level functions	It is the lower level functions
2.	It refers to the owners of the organization	It refers the employees
3.	Administration is concerned with decision making	Management is concerned with execution of decision
4.	It acts through the management	It acts through the organization
5.	Administration lays down broad policies and principles for guidance	Management executes these policies into practice.

APPROACHES TO MANAGEMENT

I. Early Classical Approach

F.W. Taylor's scientific Management

Fredrick Winslow Taylor is called "father of scientific management." He joined as a labour at Midvale steel company in U.S.A at 1878.He became chief engineer in the year 1884 in the same company. He published papers on "price rate system" and shop management. He published a book on "the principles of scientific management" in 1911.

Taylor attempted a more scientific approach to management as well as the problems and the approach was based upon four basics principles.

- Observation and measurement should be used in the Organizations.
- The employees should be scientifically selected and trained.

- Due to scientific selection and training of employee has the opportunity of earning a high rate of pay.

A mental revolution in the form of constant cooperation between the employer and employees should be given the benefits of scientific management.

Principles of scientific management

Taylor conducted various experiments at the work place to find out how human beings could be made more efficient by standardization the work. The following are the features of scientific management.

1 .Separation of planning and doing:

- Taylor suggests the separation of planning from actual doing.
- Taylor says that supervisor should be done the planning.
- The workers only concentrate on doing the work.

2. Functional foremanship:

- Taylor developed a theory called functional foremanship based on specialization of functions.
- In this system eight foreman were involved to direct and control the activities of the workers.

3 .Job analysis:

Every job that requires minimum movements and less cost and least time is the best way of doing the job. This can be determined by motion, time and fatigue study.

(a)Time study:

The movement, which takes minimum time, is the best one. This helps in firms the fair work for a period.

(b) Motion study:

Taylor suggested that eliminating wasteful movements and performing only necessary movements.

(c)Fatigue study:

Employees are both physical as well as mental fatigue easily. Fatigue study indicates the amount and frequency of rest required in completing the job. Taylor suggests a fair day's work requiring certain movements and periods to complete it.

4. Standardization:

Standards must be maintained in respect a instruments and tools, period of work, amount of work, working conditions, cost of production etc. Normally these standards will be fixed in advance on the basis of various experiments

5. Scientific selection and training:

- Taylor has suggested that workers should be selected on scientifically.
- A worker should be physically and technically most suitable.
- After selection should be given on the training of workers which makes them more efficient and effective.

6. Financial incentives:

- Financial incentives can motivate the workers to put in their maximum efforts.
- According to this scheme a worker who completes the normal work gets wages at higher rate.
- Who does not complete gets at a lower rate.
- Taylor has suggested that wages should be based on individual performance and not on the position which he occupies.

7. Economy:

- Scientific management enhances profit and economy.
- The economy and profit can be achieved by making the resources more productive as well as by eliminating the wastages.

8. Mental Revolution:

- Scientific management is based on co-operation between management and workers.
- Co-operation enhances the effective managerial activities.
- Mutual conflict should be replaced by mutual co-operation which is beneficial to both.

Henry Fayol's Contribution

Henry Fayol, a French industrialist concentrated on that administrative aspect of scientific management. His contributions and concentrated in his famous book" The general and industrial administration". Fayol's famous book into two parts. The first is concerned with the theory of administration in which Fayol divided the total industrial activities into six categories which are given below:

1. Technical (Production, Manufacture)

2. Commercial (Buying, Selling, Exchange)

3. Financial (Search for and optimum use of capital)

4. Security (Protection of property and person)

5. Accounting (Balance sheets, Cost statistics)

6. Management (Planning, Organizing, Coordinating, Directing, Controlling)

The second is concerned with the fourteen principles of management .They are

1. **Division of work.**
2. **Authority and Responsibility.**
3. **Discipline**
4. **Unity of Command.**
5. **Unity of Direction.**
6. **Subordination of individual interest to general interest.**
7. **Remuneration of personnel.**
8. **Centralization.**
9. **Scalar chain.**
10. **Order.**
11. **Equity.**
12. **Stability of tenure of personnel.**
13. **Initiative**
14. **Esprit decorps.**

1. Division of work:

Work should be divided in a proper way with reference to the available time. In general worker on the same job and the managers on the same duty acquire ability sureness and accuracy which increase their output.

2. Authority and Responsibility:

Authority: It is the power given to a person to get work from his subordinates.

Responsibility: It is the kind and amount of work expected of from a man by his superior. One of the essential elements of a good management is delegation of authority to the lower levels of management and fixing responsibility on town.

3. Discipline:

Discipline is very essential for the smooth running of organizations. To Fayol, discipline will result from good leadership at all levels of the organization, fair agreements and judiciously enforced penalties for infractions.

4. Unity of command:

An employee must receive orders and instructions from one supervisor only. Multiple commands will cause conflicts and confusions. A sound management should avoid dual commands.

5. Unity of Direction

Unity of direction signifies each group of activities having the same objectives must have one head and one plan. All the groups should coordinate and work together to achieve the common goal.

6. Subordination of individual interest to general interest:

Every employee is working in an organization and his interest is to earn money to meet his personal needs. The general interest of the organization is development and the progress of the organization.

The employees should give importance first to the general interest than his individual interest. It will lead to effective management of the organization.

7. Remuneration of personnel:

Remuneration should be fair for both the employees and employers. The wage Payment systems should satisfy the employees.

8. Centralization:

The organization is centralized when the power is connected with one person. If the power is fully distributes to the subordinates of the organization is fully decentralized. For effectives management of people decentralization is necessary. Decentralization helps to take a quick decision on all important problems.

9. Scalar chain:

Scalar chain principles states that instructions and orders should be sent from the top management to the lower management.

10. Order:

Two types of order 1) Materials order 2) Social order.

In any organization materials and for men are correct places provided. So that materials can be easily taken out and men easily located and also save time.

Materials order:" A place for everything in its place"

Social order:" A place for everyone and everyone in place".

11. Equity:

Equity refers to the treatment of employees equally. Equal treatment of the employees helps to achieve organizational goals.

12. Stability of staff:

A high employee turnover rate is not good for the efficient functioning of any organization.

13. Initiative:

It is concerned with thinking and execution of a plan. When employees come forward with new ideas, they must be encouraged by the superiors. It will create the morale of the employees.

14. Esprit-de-corps:

This means union is strength. In organization employees should be harmony and unity. It improves employee morale.

II. NEO- CLASSICAL APPROACHES

These approaches are called neo-classical because they do not reject the classical concepts but only try to refine and improve them.

A.THE HUMAN RELATIONS MOVEMENT:

The real inspiration for the movement, however, came from the Hawthorne experiments which were done by Prof. Elto Mayo" and his colleagues at the Western Electric Company's plant in Cicero. Illinois from 1927 to 1932. The plant employed 29,000 workers to manufacture telephone parts and equipment. We briefly describe these experiments in the following four parts:

- Illumination Experiments.
- Relay Assembly Test Room.
- Interviewing Programme.
- Bank Wiring Test Room.

ILLUMINATION EXPERIMENTS

In this phase, the popular belief that productivity is correlated with illumination was tested. Experiments were done on a group of workers. Their productivity was measured at various levels of illumination. But the results were erratic. Puzzled with this phenomenon, researchers, improved their methodology. 2 groups of workers, in different buildings are take. One group called the control group worked under constant level of illumination and the other group called the test group worked under under changing levels of illumination. The post-test productivity of the two groups was then compared and it was found that illumination affected production only marginally.

RELAY ASSEMBLY TEST ROOM

In this phase, the object of the study was broadened. It now aimed at knowing not only the impact of illumination on production but also of such other factors as length of the working day, rest pauses , their frequency and duration and other physical conditions. A group of six women workers, who were friendly to each other, was selected for this experiment. These women workers, were told about the experiment and were made to work in a very informal atmosphere with a supervisor- researcher in a separate room. The superviser-researcher acted as their friend, philosopher and guide. During the study , several variations were made in the working conditions to find which combinations of conditions was most ideal for production . Surprisingly, the researchers found that the production of the group had no relation with working conditions. It went on increasing and stabilized at a high level even when all the improvements were taken away . The following factors are identified for the constant performance,

A. Warm informality in the small group and tension-free inter personal and social relations as a result of the relative freedom from strict supervision and rules.
B. High group cohesion among girls.

INTERVIEWING PROGRAMME

In this phase, they wanted to know as to what were the basic factors responsible for human behavior at work. For this purpose they interviewed more than 20,000 workers. At first, direct questions were asked relating to the type of supervision, working conditions, living conditions and so on. But since the replies were guarded, the technique was changed to Non-directive type of interviewing. In which workers were free to talk. This study revealed that the workers' social relations inside the organisation influence their attitudes and behaviors.

BANK WIRING OBSERVATION ROOM

This phase involved an in-depth observation of 14 men making terminal banks of telephone wiring assemblies, to determine the effect of informal group norms and formal economic incentives on productivity. It was found that the group evolved its own production norms for each individual worker, which were much lower than those set by the management. Workers would produce that much and no more, thereby defeating the incentive system.

B. BEHAVIOURAL APPROACH

This approach is an improved and a more mature version of the human relations approach to management. Douglas McGregor, Abraham Maslow, kurt Lewin, Chester Barnard, Mary Parker Follett, George Homans, Rensis Likert, Argyris, and Warren Bennis 18 are some of the foremost behavioral scientists contributed to the development of the behavioral approach to management. These people prefer more flexible organisation structures and jobs built around the capabilities and aptitudes of average employees. to participative and group decision-making. Encouraging the process of self-direction and control . It organisations as groups of individuals with certain goals. The democratic-participative style is desirable, motivation is complex man. This model suggests that different people react differently to the same situation or react the same way to different situations. No two people are exactly alike, and the manager should tailor his attempts to influence people according to their individual needs. Conflict is inevitable and sometimes is even desirable.

III. MODERN APPROACH

A. QUANTITATIVE APPROACH

This approach is also called the management science approach. It gained momentum during the Second World War . The interdisciplinary groups of scientists who were engaged for this purpose were known as Operations Research (OR) teams. In later years, when the war ended, people made use of this technique in solving problems of industry also. A mixed team of specialists form relevant disciplines is called in to analyses the problem a course of action to the management. The OR team presents the management with a rational base for making a decision.

B. SYSTEM APPROACH

Like a human organism an organisation is a system. In an organisation also people, tasks and the management are interdependent.

SYSTEM CONCEPTS:

System theory was first applied in the fields of science and engineering.

"A system is essentially a set or assemblage of things interconnected or independent, so as to form a complex unity".

SOME KEY CONCEPTS:

SUBSYSTEM:

While an organisation as a whole is a system, the various components or parts within it are called the subsystem. Thus a department is a subsystem of the organisation.

CLOSED SYSTEM;

A system that does not interact with its environment A closed system has fixed boundaries, its operation is relatively independent of the environment outside the system.

OPEN SYSTEM;

A system that interacts with its environment. Thus an open system is one which constantly comes into contact with the environment.

SYNERGY:

Synergy means that departments that interact cooperatively are more productive than they would be if they operated in isolation.

These resources are called as inputs. These inputs are converted into products using technology, systems and methods.

Systems approach of management provides an integral approach to management. This approach is more useful in managerial decision. It provides a framework through which organisation. Environment interaction can be analyzed and contributes for effective decision-making.

C. CONTINGENCY APPROACH:

The contingency approach is also called as situational approach. It is developed b managers,consulant and researchers who tried to apply y for real life situation. Some management concepts are very effectively in one situation. The same management concept is failed in other situation .Results or solutions differ.

In contingency approach theory managers identify which is suitable technique for a particular person ,particular environment of the organisation at a specific time.

The contingency approach theory is more favor to the modern management theory.

External environment

DIFFERENT APPROACHES TO THE ANALYSIS OF MANAGEMENT

EMPIRICIAL OR CASE APPPROACH

Studies experience through cases. Identifies successes and failures.

INTERPERSONAL BEHAVIOR APPROACH

Focus on interpersonal behavior, human relations, leadership, and motivation. Based on individual psychology.

GROUP BEHAVIOR APPROACH

Emphasis on behavior of people in groups. Based on sociology and social psychology. Primarily study of group behavior patterns. The study of large groups is often called "Organization behavior."

COOPERATIVE SOCIAL SYSTEMS APPROACH

Concerned with both interpersonal and group behavioral aspects leading to a system of cooperation. Expanded concept includes any cooperative group with a clear purpose.

SOCIO- TECHNICAL SYSTEMS APPROACH

Technical system has great effect on social system (Personal attitudes, group behavior). Focus on production, office operations, and other areas with close relationships between the technical system and people.

DECISION THEORY APPROACH

Focus on the making of decisions, persons or groups making decisions, ad the decision making process .

SYSTEMS APPROACH

Systems concepts have broad applicability. System have boundaries, but they also interact with the external environment; i.e., organizations are open system. Recognizes importance of studying interrelatedness of planning. Organizing , and controlling in an organization as well as the many subsystems.

MATHEMATICAL OR " MANAGEMENT SCIENCE " APPROACH

Managing is seen as mathematical processes, concepts, symbols, and models. Looks at management as a purely logical process, expressed in mathematical sysbols and relationships.

CONTINGENCY OR SITUATIONAL APPROACH

Managerial practice depends on circumstances (i.e., a contingency or a situation). Contingency theory recognizes the influence of given solutions on organizational behavior patterns.

MINTZBERG'S MANAGERIAL ROLES APPROACH

Original study consisted of observations of five chief executives. On the basis of this study. Ten managerial roles were identified and grouped into (1) interpersonal, (2) informational, and (3) decision roles.

McKINSEY'S 7-S FRAMEWORK APPROACH

The seven S's are (1) strategy, (2) structure, (3) systems, (4) style, (5) staff, and (6) shared values, (7) skills.

OPERATIONAL APPROACH

Draws together concepts, principles , techniques, and knowledge from other fields and managerial approaches. The attempt is to develop science and theory with practical application. Develops classification system built around the managerial functions of planning, organizing, staffing, leading, and controlling

CONTINGENCY APPROACH:

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In contingency approach theory managers identify which is suitable technique for a particular person ,particular environment of the organization at a specific time.

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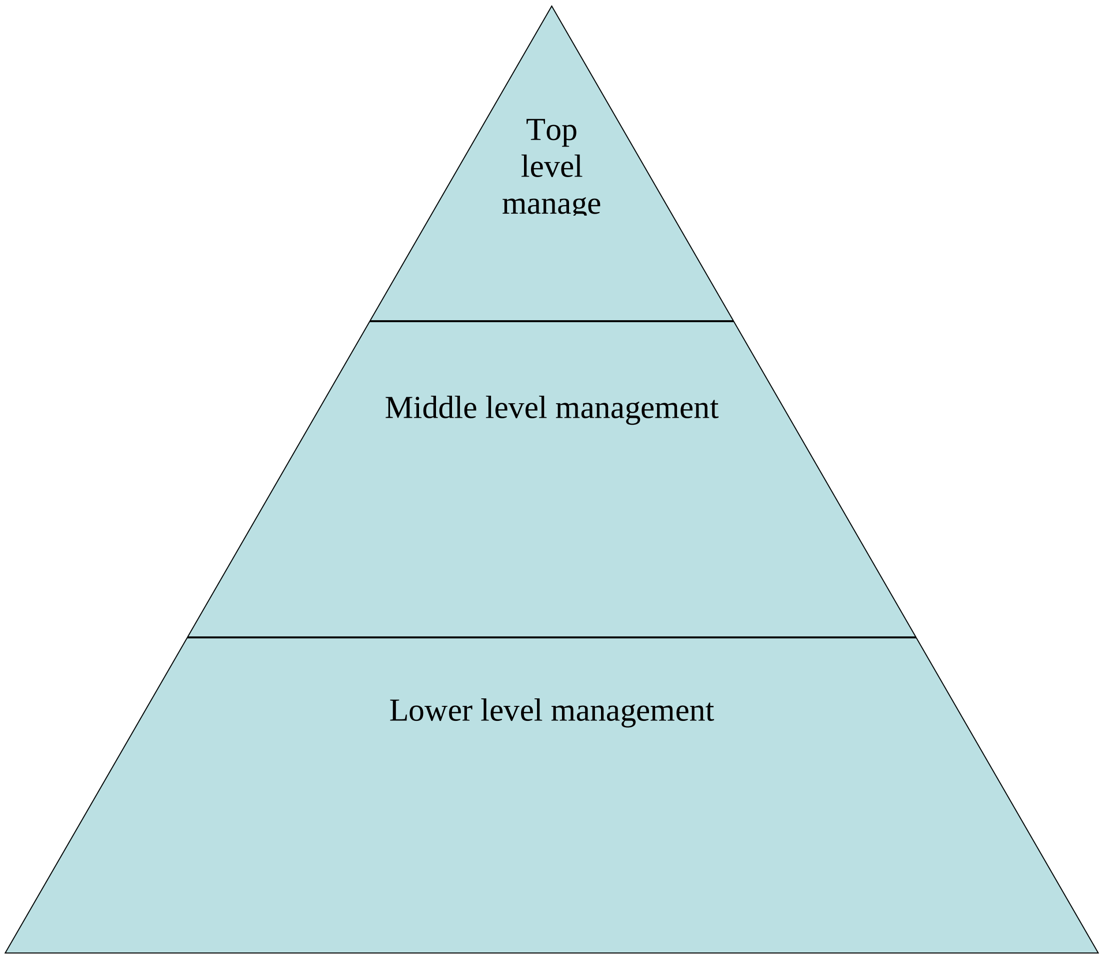
Management Levels

The three levels of management that are commonly found it any organization are top, middle and lower management.



Top level management:

The main functions of top management are

1. To formulate goals and policies of the company.
2. To formulate budgets.
3. To appoint top executives.
4. To provide overall direction and leadership of company.

Middle level management:

The improvement functions of middle level management.

1. To monitor and control the operating performance.
2. To train, motivate and develop supervisory level.
3. To co-ordinate among themselves so as to integrate various activities of a department.

Lower level management:

The main functions of lower level management

1. To train and develop the efficiency of the workers.
2. To assign jobs to workers.
3. To give orders and instructions.
4. To maintain discipline and good human relationship among workers.
5. To report feedback information about workers.

Managerial Skills

For analysis, skills required of any manager are classified under three different heads technical, human and conceptual skill.

1. Technical skill:

It refers to the ability to the tools, equipment, procedures and techniques.

Effective supervision and coordinating of the work of the subordinates. Therefore depends on technical possessed by the lower level market.

2. Human skill:

Human skill refers to the ability of manager to work effectively as a group member and to build cooperative effort in the team he leads.

Human skills are concerned with understanding of ‘people’.

Manager’s skill in working with others is natural and conditions.

3. Conceptual skills:

This skill also called design and problem. Solving skill involves the ability.

- To see the organization and the various components of its as a whole.
- To understand how its various parts and functions mesh together.
- To foresee how changes in any one of these may affect all the others.
- A higher degree of conceptual skill helps in analyzing the environment and in identifying the opportunities.

Managerial Roles

Mintzbers a management thinker identified ten roles and classified them within three broad categories.

1 .Interpersonal Roles 2.Informational Roles 3. Decisional Roles

1 .Interpersonal Roles:

a) Figure head role:

In this role a manager performs symbolic duties required by the status of his office.

His activities include to greet the visitors attends the employee family functions.

b) Leader:

Responsible for the motivation and activation of subordinates.

Responsible for staffing, training and associated duties.

c) Liaison:

It describes a manager's relationship with the outsiders.

A manager maintains smooth relation with other organization government's industry groups etc.

2. Informational Roles:

a) Monitor:

A manager scans the environment and collects internal and external information's.

b) Disseminator:

Manager distributes the information to his subordinates in order to achieve organizational objectives.

c) Spokes person:

Transmits the information's to the outside of the organization.

3. Decision Role:

a) Entrepreneur:

Initiates and supervises design of organizational improvement projects.

b) Disturbance handler:

Responsible for corrective action when organization faces on expected problems.

c) Resource allocated:

Manager is responsible for allocation of human, monetary and material resources.

d) Negotiator:

As a manager he bargains with suppliers, dealers, trade union, agents etc.

PRINCIPLES OF MANAGEMENT - 2 MARK QUESTIONS AND ANSWERS

1. MANAGEMENT:

During the last seven decades, management as a discipline has attracted the attention of academicians and practitioners to a very great extent. Today management has emerged as one of the most important disciplines of education and research and also become an important facet of human life. Management has drawn most of its principles and concepts from various disciplines such like economics, statistics, psychology, sociology and anthropology etc., Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.

2. DECISION MAKING:

The process of decision making is the vital element in the management process. The decision making is necessary in each and every step of managerial functions. The basic idea of decision making process is to identify a suitable solution for a problem provided, by evaluating various possible solutions for that particular problem. Decision making is a conscious and human process involving both individual and social phenomenon based upon factual and value premises, which concludes with a choice of one behavioral activity from among one or more alternatives with the intension of moving toward some desired state of affairs.

3. PLANNING:

Planning is defined as the process of deciding the future course of action in advance. It is the primary function of management. Since management is a universal phenomenon the planning function is also have universal usage.

4. ORGANIZING:

Dividing the total work into various elements and getting the work done by different people which provides a collective result is the basic principle behind organizing. It provides sequential and systematic framework in the working condition to carry out the roles and responsibilities in an effective way.

5. STAFFING:

Staffing is another major function in management which is related to personnel department. The main objective of staffing is to place the right person in the right job at the right time. Staffing may be processed by recruitment and selection procedures adopted by the organization.

6. DIRECTING:

The concept of directing in management means the proper leadership in the organization. Unity of direction is one of the fourteen principles of Henry Fayol, who is the father of modern management theories. The concept of directing is also called as leading which enhance the employees work in the right direction towards the mutual benefit of the organization as well as the employees.

7. CONTROLLING:

The concept of control confined with correcting the deviations from the fixed objectives. The control factors keep the employees approach in the same direction as like the top management. The factors like performance appraisal, training and development are closely related to controlling.

8. SOCIAL RESPONSIBILITY OF BUSINESS:

The mission of any organization is to concentrate on the economic development of the organization. Later they came to understand that the contribution of society to the business was very high and hence they have to take up additional measures in order to satisfy the society. These measures are referred as the social responsibility of the organization**.**

9. ORGANIZATIONAL HIERARCHY:

The organizational hierarchy is framed by three important components ie, the top level management, Middle level managers, and first level supervisors and the workers. This hierarchy should be strictly followed for various activities in the organization. Especially the flow of formal communication should be from the top level to the bottom level.

10. PRODUCTIVITY:

The output-input ratio within a time period with due consideration for quality is called as productivity. The performance of an organization will be usually measured by its productivity which leads to profitability.

11. BUDGETING:

It is called as a financial plan. The budget tries to equalize the revenues and expenditures of the organization. The budgets are applicable to all functional areas of management. A budget can be defined as a numerical statement expressing the plans, policies and goals of the organization for a definite period in the future. Since budgets express plans, and the organization may have large variety of plans, there may be many types of budgets.

12. COST ACCOUNTING:

Costing is concerned with cost determination and indicates, what is the approxiate cost of a process or a product under existing conditions. Standard costing is the famous technique adopted in costing, which is the method of cost accounting in which standard costs are used in recording certain transactions and the actual costs are compared with the standard cost to find out the amount of reasons of variations from the standard.

13. PERT / CPM:

PERT (Program Evaluation Review Technique) was developed by the special project office of the U.S. Navy in 1958. Almost at the same time, engineers at the Dupont company, U.S.A. also developed CPM (Critical Path Method). The CPM assumes the duration of every activity to be constant, therefore, every activity is either critical or not. In PERT, uncertainty is the duration of activities is allowed and is measured by three parameters – most optimistic duration, most likely duration and most pessimistic duration. PERT/CPM is used either to minimize the total time, minimize total cost, minimize cost for a given total time, minimize time for a given cost, or minimize idle resources.

14. RETURN ON INVESTMENT:

The efficiency of the organization is judged by the amount of profit it earns in relation to the size of its investment, popularly known as "Return on Investment". The goal of a business, accordingly, is not to optimize profit, but to optimize returns on capital invested in the business. This standard recognizes the fundamental fact that capital is a critical factor in almost in any business and through it, scarcity puts limit on progress.

15. MANAGEMENT INFORMATION SYSTEM:

It is a system in which the information flow in the way of internal and external ways will be controlled. It is an effective system which use computers to receive, store and retrieve data and change the data into information and made it available at right person at the right time.

16. McKINSEY'S 7-S FRAMEWORK:

Strategy, Structure, Systems, Style, Staff, Shared values and Skills are the seven elements which form this frame work. According to McKinsey these seven factors govern all the managerial activities in an organization.

17. MANAGEMENT BY OBJECTIVES:

MBO is a comprehensive managerial system that integrates many key managerial activities in a systematic manner, consciously directed towards the effective and efficient achievement of organizational objectives. It is both a philosophy and approach towards management. The basic emphasis of MBO is on objectives. Periodic review of performance is an important feature. Setting of objectives is the primary function of MBO.

18. LINE AND STAFF:

Line functions are those which have direct responsibility for accomplishing the objectives of the enterprise and staff refers to those elements of the organization that help the line to work most effectively in accomplishing the primary objectives of the enterprise.

19. SPAN OF CONTROL:

The number of subordinates reporting directly to a given manager. Also called as span of control or span of management. It is divided into narrow span and wide span.

20. DIVISION OF WORK:

The break down of complex task into components so that individuals are responsible for a limited set of activities instead of the task as a whole. Some times referred to as division of labor.

21. ORGANIZATIONAL STRUCTURE:

Organizing is establishing the internal organizational structure of the business. The focus is on division, coordination, and control of tasks and the flow of information within the organization. Managers distribute responsibility and authority to job holders in this function of management. Each organization has an organizational structure. By action and/or inaction, managers structure businesses. Ideally, in developing an organizational structure and distributing authority, managers' decisions reflect the mission, objectives, goals and tactics that grew out of the planning function.

22. DELEGATION OF AUTHORITY:

Authority is legitimized power. Power is the ability to influence others. Delegation is distribution of authority. Delegation frees the manager from the tyranny of urgency.

Delegation frees the manager to use his or her time on high priority activities. Note that delegation of authority does not free the manager from accountability for the actions and decisions of subordinates.

23. DEPARTMENTATION:

Departmentation is the grouping of jobs under the authority of a single manager, according to some rational basis, for the purposes of planning, coordination and control. The number of departments in an organization depends on the number of different jobs, i.e., the size and complexity of the business.

24. ORGANIZATIONAL MANUAL:

Organizational manual is a small book containing information about the organizational objectives, authority and responsibility of various positions mentioned in the organizational chart.

25. DELEGATION:

It is the transfer of work from one person to another. It is different from decentralization. Authority can be delegated and responsibility cannot be delegated. In brief delegation is passing on to others. It is an administrative process in an organization to get things done through the efforts of other people. A superior cannot perform all his work. In order to reduce his burden he delegates a portion of his work to his favorable subordinates. While delegating work, he also delegates a portion of his authority to carry out the work.

26. MAN POWER PLANNING:

It is the process- including forecasting, developing, implementing and controlling by which a firm ensures that it has the right number of people and right kind of people, at the right place, at the right time , doing things for which they are economically most suitable.

27. RECRUITMENT:

Recruitment is concerned with the identification of sources from where the personnel can be employed and motivating them to offer for the employment.

28. SELECTION:

It is a deliberate effort of the organization to select a fixed number of personnel from the large number of applicants.

29. DIVISION OF LABOR

Division of labor is captured in an organization chart, a pictorial representation of an organization's formal structure. An organization chart is concerned with relationships among tasks and the authority to do the tasks.

30. EXCEPTION PRINCIPLE

Someone must be in charge. A person higher in the organization handles exceptions to the usual. The most exceptional, rare, or unusual decisions end up at the top management level because no one lower in the organization has the authority to handle them.

31. SCALAR CHAIN OF COMMAND

The exception principle functions in concert with the concept of scalar chain of command - formal distribution of organizational authority is in a hierarchical fashion. The higher one is in an organization, the more authority one has.

32. DECENTRALIZATION

Decisions are to be pushed down to the lowest feasible level in the organization. The organizational structure goal is to have working managers rather than managed workers.

33. PARITY PRINCIPLE

Delegated authority must equal responsibility. With responsibility for a job must go the authority to accomplish the job.

34. UNITY PRINCIPLE

Ideally, no one in an organization reports to more than one supervisor. Employees should not have to decide which of their supervisors to make unhappy because of the impossibility of following all the instructions given them.

35. INFORMAL STRUCTURE

The formal structure in each organization that has been put in place by management has an accompanying informal structure. Management does not and cannot control the informal structure. The informal structure has no written rules, is fluid in form and scope, is not easy to identify, and has vague or unknown membership guidelines.

36. PROJECT ORGANIZATIONAL STRUCTURE

The major reform in the traditional functional structure has come form a group of closely related structures having titles such as project management, programme management, systems organization, product management, brand management and matrix structure.

37. MATRIX ORGANIZATIONAL STRUCTURE

Matrix organization is suitable for taking large number of small projects and the activities of various projects can be accomplished through temporary departments.

38. DEFINITION OF AUTHORITY:

It may be defined as the ability to make decisions which guide the actions of another. It is the relationship between the superior and subordinate.

39. CENTRALIZATION:

Centralization refers to concentration of power and decision making at one point or in few hands. It is defined as the systematic and consistent reservation of authority at central points of the organization.

40. DEFINITION OF CONTROLLING:

Controlling is determining what is being accomplished, that is evaluating the performance and, if necessary, applying corrected measures so that the performance takes place according to plan. Controlling is a four-step process of establishing performance standards based on the firm's objectives, measuring and reporting actual performance, comparing the two, and taking corrective or preventive action as necessary.

41. CONCEPT OF DIRECTION:

It is a function of management which is related with instructing, guiding and inspiring human factor in the organization to achieve organizational objectives. Directing is influencing people's behavior through motivation, communication, group dynamics, leadership and discipline. The purpose of directing is to channel the behavior of all personnel to accomplish the organization's mission and objectives while simultaneously helping them accomplish their own career objectives.

42. MOTIVATION:

Selection, training, evaluation and discipline cannot guarantee a high level of employee performance. Motivation, the inner force that directs employee behavior, also plays an important role. Highly motivated people perform better than unmotivated people. Motivation covers up ability and skill deficiencies in employees. Such truisms about motivation leave employers wanting to be surrounded by highly motivated people but unequipped to motivate their employees. Employers and supervisors want easily applied motivation models but such models are unavailable.

43. STEREOTYPING:

Stereotyping causes us to typify a person, a group, an event or a thing on oversimplified conceptions, beliefs, or opinions. Thus, basketball players can be typed as tall, green equipment as better than red equipment, football linemen as dumb, Ford as better than Chevrolet, Vikings as handsome, and people raised on swine farms as interested in animals. Stereotyping can substitute for thinking, analysis and open mindedness to a new situation.

44. PERFORMANCE APPRAISAL

No employee escapes performance appraisal. As a minimum, each employee receives informal messages from his or her supervisor and co-workers. The messages may be carefully calculated or emotional outbursts, frequent or infrequent, helpful or hurtful, understood or misunderstood, consistent or inconsistent, fair or unfair. They may improve performance or cause additional performance problems. They may motivate an employee or leave the employee discouraged and disgruntled.

45. DISCIPLINE:

A disciplined person exhibits the self-control, dedication and orderly conduct consistent with successful performance of job responsibilities. This discipline may come through self-discipline, co-workers or the supervisor/employer. Self-discipline is best and most likely to come from well selected, trained, and motivated people who regularly have feedback on their performance.

46. THEORY X:

This is the traditional theory of human behavior. According to this theory, average human being have an inherent dislike of work and will avoid it if they can. Because of this dislike most people must be coerced, controlled, directed and threatened towards the work. Average human beings prefer to be directed, wish to avoid responsibility, have relatively little ambition, and want security above all.

47. THEORY Y:

According to this theory, the expenditure of physical effort and mental effort in work is as natural as play or rest. People will exercise self-direction and self-control in the service of objectives to which they are committed. The degree of commitment to objectives is in proportion to the size of the rewards associated with their achievements. Under proper conditions human beings learn and seek for responsibility.

48. MASLOW'S HIERARCHY OF NEEDS:

Abraham Maslow proposed the principle of need hierarchy. It is expressed in a pyramid structure from bottom to top in the following order. Physiological needs, Security or safety needs, Affiliation or acceptance needs, Esteem needs and Self actualization.

49. COMMUNICATION:

It is the transfer of information from the sender to receiver with the information being understood by the receiver. Communication flow in the organization can be classified into, Downward communication, Upward communication and Crosswise communication.

50. LEADERSHIP:

It is an art or process of influencing people so that they will strive willingly and enthusiastically towards achievement of group goals.

51. SOURCES OF DATA IN RESEARCH:

There are two main sources of data - primary and secondary. Primary research is conducted from scratch. It is original and collected to solve the problem in hand.. Secondary research, also known as desk research, already exists since it has been collected for other purposes.

52. TELEPHONE INTERVIEWS:

Telephone ownership is very common in developed countries. It is ideal for collecting data from a geographically dispersed sample. The interviews tend to be very structured and tend to lack depth. Telephone interviews are cheaper to conduct than face-to-face interviews (on a per person basis).

53. MYSTERY SHOPPING

Companies will set up mystery shopping campaigns on an organizations behalf. Often used in banking, retailing, travel, cafes and restaurants, and many other customer focused organizations, mystery shoppers will enter, posing as real customers. They collect data on customer service and the customer experience. Findings are reported back to the commissioning organization. There are many issues surrounding the ethics of such an approach to research.

54. FOCUS GROUPS

Focus groups are made up from a number of selected respondents based together in the same room. Highly experienced researchers work with the focus group to gather in depth qualitative feedback. Groups tend to be made up from 10 to 18 participants. Discussion, opinion, and beliefs are encouraged, and the research will probe into specific areas that are of interest to the company commissioning the research.

55. PROJECTIVE TECHNIQUES

Projective techniques are borrowed from the field of psychology. They will generate highly subjective qualitative data. There are many examples of such approaches including: Inkblot tests - look for images in a series of inkblots Cartoons - complete the 'bubbles' on a cartoon series Sentence or story completion Word association - depends on very quick (subconscious) responses to words Psychodrama - Imagine that you are a product and describe what it is like to be operated, warn, or used.

56. PRODUCT TESTS

Product tests are often completed as part of the 'test' marketing process. Products are displayed in a mall of shopping center. Potential customers are asked to visit the store and their purchase behavior is observed. Observers will contemplate how the product is handled, how the packing is read, how much time the consumer spends with the product, and so on.

57. DIARIES

Diaries are used by a number of specially recruited consumers. They are asked to complete a diary that lists and records their purchasing behavior of a period of time (weeks, months, or years). It demands a substantial commitment on the part of the respondent. However, by collecting a series of diaries with a number of entries, the researcher has a reasonable picture of purchasing behavior.

58. OMNIBUS STUDIES

An omnibus study is where an organization purchases a single or a few questions on a 'hybrid' interview (either face-to-face or by telephone). The organization will be one of many that simply want to a straightforward answer to a simple question. An omnibus survey could include questions from companies in sectors as diverse as health care and tobacco. The research is far cheaper, and commit less time and effort than conducting your own research.

59. MARKETING

Marketing is societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others. Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfies individual and organizational goals.

60. MARKET

Market is a collection of buyers. Generally, a market is understood as a place where commodities are bought and sold at retail or wholesale prices. In economics, however, the term “market” does not refer to a particular place as such but it refers to a market for a commodity or commodities. Thus economists speak of, say, a wheat market, a tea market, a gold market and so on.

61. MARKETING MANAGEMENT

It is an art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communication superior customer value. Marketing is indeed an ancient art; it has been practiced in one form or the other since the days of Adam and eve. Its emergence as a management discipline, however, is of relatively recent origin.

62. CONSUMERISM

It is an organized movement of the consumers – a movement that seeks to protect the consumers from unfair practices of the producers and marketers, and to enhance the rights of the consumers in relation to producers and marketers. According to Peter Drucker, "consumerism is the shame of marketing". If marketing is practiced as per the marketing concept, the very motive for consumerism will disappear.

63. RELATIONSHIP MARKETING

Relationship marketing has the aim of building mutually satisfying long-term relations with key parties like customers, suppliers, distributors in order to earn and retain their business.

64. MARKETING INFORMATION SYSTEMS:

The marketing information system consists of people, Equipment and procedures to gather, sort, analyze, Evaluate, and distribute needed, timely, and accurate Information to marketing decision makers.

65. MARKETING INTELLIGENCE SYSTEMS:

It is the set of procedures and sources used by managers to obtain everyday information about development in marketing environment.

66. MARKETING DECISION SUPPORT SYSTEM:

It is a coordinated collection of data, systems, tools and techniques with supporting software and hardware by which an organization gathers interprets relevant information from business and environment and turns it into a basis for a marketing action.

67.CONSUMER BEHAVIOR:

The consumer behavior studies how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and desires. Understanding consumer behavior and “knowing customers” is never simple.

68. OPINION LEADER:

The opinion leader is the person in informal, product related communication, who offers advice or information about the specific product or product category.

69. FAMILY:

It is a primary reference group which influences the consumer buying process to the maximum level. Family is a two or more individuals living together because of blood relations, marriages or adoption.

70. PSYCHOGRAPHICS:

It is the science of using psychology and demographics to better understand consumers. If a marketer can identify consumer buyer behavior, he or she will be in a better position to target products and services at them. Buyer behavior is focused upon the needs of individuals, groups and organizations. It is important to understand the relevance of human needs to buyer behavior (remember, marketing is about satisfying needs).

71. MARKET TARGETING:

After identification of its market segment opportunities the company has to decide how many and which ones to target. After the market has been separated into its segments, the marketer will select a segment or series of segments and 'target' it/them. Resources and effort will be targeted at the segment. It's like looking at a dart board or a shooting target. You see that it has areas with different scores - these are your segments. Aiming the dart or the bullet at a specific scoring area is 'targeting'.

72. POSITIONING:

Positioning is undoubtedly one of the simplest and most useful tools to marketers. Positioning is all about 'perception'. It is the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market. The result of positioning is creating the value-proposition.

73. MARKETING ENVIRONMENT:

The marketing environment mainly formed by internal and external environmental factors. The marketing environment surrounds and impacts upon the organization. There are three key perspectives on the marketing environment, namely the 'macro-environment,' the 'micro-environment' and the 'internal environment'.

74. THE MICRO-ENVIRONMENT:

This environment influences the organization directly. It includes suppliers that deal directly or indirectly, consumers and customers, and other local stakeholders. Micro tends to suggest small, but this can be misleading. In this context, micro describes the relationship between firms and the driving forces that control this relationship. It is a more local relationship, and the firm may exercise a degree of influence.

75. THE MACRO-ENVIRONMENT

This includes all factors that can influence and organization, but that are out of their direct control. A company does not generally influence any laws (although it is accepted that they could lobby or be part of a trade organization). It is continuously changing, and the company needs to be flexible to adapt. There may be aggressive competition and rivalry in a market. Globalization means that there is always the threat of substitute products and new entrants. The wider environment is also ever changing, and the marketer needs to compensate for changes in culture, politics, economics and technology

76. INTERNAL ENVIRONMENT:

All factors that are internal to the organization are known as the 'internal environment'. They are generally audited by applying the 'Five Ms' which are **M**en, **M**oney, **M**achinery, **M**aterials and **M**arkets. The internal environment is as important for managing change as the external. As marketers we call the process of managing internal change "internal marketing". Essentially we use marketing approaches to aid communication and change management.

77. SELLING:

It is a concept which was famous before the evolution of marketing concept. It activities start from the products and its focus is on promotional aspects only and it achieve the profit through sales volume, but marketing is the activity which starts with the customer need and ends in the customer satisfaction.

78. MARKETING MIX:

The marketing mix is the set of marketing tools, the firm uses to pursue its marketing objectives in the target markets. According to McCarthy the four broad groups of marketing mix elements are Product, Price, Place and Promotion. Marketing mix refers to the ratio of the above elements in a customized manner for a specific marketing strategy.

79. THE PRODUCTION CONCEPT:

The production concept holds that consumers will prefer products that are widely available and inexpensive.

80. THE PRODUCT CONCEPT:

The product concept holds that consumers will favor those products that offer the most quality, performance, or innovative feature.

81. THE SELLING CONCEPT:

The selling concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization’s product. So they should take a aggressive selling effort.

82. THE MARKETING CONCEPT:

The marketing concept holds that the key to achieving its organizational goals consists of the company being more effective than competitors in creating, delivering and communicating superior customer value to its chosen target markets.

83. THE CUSTOMER CONCEPT:

The customer concept holds that each and every customer should be taken care by the company in the basis of one-to-one marketing integration.

84. THE SOCIETAL MARKETING CONCEPT:

The societal marketing concept holds that marketers should build social and ethical considerations into their marketing practices.

85. ENTREPRENEURIAL MARKETING:

In the companies started by the individuals, they visualize an opportunity and knock on every door to gain attention to market their product.

86. FORMULATED MARKETING:

When companies reach success, inevitably they move towards formulated marketing by establishing a marketing department in their organization.

87. INTRAPRENEURIAL MARKETING:

It will happen in the large companies, where the brand and product managers need to get out of the office and start living with their customers and visualize new ways to add values to their customers' lives.

88. MARKET ORIENTED STRATEGIC PLANNING:

Market – oriented strategic planning is the managerial process of developing and maintaining a viable fit between the organization's objectives, skills, and resources and its changing market opportunities.

89. MARKETING RESEARCH:

Marketing research is the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation. Marketing research instruments are, Questionnaires, Psychological tools, Mechanical devices and Qualitative measures. Marketing research is the function that links the consumer, customer, and public to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.

90. MARKET SEGMENTATION:

Segmentation is essentially the identification of subsets of buyers within a market who share similar needs and who demonstrate similar buyer behavior. The world is made up from billions of buyers with their own sets of needs and behavior. Segmentation aims to match groups of purchasers with the same set of needs and buyer behavior. Such a group is known as a 'segment'

91. PRODUCT:

Product is anything which satisfy the customer need or want. Products can be classified as, Goods – Tangible items and Services – Intangible items. The intangible value proposition is made physical by an offering, which can be a combination of products, services, information and experiences.

92. PRODUCT FAMILY:

All the product classes that can satisfy a core need with a reasonable effectiveness. Ex : Savings and income

93. PRODUCT CLASS:

A group of products with in the product family recognized as having a certain functional coherence. Ex: Financial instruments

94. PRODUCT LINE:

A group of products within a product class that are closely related because they perform similar function. Ex : Life insurance

95. PRODUCT TYPE:

A group of items with in a product line that share one of several possible forms of the product. Ex: Term life

96 .PRODUCT ITEM:

A distinct unit within a product line distinguishable by size, price, appearance or some other attribute. Ex : Money back schemes in life insurance

97. VALUE:

Value is a ratio between what customer gets and what he gives. The outcome of the value is satisfaction, which is a feeling which come out of customer usage of a particular product, where the need or want is fulfilled.

98. EXCHANGE:

Exchange is a core idea of marketing, is the process obtaining a desired product from some one by offering something in return.

99. PRODUCT MIX:

A product mix (also called as product assortment) is the set of all products and items that a particular seller offers for sale. The width of the product mix refers to how many different product lines the company carries. The length of the product mix refers to the total number of items in the mix.

100. PRODUCT DIFFERENTIATION:

Product differentiation is a process of adding a set of meaningful and valued differences to distinguish the company's offering from competitors offering.

101. PRODUCT LIFE CYCLE:

Each and every product is having a life cycle and it is divided into four stages, namely, Introduction stage - A period of low sales growth as the product is introduced; Growth stage - A period of rapid market acceptance; Maturity stage- A period of slow down in sales because of maximum level of acceptance from buyers; and Decline stage- The period when sales show downward drift and no profit

102. MYSTERY SHOPPING

Companies will set up mystery shopping campaigns on an organizations behalf. Often used in banking, retailing, travel, cafes and restaurants, and many other customer focused organizations, mystery shoppers will enter, posing as real customers. They collect data on customer service and the customer experience. Findings are reported back to the commissioning organization. There are many issues surrounding the ethics of such an approach to research.

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104. HUMAN RESOURCES:

Human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population in a national perspective and in individual perspective they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees.

105. PERSONNEL MANAGEMENT:

Personnel management is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished.

106. HUMAN RESOURCE MANAGEMENT:

Human resource management is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objectives.

107. STRATEGY FORMULATION:

Strategy formulation involves the choice of appropriate strategy in the light of corporate mission and objectives, environmental opportunities and threats and corporate strengths and weaknesses.

108. EMPATHY:

Empathy relates to observing the things or situations from others points of view. The ability to look at things objectively and understanding them others' points of view is an important aspect of successful HR manager. Empathy requires respect for others, their rights, beliefs, feelings and values.

109. HUMAN RESOURCE POLICY:

Human resource policies provide guidelines for a variety of employment relationships and identify the organization's intensions in recruitment, selection, development, promotion, compensation, motivation, and integration of human resources.

110. HUMAN RESOURCE PLANNING

Human resource planning is the process by which management determines how an organization should move from its current man power position to its desired man power position. Though it management strives to have the right number and the right kind of people at the right places, at the right time, doing things which result in both the organization and the individual receiving, long range maximum benefit.

111. JOB :

Job is a group of positions involving same duties, skills knowledge and responsibilities. Each job has definite title and is different from other jobs.

112. JOB ANALYSIS:

Job analysis is the process of determining by observation and study the tasks, which comprise the job, the methods and equipment used and the skills and attitude required for successful performance of the job.

113. JOB DESCRIPTION :

Job description is a functional description of what the job entails. It is the written record of appropriate and authorized contents of a job.

114. JOB SPECIFICATION :

Job specification is a statement of the minimum acceptable human qualities required for the proper performance of a job. It is the written record of the physical, mental, social, psychological and behavioral characteristics which a person should possess in order to perform the job effectively.

115. INDUCTION :

Induction is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily to start the work.

116. PERFORMANCE APPRAISAL:

It is the systematic evaluation of the individual with regard to his or her performance on the job and his potential for development. Effective performance appraisal moves beyond informal communication but does not exclude it.

117. JOB COMPENSATION:

Job compensation includes direct cash payments, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity.

118. COMPENSATION MANAGEMENT:

Compensation management is concerned with the designing and implementing total compensation package. It is also known as wage and salary administration, remuneration management or reward management.

119. JOB EVALUATION:

Job evaluation is an attempt to determine and compare demands which the normal performance of a particular job makes on normal workers without taking into account the individual performance of the workers concerned.

120. INCENTIVE PLAN:

An incentive scheme is a plan or program to motivate individuals for good performance. An incentive is most frequently built on monetary rewards, but may also includes a variety of non-monetary rewards or prizes.

121. FRINGE BENEFITS:

Fringe benefits are supplements to wages received by workers at a cot to employers. The term encompasses a number of benefits – paid vacation, pension, health and insurance plans, etc., - which usually add up to something more than a fringe and it sometimes applied to practice that may constitute dubious benefits for workers.

122. PROMOTION:

A promotion is the advancement of an employee to all better in terms of greater responsibilities, more prestige or status, greater skill and specially increased rate of pay or salary.

123. DEMOTION:

Demotion is the antithesis of promotion in which the employee marches backward instead of forward. It was defined as, the assignments of individual to a job of lower rank and pay usually involving lower level of difficulty and responsibility.

124. TRANSFER:

Transfer is another form of internal mobility of human resources which involves movement of an employee from one section to another section of the same department or one place to another place. It is a change in the job of an employee without a change in responsibilities and remuneration.

125. SEPARATION:

Separation involves cessation of services of personnel from an organization. Cessation of employee services is governed by the contract. Separation can be effected before the expiry of the period of contract.

126. EMPLOYEE TURNOVER:

Employee turnover is defined as the rate of change in the working personnel of an organization during a specified period.

127. ABSENTEEISM:

Absenteeism is unauthorized absence from the work place. Absenteeism is defined as the practice of habit of being absence and an absentee is one who habitually stays away.

128. QUALITY OF WORK LIFE:

Quality of work life is concerned about the impact of work on people as well as on organization effectiveness, and the idea of participation in organizational problem solving and decision making.

129. QUALITY CIRCLES:

A quality circle is a small group of employees in the similar work area who voluntarily meet regularly whose assignment is to identify the problems related to quality improvement, formulate solutions, and present their results to management with suggestions for implementation.

130. JOB SATISFACTION:

It is the amount of pleasure or contentment associated with a job. If you like your job intensely, you will experience high job satisfaction. If you dislike your job intensely, you will experience job dissatisfaction.

131. MORALE:

Morale is basically a group phenomenon. It is a concept that describes the level of favorable or unfavorable attitudes of the employees collectively to all aspects of their work-the job, the company, their tasks, working conditions, fellow workers, superiors, and so on. Attitudes express what the individuals think and feel about their jobs. The emphasis is on how employees feel, denoting the strong emotional elements associated with attitudes.

132. SOCIAL SECURITY:

Social security is the protection which society provides for its members through a series of public measures, against the economic and social distress that otherwise would be caused by the stoppage of substantial reduction of earnings resulting from sickness, maternity, employment, injury, unemployment, invalidity, old age and death, the provision of subsidies for families with children.

133. HUMAN RESOURCE DEVELOPMENT:

It is a process by which the employees of an organization are helped, in a continuous planned way to, acquire capabilities required to perform various tasks and functions associated with their present or expected future roles.

134. HUMAN RELATIONS

Human relations is the area of management practice which is concerned with the integration of people into a work situation in a way that motivates them to work productively, cooperatively and with economic, social and psychological satisfaction.

135. EMPLOYEE DISCIPLINE:

Employee discipline may be considered as the force that prompts individuals, or groups to observe rules, regulations, standards and procedures deemed necessary for an organization.

136. GRIEVANCE:

Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management.

137. PARTICIPATION:

The concept of participation as a principle of democratic administration in an industry implies a share by rank and file in the decision-making process of an industrial organization through their representatives at all the appropriate levels of management in the entire range of managerial action.

1. **138. COLLECTIVE BARGAINING:**

Collective bargaining is a process in which the representatives of the employer and of the employees meet and attempt to negotiate a contract governing the employer-employee union relations.

139. HUMAN RESOURCE AUDIT:

Audit is an important test of managerial control. It involves verification of accounts and records. Human resource audit implies critical examination and evaluation of policies, programers' and procedures in the area of human resource management.

140. SOCIAL CAPITAL:

Social capital is the second element of human capital. It is derived from the network of relationships, both internally and externally. From organization's point of view, social capital relates to the structure, quality and flexibility of the human networks, which can be created through cohorts, joint training in which people get to know each other, job rotation through different departments of functions, long-term employment and internal culture.

141. HUMAN RESOURCE ACCOUNTING:

Human resource accounting is accounting for people as an organizational resource. It involves measuring the costs incurred by business firms and other organizations to recruit, select, hire, train and develop human assets. It also involves measuring the economic value of people to the organization.

142. PRODUCTION:

Production implies the creation of goods and services to satisfy human needs. In involves conversion of inputs (resources) into outputs (products). Such conversion of inputs adds to the value or utility of the products produced by the conversion or transformation process. Any process which involves the conversion of raw materials and bought-out components into finished products for sale is known as production.

143. PRODUCTION FUNCTION:

Production function may be defined as the creation of useful products for sale with the help of inputs such as men, machine, materials, money, methods, minutes and management. The production function represents basically a physical relationship between inputs and outputs.

144. PRODUCTIVITY:

Productivity is also called as product efficiency of the efficiency of the production process. It indicates how well a productive process is carried out to convert a set of inputs into a set of outputs of value to the customer which also provides reasonable profits to the manufacturer. Generally the productivity is expressed as the ratio between output and input.

145. STRATEGIC PLANNING:

Strategic planning is the process by which top management determines overall organizational purposes and objectives and how they are achieved. Strategic planning involves establishment of objectives and formulation of strategies at three levels, namely; corporate level, business unit level and functional level.

146. TACTICAL PLANNING:

Tactical planning is done over an intermediate term or medium range time horizon by middle management in each functional area of management. Generally, tactical plans are designed to implement the strategic plans of top management.

147. TRANSACTIONAL PLANNING:

Transactional planning is concerned with planning the conversion system. It involves establishing a program of action for acquiring the necessary physical facilities to be used in the conversion process.

148. OPERATIONAL PLANNING:

Operational planning is done over a short range of time span developed by the junior level management. It concerns with the utilization of existing facilities rather than creation of new facilities. It involves utilization of key resources such as raw materials, machine capacity, labour capacity and energy.

149. MATERIALS MANAGEMENT:

Materials management consists of planning, directing, co-ordinating and controlling those activities which are concerned with materials and inventory requirements from the point of their inception to their introduction into manufacturing process. Modern techniques in materials management includes supply chain management and logistics management.

150. MAINTENANCE MANAGEMENT:

Maintenance management is concerned with the direction and organization of resources in order to control the availability and performance of the industrial plants to some specified level. It is a function supporting production function and is entrusted with the task of keeping equipment, machinery and plant services in proper working condition.

151. OPERATIONS MANAGEMENT:

The production management which was formerly known as manufacturing, now after inclusion of services into its scope, is broadly known as operations management. Many non-manufacturing organizations providing services like hospitals, banks, transportation, warehousing etc., are now covered by operations management.

152. PRODUCTION MANAGEMENT:

Production management is the process of planning, organizing, directing and controlling the activities of the production function. The production function is the conversion of raw materials into finished products.

153. PRODUCTION DESIGN:

The economic considerations of the production process is known as producibility. The concept of designing the product in the view of producibility with low manufacturing cost is known as production design.

154. COMPUTER AIDED DESIGN (CAD) :

It is an electronic system using computers for designing new parts or products or to modify the existing design. A powerful desktop computer and graphics software will help to manipulate geometric shapes. The computer aided design can be extended to computer aided manufacturing (CAM), which refers to the use of computer software to direct and control manufacturing equipments.

155. PROCESS:

A process is a sequence of activities that is intended to achieve some result, typically to create added value for customers. Process converts inputs into outputs in a production system.

156. PROJECT TYPE:

It is characterized by high degree of product customization, the large scope for each project and need for substantial resources to complete the project. Ex : Constructing a dam , bridge , buildings and publishing a new book.

157. JOB SHOP:

It is characterized by job shops when a low volume of high variety goods are needed. Processing is intermittent and each job requires different process requirements. Ex : Tool and die shop

158. BATCH PRODUCTION:

It is used for moderate volume and variety of goods or services. A batch production differs from the job shop with respect to volume and variety. Ex : Paints, Ice cream, Soft drinks etc.,

159. MASS PRODUCTION:

It is characterized by large volume of production and mostly a single goods or services will be considered. Ex : Oil refineries, Sugar factory etc.,

160. MAKE OR BUY DECISIONS:

It is the first step in the process planning. It involves considering whether to make or buy some or all of the goods or service. It is also possible to get all the parts through outsourcing and the company can perform only the assembling operations.

161. FACILITY LOCATION:

Facility location or plant location is the process of determining a geographical site for a firm's operations achieving maximum operating economy and effectiveness. Facility location is the strategic decision taken by the top management of the company, which greatly affects the fixed and variable cost involved in the production and operations system.

162. LAYOUT:

Layout is concerned with the configuration of production, support services, customer services and other facilities that are used in production. It gives specific emphasis on the flow of materials and movement of men in the organization.

163. PROCESS LAYOUT:

It involves a grouping together of similar machines in one department, based upon their operational characters.

164. PRODUCT LAYOUT:

It involves the arrangement of machines on one line, depending upon the sequence of operations. If there is more than one line of production, we can form many lines of machines.

165. FIXED POSITION LAYOUT:

It involves the movement of men and machines to the product which remains stationary. This type is followed of bulky and heavy products, such as locomotives, ships and buildings.

166. CELLULAR MANUFACTURING LAYOUT:

In this type of layout the machines are grouped into cells and the cells perform somewhat like a product layout with in a larger process layout (Shop floor).

167. HYBRID LAYOUT:

It is a combination of process, product and fixed position layouts. The production plants are never laid out in either pure form.

168. SERVICE FACILITY LAYOUT:

The fundamental difference between service facility and manufacturing facility layouts is that many service facility exist to bring together customers and services. Service facility layouts should provide for easy entrance to these facilities from freeways and busy thoroughfares.

169. CAPACITY PLANNING:

Capacity refers to the maximum load an operating unit can handle. The operating unit might be a plant or a department or a machine or a store or a worker. The production capacity of a firm is the maximum rate of production that production plant can produce. Capacity planning is necessary when an organization decides to increase its production or introduce new products into the market or to increase the volume of production to gain the advantages of economies of scale.

170. PRODUCTION PLANNING AND CONTROL:

It is defined as the planning direction and coordination of the firm’s material and physical facilities towards the attainment of predetermined production objectives in the most economical manner.

171. PRODUCTION SCHEDULING:

A schedule is a representation of the time necessary to carry out a particular task. A job schedule shows the plan for the manufacture of a particular job. It is created through "work / study" reviews which determine the method and times required. Most businesses carry out several production tasks at one time - which entails amalgamating several job schedules. This process is called "scheduling". The result is known as the production schedule or factory schedule for the factory/plant as a whole.

172. WORK STUDY:

Work study is defined as that body of knowledge concerned with the analysis of the work methods and the equipments used in performing a job, the design of optimum work method and the standardization of proposed work methods. Work study is an effective management tool to achieve higher productivity in any organization.

173. METHOD STUDY:

It is defined as the systematic recording, analysis and critical examination of existing and proposed ways of doing work and development and application of easier and more effective work methods to replace the existing work methods.

174. WORK MEASUREMENT:

It is the application of techniques designed to measure and establish the work content of a specified task or job by determining time period for carrying out the task or job by a qualified worker at a defined standard performance. While method study concerned with the reduction of work content, work measurement is concerned with the investigation, measurement and reduction of the work content by eliminating the ineffective time and establishing a standard time and standard performance.

175. SUPPLY CHAINS:

The inter connected set of linkages between suppliers of materials and services that spans the transformation of raw material into products and services and delivers them to a firms customers is known as the Supply chain. An important part of this process is provision of the information needed for planning and managing the supply chain.

176. PURCHASING:

Purchasing is the management of the acquisition process, which includes deciding which suppliers to use, negotiating contracts and deciding whether to buy locally. Purchasing must satisfy the firms long term supply needs and support the firms capabilities to produce goods and services.

177. DISTRIBUTION:

Distribution is the management of the flow of materials from manufacturers to customers and from warehouses to retailers involving the storage and transportation of the products. Distribution broadens the market place for affirm, adding time and place value to its products.

178. ABC ANALYSIS:

ABC analysis is technique, which is used to classify the items in store based on the demand of the stock. There may be variety of items that need to be purchased and stocked in advance for issuing the same to various production departments. One has to continuously monitor the stock according to the demand pattern of each item and issue the replenishment order. If the stock on hand of a particular item becomes less than or equal to its recorder level, immediately an order is to placed for its economic quantity. it will be very difficult to continuously monitor the stock level of each item and place order on the above mentioned condition. Hence it is highly efficient to classify the items of the stores into different categories.

179. VALUE:

It is easy to understand but difficult to define the term “value”. Value is what customers demanding – the right combination of product quality, fair price and goods and services.

180. VALUE ANALYSIS:

The concept of value analysis was developed during the world war II by Lawrence D. Miles of General Electric Company. Value analysis is an intensive appraisal of all the elements of the design, manufacture or construction, procurement, inspection, installation and maintenance of a product and its components including the applicable specific and operational requirements in order to achieve the necessary performance, maintainability and reliability of the item at minimum cost.

181. VALUE CHAIN ANALYSIS : The value chain is a systematic approach to examining the development of competitive advantage. It was created by M.E. Porter in his book, Competitive Advantage (1980). The chain consists of a series of activities that create and build value. They culminate in the total value delivered by an organization. The 'margin' depicted in the diagram is the same as added value. The organization is split into 'primary activities' and 'support activities.'

182. INBOUND LOGISTICS: In inbound logistics, the goods are received from a company's suppliers. They are stored until they are needed on the production/assembly line. Goods are moved around the organization.

183. OUTBOUND LOGISTICS:

In outbound logistics, the goods are now finished, and they need to be sent along the supply chain to wholesalers, retailers or the final consumer.

184. PROCUREMENT:

The procurement function is responsible for all purchasing of goods, services and materials. The aim is to secure the lowest possible price for purchases of the highest possible quality. They will be responsible for outsourcing (components or operations that would normally be done in-house are done by other organizations), and e-Purchasing (using IT and web-based technologies to achieve procurement aims)

185. TECHNOLOGY DEVELOPMENT:

Technology is an important source of competitive advantage. Companies need to innovate to reduce costs and to protect and sustain competitive advantage. This could include production technology, Internet marketing activities, lean manufacturing, Customer Relationship Management (CRM), and many other technological developments.

186. INVENTORY MANAGEMENT:

Inventory may be defined as ”stock of items kept on hand by an organization to be used to meet customer demand”. Inventory also includes partially finished products at different stages of manufacturing process, raw materials and components, resources, finished products, labor or cash. Skillful inventory management can make a significant contribution to the firm’s profit.

187. CYCLE INVENTORY:

The position of total inventory which varies directly with lot size (ie., quantity ordered). For example, if Q is the order quantity or the lot size and the supply is received exactly when the stock is nil, then the minimum inventory is nil, maximum inventory is Q and the average cycle inventory is half of quantity ordered.

188. SAFETY STOCK INVENTORY:

Safety stock inventories are held to avoid stock out conditions which cause production stoppages and to project against uncertainties in demand, lead time, supply and consumption rates.

189. ANTICIPATION INVENTORY:

Inventory of materials purchased in bulk quantities in anticipation of price rise and products having seasonal demand produced in quantities more than the demand during off-seasons and held in inventory to meet higher demand rate (more than production rate) during seasons of high demand.

190. PIPE-LINE INVENTORY:

Inventory moving to point to point in the materials flow system. Materials move from supplier to a plant, form one operation to the next in the plant and from the plant to the warehouse or distribution centre or to the customer. Pipe line inventories also include materials that have been ordered but not received.

191. FLUCTUATION INVENTORY:

Inventory held as reserve stock to meet the unexpected fluctuating demand over a period which cannot be predicted accurately.

192. INVENTORY CONTROL:

Inventory control is a planning and controlling activity over inventory and it is essential to provide flexibility in operating a system. The inventory can be classified into raw materials inventory, in-process inventory and finished goods inventory. The raw materials inventories remove dependency between suppliers and plants. The work-in-process inventories remove dependency between machines of product line. The finished goods inventory removes dependency between plant and its customers and market.

193. TOTAL PRODUCTIVE MAINTENANCE (TPM):

It is a concept put forward by the Japanese management expert Seiichi Nakajima in his book “Introduction to Total Productive Maintenance” in 1984. It is the function of the availability of machines after accounting for failures, breakdowns and setup times. It ensures the total effectiveness of the plant by tackling utilization, quality and down-time. It uses autonomous and planned maintenance, total employee involvement and team work and continuous improvement.

194. QUALITY:

Quality is a measure of how closely a good or service conforms to specified standard. Quality refers to the ability of the goods or service to meet the requirements of customers and achieve customer satisfaction for the firm selling the goods or services. Generally quality relates to the customer's perception of how well the goods or service will serve its purpose.

195. QUALITY ASSURANCE:

It is the system of policies, procedures and guidelines which help in building specified standards of goods or service quality. Quality assurance is about how a business can design the way a product of service is produced or delivered to minimize the chances that output will be sub-standard. The focus of quality assurance is, therefore on the product design/development stage.

196. QUALITY SYSTEMS:

It is a process that combines with manufacturing process to ensure that a manufacturing process produces quality – perfect products.

197. ISO 9000 STANDARDS:

ISO 9000 standards expect firms to have a quality manual that meets ISO guidelines, document quality procedures and job instructions, and verification of the compliance by third – party auditors. ISO 9000 series has five international standards on quality management.

198. QUALITY CIRCLES:

A quality circle is a small group of employees in the similar work area who voluntarily meet regularly whose assignment is to identify the problems related to quality improvement, formulate solutions, and present their results to management with suggestions for implementation.

199. TOTAL QUALITY MANAGEMENT:

Total Quality Management is an effective system for integrating the quality development, quality maintenance and quality improvement efforts of various groups in an organization continuously, so as to enable marketing , engineering, production and service at the most economic levels which allow for full customer satisfaction.

200. BENCH MARKING:

Bench marking is measuring the performance against that of the best-in-class companies and framing strategies to achieve that level in our own company.

201. BUSINESS PROCESS RE-ENGINEERING:

BPR is a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed to the market. Need for change is the important idea behind BPR.

202. STATISTICAL QUALITY CONTROL:

A manufacturing process is in statistical in nature. A process will never produce two pieces of a product with exact dimensions. As the process is continuous to produce products, it is possible to setup frequency distribution. The quality control techniques based on the above ideas are called as statistical quality control. The measurement data in statistical quality control can be classified into variable data and attribute data.

203. ACCEPTANCE SAMPLING:

Acceptance sampling is a method to take a decision regarding acceptance and rejection of a lot without having to examine the entire lot, thereby providing economy of inspection.

204. TYPE I ERROR:

When we apply acceptance sampling, when a good lot is rejected, the error is known as Type I Error. Due to type I error the risk of rejecting a good lot based on sample evidence is known as producer's risk, which should be kept low as possible.

205. TYPE II ERROR:

When we apply acceptance sampling, when a bad lot is accepted as a good lot, the error is known as Type II Error. Due to type II error the risk of accepting a bad lot based on sample evidence is known as consumer's risk, which should be kept low as possible.

206. OPERATING CHARACTERISTIC CURVE (OCC):

The following can happen when we go for acceptance sampling; We accept good lots, We reject bad lots, We may accept bad lots and We may reject good lots. The OCC shows how well an acceptance plan discriminates between good and bad lots. If we define a good lot as any lot having no more than 1 percent of defectives, it is called as Acceptable Quality Level (AQL).

207. QUALITY MANAGEMENT:

Producing products of the required quality does not happen by accident. There has to be a production process which is properly managed. Ensuring satisfactory quality is a vital part of the production process. Quality management is concerned with controlling activities with the aim of ensuring that products and services are fit for their purpose and meet the specifications. There are two main parts to quality management namely quality assurance and quality control.

208. QUALITY CONTROL:

Quality control is concerned with checking and reviewing work that has been done. For example, this would include lots of inspection, testing and sampling. Quality control is mainly about "detecting" defective output - rather than preventing it. Quality control can also be a very expensive process. Hence, in recent years, businesses have focused on quality management and quality assurance.

209. LEAN PRODUCTION:

Production system have become lean production systems which use minimal amounts of resources to produce a high volume of high quality goods with some variety. These system use flexible manufacturing system and multi-skilled workforce to have advantages of both mass production and job production.

210. COMPETITIVENESS:

Competitiveness is a crucial factor in determining the survival and growth of a firm. Firms compete with one another to sell their goods and services in the market place because now a days supply usually exceeds demand and no firm can enjoy monopoly. Competitiveness is how effectively an organization meets the needs of customers relative to other firms which offer similar goods or services.

211. PRODUCT DESIGN:

Product design is concerned with the form and function of a product. Form design involves the determination of what a product would look like. Functional design deals with what function the product will perform and how it performs.

212. PROCESS DESIGN:

Process design is concerned with the overall sequences of operations required to achieve the design specifications of the product. It specifies the type of work stations that are to be used, the machines and equipments necessary to carryout the processes to produce the product.

213. PROCESS SELECTION:

Process selection refers to the way production of goods and services is organized. It is the basis for decisions regarding capacity planning, facilities layout, equipments and design of work systems. Process selection is necessary when a firm takes up production of new products or services to be offered to the customers.

214. AGGREGATE PLANNING:

Aggregate planning involves planning the best quantity to produce during time periods in the intermediate range horizons (often 3 months to1 year) and planning the lowest cost method of providing the adjustable capacity to accommodate the production requirements. For manufacturing operations aggregate planning involves planning workforce size, production rate (work hours per week) and inventory levels.

215. MASTER PRODUCTION SCHEDULING (MPS):

The master production schedule sets the quantity of each end item to be completed in each time period of the short range planning horizon. MPS are developed by reviewing market forecasts, customer orders, inventory levels, facility loading and capacity information regularly.

216 . PRODUCTION PLANNING AND CONTROL:

Production planning and control is concerned with the planning, direction and co-ordination of the firm’s material and physical facilities towards the attainment of predetermined production objectives in the most economical manner.

217. BUSINESS ETHICS:

Business is social institution, performing a social mission and having a broad influence on the way people live and work together. The organization of the business, the way of business functions, innovations, transmission and diffusion of information and new ideas may affect society. Business activities highly influence the social attitudes, values, outlooks, customs etc., Since, business is the integral part of the society, it has a social responsibilities and ethics to be followed. Business ethics refers to the system of moral principles and rules of conduct applied to business.

218. BUSINESS ENVIRONMENT:

Business environment consists of all those factors that have a bearing on the business. The survival of the successful firm, depend on two sets of factors, namely internal factors or internal environment and external factors or external environment. The business decisions are conditioned by the above two sets of factors. The internal factors are generally regarded as controllable factors. In general the business environment is often concerned with the external factors.

219. INDUSTRIAL LICENSING:

The Industries Development and Regulation Act, 1951 empowers the central government to regulate the establishment and certain activities of the industrial undertakings by means of licensing. A license is the written permission from the government to an industrial undertaking to manufacture specific articles included in the schedule of the act.

220. SECURITIES EXCHANGE BOARD OF INDIA (SEBI):

The SEBI was constituted in 1988 by a resolution by government of India and it was made a statuary body by the Securities and Exchange Board of India Act, 1992. The main function of SEBI is to regulate the capital market investments and its issues in the stock exchanges.

221. PRIVATISATION:

Privatization means transfer of ownership and or management of an enterprise from the public sector to the private sector. It also means the withdrawal of the state from an industry or sector, partially or fully. Another dimension of privatization is opening up of an industry that has been reserved for the public sector to the private sector.

222. SOCIAL AUDIT:

Social audit is the tool for evaluating how satisfactorily a company has discharged its social responsibilities. It enables the public as well as the company to evaluate the social performance of the company.

223. INNOVATION:

Innovation is a very important factor that provides competitive advantage and consequently determines success. Innovation is defined as, the technical, industrial and commercial steps which lead to the marketing of new manufactured products and to commercial use of new technical processes and equipment. The innovation is classified on the basis, how big an impact does a technology change make on the applications.

224. GLOBALIZATION:

Economic "globalization" is a historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. The term sometimes also refers to the movement of people (labor) and knowledge (technology) across international borders. The growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services and of international capital flows, and also through the more rapid and widespread diffusion of technology.

225. MULTI NATIONAL CORPORATIONS (MNC):

The essential nature of the multinational enterprises lies in the fact that its managerial headquarters are located in one country (home country) while the enterprise carries operations in a number of other countries as well (host countries). Since the economic liberalization ushered in 1991, many multinationals in different lines of business have entered the Indian market.

226. MARKET POTENTIAL:

Market potential is the limit approached by market demand as industry marketing expenditures approach infinity, for a given environment.

227. DEMAND:

The demand is wants for specific products that are backed by an ability and willingness to buy them. Marketers influence demand by making the product appropriate, attractive, affordable and easily available to target consumers.

228. MARKETING AUDIT:

It is a systematic, comprehensive evaluation of a firm's marketing philosophy, objectives and strategy**.**

229. MARKETING ETHICS:

Standards, values, moral principles etc., which govern the marketer's behavior in the market place**.**

230. COMMISSION PLAN:

A method of compensating a sales force whereby a salesperson is paid for a unit of accomplishment (measured as sales volume, gross margin or a non-selling activity); it provides much incentive for a sales representative, but little security of income.

231. INELASTIC DEMAND:

A price-volume relationship such that a change of one unit on the price scale results in a change of less than one unit on the volume scale; that is, when the price is increased, the volume demanded goes down but total revenue increases, and when the price is decreased the volume goes up, but not enough to offset the price increase-so the net result is a decrease in total revenue.

232. MARKETING INTERMEDIARY:

The business organization that is the link between producers and consumers or industrial users; it renders services in connection with the purchase and/or sale of products as they move from producer to their ultimate market, and either takes title to the products or actively aids in the transfer of title; also known as middleman.

233. MARKET AGGREGATION:

A marketing strategy in which an organization treats its entire market as if that market were homogeneous

234. MARKET-FACTOR ANALYSIS:

A sales-forecasting method based on the assumption that future demand for a product is related to the behaviour of certain market factors.

235. MARKETING SYSTEM:

A regularly interacting group of ideas or enterprises forming a unified whole; these items include the organization that is doing the marketing, the thing that is being marketed, the target market, marketing intermediaries helping in the exchange and environmental constraints.

236. EXPLORATORY RESEARCH:

Exploratory research gives valuable insight, generates ideas and hypotheses rather than measuring or testing them. Exploratory research is concerned with identifying the real nature of research problems and perhaps of formulating relevant hypotheses for various tests.

237. DESCRIPTIVE RESEARCH:

Descriptive research is concerned with measuring and estimating the frequencies with which things occur or the degree of correlation or association between various variables. It has been seen that market research reports are often descriptive and the behavior and attitudes of consumers in the market place.

238. CAUSAL RESEARCH:

Casual research is basically concerned with establishing cause and effect relationship and an attempt to explain why things happen. For example, to what extent the price elasticity of demand or the degree to which advertising campaigns have effected the sales may be explained by casual research.

239. ADDED VALUE:

The practice of offering extra benefits to customers to gain their purchases and loyalty, also known as value-added marketing.

240. ANNUAL MARKETING PLAN:

A master plan covering a year's marketing operations; it is one part - one time segment - of the ongoing strategic marketing planning process.

241. AREA SAMPLE:

A statistical sample that is selected at random from a list of geographic areas, such as census collectors' districts.

242. DECISION-SUPPORT SYSTEM:

An internal, interactive, computer-based system that enables marketers to develop answers to specific questions relating to their marketing activities.

243. MARKETING MYOPIA

Marketers' perspectives of products or markets that are too narrow

244. FINANCIAL STATEMENT:

It is the process of monetary analysis of the flow of goods and services to, within, and from the organization.

245. BALANCE SHEET:

It is the description of the organization in terms of its assets, liabilities and net worth.

246. INCOME STATEMENT:

It is the summary of the organization’s financial performance over a given interval of time.

247. STATEMENT OF CASH FLOW AND FUND FLOW:

Summary of an organization’s financial performance that shows where cash or funds came from during the year and where they were applied.

248. BUDGET:

Formal quantitative statement of resources allocated for planned activities over stipulated periods of time.

249. MANAGERIAL PERFORMANCE:

The measure of how efficient and effective a manager is- how well he or she determines and achieves appropriate objectives.

250. ORGANIZATIONAL PERFORMANCE:

The measure of how efficient and effective an organization is – how well it achieves appropriate objectives.