

## Nature of Management

### Meaning and definitions-

Effectiveness-  
Doing the right task & achieving goals on time.

Efficiency-  
Doing task correctly with minimum cost.

Input(I) → Output(O)  
Process-series of steps

Management - Management can be defined as all the activities and tasks undertaken for achieving goals by continuous activities like planning, organising, directing and controlling. Management is a process of planning, decision making, organizing, leading, motivation and controlling the human resources, financial, physical and informational resources of an organization to reach its goal effectively and efficiently.

Management is the act of getting people together to accomplish desired goal and objectives using available resources. (Process of getting things done with the aim of achieving goals Effectively & Efficiently)

- \* According to Harold Koontz, management is an art of getting things done through and with the people in formally organized groups.
- \* According to F.W. Taylor, management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way.

### Characteristics of Management - (Nature) / (Features)

- Management is goal oriented.
- Management integrates human, physical and financial resources.
- Management is continuous.
- Existence of objectives.
- Decision making.
- Organized activities.

- o Management is a group activity.
  - o Management is all pervasive (universal, common to all organization, everywhere, widespread)
  - o Relationship among resources.
  - o Working with and through people.
  - o multidisciplinary, dynamic function.
- An approach to a problem/topic that involves various methods or discipline.

## Functions of management - (Process) / (Principal)

POSDC

(Not rule, but guide to action)

The functions of management are planning, organising, directing and controlling that managers perform to accomplish business goals efficiently.

### Planning (course of action)

- (Determining in advance what to do, when to do, how to do & who is going to do it.)
- setting goals in advance)

It is a decision making regarding the goals and setting the future course of action from the set of alternatives to reach predefined goals. The plan helps maintain managerial effectiveness as it work as a guide for future activities.

### Organizing (coordinating activities & resources)

(Assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.)

It can be defined as the process by which the established plans are more closer to realisation. It involves determining how activities and resources are to be assembled and coordinated.

### Directing (leading/managing/motivating and directing people)

(Process of supervising, motivating, leading and communication with the employees to achieve the organizational objectives hence showing leadership quality)

It is the third basic managerial function, directing is the skills of influencing people for particular purpose associated with organizational goal. Directing is influencing or prompting the organization's members to work together with the interest of the organization.

Creating a positive attitude towards the work and goals among the members of the organization is called directing.

- Controlling (monitoring and evaluating activities) - Monitoring the organizational progress towards goal fulfillment is called controlling. Controlling is measuring, comparing, finding deviation and correcting the organizational activities performed to achieve the goals or objectives. Thus, controlling consist of activities like measuring the performance, comparing with existing standard, finding the deviation and correcting those deviations.

## Management Science and Art

### • Management as Science -

Science is a systematic body of knowledge pertaining to a specific field of study that contains general facts which explains a phenomena. It establish cause and effect relationships between two or more variables and underlines the principles governing their relationships.

### Characteristic of management as Science -

Science is characterised by following features -

- Universally accepted principles.
- Experimentation and observation.
- Cause and effect relationship.
- Test of validity and reliability.

### • Management as Art -

Art implies as application of knowledge and skills to trying about desired results. An art may be defined as personalized applications of general theoretical principles for achieving best possible results.

Art has the following features -

- Practical knowledge
- Personal skill
- Creativity
- Perfection through practice
- Goal Oriented

## Management as both Science and Art -

4

Management is considered as science because it has an organized body of knowledge which contains universal truth. It also called as an art because managing requires certain skills which are personal qualities of managers. Science provides the knowledge and Arts deals with the application of knowledge. Science teaches to "Know" and Art teaches to "Do".

## Management Principal -

### • Management and Administration

#### \* Management -

Management is how business organize and direct workflow, operations and employees to meet company goals. The primary goal of management is to create an environment that lets employees work efficiently and productively.

#### \* Administration -

The administration is a systematic process of administration, administering the management of a business organization and educational institute, government offices or any non-profit organization. The main function of administration is the ~~formation~~ of plans, policies, procedure, setting up goals and objective, referencing rules and regulations.

Basis of Comparison	Management	Administration
• Area of operation	• It works under administration.	• It has full control over the activities of the organization.
• Applicable to	• Profit making organization.	• Govt. offices, business, enterprises, hospital, educational organizations.
• Decide	• Who will do work & how will it be done.	• Work should be done & when should be done.
• Work	• Putting plans and policy to action.	• Formulation of plans, framing policies and

## Management Skills -

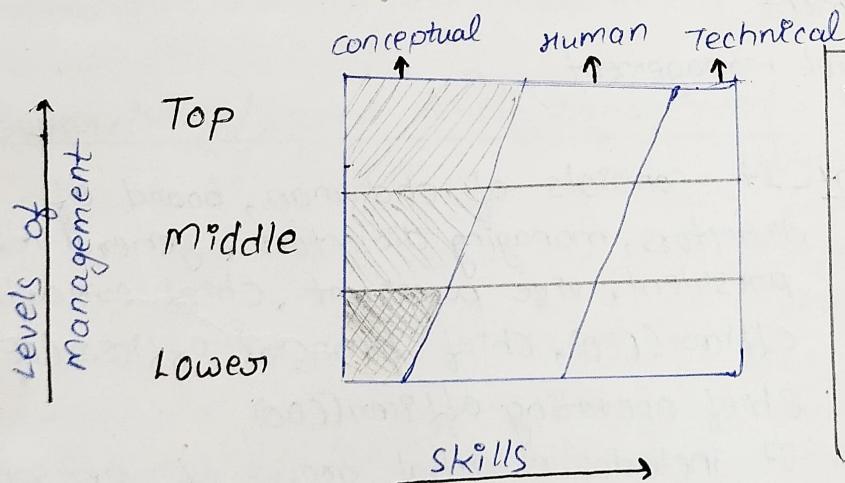
There are three types of skills -

- Technical skills
- Human skills
- Conceptual skills

1) Technical Skills - It refers to the ability and knowledge in using the equipments techniques and procedure involved in performing specific task. These skills require specialized knowledge in the particular task.

2) Human Skills - It refers to the ability of a manager to work effectively with other people both as individual and as member of a group. Human skills are concerned with understanding of people.

3) Conceptual Skills - It involves the ability to see the whole organization and inter-relationships between its parts. This skill helps the manager to analyze the environment and to identify the opportunities.



- Technical skill - Gradually increases from top to lower level
- Human skill - Almost same in all levels
- Conceptual skill - Gradually decreases from top to lower level

## Management Key Concepts-

- Organisations- People working together and coordinating their actions to achieve specific goals.
- Goal- A desired future condition that the organization sets to achieve.
- Management- The process of using organizational resources to achieve the organization's goals by  
→ Planning, organizing, leading and controlling.
- Resources- People, machinery, raw materials, information, skills, financial capital etc.
- Managers- Manage the organization's resources.

## Levels of Management-

It refers to the categories or layers of managerial positions in an organization. The level of management determines the amount of authority and status of the person occupying the positions at respective levels. There are three levels of management:

- Top level management
- Middle level management
- Lower /Supervisory level management

- Top level management- It consists of chairman, board of directors, managing directors, general manager, president, vice president, chief executive officer (CEO), chief financial officer (CFO), Chief operating officer (COO).  
It includes essential group of persons for leading and directing the efforts of the other people.

## Functions of Top management levels-

- Determining the objective of the enterprise.
  - Framing of plans and policies.
  - Organizing activities to be performed by persons working at middle level.
  - Assembling all the resources.
  - Responsible for welfare and survival of the organization.
- Middle level management - This level of management consists of departmental head such as finance manager, marketing manager, human resource manager, plant superintendent etc.

#### Functions of middle level management

- Interpretation of policies frame by top management to lower level.
- Organizing the activities of their department for executing the plans and policies.
- Recruitment of required employees.
- Motivating the persons to perform according to their ability.
- Controlling and instructing the employees.
- Cooperate with other departments for smooth functioning.

- Supervisory/Lower level management - This level consists of supervisor, superintendent, foreman, sub-department executives etc. Managers of this group carry on the work or perform the activities according to the plans of top and middle level management.

#### Functions of lower level management

- Representing the problems of workers before the middle level management.

- Maintaining good working conditions and developing healthy relations between superior and subordinates.
- Ensure safety of workers.

(Father of Scientific Management)

## ~~X~~ Scientific Management Theory - (By Frederick Winslow Taylor)

According to Taylor, scientific management means knowing exactly what you want (manager) men (workers) to do and seeing that they do it in the best and cheapest way. i.e. there is one best way of doing work so that productivity increases. The principle object of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee.  
 (SM refers to use of scientific, systematic, objective and logical principles and techniques to various managerial functions.)

### Principles of Scientific Management Theory -

#### 1) Science, Not Rule of thumb-

This principle says that we should not get stuck in a set routine with the old techniques of doing work rather we should be constantly experimenting to develop new techniques which make the work much simpler, easier and quicker.  
 (disagreement/argument)

#### 2) Harmony, Not Discord-

This principle states that there should be complete harmony between the managers and the workers.

Taylor has referred to such a situation as a mental revolution and believe that the occurrence of mental revolution would end all conflicts between the two parties and would be beneficial for both of them.  
 (coordination) (change in thinking)

#### 3) Cooperation, Not Individualism -

According to this principle all the activities done by different people must be carried on with a spirit of mutual cooperation. Competition should be replaced by cooperation between managers and workers.

#### 4) Development of each and every person-

According to this principle the efficiency of each and every person should be taken care of right from his selection. A proper arrangement of everybody's training should be made. (worker should be provided scientific training.)

### Techniques of Scientific Management-

Foreman - Lowest ranking manager,  
highest ranking worker

#### 1) Functional Foremanship -

Foreman represents the managerial figure with whom the workers are in face to face contact on a daily basis. (It is opposite to 'unity of command')

#### 2) Standardisation and Simplification of work-

It refers to the process of setting standards for every business activity, it is a means of achieving economic production. Simplification means eliminating unnecessary varieties of product.

#### 3) Method study -

This technique determine the best way of doing the job.  
Objective → minimise cost of production and maximise quality & satisfaction of customers.

#### 4) Motion study -

It refers to the study of movement of an operator or machine involved in a particular task. The purpose of motion study is to eliminate useless motions and determine the best way of doing jobs. (Save time + Productivity Increase)

#### 5) Time study -

It is a technique which enable the managers to a certain standard time taken for performing a specified job.

#### 6) Fatigue study -

A person is bound to feel tired physically and mentally if they don't rest while working. The rest intervals will help one to regain stamina and work again with some capacity.

### 7) Differential Piece wage system-

This technique of wage payment is based on efficiency of workers. The efficient workers are paid more wages than inefficient one.

### Limitations of Scientific management-

- Over emphasis on economic needs.
- Loss of jobs
- Monotony
- Discrimination among workers.
- Narrow view
- ~~Not~~ best way of doing work.
- Opposition by trade union.
- Unsuitable for small firms.

### contribution of Fayol -

- All activities of industrial organisation could be divided into 6 groups -
  - 1) Technical
  - 2) Commercial
  - 3) Financial
  - 4) Security
  - 5) Accounting
  - 6) Managerial
- He was first to identify 4 function of management (Planning, organising, directing, controlling)
- Developed 14 principles, which act as guidelines for managers.

(Father of General management)



### \* Henri Fayol's Principle of Management - with application.

Henri Fayol's management theory is known as classical management theory. There are 14 principle of management.-

#### 1) Division of work-

Assign each employee a task that they can become proficient and productivity increases as employee <sup>become</sup> more skilled assure and efficient.

#### 2) Authority- Authority is rights to give orders to subordinates. Responsibility is the duty which subordinate is expected to perform. Manager must possess the authority to give orders and recognise that with authority comes responsibility.

#### 3) Discipline- (obedience to rule and regulation)

Everyone should follow the rules. and rules must be fair.

#### 4) Unity of command-

An employee should receive orders from one supervisor only

### 5) Centralisation -

Balancing centralize (from the top) with letting employees makes decision.

### 6) Unity of Direction -

Teams with the same objectives should be working under the direction of one manager, using one plan.

### 7) Subordination of individual interest to collective interest - (organisational)

Individual should pursue team interest over the individual / personal one.

### 8) Scalar chain -



Employee should know where they stand in the organization's hierarchy and who to speak within a chain of command.

### 9) Remuneration - (wages/salary that employee get for the work he do)

Employee's satisfaction depends on fair remuneration for everyone's financial and non-financial requirements.

### 10) Order -

It means that "The right man in the right place" forms an effective social order.

### 11) Initiative -

Employee should be encourage to develop and carry out plans for improvement.

### 12) Stability of tenure of personnel - proper efforts to achieve stability and continuity of texture of personnel

Organisations should minimize staff turnover and rule changes to maximize efficiency.

### 13) Equity - (There should not be any discrimination among employees on basis of religion, caste, gender, language or nationality)

Managers should be fair to all employees through a combination of kindness and justice.

### 14) Esprit De Corps -

Organisation should promote team spirit, unity and moral

DAD U C USSR?
O I SEE

## Business Ethics-

It is an art and science for maintaining harmonious relationship with society, its various groups and institutions, as well as recognizing the moral responsibility for the tightness of business conduct. - (stated by Wheeler).

## Ethics Principles-

- Honesty
- Integrity
- Promise keeping and trustworthiness.
- Loyalty
- Fairness
- Respect for others
- Law abiding
- Commitment to excellence
- Leadership
- Reputation and moral
- Accountability

## Importance of Ethics-

- Satisfying basic human needs
- Creating credibility.
- Uniting people and leadership.
- Improving decision making
- Long term gains
- Securing the society.

Authority - Right of an individual (अधिकार) to do things.

Responsibility - Obligation / Commitment of an individual to carry out duties. (दिव्याधिकार)

Accountability - Answerable (उत्तोषित)

## UNIT-2

### Functions of Management (Part-1)

#### # Planning - (Process of setting objectives)

Planning is the process of bridging the gap where we are and where we want to be in the near future.

Planning is looking ahead, relating today's event with tomorrow's possibilities.

According to Koontz, planning is deciding in advance what to do, when to do and how to do.

#### Characteristics of Planning - /Nature/ Features

- Planning is goal oriented.
- Planning is looking ahead.
- Planning is an intellectual process.
- Planning involves choice and decision making.
- Planning is the primary function of the ~~mag~~ management.
- Planning is a continuous process.
- Planning is all pervasive.
- Planning is design for efficiency.
- Planning is flexible.

#### Importance of Planning -

- Planning provides sense of direction.
- Focuses attention on objective.
- Offsets uncertainty and risks.
- Provides guidelines for decision making.
- Increases organisational effectiveness.
- Provides efficiency in operations.
- Ensures better coordinations.
- Facilitates control, ~~etc~~

- Encourage innovations and creativity.

(steps) / function / principle  
Process in planning function -

- Establishment of objectives - Planning starts with the setting of goals and objectives to be achieved.
- Establishment of planning premises - Planning premises are the assumptions about the shape of events in future. Planning Premise is concern to take such steps that avoid the obstacles.
- Choice of alternative course of action - Each and every alternative will be evaluated by calculating its pros and cons. in the light of resources available and requirements of the organisation.
- Formulation of derivative plans - Derivative plans are subplans which helps in the achievement of main plan.
- Securing cooperation - After the plans have been determined it is necessary to take subordinates or those who have to implement the plans, into confidence.
- Follow up or appraisal of plans - After choosing a particular course of action it is important to measure its effectiveness, this can be done on the basis of feedback or information received from the departments.

## # Decision Making -

Decision making is the cognitive process of reaching a decision. It is process of mapping the consequences of decisions, working out the importance of individual factors and choosing the best course of action.

## Process of Decision Making -

The decision making process describes the elements of an organisation that accept and process the information and transform them into useful conclusion, making a good decision.

### Steps in decision making -

- Awareness of a problem - The first step in the decision making process is recognising a problem. The manager must become aware that a problem exists and it is important enough for managerial action.
- Diagnose and state the problem - The manager may be required to use judgement and experience before defining the problem in specific miserable terms.
- Developing alternatives - The statement of the problem in clear miserable terms enables executives to develop alternatives.
- Evaluation of alternatives - Decision maker ~~change~~ tries to outline the advantage and disadvantage of each alternative. The consequences of each alternative would be considered.
- Selection of the best alternatives - In this step the decision maker select the alternative that will maximise the results in terms of existing objectives.
- Implementation and follow up - Manager must seek feedback regarding the effectiveness of implemented solutions. Feedback allow manager to monitor the progress associated with the recent problem.

### Importance of Decision making -

- Proper utilisation of resources.
- Selecting the best alternative.
- Evaluation of managerial performance.
- Employee motivation.
- Achievement of goals.

- Pervasive functions.

## ~~#~~ Organising - concept

Organising is the function of management which follows planning.

According to Chester Barnard, organising is a function by which the concern is able to define the role positions, the job related and the coordination between authority and responsibility, hence, a manager always has to organise in order to get results.

A ~~man~~ manager performs organising function with the help of following steps—

- Identification of activities.
- Departmentalising the activities.
- Classifying the authority.
- Coordination between authority and responsibility.

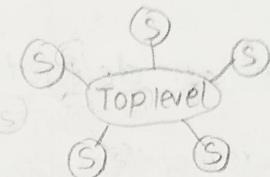
## ~~/~~ Importance of organizing functions-

- Specialisation → (Division of work)
- Well-defined jobs
- Clarifies authority
- Coordination
- Effective administration.
- Growth and diversification
- Sense of security
- Scope of new change.
- 

## Process of organising-

- Review plans and objectives— Objectives are the specific activities that must be completed to achieve the goals. Plans shape the activities needed to reach the goals.

- Determine the work activities necessary to accomplish objectives.
- Classify and group the necessary work activities into manageable units.
- Assign activities and delegate authority.
- Design a hierarchy of relationships.



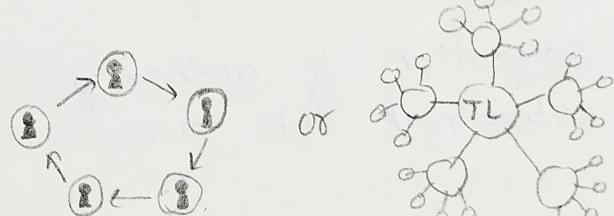
### Centralisation-

It is set to be a process where concentration of decision making is in a few hands. All the important decision and actions at the lower level, are subject to the approval of top management.

According to Allen, centralisation is a systematic and consistent reservation of authority at central points in the organisation.

The implication of centralisation can be -

- Reservation of decision making power at top level.
- Reservation of operative authority with the middle level managers.
- Reservation of operation. and lower level with the directions of the top level.



### Decentralisation-

It is a systematic delegation of authority at all levels of management in the organisation. In a decentralisation concerned authority is written by top management for taking major decisions like policy formation and rest of the authority can be delegated to the middle level or lower level of management.

According to Allen, decentralisation refers to the systematic effort to delegate to the lowest level of authority except that which can be control and exercised by central points.

Ques- What is difference between centralisation and decentralisation?

## Delegation of Authority - (splitting/sharing of work with subordinates by superior)

It is defined as subdivision and sub allocation of powers to the subordinates in order to achieve effective results.

(Transfer of authority from superior to subordinate).

(Based on Principle of Division of Work)

### Importance of delegation-

- Through delegation, a manager is able to divide the work and allocate it to the subordinates this helps in reducing manager's work load so that manager can work on other remaining areas.
- Delegation of authority is the ground on which the superior-subordinates relationship exist.
- Through delegation power the subordinates get a feeling of importance. They get motivated to work and this motivation provides appropriate results to a concerned organisation.
- Delegation of authority is not only helpful to the subordinates but it also helps the manager to develop their talents and skills.
- Delegation of authority is helpful for both superior and subordinate this gives stability to a concern's department.

### Difficulties in Delegation-

- Overconfidence of superior.
- Lack of ability in superior.
- Lack of proper deployment (mindsets) of superior.
- Lack of confidence in subordinates.
- Inability of subordinates.
- Manager remain accountable(answerable) even after delegation.

Ques- What is difference between delegation and decentralisation?

Basics	Delegation	Decentralization
• Meaning	Managers delegate some of their function and authority to their subordinates.	It is systematic delegation of authority at all level of management.
• Scope	Scope is limited as superior delegates the power to the subordinates on individual bases.	Scope is wide as decision making is shared by subordinates also.
• Responsibility	Managers are still responsible & can't be delegated	Responsibility is also delegated to subordinates
• Freedom of work	Freedom is not given to the subordinates.	Freedom of work is given to subordinates as they are free to take decision and to implement it.
• Degree	Degree of delegation varies from department to department	Decentralization is total by nature.
• Process	Delegation is a process which explains superior-subordinates relationship.	It is an outcome which explains relationship between top management and all other department.

## #Staffing-

It is the process of hiring eligible candidates in the organisation or company for specific positions. Staffing is an operation of recruiting the employees by evaluating their skills, knowledge and then offering them specific job roles accordingly.

It involves the process of filling the vacant position of the right personnel at the right job, at the right time.



## Functions of staffing-

- Staffing is to obtain qualified personnel for different job positions in the organisation.
- In staffing the right person is recruited for the right job therefore it leads to maximum productivity and higher performance.
- It helps in promoting the optimum utilization of human resources through various ways.
- Job satisfaction and moral of a worker increases through the recruitment of the right persons.
- It ensures the continuity and growth of the organisation through development of managers.

## Importance of staffing-

- Efficient performance of other functions (planning, organising, directing and controlling) properly.
- Effective use of technology and other resources.
- Optimum utilisation of human resources.
- Development of human capital.
- The motivation of human resources.
- Building ideal higher moral.

## Steps/Process involved in staffing-

- Manpower requirements
- Recruitment
- Selection
- Orientation and Placement
- Training and development
- Remuneration
- Performance evaluation
- Promotion and Transfer

Superior → subordinate  
relationship  
(example of directing)

## Unit-3

# Functions of Management (Part-II)

### Concept of directing -

Directing is set to be a process in which the managers instruct, guide and oversee the performance of the workers to achieve pre-determined goals.  
(Motivate, guide, leading/leadership, communication, instruct, order)

### Characteristics (Nature) of direction -

- It initiates action (actually make things happen)
- Pervasive function (takes place at every level of management)
- Continuous activity (on going process throughout the life)
- Human factor
- Creative activity
- Executive function
- Delegative function
- Flows from top to bottom

### Principle of direction -

#### • Maximum Individual contribution -

Management should adopt such directing policy that motivate the employees to contribute their maximum potential for the attainment of organisational goals.

#### • Harmony of objective -

Directing should establish harmony and coordination between the objectives of both the parties.

#### • Unity of Command -

This principle state that a subordinate should receive instruction of only one superior at the time.

- Appropriate direction techniques-

Appropriate direction techniques should be used to supervise needs, communicate and motivate the employees based on their needs, capabilities, attitudes and other situational variable.

- Managerial communication-

The instruction should clearly convey to the employee and it should be ensure that they have understood the same meaning as was intended to be communicated.

- Use of informal organisation-

Within every organisation there exist an informal group of organisation. The manager should identify that groups and use them to communicate information.

- Leadership-

While directing the subordinates managers should exercise good leadership as it can influence the subordinates positively without causing dissatisfaction among them.

- Follow Through-

Managers are required to monitor the extent to which the policies, procedures and instructions are followed by the subordinates. If there is any problem in implementation, the suitable modifications can be made.

## Techniques of directing -

In performing direction function managers use different techniques that broadly classified into two parts-

- Situational Patterns (Giving orders and instructions)
- Behavioural Pattern

- Situational Pattern -

- Time specific
- Written or Oral
- General or Specific
- Formal or Informal

- Behavioural Pattern -

- Autocratic Pattern : The superior gives order and instruction in detail as he does not involve his subordinate in decision making process.
- Participative Pattern : It is also known as consultative pattern. In this decision making is a joint process between superiors and his subordinates.
- Free-rein Pattern : It is just opposite of autocratic. In this subordinates are given authority to make decisions within the broad guidelines provided by the Superior.

### Elements of directing -

There are 4 elements of directing -

- Supervision
- Motivation
- Leadership
- Communication

## ~~Supervision - (observing)~~

Supervision involves overseeing performance of subordinates and guiding and instructing them to ensure that the intended results are achieved.

Direction	Supervision
<ul style="list-style-type: none"> <li>• Direction is a function of guiding, instructing &amp; motivating the subordinate for achievement of goals.</li> <li>• It includes communication, leadership, motivation &amp; supervision.</li> <li>• It is important at all levels of the organisation i.e. from top management to operative level.</li> <li>• Direction does not need frequent face-to-face contact between the superior and the subordinate.</li> </ul>	<ul style="list-style-type: none"> <li>• It is a function of controlling the subordinates to ensure that work is being done.</li> <li>• It is only an element of direction function.</li> <li>• Supervision is important at operative level because the activities of workers must be guided/controlled.</li> <li>• Supervision involves frequent face-to-face contact between the superior and the subordinate.</li> </ul>

## Effective Supervision-

The effectiveness of supervision can be identify/measured through the following way -

- Leadership Capabilities
- Closeness of supervision
- Employee oriented or production oriented
- Group Cohesiveness
- Delegation

## Motivation - (process of Inspiration)

The term motivation based on latin word 'moveare', motivation is the state of readiness of a person to achieve desired results. There are two terms related to motivation. The first one is motive, and second one is motivating.

- 1) Motive - Also known as need. It is an inner state of a person that she is lacking something which moves her to engage in goal directed behavior.
- 2) Motivating - It is the process of inducing others to engage in a goal directed behaviour by presenting motivators.
- 3) Motivator - Technique used to motivate people like bonus, promotion, pay, recognition etc.

### Nature of Motivation -

- Internal feeling / psychological force.
- Based on motives
- Affected by motivating
- Goal directed behaviour
- Related to satisfaction.
- Person motivated in totality.
- It can be either positive or negative.
- Complex process.

### Importance of motivation -

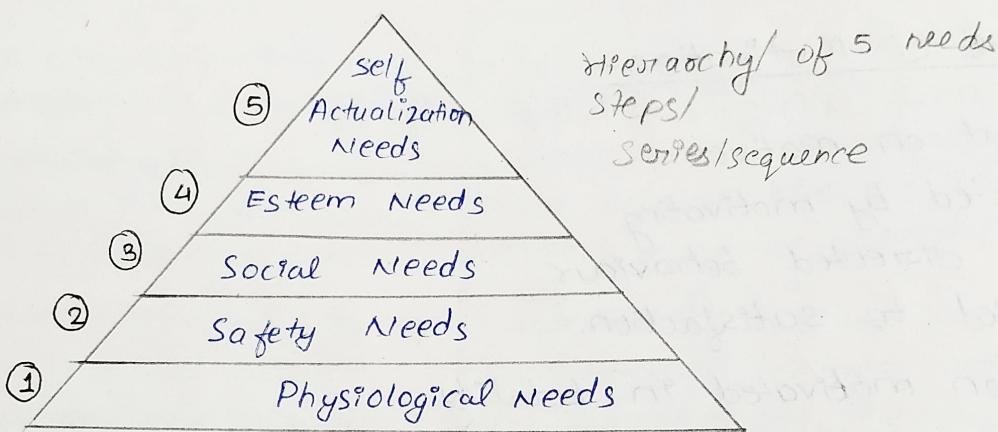
- High performance level.
- Low employee turnover.
- Acceptance of organisational change.

### Need of motivation -

- To break old habits and to develop healthy ones.
- Develop positive attitude.
- Increase productivity.
- Continuous process
- Builds friendly relationship.
- Improvement in quality and quantity.
- Stable workforce.
- Improve productivity.
- Remedy for change.
- Minimizes Dispute.

## Motivational Theories -

- Maslow's Need hierarchy - (based on human needs)
  - \* Maslow has proposed that motivation of people depend upon their needs and these needs may be arranged in a hierarchy.



### ① Physiological Needs -

Physiological needs are basic to everyone to maintain the physiological characteristics for example needs for food, clothing and shelter.

### ② Safety Needs - (Financial and physical security)

Safety needs also known as security needs. In the organisation these needs are satisfied by job securities, financial incentives having long term implications like PF (Prominent fund), Pension, Insurance etc.

### ③ Social needs - (Informal interaction with colleagues)

It is related to the belongingness of people at work, acceptance by others, working in harmonious group.

### ④ Esteem needs -

It is concern with self respect, self confidence, feeling of worthiness, recognition of good work etc.

### ⑤ Self Actualization Needs -

It is concerned with maximum use of individual's potential.

### • Herzberg's Motivation Hygiene Theory - (two factor theory)

In Herzberg's Motivation Hygiene theory, he concluded that there are two categories emerging from job condition.

#### Hygiene Factor -

This factor is also known as maintenance factor and these factors are not intrinsic parts of a job but they are related to condition under which a job is performed.

These factors are technical supervision, interpersonal relationship, company policy and administration with superior, peers subordinates, ~~subordi~~ salary, job security etc.

#### Motivating Factor -

Motivating factors are those factors which are related to a job the factors are achievement, recognition, advancement, possibility of growth, work itself etc.

### • Alderfer's ERG Theory -

It is the extension of Maslow's and Herzberg's theory of motivation. He has categorized various needs into 3 parts -

- ① Existence Needs
- ② Relatedness Needs
- ③ Growth Needs

① Existence Needs-

It includes all need related to physiological and safety aspect of an individual.

② Relatedness Needs-

It includes all those needs that involve relationship with other people whom the individual care.

③ Growth Needs-

It involves the individual making creative efforts to utilise full potential in the existing environment.

• McClelland's Need Theory-

McClelland's has identified 3 types of basic motivating needs -

- ① Need for power (n-Pow) - It is the desire of a person to exercise control over others thereby influencing their behaviour.
- ② Need for affiliation (n-Aff) - It is in the form of belongingness.
- ③ Need for Achievement (n-Ach) - It is an intense desire to achieve something unique.

## Leadership -



### Concept of leadership -

Leadership is the process of influencing the behaviour of others to work willingly for achieving specified objectives.

Key and Thomas defined leadership as "Leadership is the process of influencing and supporting others to work towards achieving objectives."

maintain Good relationship



$\downarrow$  e.g. good leadership skills / quality

### Importance of Leadership -

- Motivating employees
- Creating confidence
- Building Moral
- Good interpersonal relations b/w leader & follower.

## Leadership style -

Leadership styles are the patterns of behaviour which a leader adopts in influencing the behaviour of the followers (subordinates in the organisation).

There are basically two types of leadership styles -

- Based on behavioural approach
  - Power orientation
  - Leadership as a continuum
  - Likert's management systems
  - Employee production orientation
  - Managerial grid.
  - Two-dimensional grid

- Based on Situational Approach
  - + Friedler's Contingency Model
  - + Path goal Model
  - + Hersey-Blanchard's situational model

### Concept of controlling -

Controlling is defined as the process of evaluating actual performance and taking corrective actions (if necessary) so that performance is in accordance with planned performance.

Controlling as an element of management process involves analyzing whether actions are being taken as planned and taking corrective actions to take suggestive measures.

### Importance of controlling -

- Adjustments in operation
- Policy verification
- Managerial responsibility
- Psychological pressure.
- Coordination in action
- Organisational efficiency and effectiveness
- Efficient use of resources (Time)
- Ensuring order and discipline.

### Controlling process -

- Establishment of control standards.
- Measurement of actual performance.
- Comparing actual and standard performance.

## Controlling Techniques-

### Control techniques at operation level-

Operations of an organisation are concerned with converting inputs (material, energy etc) into outputs (goods & services) as efficiently as possible to optimize profit of an organisation. There are some techniques of controlling-

- Budgetary control
- Quality Control
- Inspection Control
- Inventory control

### Budgetary Control-

Budgetary Control is a process of comparing the actual results with the corresponding budget data in order to approve accomplishment or to remedy differences by either adjusting the budget estimates or correcting the cause of the difference.

### Quality Control-

Quality is a sense of appreciation that something is better than the previous one. From operation point of view quality means focusing on the production of increasingly better products at progressively more competitive prices.

### Inspection Control-

It is applied at the stage of raw materials as well as at the stage of finished products or services.

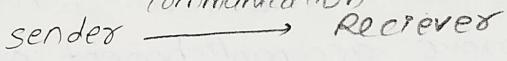
### Inventory Control-

It consists of raw materials, semi-finished goods and finished goods. Inventory control tries to specify the optimum level of inventory that an organisation should keep.

Communication - (exchange of ideas, feelings, thoughts, views, facts)

The word communication is a word derived from Latin word 'communis' that means common, however the communication can be defined as the process through which two or more persons come to exchange ideas and understanding among them.

Peter Little defines communication as "communication is a process by which information is transmitted between individuals and/or organisations so that an understanding response results."

Allen Louis defines communication as "communication is the sum of all things one person does when he wants to create understanding in the mind of another. It involves a systematic process of telling, listening, understanding and responding."   
 A diagram illustrating the communication process. It shows a horizontal arrow pointing from left to right. Above the arrow, the word "sender" is written on the left side, and "Receiver" is written on the right side. Between the two words, above the arrow, is the word "communication".

### Importance of communication -

- Basis of decision making and planning
- Smooth and efficient working of an organisation.
- Facilitates coordination.
- Increases managerial efficiency.
- Promotes cooperation and industrial peace.
- Helps in establishing effective leadership.
- Motivation and Moral.
- Increase managerial capacity.
- Job satisfaction.
- Increases productivity and reduces cost.

## Types of Communication -

(A)

### 1) Verbal Communication -

The communication happens through verbally, orally or through written words which express or convey the message to other is called verbal communication.

There are two types of verbal communication -

- Oral communication
- Written communication.

### 2) Non-verbal Communication -

Any communication without word of mouth, spoken words, conversation and written languages are called non-verbal ~~conversation~~ communication.

(B)

### 1) Formal Communication -

It refers to the communication taking place through official channels in an organisation. There are different types of communication networks operating in formal organisation, are discussed below -

- Single chain - It facilitates flow of communication from a superior to a subordinates among different levels in an organisation through single chain.
- Wheel ~~chain~~ - In wheel network the superior act as a hub of the wheel and all subordinates under him communicate only through him and are not allowed to talk among themselves.
- Circular ~~chain~~ - Using circular network the flow of communication is very slow and it moves in a circle. In this network each person communicates with adjoining person.
- Inverted V - Under this network a subordinate can communicate not only with his supervisor but also with

Superior's supervisor.

(Advantages & disadvantages.)

## ② Informal Communication-

It spreads very fast and it is difficult to detect the source of communication.

### ★ Grapevine Network - (Explain with figure, its type)

The network of communication follow the informal communication is referred to as grapevine network because its branches spread throughout the organisation and in all direction without considering the level of authority, structure etc.

### Types of grapevine network-

- Singlestrand - Each person can communicate with other person in a sequence only.
- Gossip - An individual can communicate with all on non-selective basis.
- Probability - In this an individual communicates with other individual at random.
- Cluster - An individual communicates only with those person to whom he/she trust.

### Advantages of Informal communication-

- Speedy and Spontaneous.
- Free environment.
- Social relations.
- Supplementing.
- Less time consuming / smart move.

## Disadvantages of informal communication -

- No responsibility.
- Unreliable information / source of information can't be detected.
- Leakage of information.
- Lead to rumours / not authentic.

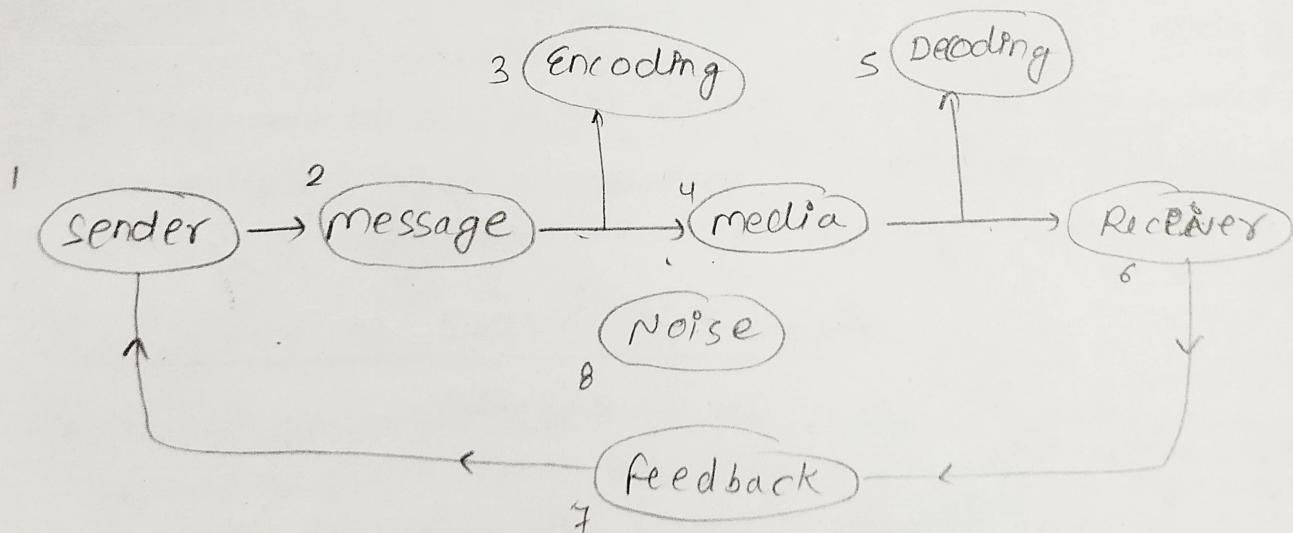
## Advantages of formal communication -

- Maintenance of authority.
- Orderly flow of information.
- Secretarial authentic.
- Easy knowledge of source of information.

## Disadvantages of formal communication -

- Overload of work
- Distortion of information
- No personal touch.

## Elements of communication



## Management Of Change

Business Environment - (Area surrounding business that cause an adverse impact on business)  
 Business Environment include factors outside the firm which can lead to opportunities or threat to the firms. The factors are socioeconomics, technological, suppliers, competitors and government. (Given by William F Gluck and Lawrence R Jauch).

The term business environment means the sum total of all individuals, institution and other forces that are outside the control of a business enterprise but that may effect its performance.

### Features of Business Environment -

- specific & general forces.
- Totality of external forces/factors.
- Dynamic (changeable → example → online shopping, class)
- Uncertainty (unpredictable)
- ↗ Interrelatedness (different elements of B.E are interrelated) One factor affect another factor
- Complexity → Difficult to understand
- Relativity → (different environment for different country)

→ specific force →  
 made impact of particular company  
 external force (GST / Demonetization) → Impact on all company (indirectly)

### Importance of Business Environment -

- Business environment enables the firm to identify opportunities to get the first mover advantage. → Maruti is market leader in small car segment (1<sup>st</sup> mover)
- It helps the firm to identify threats and early warning signal.
- It helps in taping useful resources.
- It helps in coping with rapid changes.
- Helps in improving performance.