



# 2022-23

## MANAGEMENT AND ENTREPRENEURSHIP FOR IT INDUSTRY (18CS51) Module-1 Notes

*Dr. Raja M*

*Professor*

*Dept. of CSE,*

*CMRIT.*

*D  
e*



### **Course objectives: This course will enable students to**

- Explain the principles of management, organization and entrepreneur.
- Discuss on planning, staffing, ERP and their importance
- Infer the importance of intellectual property rights and relate the institutional support

### **Course outcomes: The students should be able to:**

- Define management, organization, entrepreneur, planning, staffing, ERP and outline their importance in entrepreneurship
- Utilize the resources available effectively through ERP
- Make use of IPRs and institutional support in entrepreneurship

### **Module – 1**

**Introduction** - Meaning, nature and characteristics of management, scope and Functional areas of management, goals of management, levels of management, brief overview of evolution of management theories,. Planning- Nature, importance, types of plans, steps in planning, Organizing- nature and purpose, types of Organization, Staffing- meaning, process of recruitment and selection



### **Management Meaning -**

Every business need the direction this direction is given by Management.

“Management is conduct of affairs of business moving towards its objectives through a continuous process of improvement and optimization of resources”

“Management is the process of designing and maintaining an environment in which individuals working together in groups effectively”

### **Characteristics of Management**

1. It should be stable
2. It should be applicable to all kinds of organization
3. It is transparent
4. Its approaches are to be clear and objective oriented
5. It should be simple yet effective

### **Nature of Management**

1. Management is Goal-oriented.
2. Management is Universal.
3. Management is an Integrative Force.
4. Management is a Social Process.
5. Management is Multidisciplinary.
6. Management is Continuous Process.
7. Management is Intangible.
8. Management is an Art as well as Science.

### **Functional areas of management**

There are 5 essential functions of Management –

1. Planning
2. Organising
3. Staffing
4. Directing(Leading)

## 5. Controlling

### Planning

Planning is the process of analyzing the situation, determining the objectives that will be influence in the future and deciding in advance, the actions that will be taken to achieve. Planning is an executive function that is referred to as decision making. Setting short and long term goal for organization. Planning bridges the gap from where we are now to where we want to be in future.

Planning is an executive function that is referred to as decision making.

Setting short and long term goal for organization

Selecting objectives , strategies and policies for accomplishing the planned goals

Deciding in advance what to do, how to do, who has to do, when to do, where to do.

Planning bridges the gap from where we are now to where we want to be in future.

### Organising

It is a part of management that involves in establishing an structure of roles for people to fill in an organization.

Determination of activities required to achieve objectives.

Grouping these activities into departments

Assigning such groups of activities to managers.

Making provision for coordination of activities.

### Staffing

Staffing is an important function which makes provision for man power to fill different positions.

Finding the right person for right job

Placement, Training and developing new skills required for present and future jobs.

Creating new positions

Apprising the staff and planning their growth and promotion etc

### Directing (Leading)...

Next important function of management is directing or leading the people towards the defined objective.

Directing sub functions are –

1. Communication

2. Leadership
3. Motivation

### **Controlling**

Controlling is measuring and correcting of activities of subordinates to make sure that the work is going on as per the plan.

Establishing standards of performance

Measuring performance and comparing with established standards

Taking necessary corrective action to meet the set standards.



### **Scope of management**

The management is a must for every organization. The existence of management ensures proper function and running of an enterprise. Management plans the activities , coordinates and utilizes the available resources effectively and efficiently at minimum cost. Scope of management is not limited only to business organization , but it is extended to business establishment, hospitals, educational institutions, Govt offices, Service organizations, security organizations etc

### **Management scope can be extended to the following areas of life –**

1. Developing Management



2. Financial Management
3. Marketing Management
4. Transport Management
5. Purchase Management
6. Sales Management

Development has emerged as a powerful & innovative force on which the today's society depends for material support from an unrecognized situations in the past one or two centuries. This is the area of management which is responsible for undertaking activities such as industrial & technical surveys, taking up research work, suggesting ways & means for innovations for reacting the taken up for improving methods of production, finding out best ways of doing things, raising productivity in the firm. The innovative methods of production & marketing will help the firm to grow. Seventeen and eighteen centuries had seen industrial revolution. Lots of inventions & new technologies had emerged. The importance of management was focused division of labor our concept was evolved importance of planning was identified. But the management on a separate field of study had emerged only during's early 20th century when new industrial era began. Business organizations had a stage shift from ownership towards joint stock companies. As an answer to the problems like insufficient system, inefficiency of labor our & discrepancy in wage payment, management has been recognized as a separate & important field of study. Subsequently, management has evolved as a specific discipline of study & practice. The evolution of management can be divided into two parts early management approach & modern management approach

### **Overview of evolution of management**

Evolution of management has 2 different approaches as below -

#### **• Early management approaches**

##### **1. Psychological development (Before 17<sup>th</sup> century)**

People having universal belief that managers are born and cannot be made

In olden days when there was no experience and knowledge of business, they had to depend upon their inborn abilities

##### **2. Scientific Management (18<sup>th</sup> – 19<sup>th</sup> century)**

#### ***F.W.Taylor***

- The "father" of scientific management

- Published *Principles of Scientific Management* (1911)
    - The theory of scientific management
    - Using scientific methods to define the “one best way” for a job to be done:
      - Putting the right person on the job with the correct tools and equipment.
      - Having a standardized method of doing the job.
      - Providing an economic incentive to the worker.
- Time and motion study

a) **Work Study –**

Work study includes time and motion study

He observed that workers were not producing their full capacity of work.

Start recording the time required for each motion of job with the help of stop watch

The time required to complete one job was standard time.

b) **Differential Payment –(Payment Plan)**

Taylor linked the incentives with production

Workers get minimum wage if he produces a standard number of pieces, if he produces more he is paid incentives.

This would motivate the workers to produce more.

c) **Reorganization of Supervision –**

Taylor observed that the workers himself had to plan his work and do the job

He advocated that the planning of work and selection of tools are to be done by foreman and the workers has to carry out the work

d) **Scientific Req and Training –**

Taylor has suggested the need for scientific training and development of a worker to carry out a specific task.

**Taylor's Five Principles of Management**

Develop standard methods for performing each job

Select workers with appropriate abilities for each job

Train workers in standard methods

Support workers & eliminate interruptions

Provide wage incentives

### 3. *Administrative Management(1841-1925)*

Henri Fayol (1841-1925) is consider as father of Administrative Management. He focused on the development of administrative principles, applicable to middle and top level managers. It focused on principles that could be used by managers to coordinate the internal activities of organizations.

- **Division of Work**

Work of all kinds must be divided and allotted to various persons

Simpler and results in efficiency

Helps the individual in acquiring speed, accuracy in his performance

Specialization leads to efficiency & economy in spheres of business

- **Authority & Responsibility**

Authority is given to a person, he should also be made responsible.

He should also have concerned authority, if anyone is made responsible.

Authority refers to the right of superiors. responsibility means obligation for the performance of the job assigned.

Should be a balanced.

Authority- Responsibility = Irresponsible Behavior

Responsibility- Authority= Ineffective

- **Discipline**

Sincerity, Obedience, Respect of Authority & Observance of Rules and Regulations of the Enterprise.

Subordinate should respect their superiors and obey their order.

Smooth running of the enterprise

Discipline can be enforced if -

-Goodsuperiors

- Clear&fairagreementswithworkers

- **Unity of Direction (One Boss)**

One head one plan

Related activities should be grouped together

Efforts of all the members of the organization should be directed towards common goal

Without unity of direction, unity of action cannot be achieved.

Unity of command is not possible without unity of direction

- **Remuneration**

Paid to the workers should be fair of the efforts

Determined on the basis of cost of living, work assigned etc,

Provision of other benefits such as free education, medical & residential facilities to workers

Management creates good relationship and pleasing atmosphere of work.

- **Centralization & De-centralization**

Centralization-concentration of authority at the top level

De-centralization-disposal of decision making authority to all the levels of the organization

Increases the role of subordinate is decentralization & Decreases the role of subordinate is centralization

- **Initiative**

Encouraged to take initiative in the work assigned to them

Initiate actions without being asked to do

Management should provide opportunity to its employees

Suggest improvement in formulation & implementation of place

- **Order**

- Concerned with proper & systematic arrangement of things and people.

- Arrangement of things is called material order

- Placement of people is called social order.

- Material order-should be safe, appropriate and specific place for every article

- Social order-Selection and appointment of most suitable person on the suitable job

- **Scalar Chain**

The chain of superiors ranging from the ultimate authority to the lowest

Every orders, instructions etc. has to pass through Scalar chain.

For the sake of convenience & urgency, this path can be cut

Temporary arrangement between two different points to facilitate quick & easy communication

Modified as per the requirements of situations.

#### **4. Human relations movement**

Taylor and Fayol did not consider or focus on human side

Elton Mayo conducted series of experiments regarding human relations Business organization is not only a technical and economical unit where only production & profit are considered but it should have human system. In addition to incentives , it is important to create human relations Workers will expect social respect by his co-workers and supervisors.

- **Modern approaches to management.**

1. **Behaviour Approach** - The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace. The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace. Psychologist ,sociologists and others began studying people at work .The behavioral approach believes that an individual is motivated to work for many reasons in addition to making money and forming interpersonal relationships.
2. **Systems Approach**- A system is defined as a set of independent parts together form a whole that performs a defined task. Organization is a system that consists of people, task structure and Technology. A system that interacts with out side environment is called as open system. A system that works with in close boundary is called as close system

**Systems approach: Provides integrated approach to management problems and the key concepts of systems approach are**

System is a set of independent parts: Which together works as a single unit and performs some function. Similarly an organization can also be considered to be composed of four independent parts namely task, structure, people and technology. Structure subsystem: refers to the formal division of authority and responsibility, communication channels and workflow. People subsystem: refers to the employees with their motives, attitudes and values and the informal organization. Technology subsystem: refers to the tools and equipment as well as techniques which are used by the organization to perform the task. Concept of considering the system as a whole: Means that no part of the system can be analyzed and understood apart from the whole system and conversely, the whole system cannot be accurately perceived without understanding all its parts. Each part bears a relation of interdependence to every other part which rather than dealing separately with the various parts of the organization as a whole. The above concept facilitates more effective diagnosis of complex situations and increases the likelihood of appropriate managerial functions. A system can be either open or closed: Open system is one which interacts with its environment and closed system is one which is independent of the environment.

## The Four Parts of a System

### Inputs

The people, money, information, equipment, and materials required to produce and organization's goods or services



### Outputs

The products, services, profits, losses, employee satisfaction or discontent, and the like that are produced by the organization

### Transformational Processes

The organization's capabilities in management and technology that are applied to converting inputs to outputs

### Feedback

Information about the reaction of the environment to the outputs that affect the inputs

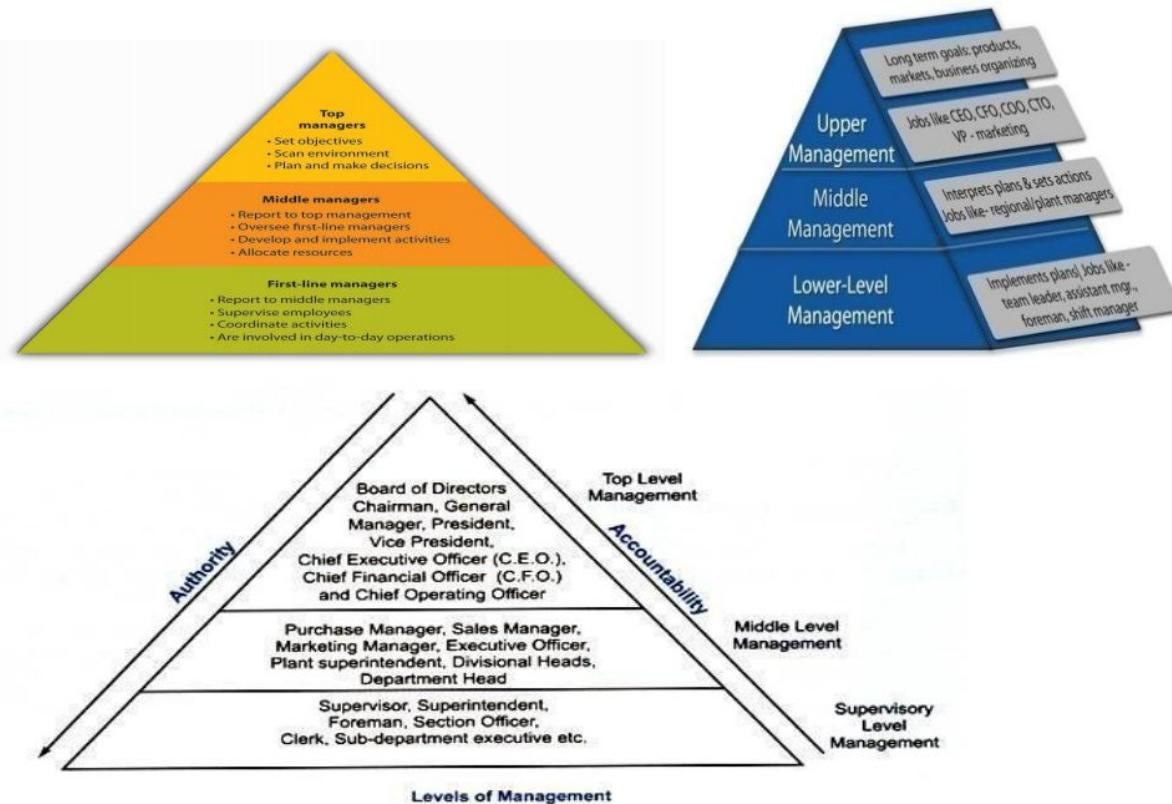
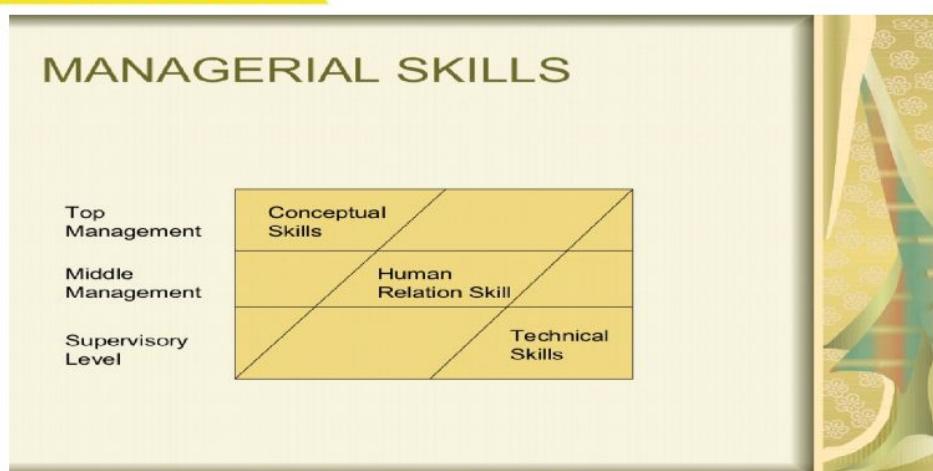
**Quantitative Approach-** It is also known as Management Science Approach This approach is used to find the solution to some complex new problems As a result the quantitative approach called Operation Research(OR) was developed

**Contingency Approach - The** techniques and methods that are highly effective in one particular situation may be failure in similar situation in other area. This approach suggests that the task of managers is to identify the correct techniques that will suit a particular situation and apply them to solve problem

### Levels of management.

There are 3 levels of management –

1. Top level Management
2. Middle level Management
3. Lower level or first line Management





## **Planning**

Planning is the process of analyzing the situation, determining the objectives that will be influence in the future and deciding in advance, the actions that will be taken to achieve. Planning is deciding in advance what to do, how to do it, when to do it and who to do it. It involves anticipating the future and consciously choosing the future course of action.

### **Importance of planning**

Focuses attention on objectives and result

Reduces uncertainty and risk

Provides sense of direction

Encourages innovation and creativity

Guides decision-making

Provide efficiency in operation

Provide economy in operation

Effective Control

Bridge between present and future

### **Types of plans**

**Strategic plan** - It consists of major task and policies of an organization resources and facilities to accomplish the objectives. Used by community groups, government departments, organizations and businesses to develop blueprint for action and change. Defines mission, vision & values establishes realistic objectives, ensures effective use of resources, provides base to measure progress, develops future direction

Solves major problems



### Mission -Core purpose of your organization

Presented in a clear, short statement that focuses on attention in one clear direction by stating purpose of the group's uniqueness.

**Vision**-What is your organization's vision of excellence. Has to be realistic and not something impractical. **Values**-What are the principles, standards, and actions considered worthwhile in the organization. Includes how people treat each other, how groups conduct business and what is most important to the organization

**Tactical plan** - Its a short time planning. Tactical plan are immediate decisions based on the executive's judgment and experience in facing an actual situation. It consists of use of facilities and resources. It is day-to-day operation and activities of the organization, At lower level management

#### **Single use plan - Single Use plans**

- Developed to carry out a course of action that is not likely to be repeated in future
- Ex: Schedules, Projects, Budgets

#### **Standing Plans**

- Developed for activities that occur regularly over a period of time
- Ex: Objectives, Policies, Procedures, Rules

<b>Long range plan</b>	<b>Point of distinction</b>	<b>Short range plan</b>
Covers many years & affects many departments of an organization	Meaning	Covers less than one year and is more specific & detail
5 yrs or more	Time	2 to 5 Years
Organizations linkage with external factors	Primary focus	Linkage with various parts of an organization

Mission ,long term objectives and strategies	Deals with	Current operations of organization
Top management	Prepared by	Lower level executives

### Proactive Plan - Proactive Planning:

- Managers challenge the future, anticipating future and get ready with alternative routes for unseen circumstances

### Reactive Plan - Reactive Planning:

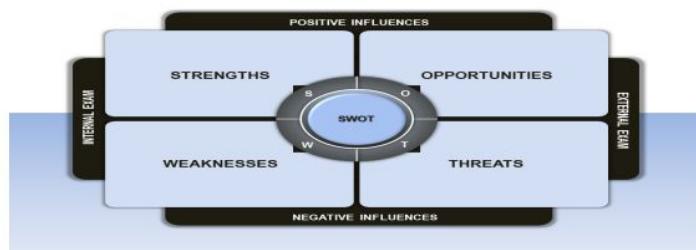
- Organizations react to events as and when they arise

### Steps in planning process

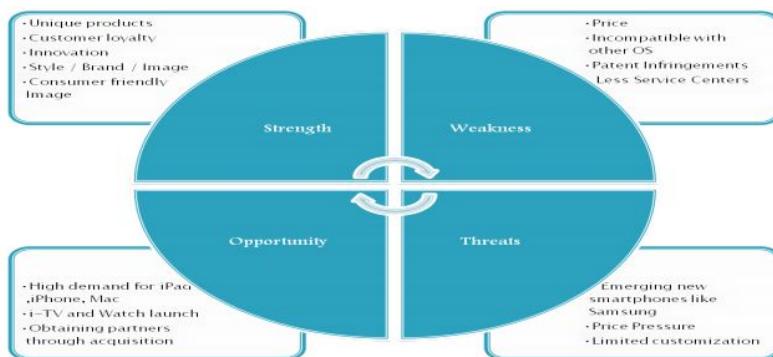


#### 1. Analyzing opportunities

- Not a step of Planning, It is pre-step of planning.
- Essential to make a successful plan.
- SWOT analysis



- Strengths - the positive internal attributes of the organisation
- Weaknesses - the negative internal attributes of the organisation
- Opportunities - external factors which could improve the organisation's prospects
- Threats - external factors which could undermine the organisation's prospects



## 2. Establishing objectives

- First and real starting point of planning.
- Management has to define objectives in clear manner by considering organizational resources and opportunities because a minor mistake in setting objectives might affect in implementation of plan.
- Objectives must be specific, clear and practical.
- Objectives should be time bound



### **3. Determining Planning premises**

Premises are the assumptions about the future in which the planning is implemented.

They provide environment and boundaries for the implementation of plan in practical operation.

#### **There are 3 types of planning premises**

Internal and external premises

Tangible and intangible

Controllable and uncontrollable

***Internal premises*** with in the organization ( Policies, investment, availability of equipments, funds etc)

***External premises*** means out side the organization (Govt policies, Economic conditions, population , demand)

***Tangible premises*** are the measurable premises like population, investment, demand etc.

***Intangible premises*** are those which cannot be measured like business environment, economic conditions etc

***Controllable premises*** like technical man power , input technology, financial investment etc

***Uncontrollable premises*** like strikes, change of govt policies, wars etc.

### **4. Identification of alternatives**

It is essential to identify all the possible hidden alternatives.

There must be search for the best alternative. The management must develop alternatives through the support of experienced and intellectual experts in management sectors.

### **5. Evaluate the alternatives**

Evaluate the alternatives from their expected cost and benefits. This is the logical step to evaluate each alternative from its plus and minus points.



Each alternative is studied and evaluated in terms of some common factors such as risk, responsibility, planning premises, resources, technology etc.

## **6. Formulating of Supporting plans**

It is essential to formulate action of supportive plan for each step of work and to all departments of the organization.

These action plans involve formulation of policies, rules, schedule and budget to complete defined objectives. Thus, formulation of supportive plans is an essential step in planning process.

It is difficult to implement main plan without formulation of derivative plan.

## **7. Implementation of Plan**

Without this step, other this procedure of plan will remain as paper work.

This step brings all the procedure of plan into action.

For implementation plan, management has to take some steps such as to communicate with subordinates who initiate to plan into action; provide necessary instruction and guidance; make arrangement of all resources like materials, machines, money, equipments etc; make timely supervision and control over subordinates.

### **Decision making**

A decision is one when there are different things you can do and you pick one of them.

You make lots of decisions everyday

### **Steps in decision making**

#### **• Identify the Problem:**

When making a decision a person first needs to identify and define the problem or conflict.

#### **• Identify Decision Criteria:**

When a problem identified, the decision criteria important to resolving the problem must be identified. That is, managers must determine what is relevant in making decision.

#### **• Allocation of Weights to criteria:**

If the relevant criteria are not equally important, the decision maker must weight the items in order to give them the correct priority in the decision.

#### **• Development of Alternatives:**

The fourth step in decision making process requires the decision maker to list viable alternative that could resolve. This is the step where a decision maker needs to be creative.

- **Choose One alternative:**

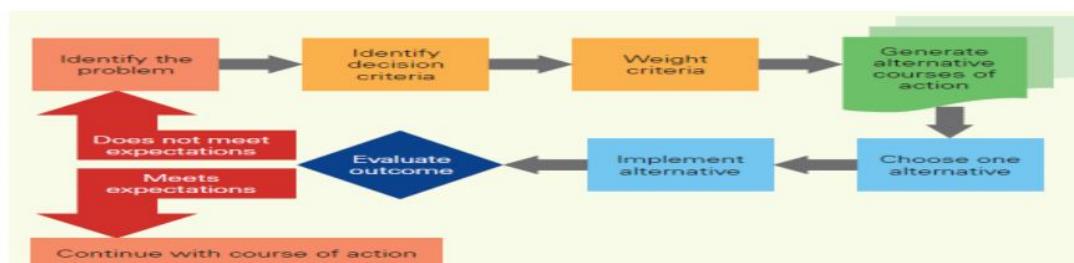
After making all the alternatives, the next step in planning or in decision making is to evaluate these alternatives. Evaluation is required in order to select the best alternative for implementation.

- **Implementation of the Alternative:**

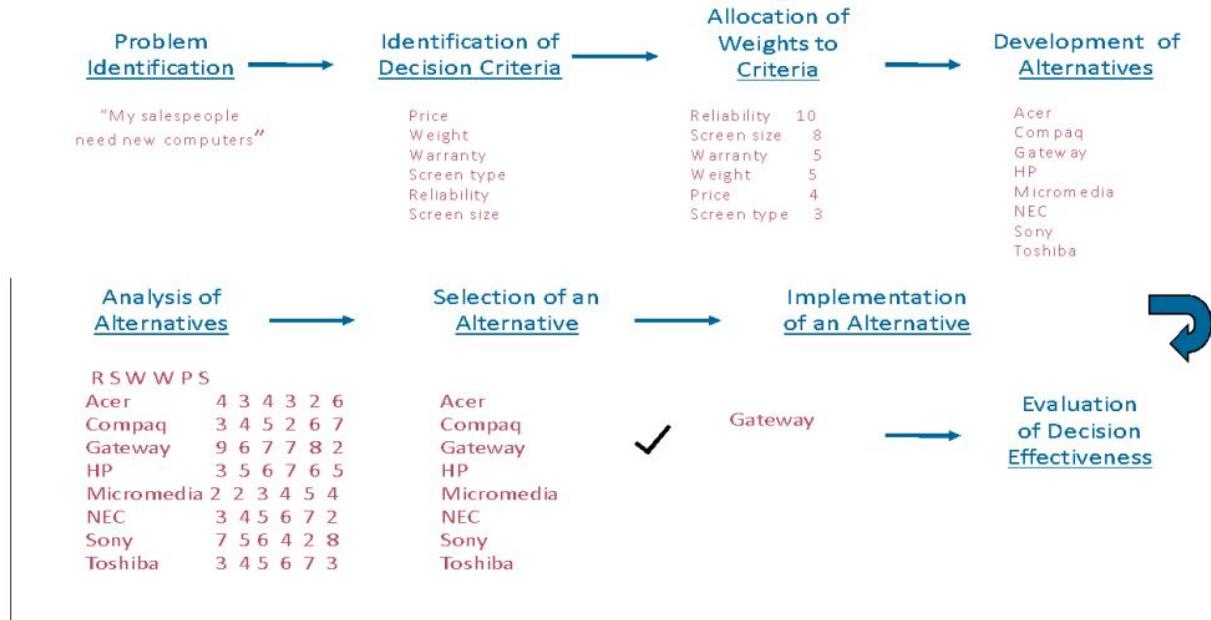
After choosing best alternative decision in to action by conveying it to those effected and getting their commitment to it.

- **Evaluation of Decision effectiveness:**

The last step the decision making Process involve evaluating the outcome or result of the decision to see if the problem is resolved.



## The Decision-Making Process



### Drawbacks in Planning

Planning may create rigidity.

Plans can't be developed for a dynamic environment.

Formal plans can't replace creativity.

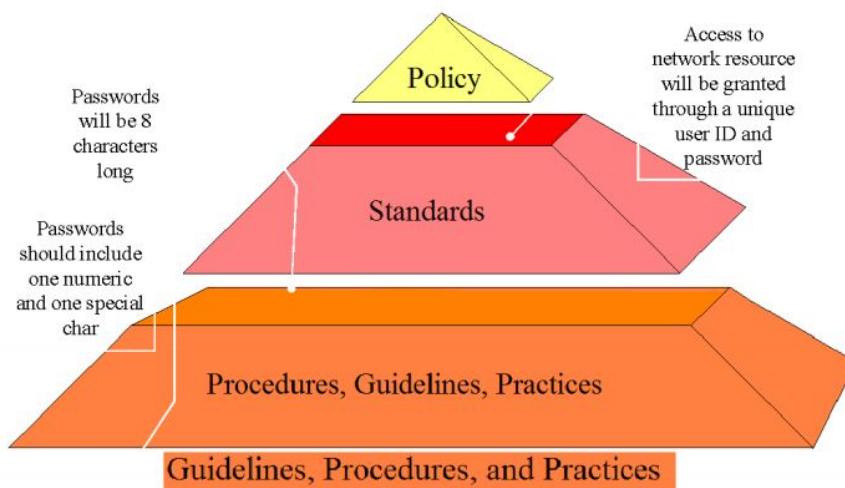
Planning focuses managers' attention on today's competition, not on tomorrow's survival.

**Policy** - It provides the framework within which decisions must be made by the management in different areas of organization. Policy is general guideline for decision making. Policies are often made without any study or analysis.

**Rule**- Rules are related to policies as they guide action. Rules are detailed and recorded instruction that a specific action must or must not be done under the given instance. Rule is different from policy, since it does not give guide to thinking

Eg: Procedure for handling mail may require a rule “all letters received should be replied to on the same day”

## Policy



### Reasons which make planning process an important activity in management.

A plan must be flexible. By flexibility of a plan is mean its ability to change direction to adapt to changing situations without undue cost. It needs to possess a built in flexibility in at least major areas technology, market, finance, personal and organization. Flexibility in technology means the

mechanical ability of a company to change and vary its product-mix according to changing needs of its customers.

Flexibility in market means the company's ability to obtain additional funds on favorable terms whenever there is need for them. Flexibility in personnel means the company's ability o shift



individuals from one job to another. Flexibility in organization means the company's ability to shift individuals from one job to another. Flexibility in organization means the company's ability to change the organization structure.

Flexibility is possible only within the limits. It is almost invariably true that it involves extra cost. Sometimes it may be so expensive that its benefits may not be worth the cost. People may develop patterns of thought that are resistant to change. Sometimes people may develop patterns of thoughts that are resistant to change.

Sometimes already established rules and procedures may become so deeply ingrained in the organization that changing them may become difficult. In most cases irretrievable costs already incurred in fixed assets, training, advertising may block flexibility. Planning is all pervasive function.

In other words, planning is important to all managers regardless of their level in the organization. There are however some differences in involvement by managers at different levels.

One major difference concerns the time period covered. Top level managers are generally months to five years later, or even after that. Lower level managers are more concerned with planning activities for the day, week or month. First line supervisors, for example plan the work activities for their people for the day.

They are not responsible for predicting sales levels and ordering materials to produce products six months in the future. A second major difference concerns the time spent on planning. Top managers generally spend more time on planning.

They are concerned with establishing objectives and developing plans to meet those objectives. Lower level managers are more involved in executing these plans.



Single use plans and standing plans. Single use plans are developed to achieve a specific end and when the end is reached the plan is dissolved. The two major types of plans are single use plans are programmers and budgets.

Standing plans on the other hand are designed for situations that recur often to justify the standardized approach. For example, it would be inefficient for a bank to develop a single use plan for processing a loan application for each new client. instead it uses one standing plan that anticipates in advance whether to approve or turn down the request based on the information furnished, credit rating, etc. the major types of plans are policies, procedures methods and rules.

### **Organizing Definition -**

Organizing is the process of arranging and allocating work, authority, and resources among an organization's members so that they can achieve organizational goal.

"Organizing is the process of identifying and grouping of the works to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of people to work most efficiently".

### **Importance of organizing**

#### **Facilitates Administration:**

It provides a system of authority and network for effective communication.

A properly balanced organization facilitated both management and operation of the enterprise.

#### **Encourages Growth :**

Systematic division of work and consistent delegation of authority facilitate taking up of new activities and meeting new demands.

— It provides flexibility for growth without losing control over various activities.

#### **Optimum Use of New Technology:**

Optimum use of technology permits optimum utilisation of human resources.

Sound organization ensures that every individual is placed on the job for which one is best suited.

#### **Stimulates Innovation & Creativity:**

It provides for effective management of change and responds favourably to changes in environment.

It provides recognition for the professional and the specialist in terms of their achievement.

**Encourages Good Human Relations:**

Well-defined jobs and clear lines of authority and responsibility ensure good human relations.

**Ensures Continuity of Enterprise:**

It provides scope for the training and development of future management.

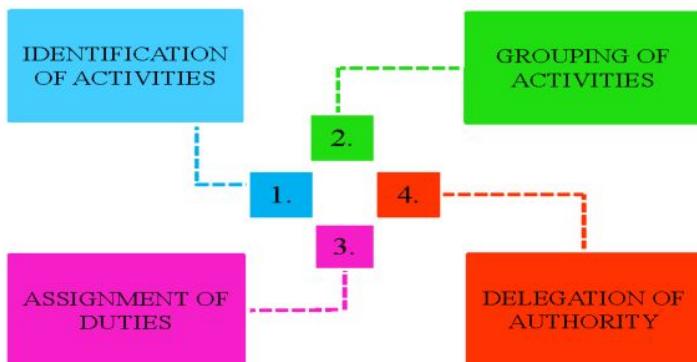
**Coordination:**

Division of labour, better utility of technology and human talent helps to improve the efficiency and quality of work.

Clear channels of communication among the members of the organization leads to coordination.

**Organizing Process -**

## PROCESS:



**1. Identification of Activities:**

- First step is to determine the tasks that must be performed to achieve the established objectives.
- Activities and jobs are building blocks of any organization.
- The activities to be performed depends upon the objectives, nature and size of the enterprise.

**2. Grouping of Activities:**

- The various activities are grouped into departments or divisions according to similarity and common purpose.
- Such grouping is necessary for the purpose of specialization, coordination and control.
- It may be grouped on various basis i.e. functions products, territories, customers etc depending on requirements.

**3. Assignment of Duties:**

- Groups of activities or departments are then allotted to different positions. Every position is occupied



- by an individual best suited for it.
- The assignments of activities creates responsibility and ensures certainty of work performance. The process should be carried down to the lowest levels.

#### 4. Delegation of Authority:

- Every individual is given the authority required to carry out the responsibility assigned to him.
- Every individual must know to whom he is accountable and who are his subordinates.

### **Types of organization-**

#### **• Different Types Of Organization Are:-**

1. Line Organization
2. Line & Staff Organization
3. Functional Organization
4. Matrix Organization

#### **1. Line Organization –**

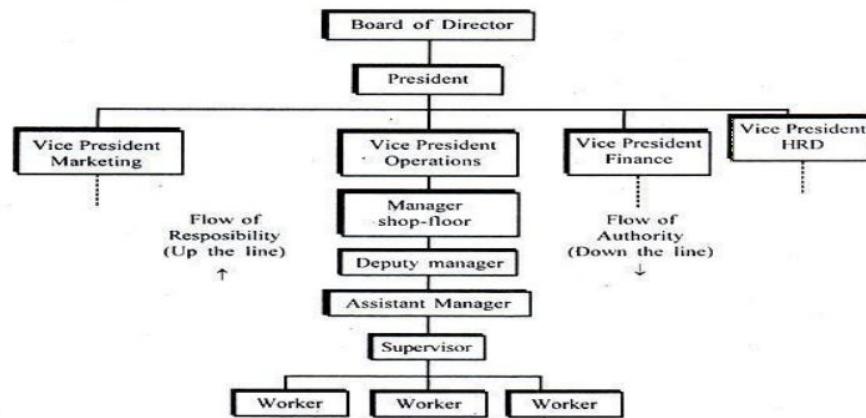
The Line organization is delegated directly from top to bottom. There is vertical line of authority running from top to the bottom of the organization. The man at the top has the highest authority and it is reduced at each successive level down the hierarchy.  
Suitability: This kind of structure is suitable for smaller organizations.

#### **Advantages**

- Clear Authority & Responsibility
- Easy to Understand
- One Supervisor Per Employee

#### **Disadvantages**

- Inflexible
- Long Line of Communication
- Difficult to Handle Complex Decisions



## 2. Line & Staff Organization

Staff authority is used to support the line authority. Line and staff organizations have both line and staff executives. Line executives are assisted by staff specialists in planning, distribution, quality, legal, audit, public relations, etc. For example, a production manager (a line authority) does not have enough time and experience to handle labour relation problems. Staffs help them in doing so.

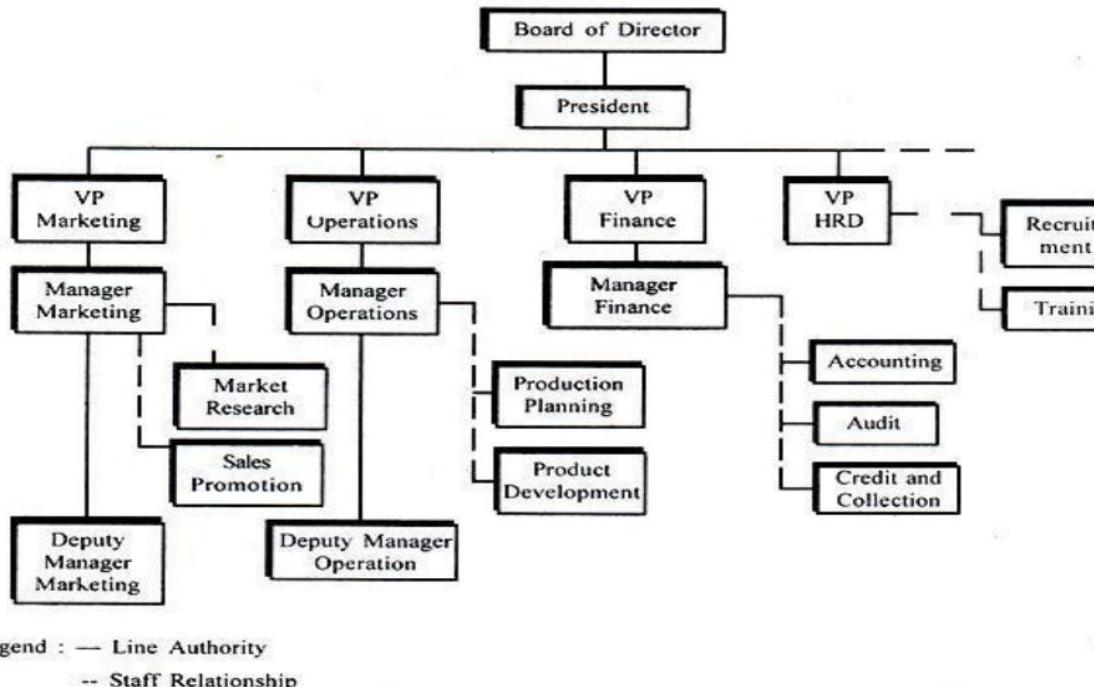
### Advantages

- Planned Specialization
- Quality Decisions
- Expert Advice

### Disadvantages

- Confusion
- Ineffective staff
- Line and Staff Conflicts

Suitability: This structure can be followed in large organizations.



### 3. Functional Organization –

A functional organizational structure is one on which the tasks, people, and technologies necessary to do the work of the business are divided into separate “functional” groups (such as marketing, operations, and finance) with increasingly formal procedures for coordinating and integrating their activities to provide the business’s products and services

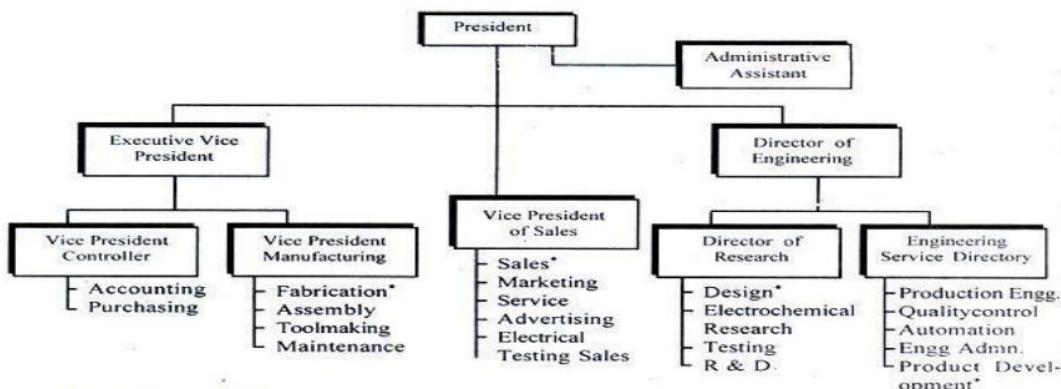
#### Advantages

- Specialization
- Executive Development
- Scope for Expansion
- Better Control

#### Disadvantages

- Violates the principle of unity of command
- Complexity
- Lack of coordination
- 

Suitability: It has been criticized by many authors due to violation in unity of command.



#### 4. Matrix Organization

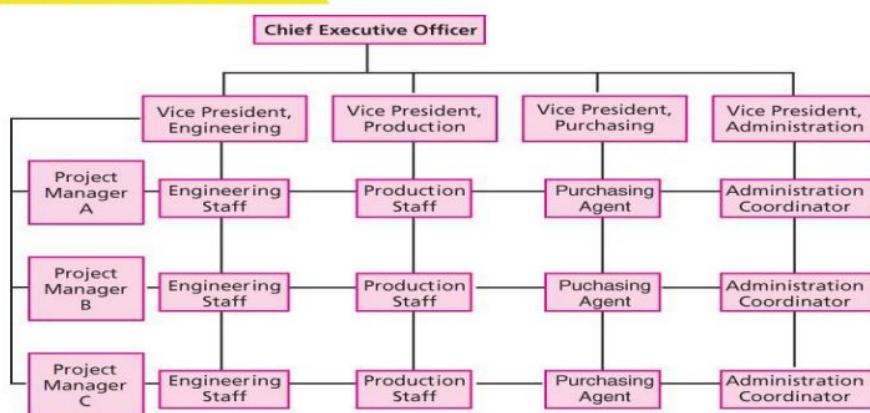
- Matrix organization has been developed to meet the need of large organizations for a structure which is flexible and technically sound. An individual has 2 bosses- his permanent and the project manager. Suitability- it can be successful only when there is an agreement among the key executive.

##### Advantages

- Flexibility
- Cooperation & Teamwork
- Creativity
- More Efficient Use of Resources

##### Disadvantages

- Costly/Complex
- Confusion
- Requires Good Interpersonal Skills & Cooperation
- Not Permanent



### Formal & informal organization

S. No	Formal Organisations	Informal Organisations
1.	It is consciously and deliberately created	It arises spontaneously
2.	Authority and responsibility are vital for its functioning	It is only personal factors such as friendshi, affinity, trust and confidence that are important.
3.	Rules and procedures are important	Personal relationship between individual is more important.
4.	It can be shown on the organisation chart	It cannot be shown
5.	Authority flows downwards and responsibilty flows upwards.	There is no flow of authority and responsibility.
6.	It is deliberately created only to attain the enterprise objectives.	It is created to fulfill the social needs of an individual. How-ever, it may also contibute to the enterprise goal.
7.	Designations and official positions are very important	Designations and official positions are unimportant.
8.	It is permanent and stable.	It is unstable.



## Management and administration

Characteristics	Administration	Management
Main Function	Planning ,Organising and staffing	Leading, Motivation & Controlling
Status	Act as owner	Act as an agency
Skills	Good administrative skills	More technical skills
Level in the organization	Top level	Lower level
Position	MD, Owner, CEO	Manager , Supervisor, foremen etc...
Objective	Makes the polices & objective to be achieved	Implements the plans and policies
Involvement	No direct involvement in production or service	Directly involves in the execution of plans and achieving objectives

## **Roles of management**

### • Roles of management

Manager plays variety of roles responding to a particular situation.

There are 3 important roles –

1. Interpersonal Roles
2. Decision Roles
3. Information Roles

### Interpersonal Roles

Figurehead	Manager serves as an official representative of the organization or unit	Greeting visitors; signing legal documents
Leader	Manager guides and motivates staff and acts as a positive influence in the workplace	Staffing, training
Liaison	Manager interacts with people outside the organization to gain information	Acknowledging mail/email; serving on boards; performing activities that involve outsiders

### **INFORMATIONAL**

Role	Description	Identifiable Activity
Monitor	Manager receives and collects information	Reading magazines and reports; maintaining personal contacts
Communication (Disseminator)	Manager distributes information within the organization	Meetings; making phone calls to relay information; email/memos
Spokesperson	Manager distributes information outside the organization	Board meetings; giving information to the media

### **DECISIONAL**

Role	Description	Identifiable Activity
Entrepreneur	Manager initiates change	Organizing sessions to develop new

		programs; supervises design of projects
Disturbance Handler	Manager decides how conflicts between subordinates should be resolved	Steps in when an employee suddenly leaves or an important customer is lost
Resource Allocator	Manager decides how the organization will use its resources	Scheduling; requesting authorization; budgeting
Negotiator	Manager decides to negotiate major contracts with other organizations or individuals	Participating in contract negotiations or in those with suppliers



### Management is an art

Because it depends on the skills, aptitude & creativity of the manager.

It is called an art because managing requires certain skills which are personal possessions of managers.  
Art deals with the application of knowledge and skills

Art: Art is bringing about of a desired result through application of skill.

Personal Skill

Practical Knowledge

Concrete Result-Oriented Approach

Development through Practice



Creative Power

### **Management as a Science**

**Science:** Science is a systematized body of knowledge which establishes relationship between cause and effect. It is considered as a science because it has an organized body of knowledge which contains certain universal truth.

Science provides the knowledge

Systematized Body of knowledge

Based on collection of facts, Analysis and experiments

Universal Application

Cause and effect Relationship

Verification of validity and Prediction of results possible

Management combines features of both science as well as art.

A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a judicious blend of science as well as an art because it proves the principles and the way these principles are applied is a matter of art.

Science teaches to 'know' and art teaches to 'do'.

### **Management as a Profession**

**Profession:** Profession is that occupation in which one professes to have acquired specialized knowledge, which is used either in instructing, guiding or advising others.

Body of Specialized knowledge and technique

Formalized Methods of Acquiring Training and experience

Establishment of representative professional Association-

### **Functions to be performed:**

1. Regulate behavior



2. To create code of conduct
3. Support the image of its members

### **Meaning of Staffing –**

Filling and keeping filled, positions in the organizational structure.

Staffing is the process of acquiring, deploying, and retaining a workforce of sufficient quantity and quality to create positive impacts on the organization's effectiveness. It is concerned with the Human resources of the enterprise. It is concerned with acquiring, developing, utilizing, and maintaining human resources. It is a process of matching jobs with individuals to ensure right man for the right job.

### **Nature of Staffing**

Staffing is an important managerial function.

Staffing is a continuous activity.

Staffing helps in placing right men at the right job.

Staffing is performed by all managers.

### **Importance of Staffing**

Discovering and obtaining competent employees for various job.

Improve the quantity and quality of output by putting right man for right job

Fulfill the future aspects.

It avoids sudden disruption of the production due to shortage of workers

### **Staffing process -**

**Manpower** - Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of objectives of the organization

Determine the requirements of the employees

A. Types of Employees (Job Analysis)



## B. No. of Employees

**Recruitment** - Recruitment forms the first stage in the process, which continues with selection of the candidate. Recruitment makes it possible to acquire the number and type of people necessary to ensure the continued operation of the organization.

In simple terms Recruitment is understood as a process for searching and obtaining applicants for jobs, from among the available resources.

**Selection** - Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization. Selection is much more than just choosing the best candidate. It is an attempt to strike a happy balance between what the applicant can and wants to do and what the organization requires.

**Orientation and Placement** - Orientation employees are made aware about the mission and vision of the organization, the nature of operation of the organization, policies and programs of the organization. The main aim of conducting Orientation is to build up confidence, morale and trust of the employee in the new organization, so that he becomes a productive and an efficient employee of the organization and contributes to the organizational success.

**Training and Development** - “The systematic development of knowledge, skills and attitudes required by an individual to perform adequately a given task of job”.

“Training is the act of increasing knowledge and skills of an employee for doing a particular job.”

Training is given on 3 basic grounds:

New candidates who join an organization are given training. This training familiarize them with the organizational mission, vision, rules and regulations and the working conditions.

The existing employees are trained to refresh and enhance their knowledge.

If any update take place in technology, training is given to cope up with those changes. For instance, purchasing a new equipment, changes in technique of production. The employees are trained about use of new equipments and work methods.

## **Remuneration –**

Direct

wages, salaries, commissions, bonuses

Indirect

insurance plans, life, health, dental, disability, social assistance benefits

retirement plans, social security, paid absences, vacations, holidays, sick leave

**Performance Evaluation-** “Performance Appraisal is an objective assessment of an individual’s performance against well defined benchmarks.”

TRANSFER

- Refers to the shifting of an employee from one position to another without increasing his duties, responsibilities, or pay



## PROMOTION

- Refers to the shifting of an employee to a new position to which both his status and responsibilities are increased.



## Sources of recruitment

### Recruitment –

Recruitment forms the first stage in the process, which continues with selection of the candidate. Recruitment makes it possible to acquire the number and type of people necessary to ensure the continued operation of the organization.

Meaning and Definition:

In simple terms Recruitment is understood as a process for searching and obtaining applicants for jobs, from among the available resources.

The sources of recruitment may broadly be divided into various categories: internal sources and external sources and third party

1. **Internal Recruitment**– is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization.

- a)Transfers
- b)Promotions

c) Re-employment of ex-employees

**External Recruitment-** External sources of recruitment have to be solicited from outside the organization. But it involves lot of time and money.

- a) Employment at factory level
- b) Advertisement
- c) Employment exchanges
- d) Employment agencies
- e) Educational Institutions
- f) Recommendations
- g) Labour contractors

Internal sources	External Sources
Transfers	Outsourcing
Promotions	Walk-in Interviews
Employee referrals	Job portals (monster.com, naukri.com)
Lay-off	University or institute campus
Extension of services	Public Employment exchange
Informal Search	Labour contractors
	Internships
	Employment Consultancies Agencies/
	E-Recruitment

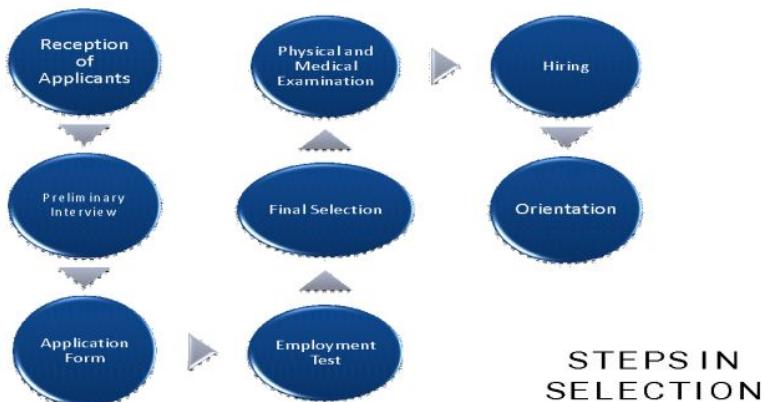
	Outsourcing
	Walk-in Interviews
	Advertisement
	Tele recruiting

### Steps involved in the selection procedure

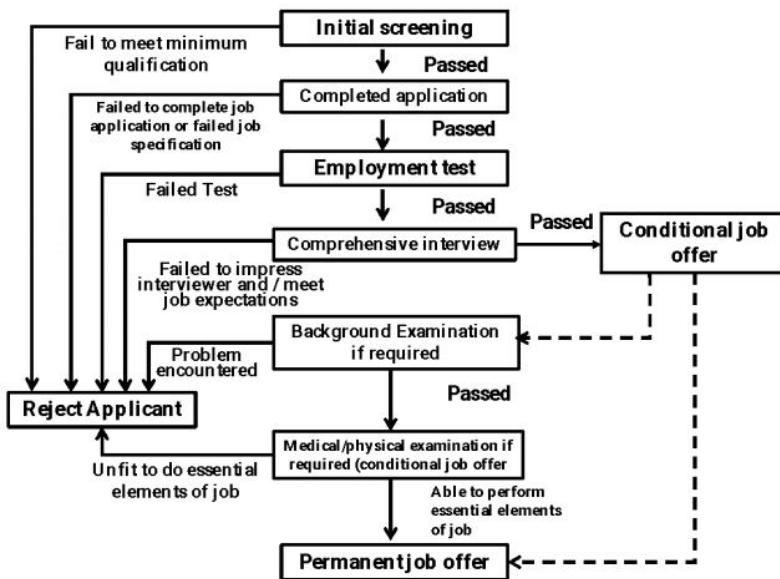
#### Selection –

Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization.

Selection is much more than just choosing the best candidate. It is an attempt to strike a happy balance between what the applicant can and wants to do and what the organization requires.



## SELECTION PROCESS



<b>Basis</b>	<b>Recruitment</b>	<b>Selection</b>
Meaning	Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization	selection involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.
Purpose	to create a talent pool of candidates to enable the selection of best candidates for the organization, by attracting more and more employees to apply in the organization	to choose the right candidate to fill the various positions in the organization.
Process	Recruitment is a positive process i.e. encouraging more and more employees to apply	selection is a negative process as it involves rejection of the unsuitable candidates.
Contract	There is no contract of recruitment established in recruitment	selection results in a contract of service between the employer and the selected employee.
Cost Factor	Recruitment is not expensive. It mostly involves only advertisement cost.	Selection is very costly. This is because a lot of money is spent on conducting different types of tests, interviews, medical examinations, etc. Similarly, the experts who conduct selection procedure are paid very high fees. This makes selection a very costly process