PME SURESHOT TOPICS (UPDATED)

PME UNIT - 1 Notes (PYQ Topics - Concise with Full Forms)

● **Introduction / Importance (of Management):** `[PYQ]`
▸ Significance Increased.
▸ Economic growth: Key element.
▸ All organizations: Essential.
▸ Dynamic, Life-giving element.
▸ Core of activities.

● **Functions (Process of Management):** `[PYQ]`
▸ Classifications: Vary.
▸ Fayol: Planning, Organising, Commanding, Coordinating, Controlling.
▸ Gulick: POSDCORB (Planning, Organising, Staffing, Directing, Coordinating, Reporting, Budgeting).
▸ **Text:**
▪ **Planning:** Deciding What-to-do.
▪ **Organising:** Designing Structure, Arranging Resources, including Staffing.
▪ **Directing:** Moving towards objectives (Communication, Leadership, Motivation).
▪ **Controlling:** Ensuring Conformity-to-plans (Setting Standards, Measuring, Correcting).
▸ **Dale's Additional Functions:**
▪ **Innovating:** Developing New ideas.
▪ **Representing:** Interacting with External stakeholders.
▸ Circular process (Figure 1.1).

● **Levels (of Management):** `[PYQ]`
▸ Emphasis, Scope, Skills: Vary by level.
▸ **Top Level Management:** Chief Executive Officer (CEO), Board.
▪ Who: Coordinate all, Make Policies.
▪ Functions: Administrative > Managerial, Strategy, Policy, Unstructured problems, Scan environment, Accountable, Resource mobilization, Vision.
▪ Skills: Conceptual skill Increased, Human relations skill Increased, Technical skill Decreased.
▸ **Middle Level Management:** Department heads.
▪ Who: Link Top and First-line.
▪ Functions: Balance Administrative/Managerial, Translate top plans, Departmental planning, Allocate resources, Coordinate, Monitor, Implement policies, Motivate first-line.
▪ Skills: Balanced mix, Human relations skill crucial.
▸ **First-line Level Management (Supervisory):** Supervisors.
▪ Who: Oversee non-managerial employees.
▪ Functions: Managerial > Administrative, Supervise, Assign tasks, Discipline, Short-term planning, Operational resources, Feedback, Motivate operatives.
▪ Skills: Technical skill Increased, Human relations skill Increased, Conceptual skill Decreased.

- **Organizational/Business Functions (Relationship with Management Functions & Hierarchy):** [PYQ]
  ‣ Distinct from management levels. Core management functions performed at all levels (Figure 1.2).

- **Management—A Science or An Art?:** [PYQ]
  ‣ **Science:** Systematic body of knowledge, Empirical, Cumulative. Yes.
  ▪ Behavioural Science (Inexact).
  ‣ **Culture-bound Principles?:** Principles are universal, Practice varies by culture.
  ‣ **Art:** How-to apply knowledge, Application skill. Yes.
  ‣ **Conclusion:** Both (Science = Knowledge base, Art = Skillful application).

- **Management—A Profession?:** [PYQ]
  ‣ McFarland's characteristics of a profession.
  ‣ Not all characteristics possessed by management. No, not fully.
  ‣ Trends: Towards Professionalization.
  ‣ Drucker: Achievement more important than Degree.

- **Social & Ethical Responsibilities (of Management):** [PYQ]
  (This is a broad topic, often broken down further in PYQs)

- **Meaning (Social Responsibility):** [PYQ]
  ‣ Nebulous concept.
  ‣ Berle: Public consensus responsiveness.
  ‣ Davis: Socio-economic obligation, Socio-human obligation.
  ‣ Part of total System, Trustee for stakeholders.

- **Responsibilities (of Business Towards Different Groups / Social Stakeholders):** [PYQ]
  ‣ **Consumer/Community:** Quality, Price, Innovation, Conservation, Social Audit, Honesty, No monopolies, Service, Hygiene, Public Relations (PR), Support.
  ‣ **Employees/Workers:** Fair wage, Just selection/promotion, Social security, Good Human Relations (HR), Freedom, Productivity Increased.
  ‣ **Shareholders/Businesses:** Good Governance, Fairness.
  ‣ **State:** No political partisanship, Obey laws.

- **Arguments FOR Corporate Social Responsibility (CSR):** [PYQ]
  ‣ Reputation Increased.
  ‣ Morale Increased.
  ‣ Sustainability Increased.
  ‣ Stakeholder Expectations met, Trust Increased.
  ‣ Risk Decreased, Problem Prevention.
  ‣ Ethical imperative.

- **Arguments AGAINST Corporate Social Responsibility (CSR):** [PYQ]
  ‣ Profit maximization is Goal.

- ‣ Costs passed to Consumers.
- ‣ No expertise/Accountability in social areas.
- ‣ Dilution of business purpose.
- ‣ Potential for "Greenwashing".
- ‣ Risk of "Neofeudalism" (Levitt).

● **Business Ethics (Ethical Implications of Management Decisions on Stakeholders):** [PYQ]
- ‣ **Definition:** Moral principles applied to business problems. Beyond legality.
- ‣ Issues: Harassment, Discrimination, Privacy.
- ‣ Factors: Legislation, Business Codes, Pressure groups, Personal Values.

● **Manager: Omnipotent or Symbolic?:** [PYQ]
- ‣ **Omnipotent View:** Managers Responsible (for Success/Failure).
- ‣ **Symbolic View:** External forces primarily determine outcomes. Managers Symbolize control.
- ‣ **Reality:** Neither fully. Managers Constrained by factors. (Exhibit 2-1).

● **External Environment (Impact on Management Practices/Strategies):** [PYQ]
- ‣ **Definition:** Outside factors affecting organizational performance.
- ‣ **Components:** (Exhibit 2-2) Economic [PYQ], Demographic, Political/Legal [PYQ], Sociocultural [PYQ] (Cultural Differences in International Operations), Technological, Global [PYQ].

● **Organizational Culture (Characteristics & Importance):** [PYQ]
- ‣ **What:** Influences actions and interactions.
- ▪ **Definition:** Shared values, Principles, Traditions, Ways of doing things.
- ▪ Implies: Perception, Descriptive, Shared.
- ▪ **Dimensions:** (7 dimensions) Innovation, Attention to Detail, Outcome Orientation, People Orientation, Team Orientation, Aggressiveness, Stability. (Exhibit 2-5, 2-6).
- ▪ **Strong Cultures:** Intensely held, Widely shared values. (Exhibit 2-7).
- ▪ Importance: Loyalty Increased, Performance Increased. Drawback: Potential inflexibility.
- ‣ **Origin & Continuance:** (Exhibit 2-8) Founders' vision → Selection Criteria → Top Management actions & Socialization → Organizational Culture.
- ▪ Maintaining: Selection, Top management actions, Socialization.
- ‣ **Learning Culture:** Stories, Rituals, Material Artifacts and Symbols, Language.
- ‣ **Affects Managers:** Constrains what they can do. (Exhibit 2-9).

● **Global Business Environment (International Management / Expansion Strategies):** [PYQ]
- ‣ **International Management (Intl. Mgt):** Cross-border transfer of resources/activities.
- ‣ **International Manager (Intl. Mgr.) Skills:** Conceptual, Human Relations, Technical, Host Country Risk Evaluation, Country Risk Management, Home Government Pressure, Obtaining Legitimacy, Knowledge of Legal Environment, Familiarity with Host Country Culture, International Monetary/Accounting Systems, Human Capital knowledge.
- ‣ **Global Attitudes:** Ethnocentric, Polycentric, Geocentric.
- ‣ **Understanding Global Environment:**
- ▪ **Regional Trading Alliances:** European Union (EU) (Exhibit 3-1), North American Free Trade

Agreement (NAFTA), Association of Southeast Asian Nations (ASEAN) (Exhibit 3-2), Others.

▪ **Global Trade Mechanisms:** World Trade Organization (WTO), International Monetary Fund (IMF), World Bank Group, Organisation for Economic Co-operation and Development (OECD).

‣ **Going International (Expansion Strategies):** (Exhibit 3-3) [PYQ]

▪ **Types of International Organizations:** Multinational Corporation (MNC), Multidomestic, Global, Transnational.

▪ **Techniques:** Global Sourcing, Exporting/Importing, Licensing, Franchising, Strategic Alliance, Joint Venture (JV), Foreign Subsidiary.

‣ **Managing Global Environment:** Political/Legal, Economic, Cultural factors. (Exhibit 3-4).

PME UNIT - 2 Notes (Planning, Decision Making, Forecasting, Directing & Leadership - PYQ Topics - Concise with Full Forms)

● **Nature (of Planning):** [PYQ]
‣ **Definition:** Beginning of management, Primacy of planning.
‣ **Intellectual process:** Thinking first before acting.
‣ **Integral part:** Decision-making is core.
‣ **Continuous process:** Monitor progress, Adapt to Change, Flexible plans needed. [PYQ]
‣ **Pervasive function:** Important for All managers at all levels. [PYQ]

● **Purpose / Importance (of Planning):** [PYQ]
‣ Risk Decreased, Success Increased, Goal focus, Control facilitated, Trains executives.

● **Types (of Plans):** [PYQ]
‣ **Hierarchy of Plans:** (Figure 4.1) Vision → Mission → Objectives → Strategies → Operational Plans.
▪ **Vision:** The dream, future direction.
▪ **Mission:** Unique Aim, Scope of operations.
▪ **Objectives:** Specific Goals to achieve. (Consider Stakeholders, Characteristics, Requirements, Advantages).
▪ **Strategies:** Competitive response, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. [PYQ] (Modes: Planning, Entrepreneurial, Adaptive).
▪ **Operational Plans:** Implementing strategy.
▫ **Standing Plans:** For Recurring situations. (Includes Policies [PYQ], Procedures, Methods, Rules).
▫ **Single-use Plans:** For Specific end or project. (Includes Programmes, Budgets).

● **Steps (in Planning Process):** [PYQ]
‣ Establish Goals. Establish Premises. Decide Planning Period. Find Alternatives. Evaluate/Select best alternative. Develop Derivative plans. Formulate Action plans. Measure and Control progress.

● **Limitations (of Planning / Challenges in Planning Process):** [PYQ]
‣ Costly, Restricts initiative, Causes Delays, Limited scope in dynamic situations, Can be Inflexible, Based on Inaccurate premises, Faces Resistance to change.

- **Making Planning Effective (Overcoming Challenges in Planning):** [PYQ]
  ‣ Overcome limitations, Guidelines (Coordination, Communication, Participation, Proper Climate).

- **Creativity/Innovation (in Directing, also linked to work-life balance & employee development):** [PYQ]
  ‣ Impact of Directing style, Fostering innovation.

- **Elements (of Directing - specifically Motivation):** [PYQ]
  ‣ Motivation, Communication, Leadership, Supervision.

- **Characteristics (of Successful Leaders):** [PYQ]
  ‣ Goal-based, Power-based, Pervasive, Persuasive, Interactive, etc.

- **Leadership vs. Management:** [PYQ]
  ‣ Working On the system / Working In the system.

- **Leadership Theories (Evolution & Implications):** [PYQ]
  ‣ **Trait Theories:** Leaders are Born, Possess certain Traits (Exhibit 16-1). [PYQ]
  ‣ **Behavioural Theories:** Leaders are Made, Exhibit certain Behaviours. (Lewin's styles, Ohio State studies (Figure 15.2), University of Michigan studies, Managerial Grid (Figure 15.3) [PYQ]).
  ‣ **Contingency/Situational Theories:** Leadership Style depends on Situation. [PYQ] (Fiedler's model (Exhibit 16-3), Hersey-Blanchard SLT, Tannenbaum-Schmidt continuum, Path–Goal theory (Figure 15.4), Vroom-Jago model).
  ‣ **Other Approaches:** Vertical Dyad Linkage (VDL), Transactional/Transformational Leadership [PYQ] .
  ‣ **Organizational Life Cycle & Leadership.**

- **Contemporary Views (of Leadership & Implications):** [PYQ]
  ‣ Leader-Member Exchange (LMX), Transactional/Transformational, Charismatic, Authentic, Ethical, Servant, Team, Cross-Cultural.

- **Implications (of Leadership Theories for Contemporary Practices):** [PYQ]
  ‣ No single best style, Self-awareness needed, Focus on Relationships, Ethics crucial, Empowerment, Vision important, Understand Followers, Adaptability, Leadership as a Process, Training key.

PME UNIT - 3 Notes (Organisation Structure and Staffing - PYQ Topics - Concise with Full Forms)

- **What is an Organisation? (Concepts & Organization):** [PYQ]
  ‣ Deliberate human grouping, for Specific goals.
  ‣ Rational coordination of activities, via Division of labor.
  ‣ Process of Identifying/Grouping work, Establishing Relationships.
  ‣ Pattern of relating large numbers of people.
  ‣ Examples: Corporations, Armies. Not: Tribes, families.

● **Characteristics (of an Organisation):** [PYQ]
‣ Purpose/Goal(s) (from Planning).
‣ Clear concept of Major duties/activities.
‣ Classification of Activities into jobs.
‣ Establishment of Relationships for coordination (Division of Labor, Delegation).
‣ Organisational Configuration (common characteristics profile).

● **PROCESS OF ORGANISING (Define Planning & Process):** [PYQ]
‣ Designing the organisation structure.
‣ Involves Differentiation (departmentalization) & Integration (unity of effort).
‣ Seven-step procedure:
▪ Consideration of Objectives ("structure follows strategy").
▪ Deciding Organisational Boundaries (make vs. buy).
▪ Grouping Activities into Departments.
▪ Deciding Key Departments (essential activities).
▪ Determining Decision-Making Levels (centralization/decentralization).
▪ Determining the Span of Management.
▪ Setting up a Coordination Mechanism.
‣ Other features: Power, Informal organisation, Organisational politics.

● **PRINCIPLES OF ORGANISING:** [PYQ]
‣ For Sound, Efficient structure (E.F.L. Brech).
‣ Objectives, Specialisation, Span of Control, Management by Exception, Scalar Principle (Chain of Command), Unity of Command, Delegation, Responsibility, Authority, Efficiency, Simplicity, Flexibility, Balance, Unity of Direction, Personal Ability.

● **Departmentalisation (Centralized vs Decentralized & Impact):** [PYQ]
‣ Horizontal differentiation into segments/departments.
‣ Based on Process (Internal) & Purpose (External).

● **PURPOSE (Departmentalisation - Externally oriented, including Centralized vs Decentralized):** [PYQ]
‣ Products: Separate department for each major product (Advantages: Product focus; Drawbacks: Duplication).
‣ Customers: Group by customer types (Advantages: Customer focus; Drawbacks: Underutilisation).
‣ Regions/Territory/Location: Group by geographical location (Advantages: Local adaptation; Drawbacks: Duplication).
‣ Time: Group by timing of performance (e.g., shifts).
‣ Combined Base: Different bases at different levels (Figure 7.2).
‣ Matrix Organisation: (Figure 7.3) Functional + Product simultaneously (Advantages: Flexibility; Drawbacks: Two bosses; Suggestions: Career system).

● **Organisation Structure (Creating):** [PYQ]
‣ Arrangement of horizontal (departments) and vertical (levels) parts.

‣ Enables: Undertaking activities, Coordinating, Defining boundaries.

‣ Organisation Chart: (Figure 7.1-Circular example) Depicts formal structure (Authority, Responsibility, Communication, Hierarchy). (Advantages: Shows makeup; Drawbacks: Infers status).

‣ Organisation Manuals: Job descriptions, policies.

● **Authority Delegation & Decentralisation:** [PYQ]

‣ Underlying concept of management.

‣ Formal Authority: Right of superior to command (Fayol).

‣ Functions of Authority (Simon): Enforces obedience, Secures expertise, Permits centralisation/coordination.

‣ Source of Formal Authority: Classical View (Top-down) vs. Human Relations View (Acceptance by subordinate).

● **DELEGATION OF AUTHORITY (Benefits for Employee Development):** [PYQ]

‣ Meaning: Assigning work to subordinates + giving necessary authority. Manager retains overall authority.

‣ Advantages: Relieves manager workload, Better decisions, Trains subordinates, Builds morale.

‣ Barriers: Manager's side (Fear of loss), Subordinate's side (Fear of criticism).

‣ Guidelines: Delegate non-priority tasks, Clear task/scope, Proportionate authority, Clear limits, Trust.

● **DECENTRALISATION OF AUTHORITY (Define & Differences with Delegation):** [PYQ]

‣ Meaning: How much decision-making authority distributed to lower levels.

‣ Dale's criteria: Extent of decentralisation.

‣ Fayol: Increased subordinate role = decentralization.

‣ Distinction (Delegation vs. Decentralisation): Process/Individual vs. End-result/Systematic policy. [PYQ]

‣ Trade-offs (Centralisation vs. Decentralisation): Advantages of one are limitations of other (e.g., Quicker decisions in decentralisation vs. Better coordination in centralisation). [PYQ]

‣ How Much Decentralisation? (Contingency View): Depends on situational factors (Size, History, Top Management Philosophy, Abilities, Strategy).

● **Staffing (including Human Resource Inventory - HRI):** [PYQ]

‣ Involves Manpower Planning, Recruitment, Selection.

Manpower Planning (Human Resource Inventory - HRI): [PYQ]

‣ Right Number of people, Right Place/Time.

‣ Process:

▪ Decisions on *Right Kind* of People: Job Analysis, Job Descriptions, Job Specifications.

▪ Decisions on *Right Number* of People: Short-term Manpower Planning (<2 years), Long-term Manpower Planning (2-5 years).

▪ Forecasting demand/supply → Compare → Action Plans (Figure 11.1).

PME UNIT - 4 Notes (Controlling System - PYQ Topics - Concise with Full Forms)

- **Importance (of Controlling):** [PYQ]
  ‣ Ensures Alignment with plans, Helps Achieve goals, Minimizes errors, Encourages better performance.

- **Steps (in the Controlling Process):** [PYQ]
  ‣ Setting standards, Measuring performance, Comparing performance, Analyzing deviations, Taking corrective actions.

- **Process of Control (including significance in management):** [PYQ]
  ‣ **Setting Performance Standards:** Criteria (Quantitative or Qualitative) for measurement.
  ‣ **Measuring Actual Performance:** Collecting Data on actual Outcomes (Timely and Accurate).
  ‣ **Comparing Actual Performance with Standards:** Identifying Deviations (positive or negative).
  ‣ **Analyzing Deviations:** Understanding Causes of Critical Deviations.
  ‣ **Taking Corrective Action:** Retraining, Revising processes/standards, Realigning efforts.
  ‣ Continuous cycle, emphasizes Feedback loop.

- **BENEFITS OF CONTROL:** [PYQ]
  ‣ Productivity Increased, Defects Decreased, Helps meet Deadlines, Facilitates Communication, Improves Safety, Lowers Cost, Gives workers Empowerment.

- **Types of Organizational Control:** [PYQ]

  ‣ **Market Control:**
  ▪ **Definition:** Uses External market mechanisms (price, competition) to regulate.
  ▪ **Features:** Based on Economic forces, Output clearly Measured, Common in Decentralized units.
  ▪ **Examples:** Comparing Division profits, Competitive Bidding.
  ▪ **Advantages:** Encourages Cost-effectiveness, Motivates performance.
  ▪ **Limitations:** Not for Not-easily-quantifiable performance or where market data is unavailable.

  ‣ **Bureaucratic Control:**
  ▪ **Definition:** Relies on Formal rules, Policies, Procedures, Authority hierarchies.
  ▪ **Features:** Emphasizes Compliance, Standardization, Based on Formal authority.
  ▪ **Examples:** Standard Operating Procedures (SOPs), Rule-based Performance appraisals, Internal Audits.
  ▪ **Advantages:** Ensures Discipline, Works well in Stable environments.
  ▪ **Limitations:** Can be Rigid, Slow, Reduce employee Initiative.

  ‣ **Clan Control:**
  ▪ **Definition:** Uses Shared values, Culture, Traditions, Beliefs to influence.
  ▪ **Features:** Works through Social norms, Trust, Employees are Self-regulated.
  ▪ **Examples:** Organizational Culture emphasis, Mentorship, Strong Corporate identity.
  ▪ **Advantages:** Encourages Commitment, Adaptability, Creativity.
  ▪ **Limitations:** Takes time to Develop strong culture, Difficult to measure directly.
  ‣ Modern business may use a Mix of all three types.

- **Budgeting (as Control Technique):** [PYQ]
  ‣ Quantifies resources, Compares actual performance.

a) Budgeting as Control (Concept & Importance): [PYQ]
- **Definition:** Setting financial/operational Targets, Using targets as a Benchmark.
- **Key Features of Budgeting:** Setting Targets, Comparison of Actual vs. Planned, Resource Allocation, Control over Expenditures, Facilitates Planning.
- **Types of Budgets:** Fixed Budgets, Flexible Budgets, Master Budget, Cash Flow Budget.
- **Advantages of Budgeting (Advantages & Potential Advantages):** Cost control, Performance evaluation, Resource optimization, Motivation, Future planning. [PYQ]
- **Limitations of Budgeting (Disadvantages & Implementing Budgetary Control Systems):** Rigidity, Time-consuming, Potential for Misuse (budgetary slack), Short-term focus. [PYQ]

- **Organizational performance (Controlling & Achieving Goals):** [PYQ]
- Measure of how well an organization achieves goals through Efficient and Effective resource use.

  ‣ **Definition:** How Efficiently and Effectively managers use resources to satisfy customers and achieve goals.
  ‣ Efficiency = Doing things right; Effectiveness = Doing the right things.
  ‣ **Components of Performance (Robbins & Coulter):** Productivity, Goal attainment.
  ‣ **Managerial Role:** Driving performance by Setting goals, Allocating resources, Leading, Monitoring.
  ‣ **Relevance in Management:** High performance means Efficient resource use, Effective stakeholder satisfaction.

- **Control of overall performance (Concept & Importance):** [PYQ]
- Monitoring and Evaluating organization's Total functioning for strategic goal achievement.
- **Example:** Establishing Standards (profit, quality) → Measuring Performance → Comparing → Taking Corrective Action.
- Links strategy to actual results.

- **Information Technology's Role in Control (Supporting Controlling Functions):** [PYQ]
  ‣ **Enhancing Data Collection and Monitoring:** Real-time data, Track performance indicators.
  ‣ **Improving Decision-Making:** Management Information Systems (MIS), Dashboards, Informed decisions.
  ‣ **Supporting Corrective Action:** Identify problem areas quickly, Simulate impact.
  ‣ **Enabling Decentralized Control:** Cloud systems, Mobile access, Empowered decision-making.
  ‣ **Facilitating Communication and Coordination:** Email, Collaboration platforms, Timely communication.
  ‣ Effective control in modern organizations is virtually impossible without Information Technology (IT).