

PME ONESHOT

PME UNIT - 1 Notes (Introduction to Management - Ultra Concise)

1. Management: An Overview

● Introduction / Importance: [PYQ]

- Significance↑.
- Economic-growth: Key.
- All-orgs: Essential.
- Dynamic: Life-giving.
- Core: Activities.

● Definition:

- Universal?: Difficult.
- Follett: Art, Through-people.
- Weakness: Art-only?, Functions?.
- Terry(best def): Process (Plan, Org, Actuate, Control), People, Resources, Objectives.
- Process=Systematic.
- Plan=Advance-think.
- Org=Coordinate.
- Actuate=Motivate.
- Control=No-deviation.

● Role:

- Combine, Coordinate.
- Lead, Guide, Direct.
- Adapt, Shape.

● Functions (Process): [PYQ]

- Classifications: Vary.
- Fayol: P,O,Cmd,Coord,Ctrl.
- Gulick: POSDCORB.

▸ Text:

1. **Planning:** What-to-do.
2. **Organising:** Structure, Resources, Staffing.
3. **Directing:** Move-to-objectives (Comm, Lead, Motivate).
4. **Controlling:** Conform-to-plans (Standards, Measure, Correct).
 - **Dale's Additional:**
5. **Innovating:** New-ideas.

6. **Representing:** External-stakeholders.

- Circular (Fig.1.1).

● **Levels:** [PYQ]

- Emphasis, Scope, Skills: Vary.
- **1. Top:** CEO, Board.
- Who: Coordinate, Policies.
- Functions: Admin>Mgrl, Strategy, Policy, Unstructured-problems, Scan, Accountable, Resources, Vision.
- Skills: Conceptual↑, Human↑, Technical↓.
- **2. Middle:** Dept-heads.
- Who: Link.
- Functions: Balance-Admin/Mgrl, Translate-plans, Dept-plan, Allocate, Coordinate, Monitor, Implement, Motivate.
- Skills: Balanced, Human-crucial.
- **3. First-line:** Supervisors.
- Who: Oversee-non-mgrl.
- Functions: Mgrl>Admin, Supervise, Assign, Discipline, Short-term-plan, Operational-resources, Feedback, Motivate-operatives.
- Skills: Technical↑, Human↑, Conceptual↓.

● **Organizational/Business Functions:** [PYQ]

- Distinct-from-levels. Core-functions-at-all-levels (Fig.1.2).

● **Roles (Mintzberg):**

- **Interpersonal:** Figurehead, Leader, Liaison.
- **Informational:** Monitor, Disseminator, Spokesman.
- **Decisional:** Entrepreneur, Disturbance-handler, Resource-allocator, Negotiator.

● **Skills & Hierarchy:**

- **Skill:** Ability.
- **Major-3:**
- **Conceptual:** Broad-view, Abstract. ↑Importance-up.
- **Technical:** Job-nature. ↑Importance-down.
- **Human-Relations:** Interact. Always-important.
- **Skill-Mix:** Varies-by-level (Fig.1.3).

● **Managerial Effectiveness:**

- Drucker:
- **Efficiency:** Correctly (Cost↓).
- **Effectiveness:** Correct-things (Value↑).
- Effectiveness=Critical.

- **Management & Administration:**

- ▶ **View1(Sheldon):** Admin=Thinking(Top), Mgt=Doing(Lower). (Fig.1.4).
- ▶ **View2(Brech):** Mgt=Includes-Admin. Admin=Branch(Plan,Ctrl).
- ▶ **View3(Drucker):** Field-of-use (Non-business vs. Business).

- **Science or Art?:** [PYQ]

- ▶ **Science:** Systematic, Empirical, Cumulative. Yes.
- Behavioural (Inexact).
- ▶ **Culture-bound?:** Principles-no, Practice-yes.
- ▶ **Art:** How-to, Application. Yes.
- ▶ **Conclusion:** Both (Science=Knowledge, Art=Skill).

- **Profession?:** [PYQ]

- ▶ McFarland's-characteristics.
- ▶ Not-all-possessed. No.
- ▶ Trends: Professionalization↑.
- ▶ Drucker: Achievement>Degree.

- **Professional vs Family Mgt:**

- ▶ Antithesis? Not-totally. Family-firms-can-be-dynamic.

2. Social & Ethical Responsibilities [PYQ]

- **Meaning (Social Responsibility):** [PYQ]

- ▶ Nebulous.
- ▶ Berle: Public-consensus-responsiveness.
- ▶ Davis: Socio-economic, Socio-human.
- ▶ System-part, Trustee.

- **Origin & Growth:**

- ▶ Welfare-state.
- ▶ Industrialization→Democracy.
- ▶ Demands↑.
- ▶ Business-image: Changed.

- **Views (Social Responsibility):**

- ▶ **Communist:** State-imposes. Business=Evil.
- ▶ **Capitalist:** Profit-only. Legal-only. (Friedman).
- ▶ **Pragmatic:** Profit+Social. Voluntary-beyond-legal.
- ▶ **Trusteeship:** Community-welfare. (Gandhi).

- **Responsibilities (Stakeholders):** [PYQ]

- ▶ **Consumer/Community:** Quality, Price, Innovation, Conservation, Audit, Honesty, No-monopolies, Service, Hygiene, PR, Support.
- ▶ **Employees/Workers:** Fair-wage, Just-selection, Social-security, Good-HR, Freedom, Productivity↑.

- ▶ **Shareholders/Businesses:** Governance, Fairness.
- ▶ **State:** No-politics, Obey-laws.

● **Arguments FOR CSR:** [PYQ]

1. Reputation↑.
2. Morale↑.
3. Sustainability↑.
4. Expectations-met, Trust↑.
5. Risk↓, Prevention.
6. Ethical-imperative.

● **Arguments AGAINST CSR:** [PYQ]

1. Profit-max=Goal.
2. Costs→Consumers.
3. No-expertise/Accountability.
4. Dilution-of-purpose.
5. "Greenwashing".
6. "Neofeudalism" (Levitt).

● **Social Performance (India):**

- ▶ Progressive-orgs.
- ▶ Business-centric, Philanthropic.
- ▶ Awards, Surveys.

● **Social Audit:**

- ▶ **Definition:** Evaluate-social-performance.
- ▶ **Benefits:** Data, Awareness, Compare, Cost-info.
- ▶ **Limitations:** Process-audit, Hard-measure, Not-universal.
- ▶ Desirable (Effort).
- ▶ TISCO (1979).

● **Business Ethics:** [PYQ]

- ▶ **Definition:** Moral-principles-to-business. Beyond-legal.
- ▶ Issues: Harassment, Discrimination, Privacy.
- ▶ Factors: Legislation, Codes, Pressure-groups, Values.

● **Corporate Governance:**

- ▶ **Definition:** Open, Honest, Stakeholder-interest.
- ▶ Elements: Transparency, Accountability, Code.
- ▶ Cadbury-recommendations.

- ▶ **Benefits:** Confidence, Price↑, Integrity, Security, Strategy↑.
- ▶ Whistle-Blower-Act: Need.

3. Management's Context (External Environment & Org. Culture)

● **Manager: Omnipotent or Symbolic?:** [PYQ]

- ▶ **Omnipotent:** Responsible (Success/Failure).
- ▶ **Symbolic:** External-forces. Symbolize-control.
- ▶ **Reality:** Neither. Constrained. (Exhibit 2-1).

● **External Environment:** [PYQ]

- ▶ **Definition:** Outside-factors-affecting-performance.
- ▶ **Components:** (Exhibit 2-2) Economic [PYQ], Demographic, Political/Legal [PYQ], Sociocultural [PYQ], Technological, Global [PYQ].
- ▶ Affects-Managers:

1. **Jobs/Employment:** Constraint, Recession, New-skills.
2. **Uncertainty:** Change, Complexity. (Matrix: Exhibit 2-3).
3. **Stakeholders:** Manage-relationships. (Exhibit 2-4).

● **Organizational Culture:** [PYQ]

- ▶ **What:** Influences-actions.
- **Definition:** Shared-values, Principles, Traditions, Ways-of-doing.
- Implies: Perception, Descriptive, Shared.
- **Dimensions:** (7) Innovation, Detail, Outcome, People, Team, Aggressiveness, Stability. (Exhibit 2-5, 2-6).
- **Strong-Cultures:** Intense, Widely-shared. (Exhibit 2-7).
- Importance: Loyalty↑, Performance↑. Drawback: Inflexibility.
- ▶ **Origin & Continuance:** (Exhibit 2-8) Founders→Selection→TopMgt/Socialization→Culture.
- Maintaining: Selection, Top-actions, Socialization.
- ▶ **Learning-Culture:** Stories, Rituals, Symbols, Language.
- ▶ **Affects-Managers:** Constrains. (Exhibit 2-9).

● **Current Issues (Culture):**

- **Innovative-Culture:** Supportive. (Ekvall).
- **Customer-Responsive:** Employee-type, Env, Clarity. (Exhibit 2-10).
- **Workplace-Spirituality:** Purpose, Meaning, Connection.

● **Global Business Environment:** [PYQ]

- ▶ **Intl. Mgt:** Cross-border-transfer.
- ▶ **Intl. Mgr. Skills:** Conceptual, Human, Technical, Host-Risk-Eval, Country-Risk-Mgt, Home-Pressure, Legitimacy, Legal-Env, Host-Culture, Monetary/Accounting, Human-Capital.
- ▶ **Global-Attitudes:** Ethnocentric, Polycentric, Geocentric.
- ▶ **Understanding-Global-Env:**
- **Regional-Trading-Alliances:** EU (Exh.3-1), NAFTA, ASEAN (Exh.3-2), Others.

- **Global-Trade-Mechanisms:** WTO, IMF, WorldBank, OECD.
 - **Going-International:** (Exhibit 3-3) [PYQ]
 - **Types:** MNC, Multidomestic, Global, Transnational.
 - **Techniques:** Sourcing, Export/Import, Licensing, Franchising, Alliance, JV, Subsidiary.
 - **Managing-Global-Env:** Political/Legal, Economic, Cultural. (Exhibit 3-4).
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PME UNIT - 2 Notes (Planning, Decision Making, Forecasting, Directing & Leadership - Ultra Concise)

1. Planning

- **Nature:** [PYQ]
 - **Definition:** Beginning, Primacy.
 - **Intellectual:** Think-first.
 - **Integral:** Decision-making.
 - **Continuous:** Monitor, Change, Flexible. [PYQ]
 - **Pervasive:** All-managers. [PYQ]
- **Purpose / Importance:** [PYQ]
 - Risk↓, Success↑, Goal-focus, Control-facilitate, Train.
- **Types:** [PYQ]
 - **Hierarchy:** (Fig 4.1) Vision→Mission→Objectives→Strategies→Operational.
- **Vision:** Dream.
- **Mission:** Aim, Scope.
- **Objectives:** Goals. (Stakeholders, Characteristics, Requirements, Adv.).
- **Strategies:** Competitive-response, SWOT. [PYQ] (Modes: Planning, Entrepreneurial, Adaptive).
- **Operational:** Implement.
- **Standing:** Recurring. (Policies [PYQ], Procedures, Methods, Rules).
- **Single-use:** Specific-end. (Programmes, Budgets).
- **Steps:** [PYQ]
 1. Goals. 2. Premises. 3. Period. 4. Alternatives. 5. Evaluate/Select. 6. Derivative-plans. 7. Action-plans. 8. Control.
- **Limitations:** [PYQ]
 - Costly, Restricts, Delays, Limited-scope, Inflexible, Inaccurate-premises, Resistance.
- **Making-Effective:** [PYQ]
 - Overcome, Guidelines (Coordination, Communication, Participation, Climate).
- **Skills:**
 - Think-ahead, Define, Forecast, Frame, Monitor.

- **Strategic (India):**

- Importance↑, SWOT.

- **Competitor Intelligence (CI):**

- Ethical-info (Competitors).
- Purpose: Anticipate, Identify, Inform, Understand.

- **Benchmarking:**

- Measure-vs-Best.
- Purpose: Gaps, Learn, Targets, Innovate.
- Types: Internal, Competitive, Functional, Generic.

2. Decision-Making

- **Meaning:**

- **Definition:** Choice.
- **Implies:** Choosing, Alternatives, Purpose.

- **Types:**

- **Programmed/Non-Prog:** Routine/Novel. (Gresham's).
- **Major/Minor:** Futurity, Impact.
- **Routine/Strategic:** Tactical/Central.
- **Individual/Group:** Simple/Important. (Techniques, Adv, Disadv).
- **Simple/Complex:** Certainty (Mechanistic, Judgemental, Analytical, Adaptive).

- **Steps (Rational):**

1. Problem/Priorities.
2. Diagnose.
3. Alternatives(Creativity).
4. Consequences.
5. Action.
6. Follow-up.

- **Simon's Stages:** Intelligence, Design, Choice, Review.

- **Rationality Models:**

- **Economic-Man:** Rational, Maximize.
- **Administrative-Man:** Bounded, Satisfice.
- **Social-Man:** Emotions, Social.

- **Environment:**

- **Certainty:** Known-outcomes.
- **Risk:** Known-probability. (Expected-Value, Tree - Fig 5.3).
- **Uncertainty:** Unknown-probability. (Maximin, Maximax, Minimax-Regret - Tbl 5.3).

- **Difficulties:**

- Info, Environment, Acceptance, Communication, Timing.

3. Forecasting

- **Meaning:**

- **Definition:** Predict-future (Past/Present-data).
- **Purpose:** Anticipate-trends.
- **Linkage:** Planning, Decision-making.

- **Objectives:**

- Uncertainty↓, Support-plan, Allocate, Risks/Opps, Coordinate.

- **Classification:**

- **Time-Horizon:** Short, Medium, Long.
- **Function/Purpose:** Sales, Financial, Technological, Economic.
- **Method:** Qualitative, Quantitative.

- **Methods/Techniques:**

- **Qualitative:** Expert, Market-Research, Delphi, Analogy.
- **Quantitative:** Time-Series (Moving-Avg, Exp-Smooth), Trend, Regression, Econometric.

- **Importance:** Proactive, Accuracy, Risks↓, Competitive, Resources.

- **Limitations:** Assumptions, Uncertainty, Data-quality, External.

- **Choosing-Method:** Data, Uncertainty, Timeframe, Accuracy, Cost.

4. Directing

- **Definition:** Guide, Instruct, Motivate, Supervise, Lead, Influence. (Heart).

- **Scope:** Behavior, Comm, Motivation, Lead, Supervise.

- **Human-Factors:** MARS.

- **Creativity/Innovation:** Style-impact, Fostering. [PYQ]

- **Harmonizing-Objectives:** Align.

- **Leadership:** Key.

- **Types-Techniques:** (Fig 13.1) Democratic, Autocratic, Laissez-faire.

- **Characteristics:** Top-down, Command, Pervasive, Continuous, Influences, Delegated.

- **Process:** Initiate, Manage, Complete. (Activities).

- **Principles:** (Fig 13.2) Harmony, Supervision, Unity, etc.

- **Elements:** (Fig 13.2) Motivation [PYQ], Communication, Leadership, Supervision.

(Supervision: Define, Char, Types, Approaches, Challenges, Effective-Char).

5. Leadership

- **Definition:** Influence-for-goals.

- **Characteristics:** Goal, Power, Pervasive, Persuasive, Interactive, etc. [PYQ]

- **vs. Management:** On-system / In-system. [PYQ]

- **Process (Conger):** Vision→Communicate→Trust→Means.

- **Theories:** [PYQ]

- **Trait:** Born, Traits (Exh 16-1). [PYQ]

- **Behavioural:** Made, Behaviours. (Lewin, Ohio(Fig 15.2), Michigan, Grid(Fig 15.3) [PYQ]).

- ▶ **Contingency/Situational:** Style-depends-on-situation. [PYQ] (Fiedler(Exh 16-3), Hersey-Blanchard, Tannenbaum-Schmidt, Path–Goal(Fig 15.4), Vroom-Jago).
 - ▶ **Other:** VDL, Transactional/Transformational [PYQ].
 - ▶ **Org-Life-Cycle.**
 - **Contemporary-Views:** LMX, Transact/Transform, Charismatic, Authentic, Ethical, Servant, Team, Cross-Cultural. [PYQ]
 - **Recent-Trends:** Ethical, Strategic, Cross-cultural.
 - **Implications:** No-best-style, Self-aware, Relationships, Ethics, Empowerment, Vision, Followers, Adaptability, Process, Training. [PYQ]
 - **Succession-Planning.**
 - **Issues (21st Cent):** Power, Credibility/Trust, Virtual-Teams, Training.
 - **When-Not-Important:** Substitutes, Neutralizers.
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PME UNIT - 3 Notes (Organisation Structure and Staffing - Ultra Concise)

1. Organisation? [PYQ]

- Deliberate-grouping, Specific-goals.
- Rational-coordination, Division-of-labor.
- Identifying/Grouping-work, Relationships.
- Pattern-of-relating.
- Examples: Corporations, Armies. Not: Tribes.

Characteristics: [PYQ]

- Purpose/Goal(s).
- Major-duties.
- Activities-into-jobs.
- Relationships (Coordination).
- Configuration.

Typology:

- Unique, Hard-classify.
- Blau&Scott: *Cui bono* (Who-benefits).

1. Owners. 2. Members. 3. Clients. 4. Society.

2. PROCESS OF ORGANISING: [PYQ]

- Design-structure.
- Differentiation & Integration.
- Seven-steps:

1. Objectives. 2. Boundaries. 3. Grouping(Depts). 4. Key-Depts. 5. Decision-Levels. 6. Span. 7. Coordination.

- Other: Power, Informal, Politics.

3. PRINCIPLES OF ORGANISING: [PYQ]

- Sound, Efficient (Brecht).
- Objectives, Specialisation, Span, Mgt-by-Exception, Scalar, Unity-of-Command, Delegation, Responsibility, Authority, Efficiency, Simplicity, Flexibility, Balance, Unity-of-Direction, Personal-Ability.

4. SPAN OF MANAGEMENT:

- Meaning: #Subordinates.
- Importance: Utilisation, Performance, Structure(Tall/Flat - Fig.7.1).
- Appropriate?: No-standard. (Urwick-small, Worthy-large).
- Graicunas: #Relationships.
- Factors (Contingency): Mgr-Ability, Emp-Ability, Work-Type, Authority, Location, Info-System, Mgt-Level, Economic.

5. Departmentalisation: [PYQ]

- Horizontal-differentiation.
- Process & Purpose.

PROCESS (Internal):

- Functions: Prod, Fin, Mktg. (Adv:Simple; Draw:Sub-goals).
- Technology: Stages. (Adv:Equip-use; Draw:Worker-resp↓).

PURPOSE (External): [PYQ]

- Products: Self-contained. (Adv:Product-focus; Draw:Duplication).
- Customers: Types. (Adv:Cust-focus; Draw:Underutilization).
- Regions/Territory: Location. (Adv:Local-adapt; Draw:Duplication).
- Time: Shifts.
- Combined-Base: (Fig.7.2).
- Matrix: (Fig.7.3) Functional+Product. (Adv:Flexibility; Draw:Two-bosses; Sugg:Career-system).

6. Organisation Structure: [PYQ]

- Horizontal/Vertical-parts.
- Enables: Activities, Coordination, Boundaries.
- Chart: (Fig.7.1-Circular) Snapshot (Authority, Resp, Comm, Hierarchy). (Adv:Makeup; Draw:Status).
- Manuals: Job-descriptions.

7. Mechanistic & Organic Structures:

- Two-types (Burns&Stalker).
- Mechanistic/Classical: Pyramid (Fig.7.4). Centralized, Hierarchy, Narrow-span. (Merits:Clear; Dem:Alienation).
- Organic/Behavioural: Flat (Fig.7.5). Decentralized, Wide-span. (Merits:Flexible; Dem:Uncertainty).

8. BEST STRUCTURE? (Contingency):

- No-single-best.
- Situational-factors: Environment, Culture, Task, Technology, Strategy, Size, Span, Form, Finance,

Mgr-Char, Emp-Char.

- Collateral-Orgs: *Ad-hoc*, *Tandem*.

9. EMERGING STRUCTURES:

- Network: Modular, Vendors, Alliances. (Adv:Volatile-env; Draw:Accountability↓).
- Virtual: E-comm, Outsource. (Attr:Tech,Opportunism; Ben:Cost↓;Lim:Emails).

10. Authority Delegation & Decentralisation: [PYQ]

- Underlying-mgt.
- Formal-Authority: Right-to-command (Fayol).
- Functions-Authority(Simon): Obedience, Expertise, Centralisation.
- Source-Authority: Classical(Top-down) vs. HumanRelations(Acceptance).

11. POWER:

- Influence.
- Types(French&Raven): Reward, Coercive, Referent, Expert, Legitimate.
- Legitimate=Authority.
- Effective-mgr: Appropriate-power.

12. LINE, STAFF, FUNCTIONAL AUTHORITY:

- Three-types.
- Line: Direct-command.
- Staff: Advisory. (Levels: Fig.8.1).
- Functional: Orders-*outside*-chain. (Violates-unity; Fig.8.2).

13. Line & Staff Conflict:

- Common.
- Complaints: Line vs. Staff.
- Reducing: Understand, Status↓.

14. DELEGATION OF AUTHORITY: [PYQ]

- Meaning: Assign-work+authority. Mgr-retains-overall.
- Adv: Workload↓, Better-decisions, Train, Morale.
- Barriers: Mgr-side(Fear), Sub-side(Fear).
- Guidelines: Non-priority, Clear-task, Proport-auth, Limits, Trust.

15. DECENTRALISATION OF AUTHORITY: [PYQ]

- Meaning: Distribute-DM-authority.
- Dale's-criteria: Extent.
- Fayol: Role↑=Decent.
- Distinction(Del vs Decent): Process/Individual vs. End-result/Systematic. [PYQ]
- Trade-offs: Adv-Decent(Quicker) vs. Adv-Cent(Coordination). [PYQ]
- How-Much?(Contingency): Size, Age, Philosophy, Abilities, Strategy.

16. Informal Organisation:

- Spontaneous.
- Distinction(Formal vs Informal): Prescribed/Conscious vs. Natural/Social.
- Benefits(Members): Belonging, Safety-valve, Aid, Innovation, Comm(Grapevine), Control.
- Benefits(Mgt): Teamwork, Self-policing, Deficiencies, Feedback.

17. Staffing: [PYQ]

- Manpower-Plan, Recruit, Select.

Manpower Planning (HRI): [PYQ]

- Right#, Place, Time.
- Process:
 - *Right-Kind*: Job-Analysis, Job-Description, Job-Specification.
 - *Right-Number*: Short-term (<2yrs), Long-term(2-5yrs).
 - Forecasting→Compare D&S→Action-Plans (Fig.11.1).

18. RECRUITMENT:

- Attract-candidates.
- Sources: Internal, External.
- Evaluation: Cost, Flex, Quality.
- Internal vs External: Qualified-staff vs. New-ideas.
- Adv/Disadv(Internal): Loyalty vs. Inbreeding.
- Adv/Disadv(External): New-blood vs. Morale↓.

19. SELECTION:

- Compare-qualifications vs. requirements.
- Importance: Satisfaction, Wages, Turnover↓, Efficiency↑.

PME UNIT - 4 Notes (Controlling System - Ultra Concise)

Introduction to Controlling:

- Function: Monitoring, Correcting.

Key Points:

- **1. Definition:** Measure, Compare, Correct.
- **2. Importance:** Align, Achieve, Minimize, Improve. [PYQ]
- **3. Steps:** Standards, Measure, Compare, Analyze, Act. [PYQ]
- **4. Features:** Continuous, Forward-looking, All-levels, Planning-link.

Planning-Control Link:

- Interdependence: "Twins."

1. **Basis:** Plans = Benchmarks.
2. **Measures:** Performance vs. Plans.

3. **Improves:** Feedback for Planning.
4. **Cycle:** Plans → Actions → Control → Feedback.
5. **Reinforcement:** Mutual.

Process of Control: [PYQ]

1. **Standards:** Criteria (Quantitative/Qualitative).
2. **Measure:** Data, Outcomes (Timely, Accurate).
3. **Compare:** Actual vs. Standards (Deviations).
4. **Analyze:** Causes (Critical Deviations).
5. **Corrective Action:** Retrain, Revise, Realign.
 - Continuous, Feedback-loop.

Requirements of Effective Control:

1. **Accuracy:** Precise, Reliable.
2. **Timeliness:** Right-time.
3. **Flexibility:** Adaptable.
4. **Suitability:** Appropriate.
5. **Economy:** Cost-Benefit.
6. **Simplicity:** Understandable.
7. **Objectivity:** Fact-based.
8. **Forward-looking:** Anticipates.

Problems of Control System:

1. **Standards:** Difficult (Qualitative).
2. **Resistance:** Employees.
3. **Cost:** Expensive.
4. **Feedback:** Delayed.
5. **Overemphasis:** Quantitative.
6. **Rigidity:** Inflexible.
7. **Information:** Inaccurate.
8. **Sake-of-Control:** Bureaucracy.
 - Solution: Flexible, Economical, Participative, Strategic.

NEED FOR CONTROL SYSTEM:

1. Progress.
2. Deviations.

3. Correction-Indication.

4. Correction-Transmission.

- **Measure Progress:** Conformity.
- **Uncover Deviations:** Change, Complexity, Mistake, Delegations.
- **Indicate Corrective Action:** Redraw, Modify.
- **Transmit Corrective Action:** On-course.

BENEFITS OF CONTROL: [PYQ]

- Productivity↑, Defects↓, Deadlines, Communication, Safety, Cost↓, Empowerment.

Control Techniques (Past/Future):

1. Past-Oriented (Feedback):

- After-task, Past-evaluation.
- **Features:** Historical, Assess, Future-correct.
- **Examples:** Financials, Audits, SQC, Appraisals.

2. Future-Oriented (Feedforward/Concurrent):

- Proactive, Prevent/Identify.
- **Features:** Forecasting, Prevent-deviations, Dynamic.
- **Examples:** Budgets, Break-even, PERT/CPM, Costing, Forecasting.

Types of Organizational Control: [PYQ]

1. Market Control:

- **Definition:** External-market-mechanisms.
- **Features:** Economic, Measurable, Decentralized.
- **Examples:** Division-profits, Bidding.
- **Adv:** Cost-effective, Motivates.
- **Lim:** Not-quantifiable/No-data.

2. Bureaucratic Control:

- **Definition:** Formal-rules, Policies.
- **Features:** Compliance, Standardization, Authority.
- **Examples:** SOPs, Rule-appraisals, Audits.
- **Adv:** Discipline, Stable.
- **Lim:** Rigid, Slow, Initiative↓.

3. Clan Control:

- **Definition:** Shared-values, Culture.
- **Features:** Social-norms, Self-regulated.
- **Examples:** Culture, Mentorship, Identity.
- **Adv:** Commitment, Adaptability, Creative.

- **Lim:** Slow-develop, Hard-measure.
- Mix-of-three.

OLD CONTROL TECHNIQUES:

- **Budgeting:** Quantifies, Compares. [PYQ]

a) Budgeting as Control: [PYQ]

- **Definition:** Targets, Benchmark.
- **Features:** Targets, Comparison, Allocation, Expenditure-control, Planning.
- **Types:** Fixed, Flexible, Master, Cash-Flow.
- **Adv:** Cost-control, Evaluation, Optimization, Motivation, Future-planning. [PYQ]
- **Lim:** Rigidity, Time, Misuse, Short-term-focus. [PYQ]

b) Financial Statements & Ratio Analysis:

1. Financial Statements:

- **Definition:** Records, Analysis.
- **Key:** Income-Statement, Balance-Sheet, Cash-Flow, Equity-Changes.

2. Ratio Analysis:

- **Definition:** Relationships, Insights.
- **Ratios:** Liquidity, Debt, Profitability, Operating.
- **ROI.**
- **Break-even.**
- **Importance:** Evaluation, Decisions, Confidence, Trends.

NEW CONTROL TECHNIQUES:

- **PERT & CPM:** Project-management.

1. PERT:

- **Purpose:** Uncertainty.
- **Features:** Probabilistic (O,P,M).

2. CPM:

- **Purpose:** Predictable, Optimize.
- **Features:** Deterministic, Critical-Path, Time-Cost.
- **Comparison:** Focus, Duration, Usage, Analysis, Time-Est, Project-Nature, Critical-Path.

DETERMINATION OF CRITICAL PATH:

- Operations, Diagram, Slack.

Organizational performance: [PYQ]

- Goal-achievement (Efficient, Effective).

1. Definition: Efficiently, Effectively (Resources, Goals).

- Efficiency=Doing-things-right, Effectiveness=Right-things.

2. **Components:** Productivity, Goal-attainment.
3. **Managerial Role:** Drive (Goals, Allocate, Lead, Monitor).
4. **Relevance:** Efficient, Effective.

Key Tools for Measuring Organizational Performance:

1. Productivity: Ratios.
2. Effectiveness: Goal-eval.
3. Financial: P&L, ROI.
4. Balanced Scorecard: 4-Perspectives.
5. Benchmarking: Compare-leaders.
6. TQM: Continuous-improvement.
 - No-single-tool.

Contemporary Issues in Control:

1. **Cross-Cultural:** Adapt.
2. **Workplace Privacy:** Balance.
3. **Employee Theft:** Trust, Prevent.
4. **Workplace Violence:** Safe, Monitor.
5. **Customer Interactions:** Quality, Consistency.
 - Beyond-financial, Ethical, Flexible.

Control of overall performance: [PYQ]

- Monitoring, Evaluating (Total-functioning, Strategic-goals).
- **Example:** Standards→Measure→Compare→Correct (Financial, Quality, Operational).
- Links-strategy-results.

Information Technology's Role in Control: [PYQ]

1. **Data:** Collection, Monitoring.
2. **Decisions:** MIS, Informed.
3. **Corrective Action:** Identify, Simulate.
4. **Decentralized Control:** Access, Empowered.
5. **Communication:** Timely, Coordinated.
 - Impossible-without-IT.

IT in Control (Opportunities & Challenges):

Opportunities:

1. **Real-Time:** Tracking, Response.

2. **Decisions:** DSS, Fact-based.
3. **Transparency:** Visibility, Compliance.
4. **Communication:** Fast, Synchronized.
5. **Cost:** Automation, Integration.

Challenges:

1. **Overload:** Focus↓.
2. **Security:** Breaches, Governance.
3. **Dependence:** Thinking↓, Failures.
4. **Resistance:** Fear, Training.
5. **Ethical:** Surveillance, Trust.
 - Use: Wisely, Ethically, Strategically.