

BEFORE MID SEM IMPORTANT TOPICS

BCG Matrix (Boston Consulting Group Matrix)

What it is:

It's a tool that helps companies decide which products or business units to invest in, develop, or sell off.

It divides products into 4 types:

- **⭐ Stars:** High market growth, high market share (doing well and growing)
- **💰 Cash Cows:** Low growth, high share (stable and earns money)
- **❓ Question Marks:** High growth, low share (potential but risky)
- **🐶 Dogs:** Low growth, low share (not doing well)

Example:

Let's say a company makes 4 products:

- Smartphones (Stars – very popular and the market is growing)
- Washing Machines (Cash Cow – sells well, but the market isn't growing)
- Smartwatches (Question Mark – trendy but not selling well yet)
- DVD players (Dog – nobody buys them anymore)

2. TOWS Matrix

What it is:

It's like SWOT, but focuses on strategies using:

- Threats
- Opportunities
- Weaknesses
- Strengths

It helps answer: "What should we do now?" using internal and external factors.

4 Strategies:

- **SO (Strengths + Opportunities):** Use strengths to take advantage of opportunities.
- **WO (Weaknesses + Opportunities):** Improve weaknesses using external opportunities.
- **ST (Strengths + Threats):** Use strengths to avoid or reduce threats.
- **WT (Weaknesses + Threats):** Defensive strategy – reduce weaknesses and avoid threats.

Example: Imagine a small bakery:

- Strength: Great taste
 - Weakness: No online delivery
 - Opportunity: Rise in online orders
 - Threat: Big bakery chains entering the area
 - SO Strategy: Use great taste to start online orders and attract new customers.
 - WO Strategy: Partner with a food delivery app to fix the online gap.
 - ST Strategy: Focus on premium quality to stand out from big chains.
 - WT Strategy: Cut unnecessary costs and improve service to survive.
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3. Hofstede's 6 Dimensions of Culture

What it is:

It shows how cultures differ across countries and how it affects business and management.

6 Dimensions:

1. Power Distance: How much people accept hierarchy.

High: Boss is the boss (e.g., India), *Low:* Everyone is equal (e.g., Denmark)

2. Individualism vs. Collectivism:

Individualism: Focus on self (e.g., USA)

Collectivism: Group is more important (e.g., China)

3. Masculinity vs. Femininity:

Masculinity: Focus on competition, success (e.g., Japan)

Femininity: Focus on care, quality of life (e.g., Sweden)

4. Uncertainty Avoidance:

High: People prefer rules, avoid risks (e.g., Greece)

Low: More comfortable with change (e.g., Singapore)

5. Long-term vs. Short-term Orientation:

Long-term: Plan for future (e.g., China)

Short-term: Focus on present, tradition (e.g., USA)

6. Indulgence vs. Restraint:

Indulgence: Enjoy life, freedom (e.g., Mexico)

Restraint: Strict rules, less fun (e.g., Russia)

Example:

If a US company wants to open a branch in Japan, it should expect more hierarchy, a stronger focus on hard work (masculinity), and more structured rules (high uncertainty avoidance).

4. Blue Ocean vs. Red Ocean Strategy

What it is:

It's a strategy to grow business by choosing where and how to compete.

- **Red Ocean:** Competing in an existing market with lots of competitors (bloody/red from competition).

Example: Selling soap in a supermarket – lots of brands already there.

- **Blue Ocean:** Creating a new market with no competition.

Example: Cirque du Soleil – combined circus and theater, no direct competitors.

Comparison:

Feature	Red Ocean	Blue Ocean
Market	Existing	New
Competition	Fight for market share	Make competition irrelevant
Focus	Be better than others	Be different and creative

Planning in Management?

Planning means deciding **what to do, how to do it, and when to do it.** It helps in setting goals and figuring out the steps to reach them.

Types of planning

Purpose or Mission

◆ **What it is:** The reason why an organization exists. It gives direction and meaning.

◆ **Example:**

Nike's mission: "*To bring inspiration and innovation to every athlete in the world.*"

👉 This tells us what Nike stands for.

2. Objectives or Goals

◆ **What it is:** Specific targets that the company wants to achieve. They are based on the mission.

◆ **Example:**

Nike's goal: Increase online sales by 20% in the next year.

3. Strategies

- ◆ **What it is:** The overall plan or path to achieve goals. It's a broad action plan.
- ◆ **Example:**

Nike decides to invest in digital marketing and influencer partnerships to grow online sales.

4. Policies

- ◆ **What it is:** General guidelines for decision-making. They tell employees *what to do* and *what not to do* in specific situations.
- ◆ **Example:**

Nike's return policy: Customers can return products within 30 days, even if worn.

5. Procedures (aka Standard Operating Procedures – SOPs)

- ◆ **What it is:** Step-by-step instructions on how to carry out a specific task.
- ◆ **Example:**

How a customer support rep processes a return:

1. Check receipt
 2. Inspect product
 3. Approve return
 4. Issue refund
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6. Rules

- ◆ **What it is:** Specific regulations that must be followed. No flexibility.

◆ **Example:**

“No smoking” rule inside the workplace.

7. Programs

◆ **What it is:** A group of related plans, policies, and procedures aimed at achieving a specific result.

◆ **Example:**

A new product launch program may include:

- Marketing plan
 - Manufacturing schedule
 - Training for sales staff
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8. Budgets

◆ **What it is:** A financial plan that shows expected income and expenses. Helps control money use.

◆ **Example:**

Marketing budget: \$100,000 allocated for ads, influencer deals, and promotions for the new shoe line.

Summary Table:

Type	Description	Example
Mission	Why the company exists	"Inspire every athlete"
Objectives	Measurable targets	Increase sales by 20%
Strategies	Big-picture plans	Use digital marketing

Type	Description	Example
Policies	Guidelines	Return policy within 30 days
Procedures	Step-by-step instructions	Steps to process a return
Rules	Strict instructions with no flexibility	No smoking at work
Programs	A set of related plans and actions	New product launch program
Budgets	Financial plan	\$100K for marketing expenses

AFTER MIDSEM

1ST ORGANIZING

Organizing as a major function of management. After planning, organizing is about **bringing together people, tools, money, and plans** so the organization can work effectively.

Key points:

- Organizing helps achieve goals by combining all resources (people, money, equipment).
- Chester Barnard says organizing defines **roles, responsibilities, and authority**, helping everyone know their job and who they report to.
- It involves setting up **departments**, giving authority to different levels (top, middle, lower), and ensuring **everyone's role is clear**.

Steps in organizing:

1. **Identify tasks** (like sales, accounts).

2. **Group tasks into departments** (like HR, sales).
3. **Assign authority** (who is in charge of what).
4. **Coordinate responsibilities** so people work well together.

Formal Organization

- This is the **official structure** made by the company.
- It clearly defines roles, responsibilities, and communication.
- Created by management to reach business goals.
- It's organized and stable.

2. Informal Organization

- Happens **naturally** when people interact at work.
- Based on **friendship or personal relationships** (like a lunch group).
- It's **not shown** in the official organization chart.
- Helps people feel socially connected.
- **Comparison of Formal vs Informal Organization**

Feature	Formal	Informal
Creation	By top management	By employees themselves
Purpose	To meet business goals	To meet social needs
Communication	Official	Unofficial (grapevine)
Rules	Based on structure	Based on personal values
Authority	Hierarchical	Everyone equal
Size	Big	Small

Organizational Structure & Types

Organizational structure is **how roles and tasks are arranged** in a company.

Why it's important:

- It shows who is responsible for what.

- Makes it easier to work together and reach goals.
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Page 5: Types of Organizational Structures

1. Hierarchical

- Traditional structure with levels (top to bottom).
- Seen in big companies like Amazon or government offices.
- Decisions come from the top.

2. Flat

- Few or no management levels.
- Used in small companies or startups.
- Employees make more decisions themselves.

Functional, Divisional, Matrix Structures & Departmentation

Page 6: Functional Structure

- Groups people based on job functions like HR, Marketing, Finance.
- Each department has specialists.
- Easy management, but departments might not work together smoothly.

Page 7: Divisional Structure

- Large companies divide into **units based on products or regions** (e.g., men's wear, kid's wear).
- Each unit works like a mini-company with its own HR, sales, etc.
- Best for big businesses with multiple product lines.

Page 8: Matrix Structure

- Combines two types of structures (e.g., function + product).

- People report to **two bosses** (like a product head and a department head).
- It helps share resources but can confuse employees.

Page 9: Span of Control

- It means how many people a manager supervises.
 - **Wide Span:** One manager supervises many people.
 - **Narrow Span:** One manager supervises a few people.
- Wide spans save cost; narrow spans give more attention to employees.

Page 10: Departmentation

- Dividing the company into **sections** (like sales, production).
- Types:
 - By function (HR, Finance)
 - By geography (North zone, South zone)
 - By product (Electronics, Furniture)
 - By customer type (Retail, Wholesale)

Height of the Organization

- Means how many levels (layers) there are in the company's structure.
- **Tall organization:** More levels, narrow span of control.
- **Flat organization:** Fewer levels, wide span of control.
- **Customer Structure**
- **What is Customer Structure?**
 This is an organizational structure where the **company is divided based on different types of customers**. Instead of focusing on products or regions, the focus is on **who the customer is**.

Types of Span of Control:

1. **Wide Span of Control**

- One manager supervises **many employees**.
- Example: A team leader manages 10 employees.
- ◊ Advantage: Fewer levels in the organization → faster communication.
- ◊ Disadvantage: Manager may get overwhelmed.

2. Narrow Span of Control

- One manager supervises **only a few employees**.
- Example: A supervisor manages just 3 people.
- ◊ Advantage: Better supervision and control.
- ◊ Disadvantage: More layers of management → slower decisions, higher cost.

Rate of Change

- This means **how quickly the company or environment changes**.
 - If changes happen fast, it's hard to stick with long-term plans.
 - Managers must be flexible and ready to adjust strategies.
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◆ Communication Techniques

Good communication is important for handling change.

1. Personal Contact

- Not every instruction can be given face-to-face, especially in large companies.
- Still, in some situations, meetings and personal conversations are needed.

2. Assistants

- Senior managers may appoint assistants to help them communicate with others effectively.

Organizational Levels and Span of Management

This page explains why companies have **multiple levels of management** and how it's related to the **span of control**.

◆ Why are there different organizational levels?

- A manager **can't effectively supervise too many people at once**.
- So, when a company grows, it adds **more levels** (like supervisors, middle managers, etc.) to help manage people better.

Strategic Business Unit (SBU)

A **Strategic Business Unit (SBU)** is like a **mini-company** inside a larger company.

Each SBU has:

- Its own mission and goals.
- Its own departments like marketing or HR.
- Its own plans and team.
- But it still reports to the main headquarters.

Types of SBUs (based on the **BCG Matrix**):

1. **Stars**: High market share + high growth → needs more investment to grow.
2. **Cash Cows**: High share + low growth → makes a lot of money, doesn't need much investment.
3. **Question Marks**: Low share + high growth → risky, may become stars or fail.
4. **Dogs**: Low share + low growth → not profitable, usually phased out.

This helps companies manage each unit based on how well it performs in the market.

Criteria for Setting Up SBUs & Organizational Height

Criteria to create a Strategic Business Unit (SBU):

- It should have its **own mission** and goals.
- Competes with a **specific set of competitors**.
- Can **plan independently**.
- Can **manage its own resources**.
- Should be of **manageable size** – not too big or too small.

Authority and Power

This page explains the difference between **authority** and **power** in an organization.

- **Authority:**
It's the **official right** given to a manager to make decisions and give orders.
It comes with the position, not the person.
- **Power:**
A broader term—it's the **ability to influence others**, whether or not you have a formal title.
- **Types of Power:**
 - **Coercive Power** – Based on fear (e.g., punishments, threats).
 - **Reward Power** – Based on giving rewards (e.g., promotions, bonuses).
 - These powers can affect how employees behave and perform.
- **Expert Power**
 - Comes from **knowledge, skills, or expertise**.
 - People respect and follow someone who **knows a lot** about a subject.
 - Example: An experienced IT manager is trusted for tech solutions.
- _____

- ◆ **4. Legitimate Power**
 - Comes from the **official position** a person holds.
 - Example: A CEO has the authority to make company-wide decisions.
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- ◆ **5. Referent Power**
- Comes from a person's **personality, values, or charisma**.
- Others admire, respect, and **want to follow** this person.
- Example: A team member who inspires others without any formal role.

There are different types of **authority**:

1. **Line Authority** – Direct control over subordinates (e.g., a sales manager controlling a sales team).
2. **Staff Authority** – The right to advise or support (e.g., HR staff advising other departments).
3. **Functional Authority** – The right to direct in specific situations (e.g., safety officer stopping unsafe operations).

Key Point:

Authority = official right from position

Power = influence (can be official or personal)

Line Authority

- It's the **direct authority** from top to bottom.
 - Managers with line authority can **give orders and make decisions**.
 - Common in **traditional organizations**.
 - Example: The production manager tells workers how to build products.
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◆ Staff Authority

- Staff members **don't give direct orders** but **offer advice or support**.
- Their role is **advisory**, not commanding.
- Example: HR gives suggestions on hiring, but the final decision is made by the line manager.

Responsibility

- It means the **duty to complete the tasks** given to you.
- If a manager assigns work to an employee, the employee is responsible for getting it done.
- Managers should have **enough authority** to match their responsibilities.
(You can't expect someone to do a job if they don't have the power to make decisions.)

What is Employee Empowerment?

- It means **giving employees more control** over their work.
- They are trusted to **make decisions** and take responsibility for the outcomes.

◆ Key Elements of Empowerment:

1. **Authority** – Employees can make certain decisions on their own.
2. **Resources** – They get the tools and support they need.
3. **Skills** – They are trained to do their tasks well.
4. **Accountability** – They are responsible for results.

What is Delegation?

- Delegation happens when a **superior** gives a subordinate the authority to make decisions and perform tasks.
 - It helps managers **focus on bigger responsibilities** and allows others to grow.
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◆ Steps in Delegation:

1. **Set expected results** – What should be achieved?
2. **Assign tasks** – What work needs to be done?
3. **Give authority** – What power is needed to complete it?
4. **Make them accountable** – They must answer for results.

◆ Balance of Power and Responsibility

There must be a balance between the power an employee has and the responsibility they are given. This can be explained with:

- **P = R** → Power equals Responsibility = Ideal situation.
- **P > R** → Too much power, not enough responsibility → May lead to misuse of power.
- **R > P** → Too much responsibility, not enough power → Leads to frustration.

Decentralization of Authority

- **Decentralization** means spreading out decision-making power to lower levels in the organization.
- Managers at different levels can make decisions without always waiting for top management.

Centralization

- **Centralization** is the opposite of decentralization.
- All important decisions are made at the **top level**.
- The lower levels mostly **follow instructions**.

Types of Centralization

1. **Performance**: All work is done in one central location.
 2. **Departmental**: Specific departments do all tasks for the company (e.g., one finance department handles all financial matters).
 3. **Management**: All decision-making stays at the top.
 - ◆ **Intrapreneur**
 - Works **within** a company.
 - Focuses on **innovation and creativity**.
 - Turns ideas into successful projects **inside the organization**.
 - Also called **corporate venturing**.
 - ◆ **Entrepreneur**
 - Works **independently, outside** the company.
 - Starts a new business, takes personal risks, manages capital, labor, etc.
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- ◆ **Innovation and Entrepreneurship**
- Entrepreneurs spot market needs and use resources and skills to meet them.
- **Innovation** needs planning, resources, and proper execution — it's not just luck!
 - ◆ **Entrepreneurship starts when people are dissatisfied with how things are and want to change or improve them.**

◆ Common triggers for innovation:

1. **Unexpected events** – success, failure, or surprise situations.
2. **Incongruity** – gap between what is and what should be.
3. **Inefficient processes** – tasks that need improvement.
4. **Market changes** – trends, new customer demands.
5. **Demographic changes** – shifts in population, age, habits.
6. **New meanings or perceptions** – when society views things differently.
7. **New knowledge** – scientific or technical breakthroughs.

What is Reengineering?

- It's about **rethinking and redesigning** how work is done.
- Imagine asking:
“If I were building this company from scratch today, how would I design it?”

◆ Purpose of Reengineering

- To make **dramatic improvements** in:
 - Cost
 - Quality
 - Service
 - Speed
- -helping the company become **faster, better, and more efficient**.

◆ Steps in the Organizing Process:

1. **Set enterprise objectives**
 - Define what the organization wants to achieve (goals).
2. **Formulate supporting plans and policies**

- Create the rules and plans that help achieve those goals.
- 3. **Identify and classify activities**
 - List all the tasks required to reach those goals.
- 4. **Group the activities**
 - Combine similar tasks into departments (e.g., HR, sales).
- 5. **Delegate authority**
 - Assign power and responsibility to managers and employees.
- 6. **Establish coordination**
 - Connect all groups and departments so they work smoothly **horizontally** (across departments) and **vertically** (top to bottom).

Importance of Organizing Function

Organizing is important because it:

1. **Helps with administration** – Makes management easier.
2. **Encourages growth** – Makes expansion possible.
3. **Builds human relationships** – Improves teamwork.
4. **Promotes innovation** – Helps companies adapt and improve.
5. **Ensures continuity** – Makes the business stable even with changes.
6. **Improves coordination** – Everyone works together toward goals.

TYPES OF EFFECTIVE ORGANIZING TYPES

1. Avoiding Mistakes in Organizing by Planning

- First plan the **ideal structure** based on goals.
- Compare the current structure with this ideal and adjust.
- Customize the organization based on the skills and limitations of available staff.

2. Avoiding Organizational Inflexibility

- Organizations should **stay flexible** and adapt to changes in:
 - Business operations
 - Products
 - Technology

- Rules and government policies
 - Reorganize when problems appear (e.g., delays, high costs, unclear roles).
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3. Making Staff Work Effective

- Clearly define **line vs staff roles**:
 - Line = authority and decision-making
 - Staff = advice and support
 - Encourage line managers to **use staff input**.
 - Staff should be **informed and helpful**, not disruptive.
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4. Avoiding Conflict by Clarification

- Conflicts arise when people **don't understand**:
 - Their job
 - Their authority
 - Who they report to
 - Use:
 - **Org charts**
 - **Job descriptions**
 - **Clear communication** of roles
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5. Ensuring Understanding of Organizing

- Everyone must understand how the **organization is structured**.
- Use:
 - **Training, meetings, and coaching** to explain the structure.
 - Recognize both **formal** and **informal** relationships (e.g., grapevine).
- A well-understood structure helps people work better together.

Organization Culture

Culture = The values and behavior patterns in the organization.

- It shapes how employees **work, interact, and follow rules**.

- A **strong culture** = motivated, happy employees.
- A **weak culture** = employees follow rules out of fear.

Culture also affects how the company handles planning, organizing, leading, and controlling.

Page 34: Types of Organizational Culture

1. Strong Culture

- Employees respect rules and enjoy working.
- They **accept responsibilities** willingly.

2. Weak Culture

- Employees work out of fear.
 - They don't feel connected to the organization.
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Page 35: Leadership's Influence on Culture

Leaders play a **major role** in shaping culture.

- They set the tone with their **values, actions, and decisions**.
- Good leaders create a culture of trust, teamwork, and performance.

STAFFING

Introduction to Human Resource Management (HRM)

- HRM is about **finding, training, and keeping skilled employees**.
- Goals:
 - Match employee skills with company needs.

- Create a work environment that supports high performance.
 - Ensure employees are satisfied with pay and benefits.
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Page 67: What is Staffing?

- **Staffing = Filling positions** in the organization structure.
 - Steps:
 - Understand how many and what kind of people are needed.
 - Recruit, select, and place them.
 - Train and develop both new and current employees.
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Page 68: HR Management Includes

- Job analysis
 - Recruitment
 - Compensation and incentives
 - Training and development
 - Social security
 - Legal defense (handling employee-related lawsuits)
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Page 69: Definition of Staffing (Detailed)

- Staffing ensures the **right people are in the right jobs**.
 - Focuses on:
 - Quantity (enough employees)
 - Quality (skilled and capable employees)
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Page 70: Systems Approach to Staffing

Staffing follows a **systematic process**:

1. Know how many people you need.
 2. Check who is available.
 3. Match skills to roles.
 4. Hire, train, and develop talent.
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Page 71: Number and Kinds of Managers Required

This depends on:

- Company size
 - Complexity of structure
 - Expansion plans
 - Turnover rate (how often managers leave)
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Page 72: The Management Inventory

- A **record of all current managers** and their skills.
 - Helps identify who can be promoted or moved to other roles.
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Page 73: Manager Inventory Chart

- A chart that shows:
 - Each managerial position
 - Who holds it
 - How promotable they are

Helps with planning and career growth inside the company.

Page 74: Analyzing the Need for Managers

Managers are needed based on:

- Internal info (inventory, expansion plans)
 - External info (job market, competition)
 - Must balance **supply and demand** of managerial talent
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- Recruitment: Attracting qualified candidates to fill organizational roles.
 - Selection: choosing the most suitable candidates from among the candidates.
 - Placement and orientation: The process of assigning a specific job to the selected candidates.
 - Training and development: a) on-the-job training, b) off-the-job training

- Performance appraisal: Evaluation of training
- Promotion: placing a manager within the enterprise in a new position, which usually involves more responsibility
- Compensation: salary appraisal
- Separation: It is a negative recruitment. It may be in the form of resignation, dismissal, or lay-off.

Page 75: Recruitment and Selection

- **Recruitment:** Attracting potential candidates.
- **Selection:** Choosing the best fit among them.
- After selection, comes **placement and orientation** – assigning the job and introducing them to the company.

Training and Development

Two main types:

- **On-the-job training** – Learning while doing actual work.
- **Off-the-job training** – Learning in a classroom or workshop away from the workplace.

Training helps improve employee performance and growth.

Page 77: Performance Appraisal

- A formal process to **evaluate an employee's work**.
 - Helps find strengths, weaknesses, and areas for improvement.
 - Used for promotions, salary decisions, and training needs.
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Page 78: Promotion and Compensation

- **Promotion:** Moving an employee to a higher position with more responsibility.
- **Compensation:** Salary and benefits given for the work done.

Both help keep employees motivated and loyal.

Page 79: Separation

- **Separation** means ending the job relationship.
- Can be:
 - **Voluntary** (resignation)
 - **Involuntary** (layoff or dismissal)

It's part of the staffing cycle and must be handled properly.

Page 80: Performance Appraisal – Purpose

It's used to:

- Measure how well someone is doing.
 - Guide decisions on promotions and training.
 - Help employees set future goals.
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Page 81: Career Strategy

A plan that helps:

- Employees grow and achieve their personal goals.
- Organizations build better talent.
- Aligns **personal growth** with **company needs**.

Page 82: Training vs. Development

- **Training:** Short-term, skill-focused (e.g., using new software).
- **Development:** Long-term, growth-focused (e.g., leadership skills).

Both are important for building strong managers.

Page 83: Situational Factors Affecting Staffing

Staffing decisions are affected by:

- **External factors:** Job market, diversity, global hiring.
- **Internal factors:** Promotions, competition, company policy.

Companies need to adjust hiring plans based on the situation.

Page 84: Reward System

Rewards motivate employees to perform better.

Types:

- **Financial:** Salary, bonuses.
- **Non-financial:** Recognition, new roles, flexibility.

A good reward system increases employee satisfaction and performance.

Page 85: Recruitment and Selection – Sources

Sources of recruitment:

- **Internal:** Promotions, transfers (within the company).
- **External:** Job portals, campus drives, employee referrals, etc.

Using both helps attract the best candidates.

----Selection Process

This page often includes a **flowchart image** showing steps of the selection process. Here's the breakdown:

1. **Application Received**
2. **Screening** – Remove unqualified applicants.
3. **Preliminary Interview**
4. **Application Blank Review**
5. **Written Test**
6. **Employment Interview**
7. **Reference Check**
8. **Job Offer Letter**
9. **Accept job offer letter**
10. **Medical Examination**
11. **Final Selection**
12. **Placement**

Each step narrows down the best candidates for the job.

Performance Appraisal Process

Commonly represented as a **cycle diagram**:

1. **Set performance standards**
2. **Communicate expectations**
3. **Measure actual performance**
4. **Compare with standards**

5. Discuss results with employee

6. Take corrective action if needed

Used to evaluate employee performance and guide future improvements.

Important -----Performance Appraisal Process

Performance appraisal usually includes:

- Regular reviews (monthly, quarterly, or yearly)
- Feedback from managers
- Setting future goals
- Identifying training needs

It's a **cycle** that helps improve performance continuously.

Page 88: Kinds of Reviews

Three types of employee performance reviews:

1. **Formal reviews** – Detailed, usually once a year.
 2. **Periodic reviews** – Every few months.
 3. **Continuous monitoring** – Day-to-day feedback and tracking.
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Page 89: Performance Evaluation Systems

There are two main systems:

1. **Comparative** – Employees are ranked against each other.
 2. **Absolute** – Employees are compared against a fixed performance standard (not against others).
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Page 90: Comparative Systems – Simple Rank Order

This method ranks employees from best to worst.

- ✓ Simple but may be **biased or unfair** if everyone is good or bad at similar levels.
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Page 91: Comparative Systems – Paired Comparisons

- Each employee is **compared one-on-one** with every other employee.
 - You count how many times each one is rated better.
 - The one with the most “wins” ranks highest.
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Page 92: Paired Comparison Table Example

A sample table is shown with symbols:

- “+” means better than the other employee.
 - “–” means worse. Used to calculate total comparisons and final rank.
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Page 93: Relative Percentile Method

Employees are placed on a **percentile scale** from 0 to 100.

- 50% means average.
- 90% means better than 90% of others.

Good for measuring **individual competencies** (like communication, leadership).

Page 94: Relative Percentile Example

An example shows:

- One employee at 95th percentile (excellent).

- Another at 48th percentile (average).

This helps **visually spot top and low performers.**

Page 95: Absolute Systems – Overview

Unlike comparative systems, absolute systems:

- Evaluate employees based on **standards**, not against others.
- Include methods like:
 - Essay writing
 - Behavior checklists
 - Critical incident tracking

CAREER STRATEGY, MANAGING CHANGE, OD

Formulating the Career Strategy

- **Main Idea:** You should build your career strategy based on your strengths and weaknesses.
 - **How to do it:** Use your performance review to find what you're good at and where you need to improve. Then make a plan to grow in your career using that information.
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2. Managing Change: Manager and Organization Development

- **Main Idea:** Change starts with people (especially managers) but also involves the whole organization.
- **Manager Development:** Long-term efforts to improve a manager's skills.

- **Manager Training:** Short-term programs to help managers do their job better.
 - **Organization Development (OD):** A structured plan to make a group or the whole company work better.
-

3. Manager Development Process and Training

- **Needs to Consider:**
 - What the company needs.
 - What the job requires.
 - What the individual employee needs.
 - **Why it matters:** Helps choose the right training and development programs.
-

4. On-the-Job Training Methods

- **Techniques include:**
 - **Planned Progression:** A clear career path.
 - **Job Rotation:** Experience in different departments.
 - **“Assistant-To” Positions:** Work with experienced managers.
 - **Temporary Promotions:** Fill in temporarily to gain experience.
 - **Committees & Junior Boards:** Work with senior staff.
 - **Coaching:** Guidance from a manager to improve.
-

5. Internal and External Training

- **Internal training:** Done within the company.

- **External training:** Offered by universities or other groups.
 - **Methods:**
 - Conferences, university courses, in-house universities (e.g., McDonald's University).
 - **Online Learning (E-Training):** Web-based classes.
 - **Business Simulations:** Real-life practice scenarios.
 - **Special Programs:** For minorities, the disabled, or on topics like ethics and company culture.
-

6. Managing Change

- **Where change comes from:** Outside the company, inside the company, or from individuals.
 - **Trends driving change:**
 - Technology, more knowledge-based jobs, globalization, etc.
 - **How to deal with change:**
 - **React to crisis** (not ideal) or
 - **Plan it carefully** by adjusting goals, structures, or leadership.
-

7. Techniques for Initiating Change

- **Kurt Lewin's Model:**
 - **Unfreezing:** Get people ready to change.
 - **Changing:** Introduce new ways or ideas.
 - **Refreezing:** Make the changes stick.

- **Reduce Resistance:** Involve employees in change and explain the reasons clearly.
-

8. Organizational Conflict

- **Where conflict happens:** Between individuals, teams, or departments.
 - **Why it happens:** Competing for resources, different values, poor communication, etc.
 - **Good side:** Can bring new ideas and better solutions.
 - **How to manage:**
 - **Compromise, avoid, smooth over, or force.**
 - **Change behavior or move people around.**
 - **Structural changes:** Change roles, responsibilities, or even office layout.
-

9. Organization Development (OD)

- **Goal:** Improve how a company works.
 - **Methods:** Training, feedback, team building, job redesign, stress management.
 - **Process:**
 - Identify problems.
 - Get expert help.
 - Collect info and give feedback.
 - Solve problems as a group.
-

10. Learning Organization

- **What it is:** A company that keeps learning and adapting.
- **Peter Senge's 5 Elements:**
 1. **Systems Thinking**
 2. **Personal Mastery**
 3. **Mental Models**
 4. **Shared Vision**
 5. **Team Learning**
- **Why it matters:** Helps organizations stay competitive by learning from experiences and trying new things.

LEADERSHIP

Leadership Overview

- **Definition:** Leadership is about motivating a group to achieve a common goal.
 - **Essence:** It's the ability of one individual (the leader) to influence others' behavior to achieve shared goals.
 - **Key Features:**
 - It's a group phenomenon—leaders and followers interact.
 - Leadership involves influence and motivation.
-

2. Difference Between Managers and Leaders

Managers	Leaders
Administer	Innovate
Maintain	Develop
Control	Inspire
Focus on short-term	Long-term vision
Ask how & when	Ask what & why
Accept status quo	Challenge it
Do things right	Do the right things

This slide shows that leaders are visionaries, while managers are more focused on structure and process.

3. Formal & Informal Leadership

- **Formal Leadership:**
 - Comes from an official position in the organization.
 - Authority is based on the position in the hierarchy.
 - **Informal Leadership:**
 - Comes from personal influence, not from a formal role.
 - Often built on charisma, trust, or expertise.
-

4. Basic Leadership Styles

- **Autocratic:** Leader makes decisions unilaterally. Best for:
 - New staff

- Crisis situations
- **Bureaucratic:** Focus on rules and procedures. Ideal for:
 - Routine tasks
 - High regulation environments
- **Democratic:** Involves employees in decision-making. Good for:
 - Complex problems
 - Encouraging participation
- **Laissez-faire:** Leader gives maximum freedom. Works well when:
 - Also known as the “free rein” Leadership style
 - Staff are skilled and motivated
 - Creative or R&D environments

Transformational vs Transactional Leadership

- **Transformational:**
 - Inspires and motivates change.
 - Builds strong leader-follower relationships.
 - **Transactional:**
 - Based on reward and punishment.
 - More about managing tasks and roles.
- | • Style | • Focus | • How it Works | • Example |
|--------------------|------------------------|----------------------------------|--|
| • Transformational | • Inspiring big change | • Motivates people with a vision | • Elon Musk saying “Let’s go to Mars!” |

- | | | | |
|--|---|---|---|
| <ul style="list-style-type: none"> • Style
 • Transactional | <ul style="list-style-type: none"> • Focus
 • Day-to-day tasks | <ul style="list-style-type: none"> • How it Works
 • Rewards for doing the job right | <ul style="list-style-type: none"> • Example
 • Manager saying “Sell more, get a bonus.” |
|--|---|---|---|
-

6. Managerial Grid (by Blake and Mouton)

This model shows leadership styles based on concern for people and concern for production:

Grid Type	Description
Impoverished (1,1)	Low concern for both people and production
Country Club (1,9)	High concern for people, low for production
Middle-of-the-Road (5,5)	Balanced concern, often leads to average performance
Task Management (9,1)	High concern for production, low for people
Team Management (9,9)	High concern for both—ideal leadership style

Tip-----I Can Come My Task Team

Concern for People

This means:

How much a leader cares about their team's happiness, needs, and well-being.

 **High concern for people** = Leader listens, supports, and builds good relationships.

 **Low concern for people** = Leader ignores how people feel, only cares about the work.

Concern for Production

This means:

How much a leader cares about getting work done, meeting goals, and being efficient.

 **High concern for production** = Leader focuses on results, targets, deadlines.

 **Low concern for production** = Doesn't push much for results or goals.

Three factors that influence which leadership style to use.

1. The manager's personal background
2. Staff being supervised
3. The organization

MOTIVATION

What is Motivation?

- Motivation is what pushes people to take action to reach goals.
- It's a manager's job to make employees **work happily, efficiently, and effectively**.

Motivation includes:

- Needs
- Desires
- Drives
- Hopes



Motivation Theories (Overview)

There are **five main motivation theories**:

1. Maslow's Hierarchy of Needs
2. Herzberg's Two-Factor Theory
3. McClelland's Need Theory
4. Expectancy Theory
5. Equity Theory

Let's go through them one by one 👇

1. Maslow's Hierarchy of Needs

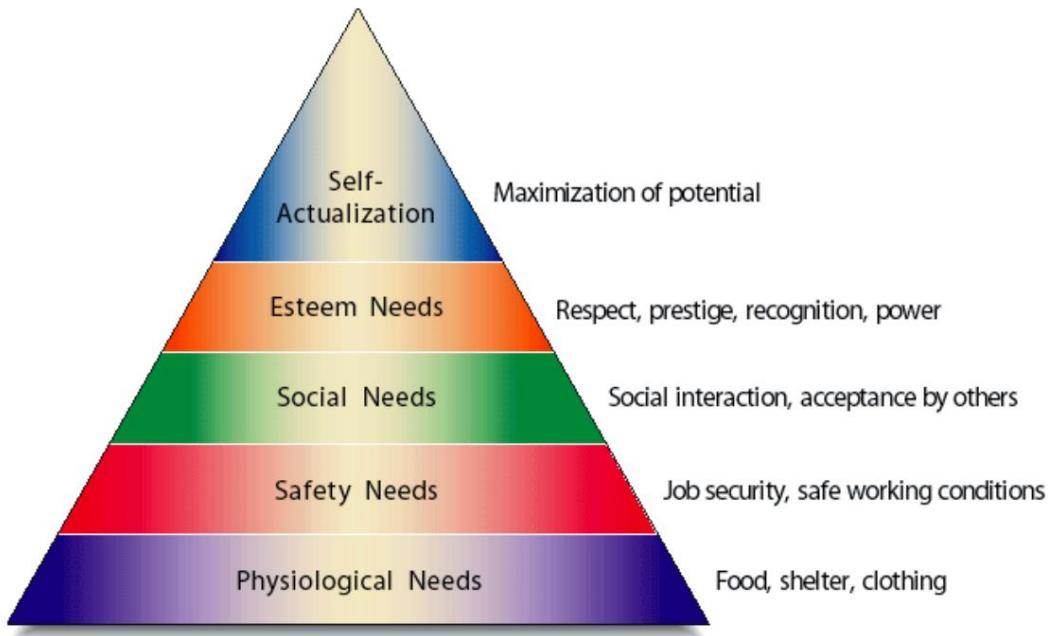
Maslow says people have 5 levels of needs. You can't move to the next level until the one before is satisfied.

From bottom to top:

1. **Physiological**: Food, water, rest (basic survival)
2. **Safety**: Job security, safety at work
3. **Social**: Friendships, teamwork
4. **Esteem**: Respect, recognition, feeling valued
5. **Self-actualization**: Becoming the best you can be

✳️ **Example:** If someone doesn't feel safe at work, they won't care about awards or promotions.

Maslow's Hierarchy of Needs



Once people achieve a given category of needs, they become motivated to reach the next category

2. Herzberg's Two-Factor Theory

There are two types of job factors:

A. Hygiene Factors (Dissatisfiers):

- Salary
- Company policies
- Working conditions

These don't motivate, but without them, people are unhappy.

B. Motivators (Satisfiers):

- Recognition

- Growth opportunities
- Achievement

These lead to **real job satisfaction** and better performance.

3. McClelland's Need Theory

People are motivated by 3 main needs:

- **nAch (Need for Achievement)**: Want to do well and succeed
- **nAff (Need for Affiliation)**: Want to build relationships
- **nPow (Need for Power)**: Want to control or influence others

 Different people have different dominant needs.

4. Expectancy Theory (By Victor Vroom)

Formula:

$$\text{Motivation} = \text{Value of outcome} \times \text{Expectation of success}$$

This means:

- People work hard if they **value the reward** (promotion, bonus)
 - AND believe their effort will help them **achieve it**
-

5. Equity Theory (By J. Stacy Adams)

- People compare their effort and reward with others.
- If they feel it's **unfair**, they become **demotivated**.

 Example: Two people do the same job, but one gets paid more → the other loses motivation.

COMMITTEE

What is a Committee?

- A **committee** is a group of people who come together to discuss or decide something.
- It can also be called a **board, task force, team, or work group**.

 Example: A company might form a committee to plan a new product launch.

How Committees Work

Committees go through **4 stages**:

1. **Forming** – Members get to know each other.
 2. **Storming** – People share ideas and may have disagreements.
 3. **Norming** – Everyone agrees on the rules and ways of working.
 4. **Performing** – The group starts working on the real task.
-

Types of Committees

- **Line Committee:** Makes decisions (e.g., Board of Directors).
- **Staff Committee:** Gives advice (e.g., HR advisory team).

 Can be:

- **Formal** – officially created with defined authority.
 - **Informal** – created just to get opinions or solve a small issue.
-

Temporary vs. Permanent Committees

- **Temporary:** Disbanded after the task is complete (e.g., a hiring panel).
 - **Permanent:** Ongoing groups for long-term goals (e.g., safety committee).
-

Why Use Committees?

- To get different ideas and opinions.
 - To prevent one person from having too much power.
 - To share information between departments.
 - To involve employees and boost motivation.
-

Disadvantages of Committees

- Can be **time-consuming** and expensive.
 - Sometimes decisions are weak or delayed.
 - One or two people might dominate the discussion.
 - Responsibility may not be clear — “nobody” feels accountable.
-

Tips for Successful Committees

- **Clear Authority:** Members should know if they are deciding, advising, or just discussing.
- **Right Size:** Big enough for ideas, small enough to stay focused.
- **Good Members:** Pick people with knowledge and teamwork skills.
- **Set Agenda:** Share topics before the meeting.
- **Strong Chairperson:** Guides the meeting and keeps things on track.
- **Meeting Minutes:** Write down what was discussed and decided.



Other Group Concepts

- **Teams, task forces, conferences, negotiation groups** — all are types of group work.
- A **group** is 2 or more people working together toward a shared goal.

Characteristics of Groups in Organizations

- Groups have **common goals** (e.g., launching a new product).
 - Members **communicate and take on roles** (like designer, seller).
 - Groups often belong to **larger groups** or divisions.
 - They create **norms** (rules of behavior) — like being on time.
 - **Focus groups** are special — used in marketing to get customer opinions.
-



Functions & Benefits of Groups

- Help **change behavior** and keep members in line with group values.
 - Useful for **decision-making** and solving problems.
 - Encourage **open communication** and improve **motivation**.
 - Help **leaders and members understand each other** better.
 - Support all areas of **management**, especially **leading**.
-



Why Groups Are Good for People

- Provide **social satisfaction**, friendship, and support.
- Allow both **formal and informal communication**.
- Offer **security** (like through labor unions).

- Boost **self-esteem** by offering recognition and acceptance.
-

Teams

- A **team** is a small group with different skills, working together on a shared goal.
- Teams can:
 - Make decisions,
 - Run operations,
 - Solve problems (like in “quality circles”),
 - Work across departments (e.g., design + finance + marketing).

Building a Good Team

- Purpose must be **clear and important**.
- Choose members based on the **skills needed**.
- Mix of:
 - **Technical skills**
 - **Problem-solving**
 - **People skills**
- Set rules (e.g., be on time, everyone contributes).
- Recognize and encourage each other.

Types of Teams

- **Self-managing teams:** Handle everything themselves (what, how, who, when).

- **High-performance teams:** Very efficient and independent.
 - **Virtual teams:** Members work from different places. Need **strong communication** (email, calls, project sites).
-

⚡ Conflicts in Groups/Teams

- Can happen:
 - Between people (interpersonal),
 - Between groups (intergroup),
 - Or with outside organizations.
- **Free riders** (who don't help but get benefits) can cause resentment.

COMMUNICATION

What is Communication?

- The word comes from Latin "**Communis**", meaning "**common**" or **sharing**.
 - Communication = Sharing **information, ideas, or messages**.
-

📦 Slides 2–3: Elements of Communication

1. **Sender** – The person who shares the message.

2. **Receiver** – The one who gets the message.
 3. **Message** – The idea or information being shared.
 4. **Encoding** – Turning ideas into symbols (words, signs, pictures).
 5. **Decoding** – Understanding those symbols.
 6. **Ideas** – The content being communicated.
 7. **Channel** – The method used (TV, phone, email, etc.).
 8. **Feedback** – The receiver's response back to the sender.
-

Slides 4–5: Importance of Communication

1. **Every business needs it** to run well.
 2. Helps **coordinate departments**.
 3. Improves the **relationship between management and employees**.
 4. Useful in **negotiations**.
 5. Strong communication is a **valuable skill**.
 6. Helps collect and exchange **information and ideas**.
-

Slides 6–8: Types of Communication

Based on Direction:

1. **Downward** – From top management to lower levels (orders, rules).
 2. **Upward** – From employees to managers (feedback, suggestions).
 3. **Crosswise** – Between people on the same or different levels, not directly reporting to each other (includes horizontal and diagonal communication).
-

Slides 9–13: Types Based on Expression

1. Written Communication:

- Involves **written words**: letters, reports, articles.
- Requires **clear thinking and organization**.

2. Oral Communication:

- Involves **speaking**: face-to-face talks, calls, meetings, interviews.
- Best for **quick interaction and building trust**.

3. Nonverbal Communication:

- Involves **body language and facial expressions**.
- It can **support or contradict** verbal communication.
- That's why we say: "*Actions speak louder than words.*"

Barriers to Communication

These are common problems that cause communication to **fail or break down**:

1. Lack of Planning

- When people talk or write without thinking first, the message can be **confusing or incomplete**.
- Good communication needs **preparation**, like knowing what you want to say and why.

2. Unclear Assumptions

- Sometimes people assume others know what they mean—but they don't.
- **Example:** A manager says, “Get it done quickly,” but doesn’t say *how quickly* or *what exactly* needs doing.

3. Semantic Distortion (Word Confusion)

- The **same word** can mean **different things** to different people.
- **Example:** The word “cheap” might mean low quality to one person, but low price to another.
- This confusion can be **accidental or intentional**, like vague ads that say “we sell for less.”

4. Poorly Expressed Messages

- Even if you have a great idea, using the **wrong words**, being too **wordy**, or using **complicated language** can ruin it.
 - This includes **bad grammar**, **disorganized sentences**, and **unclear meaning**.
-



Slide 15: Barriers in International Communication

When people from different **countries or cultures** communicate, extra problems can happen:

- **Language Differences:** Not everyone speaks or understands the same language.
- **Cultural Differences:**
 - **Colors** mean different things (e.g., black = death in the West, white = mourning in parts of Asia).
 - **Greetings and formality** matter. In the U.S., using first names is normal, but in other countries, that might be disrespectful.

- **Business Etiquette:** What's polite in one culture might be rude in another.

 **How companies handle this:**

- Provide **language training**
 - Hire **local staff** who understand the culture
 - Use **translators and cultural experts**
-

 **Slide 16: More Communication Problems**

These are **extra obstacles** that can make communication fail, even in the same workplace:

1. Message Loss / Poor Retention

- People forget what they hear or read, especially if too much time passes.
- That's why messages often need to be **repeated or shared in more than one way** (e.g., meeting + email).

2. Poor Listening & Quick Judgments

- Some people **don't truly listen** — they're too busy thinking about their own ideas or trying to look smart.
- Others **judge too fast** and **miss the real meaning** of what's being said.

3. Impersonal Communication

- Just sending out memos or emails isn't always enough.
- People respond better when they **see and talk to each other** face-to-face, in an open and honest setting.

4. Fear, Threats & Distrust

- If employees are **scared to speak up**, they won't share honest opinions.

- This happens when bosses are **inconsistent**, punish honesty, or create a tense environment.
- Trust is key for real communication.

5. Adjustment to Change

- Changes in work routines or roles can confuse or upset people.
- Employees need **time** to understand and accept what's new.

6. Information Overload

- Too much info at once = stress and confusion.
- People may ignore or forget important details.
- Better to **keep it short and clear**.

How to Improve Communication

Tips:

- Be clear about your message.
- Use simple language.
- Ask for feedback to ensure understanding.
- Understand the emotions of the receiver.
- Practice **active listening**.

Top 10 tips:

1. Stop talking
 2. Help the speaker feel comfortable
 3. Show you're listening
 4. Remove distractions
 5. Empathize
 6. Be patient
 7. Stay calm
 8. Don't interrupt or argue
 9. Ask questions
 10. Again... **Stop talking!**
-



Slide 19: Better Written Communication

- Use simple words and short sentences.
 - Avoid jargon.
 - Use examples and visuals (like charts).
 - Focus on clarity and structure.
-



Slide 20: Better Oral Communication

- Use tips similar to written communication.
 - Be **clear, respectful, and confident.**
 - Engage your audience with tone and body language.
-

Slide 21: Electronic Media in Communication

- Includes: **Emails, computers, mobile phones, video calls.**
 - Tools like **teleconferencing and networking** help teams talk even from far away.
-

Slide 22: Conclusion

- Communication is **essential** for success in business.
- It must be **clear, honest, and people-focused.**

NON-VERBAL COMMUNICATION

Non-Verbal Communication – Sign Language

- People can **communicate without speaking**, using **signs or symbols** that everyone understands.
 - In history, people used things like **drum beats** to send messages (like calling a crowd).
 - Since words sometimes **don't fully express feelings, actions** (like gestures or expressions) are often **more powerful**.
 - That's why we say: "**Actions speak louder than words.**"
-

⌚ Slide 2: Visual Signs

- These include **pictures, posters, charts**, etc.
- They:
 - Share a message **quickly and clearly**
 - Make the message more **interesting and memorable**
 - Are very helpful in teaching people who **can't read or write**
 - Are a strong tool in **advertising**

 **Example:** A "No Smoking" sign uses a simple image to say a lot — no words needed.

🔊 Slide 3: Audio or Sound Signals

- These are **sounds** used to alert or inform people.
- Examples: **Sirens, bells, whistles, alarms**
- They are:
 - **Fast and attention-grabbing**
 - Very useful for **time management or emergencies**
 - Meant to **warn or prompt action**

 **Example:** A school bell tells students when a class starts or ends.

⚠ Slide 4: Limitations of Sign Language

- Can only express **basic or simple ideas**
- Takes **skill and practice** to do it well
- Works best when **combined with spoken words**

- If signs are **unclear or misunderstood**, the message gets lost
-  So, while non-verbal signs are useful, they can't completely **replace spoken or written communication.**
-

Slide 5: Body Language (Kinesics)

Kinesics = the study of **body movements** used in communication.

Key types of body language:

1. **Head Movements** – Nodding (yes), shaking (no), tilting (confusion).
2. **Facial Expressions** – Smiles, frowns, raised eyebrows — these show emotions.
3. **Eye Contact** – Shows **interest, honesty, or respect** — avoiding eye contact may mean **nervousness or dishonesty**.
4. **Gestures** – Hand or arm movements to point, explain, or show emotion.
5. **Posture & Body Shape** – The way someone sits or stands shows **confidence, mood, or attitude**.

CONTROLLING

Definition of Controlling

- Controlling is a key **managerial function**.
 - It means **measuring actual performance** and **fixing mistakes** to ensure the company meets its goals.
 - Think of **planning and controlling like two blades of scissors** — both are needed to make things work.
-

Section 2: Basic Control Process (Steps)

1. Set Standards

- Standards are **targets or goals**.
- These are used to **compare with actual performance**.
- Example: A target of ₹1 lakh in monthly sales.

2. Measure Performance

- Check what was **actually achieved** by teams or individuals.
- Use **quantitative (numbers)** or **qualitative (opinions, morale)** methods.

3. Compare with Standards

- Look at the **difference** (called a “deviation”) between **what was planned** and **what really happened**.
- Find out **why the deviation happened**.

4. Take Corrective Action

- Fix the problems (wrong planning, poor communication, etc.).
- If the issue **keeps happening**, maybe the target itself was **unrealistic**.

Section 3: Control Points and Standards

Critical Control Points

- Focus on **important areas** of the business (like costs, revenue, productivity).
- Types include:
 - **Physical** (output units),
 - **Cost, Revenue, Strategic goals**,
 - **Intangibles** (like morale or customer service)



Bureaucratic vs Clan Control

- **Bureaucratic Control:** Uses **rules and policies**.
 - **Clan Control:** Uses **values, trust, and teamwork** (like a family).
-



Section 4: Controlling Business Performance



Financial Controls

- **Profit & Loss:** Check if the company is making enough money.
- **ROI (Return on Investment):** Measures how well money is being used.
- **Balanced Scorecard:** Tracks 4 key areas:
 1. Learning & Growth
 2. Internal processes
 3. Customer satisfaction
 4. Financial results



Benchmarking

- Compare your performance with the **best in the industry**.
 - Types:
 1. **Strategic**
 2. **Operational**
 3. **Management**
-



Section 5: Types of Control



Feedback Control (Post-action)

- Happens **after the task** is done.

- Example: Checking sales numbers at the end of the month.

Feedforward Control (Pre-action)

- Happens **before the task**.
 - Used to **prevent problems** before they happen.
 - Example: Training staff before launching a new product.
-

Section 6: Control Techniques

Budgetary Control

- Using budgets (financial plans) to guide performance.
- **Zero-Based Budgeting:** Start from scratch every year. Justify all costs, even old programs.

Non-Budgetary Control

- Includes:
 - **Inspections**
 - **Audits**
 - **Benchmarking**
 - **HR audits**
 - **Operational checks**
-

Section 7: Time-Based Tools

Gantt Charts

- A visual tool to **track project timelines**.
- Shows when a task starts, ends, and overlaps with others.

PERT (Program Evaluation and Review Technique)

- A chart that shows **task sequences** and time required.
 - Helps in planning complex projects.
-

Section 8: Analytics & Information Systems

Analytics

- Use of **data, math, and software** to solve problems.

MIS (Management Information System)

- Collects and shares business data for **decision-making**.
-

Section 9: IT, E-Commerce & CRM

Digital Economy

- IT allows for **remote work, data sharing**, and new business models.

Customer Relationship Management (CRM)

- Collects and uses customer info to **improve service and loyalty**.
-

Section 10: Productivity & Quality

Productivity

- Doing **more with less** (or same) time, money, and effort.

Tools to Improve Productivity:

- **Just-in-time inventory**
- **Outsourcing**

- Operations Research
- Value Engineering
- Work Simplification
- Quality Circles

Total Quality Management (TQM)

- Continuous improvement by **everyone** in the company.
-

Section 11: Supply & Value Chain

Supply Chain Management (SCM)

- Focuses on **efficient movement of materials**.

Value Chain Management (VCM)

- Focuses on **adding customer value at each step**, not just efficiency.