




# POM - Last Minute Notes

 Owner	 nithu
 Tags	

## Unit 1 - THE BASICS

Mgmt- getting stuff done thro ppl by planning, organizing ,commanding, controlling and coordinating.

Mgmt - coordinating stuff- effective(doenig stuff right) and efficient work(the right work) - meeting orgn.goals.

- Mgmt as a science:

Universally accepted principles: Some fundamentals that is all-encompassing

Experimentation and observations: derived upon research(fair pay for gud work)

Cause-Effect Relationship: Lack of balance between authority and responsibility→ Ineffectiveness

Predictable and valid

- Mgmt as an art:

Practical knowledge: Theory doesn't suffice.

Personal skill: Own style

Creativity: Human + Non-human=Work

Perfection thro practice:Trial and error

Goal-oriented: Definite final destination

**Basically it's a mix of both**

***Fayol's 14 principles: (A C D)(D E E )(I O R)(S S S)(U U)***

- (1) **Division of Work** – Division of work is necessary to enjoy the benefits of specialization.
- (2) **Authority and Responsibility** – Authority means the power to give orders and to ask for obedience. Responsibility means the sense of dutifulness which is correlated with authority. There must be parity between the two.
- (3) **Discipline** – The three requisites are necessary for maintaining discipline – (a) good supervisors, (b) clear and fair agreements and (c) proper application of sanctions or penalties.

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## FUNDAMENTALS OF ECONOMICS AND MANAGEMENT

- (4) **Unity of Command** – It means that one individual employee must receive orders from one individual superior only.
- (5) **Unity of Direction** – One and same objective for the whole unit of organization and for that there should be one leadership and one plan.
- (6) **Subordination of Individual Interest to General Interest** – Individual or group interest must be surrendered to general interest.
- (7) **Remuneration** – Remuneration should be fair and satisfactory to both the employees and the employer.
- (8) **Centralization** – By centralization there is optimum utilization of the available resources.
- (9) **Scalar Chain** – It is the chain of superior existing from the highest authority to the lowest ranks.
- (10) **Order** – It means that inside an organization there should be a place for everything and everything in its place.
- (11) **Equity** – The sense of equity must prevail throughout all the levels of the organization and the management should see to it.
- (12) **Stability of Tenure of Personnel** – An employee needs time to get himself accustomed to a line of work and then he can show his ability. Therefore the personnel are stable.
- (13) **Initiative** – The initiative of the personnel must be roused at every level even by sacrifice of vanity by the managers.
- (14) **Esprit de Corps** – Teamwork is essential for the success of an organization.

- Fns. of a manager (what things they do)
  - ( Plan (goal-defining
  - Organize (structuring)
  - Lead (working thro ppl and with ppl)
  - and Control (Monitoring and corrections))
- Roles (Who are they)
  - Mintzberg concept - 10 aspects (falling under 3 categories)
    - Interpersonal roles (FLL)
      - Figurehead: Head
      - Leader: Motivating team
      - Liaison: Outside influence
    - Informational roles (MDS)

Monitor: Receive info

Disseminator: Mediation of info within the org.

Spokesperson: External transmission of info(reg goals)

- Decisional roles(EDRN)

Entrepreneur: find improvement ways

Disturbance handler: Corrective action

Resource allocator

Negotiator: represents the org

Today's manager should deal with the increasing consumerism(customer/client is key) and be innovative

- Skills:

Tech(proficiency)- First-level/Low-level managers (Directly monitor work)

Human(work well with ppl) -Middle Managers(Deal with lower managers and top mgmt.)

Conceptual(analysis) - Top Managers(see the bigger pic)

Types of business org.

- Sole proprietorship - controlled by an individual.
- Partnership - a grp of ppl(pooled resources, abilities, share of profit)
- Company -most common (Public Ltd. and Private Ltd.)
- Public Corporations(run by govt)

### **Organisational Theories:**

1.Classical**[CDD SSS]**(deals with anatomy - organisation is a machine and humans are components)

The main pillars or elements of classical organisation theory are as follows :

1. **Division of labour.** It implies that work must be divided to obtain a clear-cut specialisation with a view to improve the performance of workers.
2. **Departmentalisation.** This requires grouping of various activities and jobs into departments so as to minimise costs and to facilitate administrative control.
3. **Coordination.** Orderly arrangement of group effort is necessary to provide unity of action in pursuit of common purpose. There should be harmony among diverse functions.
4. **Scalar and functional processes.** Scalar chain refers to a series of superior-subordinate relationships from the top to the bottom of the organisation. It serves as a means of delegation of authority (command), communication (feedback) and remedial action (decision).
5. **Structure.** Structure implies the logical relationship of functions in an organisation arranged to accomplish its objectives efficiently.
6. **Span of control.** This implies the number of subordinates a manager can effectively supervise.

Cons: Rigid, closed system, focused attention on tech and structure only, based on assumptions

## 2. Neo-classical or Behavioural Theory:

The main propositions of neo-classical theory are as follows :

1. The organisation in general is a social system composed of several interacting parts.
2. Within a formal organisation there exists an informal organisation. The two affect each other.
3. Human beings are interdependent. Their behaviour can be predicted in terms of social and psychological factors at work.
4. Motivation is a complex process. Many socio-psychological factors operate to motivate people at work.
5. Human beings do not always act rationally. They often behave irrationally in terms of the rewards they seek from the work.
6. A conflict between organisational and individual goals often exists. There is, therefore, a need to reconcile the goals of the individual with those of the organisation.
7. Team work is essential for efficient functioning of organisations. But this is not automatic and has to be achieved.

Neo-classical writers gave an organisational design which is a modification of classical structure in the following ways:

- (a) **Flat structure** - In a flat structure, the scalar chain is shorter. As a result communication and motivation tend to be more effective.
- (b) **Decentralisation** - Decentralised structure allows initiative and autonomy at lower levels.
- (c) **Informal Organisation** - Formal organisation represents deliberate or official channels of interactions. But it suffers from several weaknesses. Therefore, informal organisation is created to plug its loopholes and to satisfy the social and psychological needs of people.

Cons: Context-driven , lacks an unified approach, false assumptions

## 3. Modern - System and Contingency

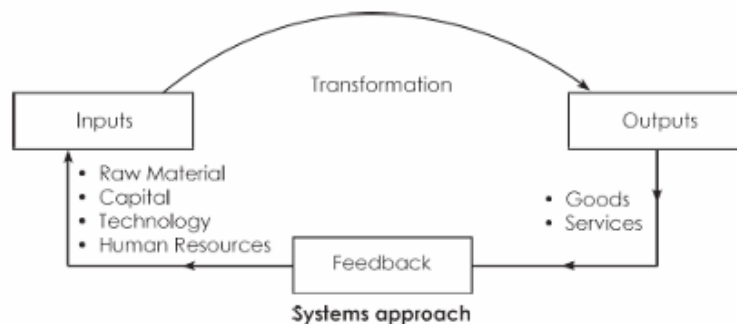
Systems Theory: System- the complex and organised whole entity, Sub-systems - parts

System - Open (interaction with its environment) and Closed(no interaction)

Key components: Inputs, Feedback and Outputs

Parts: Individual, Formal Organization, Informal Organization , Status and roles, Physical Settings

Processes: Communication, decision-making and balance



Contingency Theory: No size fits all, depends on context. System - subsystem.

Gist of Organizational Theories:

Comparative View of Organisation Theories

Basis	Classical	Behavioural	Systems	Contingency
Focus	Work and economic needs of workers	Small groups and human behaviour	Interrelationships	Situational variables
Structure	Mechanical and impersonal	Organisation as a social system	Open systems view of organisation	Environmental determinants of organisation
Means	Empirically derived principles	Group participation	Conceptual skills	Environmental scanning
Results	Work alienation and dissatisfaction	Satisfied and efficient employees	Systems theory and design	Dynamic management style
Practices	Authoritarian and bureaucratic	Democratic and participative	Systems concepts	Business environment interface
Main Exponents	F. W. Taylor, Henri Fayol, Max Weber	Elton Mayo, A.H. Maslow, Douglas McGregor	F.E. Kast, J.E. Rosenzweig, R.A. Johnson	P.R. Lawrence, J.W. Lorsch, J. Woodward

Manager vs entrepreneur

## Manager vs Entrepreneur: Key Differences

### 1. Definition

- **Manager:** Oversees operations, implements strategies, and ensures efficiency.
- **Entrepreneur:** Identifies opportunities, takes risks, and creates new ventures.

## 2. Focus

- **Manager:** Executes plans and achieves organizational goals.
- **Entrepreneur:** Drives innovation and explores new opportunities.

## 3. Risk and Decision-Making

- **Manager:** Takes calculated risks and works within structured frameworks.
- **Entrepreneur:** Takes high risks and makes independent, visionary decisions.

## 4. Ownership and Innovation

- **Manager:** Does not own the business; optimizes existing systems.
- **Entrepreneur:** Owns their venture and drives transformative innovation.

## 5. Motivation and Challenges

- **Manager:** Focuses on stability, growth, and operational efficiency.
- **Entrepreneur:** Faces uncertainty, competition, and the quest for success.

Managers maintain systems, while entrepreneurs create and disrupt them. Both are essential but distinct in their roles and approaches.

Need for a HR manager: An HR manager is essential for hiring, retaining talent, ensuring compliance, resolving conflicts, and fostering employee growth, contributing to a productive and positive work environment.

Trends and Issues:

Here are the **5 main trends and issues in management**:

### 1. Digital Transformation and Innovation

- Adoption of AI, IoT, and agile practices amidst resistance and legacy systems.

### 2. Workforce Dynamics

- Managing remote/hybrid work, employee well-being, and talent retention challenges.
- Lack of adapting tendencies is an issue

### 3. Diversity, Inclusion, and Ethics

- Promoting equitable workplaces and transparent leadership.
- Management is an issue

#### 4. **Sustainability and Corporate Responsibility**

- Balancing profitability with environmental and social goals.
- Maintaining is the issue

#### 5. **Data and Cybersecurity**

- Leveraging analytics effectively while addressing privacy and security risks.
- Protection is the issue

Organizational Culture and Environment

## **Organizational Culture and Environment**

### **Organizational Culture**

Organizational culture refers to the shared values, beliefs, norms, and practices that shape the behavior and attitudes of employees within an organization.

#### 1. **Key Elements:**

- **Values:** Core principles guiding decisions (e.g., integrity, innovation).
- **Norms:** Informal rules dictating employee behavior.
- **Symbols and Rituals:** Logos, ceremonies, and traditions unique to the organization.
- **Leadership Style:** The approach leaders take in influencing culture.

#### 2. **Types:**

- **Clan Culture:** Focuses on collaboration, employee development, and a family-like atmosphere.
- **Adhocracy Culture:** Encourages innovation, creativity, and risk-taking.
- **Market Culture:** Prioritizes competitiveness and achieving measurable goals.
- **Hierarchy Culture:** Values structure, efficiency, and clear procedures.

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## **Organizational Environment**

The organizational environment includes external and internal factors that influence an organization's operations and performance.

**1. Internal Environment:**

- **Employees:** Skills, attitudes, and performance.
- **Leadership:** Decision-making and strategic direction.
- **Resources:** Availability of financial, physical, and technological assets.

**2. External Environment:**

- **Macro Environment:** Includes factors like political, economic, social, technological, environmental, and legal (PESTEL) elements.
- **Micro Environment:** Includes customers, competitors, suppliers, and stakeholders.

**3. Adaptability:**

- Organizations must adapt their culture and strategies to align with the changing environment to remain competitive and relevant.

In summary, **organizational culture** influences how employees behave, while the **organizational environment** determines the external and internal conditions that impact an organization's success. Both are interdependent and shape overall organizational performance.

## Unit 2 - Planning

Planning - determining future course of action in advance to reach defined obj.

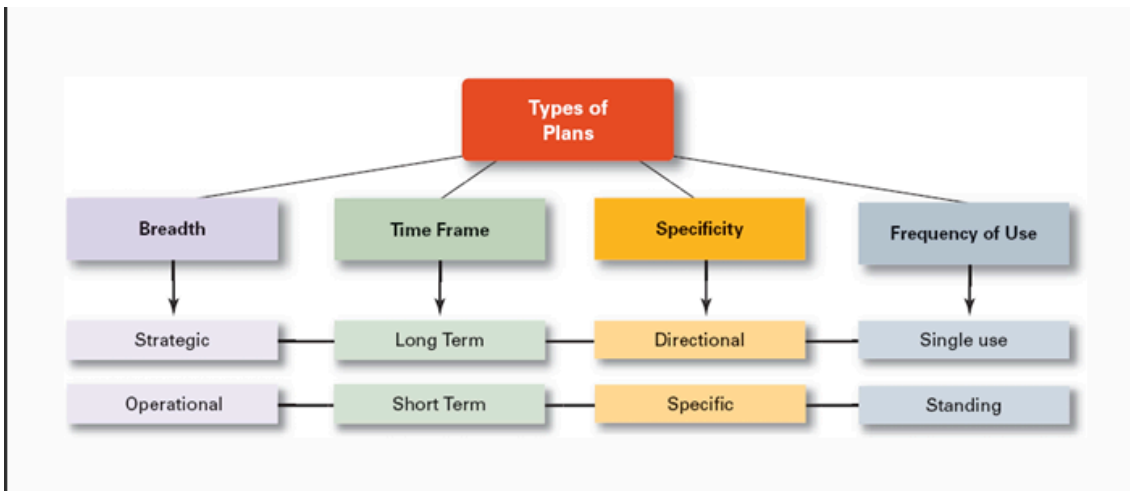
- Organizational goals
- Strategies to achieve them
- Plans for work activities

Why planning? - a sense of direction , uncertainty goes down, waste and redundancy is minimized, efficiency, coordination standard for control, system

Elements: Goals (Outcomes)

and Plans(How goals are to be achieved)





Breadth - Strategic - Applies to the whole org. Organizational goals. Covers extended periods of time(More at the top mgmt) - **Strategic Management**

Operational - How to achieve goals? Short time(More at the low-level mgmt)

Time frame - Long term - beyond 3 yrs

Short term - Less than 1 yr

Specificity - Specific - clearly defined(SOP)

Directional - Ultimate aim, general guidelines - implementation is discrete.

Freq- Single-use - unique soln.

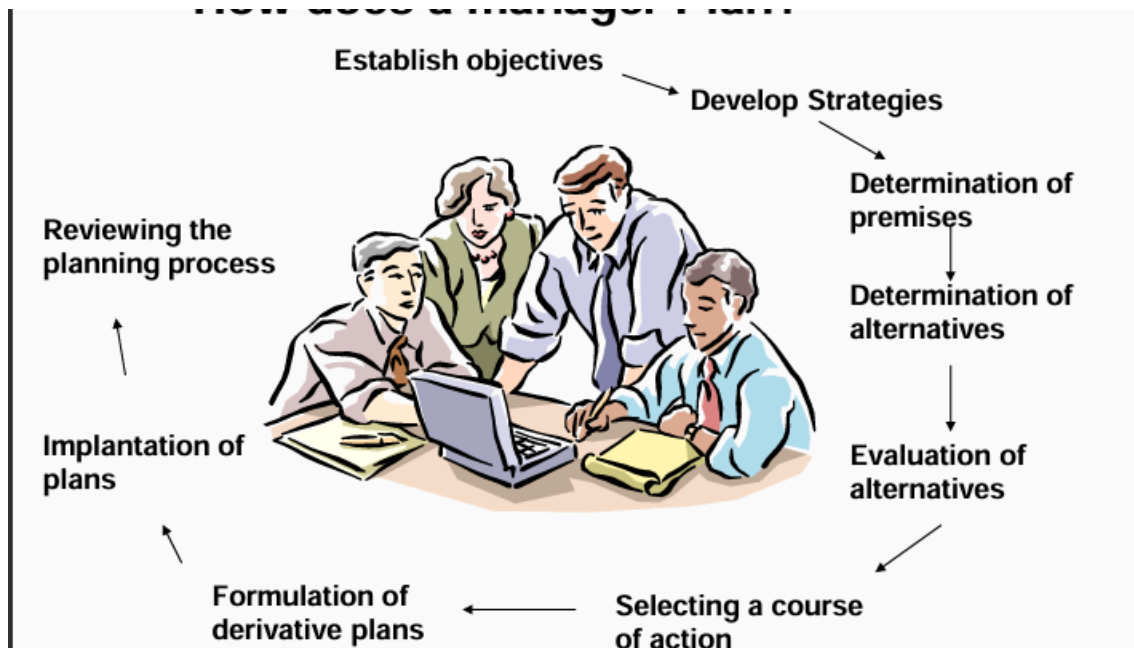
Standing plans - Provide guidance for repeated actions

**Goal setting:** Broad goals at the top.

Broken into sub-goals

Direction and guidance from above

Lose clarity as low-level people interpret their part of the goal



### The Process: SWOT Analysis(Opportunities)

- Set objectives
- Premises - assume the context(Tangible-capital and resources and intangible - motivation, good will , Internal - Money, machines and External - Governmental policies, beliefs, technological change)
- Alternatives and Evaluation
- Course of Action
- Planning the work(Derivative plans) - rules ,schedule , budget
- Implementation - communication , instruction, arranging materials and supervise
- Review of the planning

MBO: Management By Objective -Peter Drucker

**Specific**

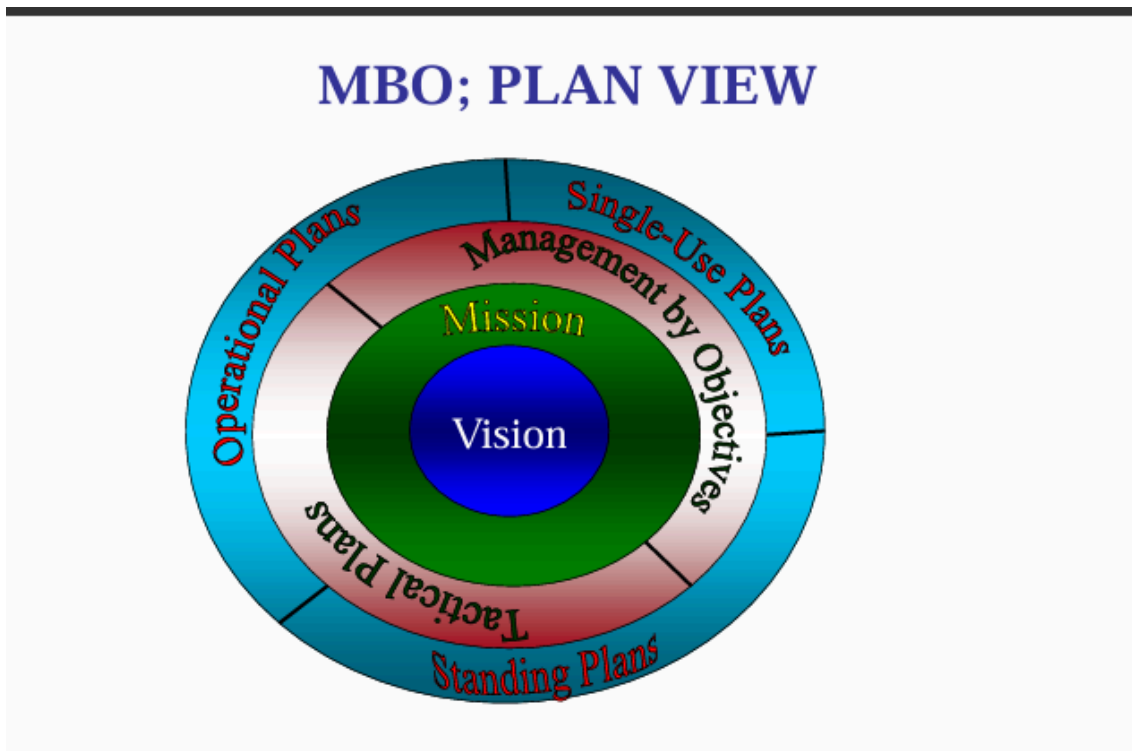
**Measurable**

**Achievable**

**Result-oriented**

**Time-related goals**

- Focus on achievable goals - best results
- Align organizational goals with subordinate objs.
- Quantifies for monitoring and evaluation.
- Chunk up your tasks. Focus on objectives for managerial roles.



#### Features:

Common goal setting for success.

Identify and achieve targets

Negotiate the support of subordinates to achieve targets

Evaluation

Supervisor and subordinate → Jointly plan, Individually act and Jointly control

**Aim:** Plan → Optimize → Collaborate → Appraisal → Bonuses

Steps: Set goals(Mission, Corporate obj, Departmental obj and Individual obj) →

Develop plans → Progress → Appraise

## MBO PRINCIPLES

1. Cascading of organizational goals and objectives
2. Specific objectives for each team member
3. Participative decision making
4. Explicit time period
5. Performance evaluation & feedback

Pros: Motivation , Communication , Highlights training needs, Efficiency and Performance, satisfaction

Cons: If targets are high, demotivation, cooperation is a must, time consuming, short-term gains, outdated, difficult target setting.

Depends on commitment of top mgmt and beliefs on employees on them.

**Suitable for med to large business**

## Planning Tools and Techniques

### 1. **SWOT Analysis:**

Identifies an organization's Strengths, Weaknesses, Opportunities, and Threats for strategic planning.

### 2. **PERT (Program Evaluation and Review Technique):**

A project management tool for scheduling and coordinating complex tasks.

### 3. **Gantt Charts:**

Visual timelines to plan and track project schedules and progress.

### 4. **Budgeting:**

Allocates financial resources to various activities to ensure efficient spending.

### 5. **Scenario Planning:**

Envisions different future scenarios to prepare for uncertainties.

## 6. **Decision Trees:**

Graphical tools to analyze choices and their potential outcomes.

## 7. **Brainstorming:**

Encourages creative idea generation for problem-solving and planning.

These tools help organizations structure, organize, and achieve their goals efficiently.

# Unit 3 - Organizing and HR Planning

HR Planning - the right ppl, doing the right job at the right time and place → goals are met

Mission is to hire/procure and develop such human resources. Optimal use

→ Inventory of the existing

→ Shortfall/surplus

→ Training programmes to bridge talent gaps.

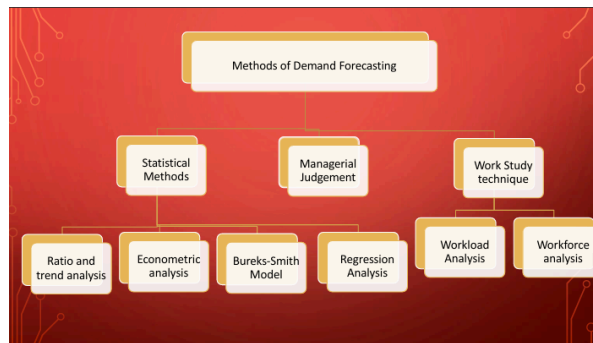
Importance: Reduced labor costs

Gap identification

Overall business planning is improved.



Demand Forecasting : Analyse your employment trends, replacement needs, productivity changes, absenteeism and growth and expansion.



Workload → analyse schedules, sales forecasts

Workforce → Absenteeism and labour turnover

Ratio and Trend → ratios

Econometric → fit into a math formula

Bureks-Smith →  $E = (L_{agg} + G)1/X / Y$

Regression → Dependent and ind. variables

Supply forecasting → Analyse both internal(workers) and external supply(expansion)

Job analysis → Identify, characteristics, what role, what materials, how it is done, personal attributes required and relationships

Basis	Job Description	Job Specification
Definition	It is a written statement of the contents of the Job	It is a written statement of the qualities required for performing the job
Purpose	Its purpose is to identify, define and describe the job	Its purpose is to facilitate recruitment, selection, training etc. of the people for the job
Contents	It describes title, duties working conditions, supervision, relationships involved in a job	It specifies education, training, experience, aptitude etc. required for performance of the job
Sequence	It is prepared before Job Specification	It is prepared after job description



HR Management: Deals with training, development aspects and performance evaluation.

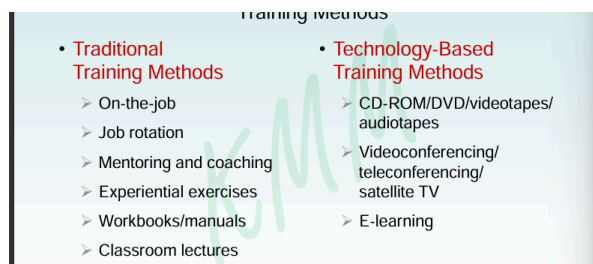
Orientation: Welcome to the job! Work unit orientation and organization orientation

Formal and Informal orientation.

Skills change from time to time → training

Two types of training: General → communication, programming, tech skills, personal growth

Specific: Ethics, sexual harassment, creativity, work skills, team building, wellness



Performance Evaluation: Seven methods:

**Written Essay**  
 Evaluator writes a description of employee's strengths and weaknesses, past performance, and potential; provides suggestions for improvement.  
 + Simple to use  
 - May be better measure of evaluator's writing ability than of employee's actual performance

**Critical Incident**  
 Evaluator focuses on critical behaviors that separate effective and ineffective performance.  
 + Rich examples, behaviorally based  
 - Time-consuming, lacks quantification

**Graphic Rating Scale**  
 Popular method that lists a set of performance factors and an incremental scale; evaluator goes down the list and rates employee on each factor.  
 + Provides quantitative data; not time-consuming  
 - Doesn't provide in-depth information on job behavior

**BARS (Behaviorally Anchored Rating Scale)**  
 Popular approach that combines elements from critical incident and graphic rating scale; evaluator uses a rating scale, but items are examples of actual job behaviors.  
 + Focuses on specific and measurable job behaviors  
 - Time-consuming; difficult to develop

**Multiperson Comparison**  
 Employees are rated in comparison to others in work group.  
 + Compares employees with one another  
 - Difficult with large number of employees; legal concerns

**MBO**  
 Employees are evaluated on how well they accomplish specific goals.  
 + Focuses on goals; results oriented  
 - Time-consuming

**360-Degree Appraisal**  
 Utilizes feedback from supervisors, employees, and coworkers.  
 + Thorough  
 - Time-consuming

SSN

## Advantages and Disadvantages of Performance Appraisal Methods

Compensation : Feature of attraction , improves the strategic performance

TYPES: Base pay

Wage

Incentives

Skill-based pay - competency-based

Variable pay

Career Development: Advancement in sequence of positions held by him/her





Issues: Manage Downsizing ,workforce diversity and work-life balance.

## Organizing:

grouping of activities

delegation and coordination

Organization - formalized intentional structure of roles and positions

to remove confusion - affects your jobs

Formal Organization: Intentional structure of roles in a Formally organized enterprise.

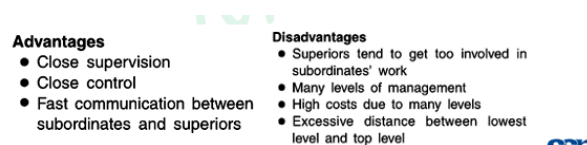
Flexible, room for discretion, recognition for individuality.

Informal: Interpersonal relationships

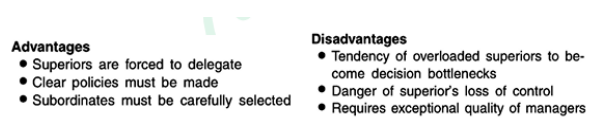
Eg: Coffee room gang

**Department:** Division or branch of an organization over which a manager has his authority.

Span of department(Narrow spans)→ multilevel:



(Wide Spans)→ 3 level system



Departmentation: Based on function(sales dept, Production dept,Financial)

Based on Territory(large scale firms)

Based on customer grp(used in banking sector) → Corporate banking , Institutional banking

Based on product

Grid or Matrix = Function + Product

## Power and Authority

Power: Ability To influence others and their lives.

Authority: right in the position to exercise discretion.

Empowerment: Employees given the power to make decisions.

$P=R$  is the ideal case

$P>R$  , autocratic behaviour

$P<R$ , frustration → no power to carry out their responsibilities.

Share power.

Line authority- direct command and control over employees(ultimate decision making powers)

Staff authority - expert advice, indirect suggestion

Functional authority- to control decisions made to other depts(limited line authority)

Decentralization - disperse power

Decentralization of performance(Geo.loc)

Decentralization of department

Decentralization of mgmt

Recentralization - bring back to centralized