

## UNIT III

### ORGANIZING

Nature and purpose – Formal and informal organization – organization chart – organization structure – types – Line and staff authority – departmentalization – delegation of authority – centralization and decentralization – Job Design - Human Resource Management – HR Planning, Recruitment, selection, Training and Development, Performance Management, Career planning and management

#### **1. NATURE AND PURPOSE**

##### **ORGANIZING**

##### **DEFINITION**

- According to Koontz and O'Donnell, "Organization involves the grouping of activities necessary to accomplish goals and plans, the assignment of these activities to appropriate departments and the provision of authority, delegation and co-ordination."
- Organization involves division of work among people whose efforts must be co-ordinated to achieve specific objectives and to implement pre-determined strategies.

#### **NATURE OR CHARACTERISTICS OF ORGANIZING**

From the study of the various definitions given by different management experts the following information about the characteristics or nature of organization,

**(1) Division of Work:** Division of work is the basis of an organization. In other words, there can be no organization without division of work. Under division of work the entire work of business is divided into many departments. The work of every department is further sub-divided into sub-works. In this way each individual has to do the same work repeatedly which gradually makes that person an expert.

**(2) Coordination:** Under organizing different persons are assigned different works but the aim of all these persons happens to be the same - the attainment of the objectives of the enterprise. Organization ensures that the work of all the persons depends on each other's work even though it happens to be different. The work of one person starts from where the work of another person ends. The non-completion of the work of one person affects the work of everybody. Therefore, everybody completes his work in time and does not hinder the work of others. It is thus, clear that it is in the nature of an organization to establish coordination among different works, departments and posts in the enterprise.

**(3) Plurality of Persons:** Organization is a group of many persons who assemble to fulfill a common purpose. A single individual cannot create an organization.

**(4) Common Objectives:** There are various parts of an organization with different functions to perform but all move in the direction of achieving a general objective.

**(5) Well-defined Authority and Responsibility:** Under organization a chain is established between different posts right from the top to the bottom. It is clearly specified as to what will be the authority and responsibility of every post. In other words, every individual working in the organization is given some authority for the efficient work performance and it is also decided simultaneously as to what will be the responsibility of that individual in case of unsatisfactory work performance.

**(6) Organization is a Structure of Relationship:** Relationship between persons working on different posts in the organization is decided. In other words, it is decided as to who will be the superior and who will be the subordinate. Leaving the top level post and the lowest level post everybody is somebody's superior and somebody's subordinate. The person working on the top level post has no superior and the person working on the lowest level post has no subordinate.

**(7) Organization is a Machine of Management:** Organization is considered to be a machine of management because the efficiency of all the functions depends on an effective organization. In the absence of organization no function can be performed in a planned

manner. It is appropriate to call organization a machine of management from another point of view. It is that machine in which no part can afford to be ill-fitting or non-functional. In other words, if the division of work is not done properly or posts are not created correctly the whole system of management collapses.

**(8) Organization is a Universal Process:** Organization is needed both in business and non-business organizations. Not only this, organization will be needed where two or more than two people work jointly. Therefore, organization has the quality of universality.

**(9) Organization is a Dynamic Process:** Organization is related to people and the knowledge and experience of the people undergo a change. The impact of this change affects the various functions of the organizations. Thus, organization is not a process that can be decided for all times to come but it undergoes changes according to the needs. The example in this case can be the creation or abolition of a new post according to the need.

### **IMPORTANCE OR ADVANTAGES OF ORGANIZING**

Organization is an instrument that defines relations among different people which helps them to understand as in who happens to be their superior and who is their subordinate. This information helps in fixing responsibility and developing coordination. In such circumstances the objectives of the organization can be easily achieved. That is why, it is said that Organization Is a mechanism of management. In addition to that it helps in the other functions of management like planning, staffing, leading, controlling, etc.

*The importance of organization or its merits becomes clear from the following facts,*

**(1) Increase In Managerial Efficiency:** A good and balanced organization helps the managers to increase their efficiency. Managers, through the medium of organization, make a proper distribution of the whole work among different people according to their ability.

**(2) Proper Utilization of Resources:** Through the medium of organization optimum utilization of all the available human and material resources of an enterprise becomes possible. Work is allotted to every individual according to his ability and capacity and conditions are created to enable him to utilize his ability to the maximum extent. For example, if an employee possesses the knowledge of modern machinery but the modern machinery is not available in the organization, in that case, efforts are made to make available the modern machinery.

**(3) Sound Communication Possible:** Communication is essential for taking the right decision at the right time. However, the establishment of a good communication system is possible only through an organization. In an organization the time of communication is decided so that all the useful information reaches the officers concerned which, in turn, helps the decision-making.

**(4) Facilitates Coordination:** In order to attain successfully the objectives of the organization, coordination among various activities in the organization is essential. Organization is the only medium which makes coordination possible. Under organization the division of work is made in such a manner as to make all the activities complementary to each other increasing their inter-dependence. Inter-dependence gives rise to the establishment of relations which, in turn, increases coordination.

**(5) Increase in Specialization:** Under organization the whole work is divided into different parts. Competent persons are appointed to handle all the sub-works and by handling a particular work repeatedly they become specialists. This enables them to have maximum work performance in the minimum time while the organization gets the benefit of specialization.

**(6) Helpful in Expansion:** A good organization helps the enterprise in facing competition. When an enterprise starts making available good quality product at cheap rates, it increases

the demand for its products. In order to meet the increasing demand for its products an organization has to expand its business. On the other hand, a good organization has an element of flexibility which far from impeding the expansion work encourages it.

## ORGANIZING PROCESS

Organization is the process of establishing relationship among the members of the enterprise. The relationships are created in terms of authority and responsibility. To organize is to harmonize, coordinate or arrange in a logical and orderly manner. Each member in the organization is assigned a specific responsibility or duty to perform and is granted the corresponding authority to perform his duty. The managerial function of organizing consists in making a rational division of work into groups of activities and tying together the positions representing grouping of activities so as to achieve a rational, well-coordinated and orderly structure for the accomplishment of work. According to Louis A Allen, "Organizing involves identification and grouping the activities to be performed and dividing them among the individuals and creating authority and responsibility relationships among them for the accomplishment of organizational objectives."

*The various steps involved in this process are:*

**a) Determination of Objectives:**

It is the first step in building up an organization. Organization is always related to certain objectives. Therefore, it is essential for the management to identify the objectives before starting any activity. Organization structure is built on the basis of the objectives of the enterprise. That means, the structure of the organization can be determined by the management only after knowing the objectives to be accomplished through the organization. This step helps the management not only in framing the organization structure but also in achieving the enterprise objectives with minimum cost and efforts. Determination of objectives will consist in deciding as to why the proposed organization is to be set up and, therefore, what will be the nature of the work to be accomplished through the organization.

**b) Enumeration of Objectives:**

If the members of the group are to pool their efforts effectively, there must be proper division of the major activities. The first step in organizing group effort is the division of the total job into essential activities. Each job should be properly classified and grouped. This will enable the people to know what is expected of them as members of the group and will help in avoiding duplication of efforts. For example, the work of an industrial concern may be divided into the following major functions – production, financing, personnel, sales, purchase, etc.

**c) Classification of Activities:**

The next step will be to classify activities according to similarities and common purposes and functions and taking the human and material resources into account. Then, closely related and similar activities are grouped into divisions and departments and the departmental activities are further divided into sections.

**d) Assignment of Duties: tasks assigned**

Here, specific job assignments are made to different subordinates for ensuring a certainty of work performance. Each individual should be given a specific job to do according to his ability and made responsible for that. He should also be given the adequate authority to do the job assigned to him. In the words of Kimball and Kimball - "Organization embraces the duties of designating the departments and the personnel that are to carry on the work, defining their functions and specifying the relations that are to exist between department and individuals."

**e) Delegation of Authority:**

Since so many individuals work in the same organization, it is the responsibility of management to lay down structure of relationship in the organization. Authority without

responsibilities and reporting

responsibility is a dangerous thing and similarly responsibility without authority is an empty vessel. Everybody should clearly know to whom he is accountable; corresponding to the responsibility authority is delegated to the subordinates for enabling them to show work performance. This will help in the smooth working of the enterprise by facilitating delegation of responsibility and authority.

## **2. FORMAL AND INFORMAL ORGANIZATION**

Organizations are basically classified on the basis of relationships. There are two types of organizations formed on the basis of relationships in an organization

1. **Formal Organization** - This is one which refers to a structure of well defined jobs each bearing a measure of authority and responsibility. It is a conscious determination by which people accomplish goals by adhering to the norms laid down by the structure. This kind of organization is an arbitrary set up in which each person is responsible for his performance. Formal organization has a formal set up to achieve pre-determined goals.
2. **Informal Organization** - It refers to a network of personal and social relationships which spontaneously originates within the formal set up. Informal organizations develop relationships which are built on likes, dislikes, feelings and emotions. Therefore, the network of social groups based on friendships can be called as informal organizations. There is no conscious effort made to have informal organization. It emerges from the formal organization and it is not based on any rules and regulations as in case of formal organization.

### **Relationship between Formal and Informal Organizations**

<b>Formal Organizations</b>	<b>Informal Organizations</b>
Formal Organization is an organization in which job of each member clearly defined, whose authority, responsibility and accountability fixed	Informal Organization is formed within the formal organization as a network of the interpersonal relationship when people interact with each other.
Formal organization originates from the set organizational structure	informal organization originates from formal organization
Formal organization can work independently	Informal organization depends totally upon the formal organization.
The formal organization is goal-oriented	An informal organization, on the other hand, develops automatically and spontaneously.
The behaviour of the members of the formal group is according to rules and regulations set by the management.	The behaviour of the members of the informal group is according to the individual and group interests. likes dislikes opinions etc
Focus on Work Performance	Focus on Interpersonal relationship

### **Features of Formal organisation:**

- (1) The formal organisational structure is created intentionally by the process of organising.
- (2) The purpose of formal organisation structure is achievement of organisational goal.
- (3) In formal organisational structure each individual is assigned a specific job.
- (4) In formal organisation every individual is assigned a fixed authority or decision-making power.
- (5) Formal organisational structure results in creation of superior-subordinate relations.
- (6) Formal organisational structure creates a scalar chain of communication in the organisation.

### **Advantages of Formal Organisation:**

#### **1. Systematic Working:**

Formal organisation structure results in systematic and smooth functioning of an organisation.

#### **2. Achievement of Organisational Objectives:**

Formal organisational structure is established to achieve organisational objectives.

#### **3. No Overlapping of Work:** *pre defined*

In formal organisation structure work is systematically divided among various departments and employees. So there is no chance of duplication or overlapping of work.

#### **4. Co-ordination:**

Formal organisational structure results in coordinating the activities of various departments.

#### **5. Creation of Chain of Command:**

Formal organisational structure clearly defines superior subordinate relationship, i.e., who reports to whom.

#### **6. More Emphasis on Work:**

Formal organisational structure lays more emphasis on work than interpersonal relations.

### **Disadvantages of Formal Organisation:**

#### **1. Delay in Action:** *since it's predefined , we don't know if it's based on likes, dislikes their own likings*

While following scalar chain and chain of command actions get delayed in formal structure.

#### **2. Ignores Social Needs of Employees:**

Formal organisational structure does not give importance to psychological and social need of employees which may lead to demotivation of employees.

#### **3. Emphasis on Work Only:**

Formal organisational structure gives importance to work only; it ignores human relations, creativity, talents, etc.

### **Features of informal organisation:**

- (1) Informal organisational structure gets created automatically without any intended efforts of managers.
- (2) Informal organisational structure is formed by the employees to get psychological satisfaction.
- (3) Informal organisational structure does not follow any fixed path of flow of authority or communication.
- (4) Source of information cannot be known under informal structure as any person can communicate with anyone in the organisation.
- (5) The existence of this organisational structure depends on formal organisation structure.

### **Advantages of Informal Organisation:**

#### **1. Fast Communication:**

Informal structure does not follow scalar chain so there can be faster spread of communication.

#### **2. Fulfils Social Needs:**

Informal communication gives due importance to psychological and social need of employees which motivate the employees.

#### **3. Correct Feedback:**

Through informal structure the top level managers can know the real feedback of employees on various policies and plans.

### **Disadvantages of Informal organisation:**

#### **1. Spread Rumours:**

According to a survey 70% of information spread through informal organisational structure are rumours which may mislead the employees.

#### **2. No Systematic Working:**

Informal structure does not form a structure for smooth working of an organisation.

#### **3. May Bring Negative Results:**

If informal organisation opposes the policies and changes of management, then it becomes very difficult to implement them in organisation.

#### **4. More Emphasis to Individual Interest:**

Informal structure gives more importance to satisfaction of individual interest as compared to organisational interest.

### **3. ORGANIZATION CHART**

The definition of an organization chart or "org chart" is a diagram that displays a reporting or relationship hierarchy. The most frequent application of an org chart is to show the structure of a business, government, or other organization.

Org charts have a variety of uses, and can be structured in many different ways. They might be used as a management tool, for planning purposes, or as a personnel directory, for example. Perhaps organization doesn't operate in a "command and control" style, but instead relies on teams.

Organizational charts are useful in a number of ways.

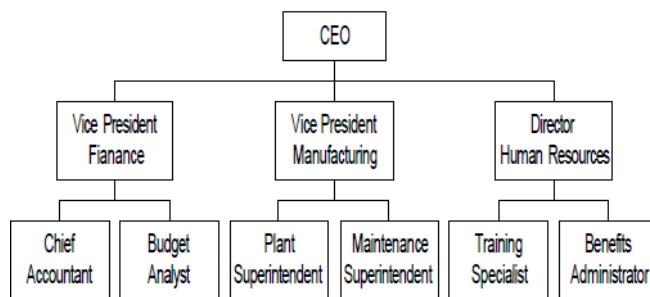
- Show work responsibilities and reporting relationships.
- Allow leadership to more effectively manage growth or change.
- Allow employees to understand how their work fits into the organization's overall scheme.
- Improve lines of communication.
- Create a visual employee directory.
- Present other types of information, such as business entity structures and data hierarchies.

The type of organization chart you make should mirror the management philosophy and organizational structure of the company.

**There are four basic types of organizational charts:**

1. Functional Top-Down
2. Divisional Structure
3. Matrix Organizational Chart
4. Flat Organizational Chart

### **A Sample Organization Chart**



heirarchy, values, coordination, subordinate superior relnship

#### **4. ORGANIZATION STRUCTURE**

An organization structure is a framework that allots a particular space for a particular department or an individual and shows its relationship to the other. An organization structure shows the authority and responsibility relationships between the various positions in the organization by showing who reports to whom. It is an established pattern of relationship among the components of the organization.

March and Simon have stated that—"Organization structure consists simply of those aspects of pattern of behaviour in the organization that are relatively stable and change only slowly." The structure of an organization is generally shown on an organization chart. It shows the authority and responsibility relationships between various positions in the organization while designing the organization structure, due attention should be given to the principles of sound organization.

#### **Significance of Organization Structure**

- Properly designed organization can help improve teamwork and productivity by providing a framework within which the people can work together most effectively.
- Organization structure determines the location of decision-making in the organization.
- Sound organization structure stimulates creative thinking and initiative among organizational members by providing well defined patterns of authority.
- A sound organization structure facilitates growth of enterprise by increasing its capacity to handle increased level of authority.
- Organization structure provides the pattern of communication and coordination.
- The organization structure helps a member to know what his role is and how it relates to other roles.

#### **PRINCIPLES OF ORGANIZATION STRUCTURE**

Modern organizational structures have evolved from several organizational theories, which have identified certain principles as basic to any organization structure.

##### **a) Line and Staff Relationships:**

Line authority refers to the scalar chain, or to the superior-subordinate linkages, that extend throughout the hierarchy (Koontz, O'Donnell and Weihrich). Line employees are responsible for achieving the basic or strategic objectives of the organization, while staff plays a supporting role to line employees and provides services. The relationship between line and staff is crucial in organizational structure, design and efficiency. It is also an important aid to information processing and coordination.

##### **b) Departmentalization:**

Departmentalization is a process of horizontal clustering of different types of functions and activities on any one level of the hierarchy. Departmentalization is conventionally based on purpose, product, process, function, personal things and place.

##### **c) Span of Control:**

This refers to the number of specialized activities or individuals supervised by one person. Deciding the span of control is important for coordinating different types of activities effectively.

##### **d) De-centralization and Centralization:**

De-centralization refers to decision making at lower levels in the hierarchy of authority. In contrast, decision making in a centralized type of organizational structure is at higher levels. The degree of centralization and de-centralization depends on the number of levels of hierarchy, degree of coordination, specialization and span of control.

Every organizational structure contains both centralization and de-centralization, but to varying degrees. The extent of this can be determined by identifying how much of the decision making is concentrated at the top and how much is delegated to lower levels. Modern organizational structures show a strong tendency towards de-centralization.

## **5. TYPES- LINE AND STAFF AUTHORITY**

In an organization, the line authority flows from top to bottom and the staff authority is exercised by the specialists over the line managers who advise them on important matters. These specialists stand ready with their specialty to serve line managers as and when their services are called for, to collect information and to give help which will enable the line officials to carry out their activities better. The staff officers do not have any power of command in the organization as they are employed to provide expert advice to the line officers. The 'line' maintains discipline and stability; the 'staff' provides expert information. The line gets out the production, the staff carries on the research, planning, scheduling, establishing of standards and recording of performance. The authority by which the staff performs these functions is delegated by the line and the performance must be acceptable to the line before action is taken. The following figure depicts the line and staff authority:

### **Types of Staff**

The staff position established as a measure of support for the line managers may take the following forms:

- 1. Personal Staff:** Here the staff official is attached as a personal assistant or adviser to the line manager. For example, Assistant to managing director.
- 2. Specialized Staff:** Such staff acts as the fountainhead of expertise in specialized areas like R & D, personnel, accounting etc.
- 3. General Staff:** This category of staff consists of a set of experts in different areas who are meant to advise and assist the top management on matters called for expertise. For example, Financial advisor, technical advisor etc.

### **Features of line and staff organization**

- Under this system, there are line officers who have authority and command over the subordinates and are accountable for the tasks entrusted to them. The staff officers are specialists who offer expert advice to the line officers to perform their tasks efficiently.
- Under this system, the staff officers prepare the plans and give advice to the line officers and the line officers execute the plan with the help of workers.
- The line and staff organization is based on the principle of specialization.

### **Advantages**

- It brings expert knowledge to bear upon management and operating problems. Thus, the line managers get the benefit of specialized knowledge of staff specialists at various levels.
- The expert advice and guidance given by the staff officers to the line officers benefit the entire organization.
- As the staff officers look after the detailed analysis of each important managerial activity, it relieves the line managers of the botheration of concentrating on specialized functions.
- Staff specialists help the line managers in taking better decisions by providing expert advice. Therefore, there will be sound managerial decisions under this system.
- It makes possible the principle of undivided responsibility and authority, and at the same time permits staff specialization. Thus, the organization takes advantage of functional organization while maintaining the unity of command.
- It is based upon planned specialization.

- Line and staff organization has greater flexibility, in the sense that new specialized activities can be added to the line activities without disturbing the line procedure.

### **Disadvantages**

- Unless the duties and responsibilities of the staff members are clearly indicated by charts and manuals, there may be considerable confusion throughout the organization as to the functions and positions of staff members with relation to the line supervisors.
- There is generally a conflict between the line and staff executives. The line managers feel that staff specialists do not always give right type of advice, and staff officials generally complain that their advice is not properly attended to.
- Line managers sometimes may resent the activities of staff members, feeling that prestige and influence of line managers suffer from the presence of the specialists.
- The staff experts may be ineffective because they do not get the authority to implement their recommendations.
- This type of organization requires the appointment of large number of staff officers or experts in addition to the line officers. As a result, this system becomes quite expensive.
- Although expert information and advice are available, they reach the workers through the officers and thus run the risk of misunderstanding and misinterpretation.
- Since staff managers are not accountable for the results, they may not be performing their duties well.
- Line mangers deal with problems in a more practical manner. But staff officials who are specialists in their fields tend to be more theoretical. This may hamper coordination in the organization.

## **6. DEPARTMENTALIZATION**

Departmentation means “group of activities and employees into departments.” It is, as Allen wrote a means of dividing the large and monolithic functional organization into smaller, flexible administrative units.

### **Processes of Departmentation**

Departmentation is done through the following processes:

- a. Identification of tasks or duties.
- b. Analysis of details of each task.
- c. Description of the functions.
- d. Entrusting the groups of functions to separate specialist heads and providing them with suitable staff.
- e. Delineation of scope of authority and responsibility of departmental heads.

### **Types of Departmentation**

There are several bases of Departmentation. The more commonly used bases are— function, product, territory, process, customer, time etc.

#### **(A) Departmentation by Functions**

The enterprise may be divided into departments on the basis of functions like production, purchasing, sales, financing, personnel etc. This is the most popular basis of departmentation. If necessary, a major function may be divided into sub-functions. For example, the activities in the production department may be classified into quality control, processing of materials, and repairs and maintenance.



### Advantages

The advantages of functional departmentation include the following:

- It is the most logical and natural form of departmentation.
- It ensures the performance of all activities necessary for achieving the organisational objectives.
- It provides occupational specialisation which makes optimum utilisation of manpower.
- It facilitates delegation of authority.
- It enables the top managers to exercise effective control over a limited number of functions.
- It eliminates duplication of activities.
- It simplifies training because the managers are experts only in a narrow range of skills.

### Disadvantages:

There are some problems associated with functional departmentation.

- There may be conflicts between departments.
- The scope for management development is limited. Functional managers do not get training for top management positions. The responsibility for results cannot be fixed on any one functional head.
- There is too much emphasis on specialization.
- There may be difficulties in coordinating the activities of different departments.
- There may be inflexibility and complexity of operations.

### (B) Departmentation by Products

- In product departmentation, every major product is organized as a separate department. Each department looks after the production, sales and financing of one product. Product departmentation is useful when the expansion, diversification, manufacturing and marketing characteristics of each product are primarily significant.



- It is generally used when the production line is complex and diverse requiring specialized knowledge and huge capital is required for plant, equipment and other facilities such as in automobile and electronic industries.

In fact, many large companies are diversifying in different fields and they prefer product departmentation. For example, a big company with a diversified product line may have three product divisions, one each for plastics, chemicals, and metals. Each division may be sub-divided into production, sales, financing, and personnel activities.

### **Advantages:**

Product departmentation provides several advantages which may be stated as follows:

- Product departmentation focuses individual attention to each product line which facilitates the expansion and diversification of the products.
- It ensures full use of specialized production facilities. Personal skill and specialized knowledge of the production managers can be fully utilized.
- The production managers can be held accountable for the profitability of each product. Each product division is semi-autonomous and contains different functions. So, product departmentation provides an excellent training facility for the top managers.
- The performance of each product division and its contribution to total results can be easily evaluated.
- It is more flexible and adaptable to change.

### **Disadvantages**

Product departmentation presents some problems as follows:

- It creates the problem of effective control over the product divisions by the top managers.
- Each production manager asserts his autonomy disregarding the interests of the organisation.
- The advantages of centralization of certain activities like financing, and accounting are not available.
- There is duplication of physical facilities and functions. Each product division maintains its own specialized personnel due to which operating costs may be high.
- There may be under-utilization of plant capacity when the demand for a particular product is not adequate.

### **(C) Departmentation by Territory**

Territorial or geographical departmentation is specially useful to large -scale enterprises whose activities are widely dispersed. Banks, insurance companies, transport companies, distribution agencies etc, are some examples of such enterprises, where all the activities of a given area of operations are grouped into zones, branches, divisions etc.



It is obviously not possible for one functional manager to manage efficiently such widely spread activities. This makes it necessary to appoint regional managers for different regions.

### **Advantages**

Territorial departmentation offers certain facilities in operation. These are pointed out below:

- Every regional manager can specialize himself in the peculiar problems of his region.
- It facilitates the expansion of business to various regions.
- It helps in achieving the benefits of local operations. The local managers are more familiar with the local customs, preferences, styles, fashion, etc. The enterprise can gain intimate knowledge of the conditions in the local markets.
- It results in savings in freight, rents, and labor costs. It also saves time.
- There is better co-ordination of activities in a locality through setting up regional divisions.
- It provides adequate autonomy to each regional manager and opportunity to train him as he looks after the entire operation of a unit.

### **Disadvantages**

Territorial departmentation have the following problems:

- There is the problem of communication.
- It requires more managers with general managerial abilities. Such managers may not be always available.
- There may be conflict between the regional managers.
- Co-ordination and control of different branches from the head office become less effective.
- Owing to duplication of physical facilities, costs of operation are usually high.
- There is multiplication of personnel, accounting and other services at the regional level.

### **(D) Departmentation by Customers**

In such method of departmentation, the activities are grouped according to the type of customers. For example, a large cloth store may be divided into wholesale, retail, and export divisions. This type of departmentation is useful for the enterprises which sell a product or service to a number of clearly defined customer groups. For instance, a large readymade garment store may have a separate department each for men, women, and children. A bank may have separate loan departments for large-scale and small- scale businessmen.



### **Advantages**

The important advantages of customer departmentation are the following:

- Special attention can be given to the particular tastes and preferences of each type of customer.
- Different types of customers can be satisfied, easily through specialized staff. Customers' satisfaction enhances the goodwill and sale of the enterprise.
- The benefits of specialization can be gained.
- The enterprise may acquire intimate knowledge of the needs of each category of customers.

### **Disadvantages:**

This method of departmentation may have certain disadvantages, specially when it is followed very rigidly. These are as follows:

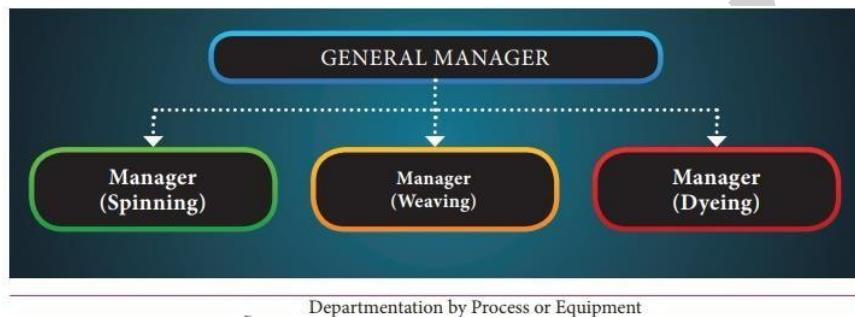
- Co-ordination between sales and other functions becomes difficult because this method

can be followed only in marketing division.

- There may be under-utilization of facilities and manpower in some departments, particularly during the period of low demand.
- It may lead to duplication of activities and heavy overheads,
- The managers of customer departments may put pressures for special benefits and facilities.

#### **(E) Departmentation by Process or Equipment**

In such type of departmentation the activities are grouped on the basis of production processes involved or equipment used. This is generally used in manufacturing and distribution enterprises and at lower levels of organisation. For instance, a textile mill may be organised into ginning, spinning, weaving, dyeing and finishing departments. Similarly, a printing press may have composing, proof reading, printing and binding departments. Such departmentation may also be employed in engineering and oil industries.



#### **Advantages:**

- The basic object of such departmentation is to achieve efficiency and economy of operations.
- The processes are set in such a way that a series of operations is feasible making operations economic. Efficiency can be achieved if departments are created for each process as each one has its peculiarities.
- It provides the advantages of specialization required at each level of the total processes. The maintenance of plant can be done in better way and manpower can be utilized effectively.

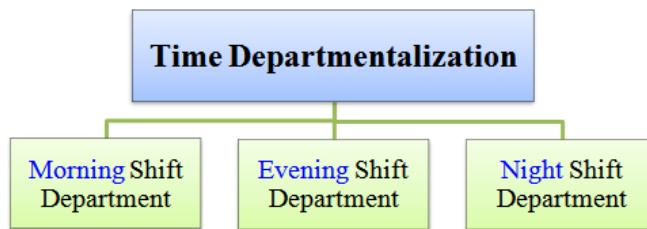
#### **Disadvantages**

- In such departmentation, there may be difficulty in coordinating the different process-departments, because the work of each process depends fully on the preceding process. So, there are chances of conflicts among the managers looking after the different processes. It cannot be used where manufacturing activity does not involve distinct processes.

#### **(F) Departmentation by Time and Numbers**

- Under this method of departmentation the activities are grouped on the basis of the time of their performance. For instance, a factory operating 24 hours may have three departments for three shifts—one for the morning, the second for the day, and the third for the night.
- In the case of departmentation by numbers, the activities are grouped on the basis of their performance by a certain number of persons. For instance, in the army, the soldiers are grouped into squads, companies, battalions, regiments and brigades on the basis of the number prescribed for each unit.
- Such type of departmentation is useful where the work is repetitive, manpower is an important factor, group efforts are more significant than individual efforts, and group

performance can be measured. It is used at the lowest level of organisation.



## **7. DELEGATION OF AUTHORITY**

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate. Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

### **Elements of Delegation**

**1.Authority** - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misutilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.

**2.Responsibility** - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.

**3.Accountability** - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the person will think beyond his scope of job. Accountability ,in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

## **DELEGATION PROCESS**

The steps involved in delegation are given below



**1. Allocation of duties** – The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.

**2. Granting of authority** – Subdivision of authority takes place when a superior divides and shares his authority with the subordinate. It is for this reason; every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very important to get effective results.

**3. Assigning of Responsibility and Accountability** – The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted.

**4. Creation of accountability** – Accountability, on the other hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

Therefore every manager, i.e., the delegator has to follow a system to finish up the delegation process. Equally important is the delegatee's role which means his responsibility and accountability is attached with the authority over to here.

## **8. Centralization and Decentralization**

### **CENTRALIZATION:**

It is the process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy. The span of control of top managers is relatively broad, and there are relatively many tiers in the organization.

#### **Characteristics**

- Philosophy / emphasis on: top-down control, leadership, vision, strategy.
- Decision-making: strong, authoritarian, visionary, charismatic.

- Organizational change: shaped by top, vision of leader.
- Execution: decisive, fast, coordinated. Able to respond quickly to major issues and changes.
- Uniformity. Low risk of dissent or conflicts between parts of the organization.

### **Advantages of Centralization**

- Provide Power and prestige for manager
- Promote uniformity of policies, practices and decisions
- Minimal extensive controlling procedures and practices
- Minimize duplication of function

### **Disadvantages of Centralization**

- Neglected functions for mid. Level, and less motivated beside personnel.
- Nursing supervisor functions as a link officer between nursing director and first-line management.

## **DECENTRALIZATION:**

It is the process of transferring and assigning decision-making authority to lower levels of an organizational hierarchy. The span of control of top managers is relatively small, and there are relatively few tears in the organization, because there is more autonomy in the lower ranks.

### **Characteristics**

- Philosophy / emphasis on: bottom-up, political, cultural and learning dynamics.
- Decision-making: democratic, participative, detailed.
- Organizational change: emerging from interactions, organizational dynamics.
- Execution: evolutionary, emergent. Flexible to adapt to minor issues and changes.
- Participation, accountability. Low risk of not-invented-here behavior.

### **Three Forms of decentralization**

- De-concentration. The weakest form of decentralization. Decision making authority is redistributed to lower or regional levels of the same central organization.
- Delegation. A more extensive form of decentralization. Through delegation the responsibility for decision-making are transferred to semi-autonomous organizations not wholly controlled by the central organization, but ultimately accountable to it.
- Devolution. A third type of decentralization is devolution. The authority for decision-making is transferred completely to autonomous organizational units.

### **Advantages of Decentralization**

- Raise morale and promote interpersonal relationships
- Relieve from the daily administration
- Bring decision-making close to action
- Develop Second-line managers
- Promote employee's enthusiasm and coordination
- Facilitate actions by lower-level managers

### **Disadvantages of Decentralization**

- Top-level administration may feel it would decrease their status
- Managers may not permit full and maximum utilization of highly qualified personnel
- Increased costs. It requires more managers and large staff
- It may lead to overlapping and duplication of effort

Centralization and Decentralization are two opposite ways to transfer decision-making power

and to change the organizational structure of organizations accordingly.

There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.

## **9. Job Design**

The Logical Sequence to Job Analysis is Job Design.

**Definition 1:** Integration of work, rewards and qualification

“Job Design integrates work content (tasks, functions, and relationships), the rewards and qualifications required including skills, knowledge and abilities for each job in a way that meets the needs of employees and the organization.”

### **Steps in Job Design: -**

1. Specification of Individual Tasks
2. Specification of Methods of Tasks Performance
3. Combination of Tasks into Specific Jobs to be assigned to individuals

### **Factors affecting Job Design: -**

#### **Organizational factors:**

- Characteristics of Tasks (Planning, Execution and Controlling of Task)
- Work Flow (Process Sequences)
- Ergonomics (Time & Motion Study)
- Work Practices (Set of ways of performing tasks)

#### **Environmental Factors:**

- Employee Abilities and Availability
- Social and Cultural Expectations

#### **Behavioral Elements:**

- Feedback
- Autonomy
- Use of Abilities
- Variety

### **TECHNIQUES OF JOB DESIGN: -**

- 1) **Work Simplification:** Job is simplified or specialized. The job is broken down into small parts and each part is assigned to an individual. To be more specific, work simplification is mechanical pacing of work, repetitive work processes, working only on one part of a product, predetermining tools and techniques, restricting interaction amongst employees, few skills requirement. Work simplification is used when jobs are not specialized.
- 2) **Job Rotation:** When incumbents become bore of routine jobs, job rotation is an answer to it. Here jobs remain unchanged, but the incumbents shift from one job to another. On the positive side, it increases the intrinsic reward potential of a job because of different skills and abilities needed to perform it. Workers become more competent in several jobs, know variety of jobs and improve the self-image, personal growth. Further the worker becomes more valuable to the organization. Periodic job changes can improve interdepartmental cooperation. On the negative side, it may not be much enthusiastic or efficiency may not be more. Besides jobs may not improve the relationships between task, while activities and objectives remain unchanged. Further training costs also rise and it can also de-motivate intelligent and ambitious trainees who seek specific responsibilities in their chosen specialties.

**3) Job Enlargement:** It means expanding the number of tasks, or duties assigned to a given job.

Job enlargement is naturally opposite to work simplification. Adding more tasks or duties to a job does not mean that new skills and abilities are needed. There is only horizontal expansion.

It is with same skills taking additional responsibilities like extending working hours etc. Job enlargement may involve breaking up of the existing work system and redesigning a new work system. For this employees also need to be trained to adjust to the new system. Job enlargement is said to contribute to employee motivation but the claim is not validated in practice.

#### **Benefits of Job Enlargement:**

- Task Variety
- Meaningful Work Modules
- Full Ability Utilization
- Worker Paced Control
- Meaningful Performance Feedback

#### **Disadvantages of Job Enlargement**

- High Training Costs
- Redesigning existing work system required
- Productivity may not increase necessarily
- Workload increases
- Unions demand pay-hike
- Jobs may still remain boring and routine

**4) Job Enrichment:** Job enrichment is improvisation of both tasks efficiency and human satisfaction by building into people's jobs, quite specifically, greater scope for personal achievement and recognition, more challenging and responsible work and more opportunity for individual advancement and growth. An enriched job will have more responsibility, more autonomy (vertical enrichment), more variety of tasks (horizontal enrichment) and more growth opportunities. The employee does more planning and controlling with less supervision but more self-evaluation. In other words, transferring some of the supervisor's tasks to the employee and making his job enriched.

#### **Benefits of Job enrichment**

- It benefits employee and organization in terms of increased motivation, performance, satisfaction, job involvement and reduced absenteeism.
- Additional features in job meet certain psychological needs of jobholders due to skill variety, identity, significance of job etc.
- It also adds to employee self-esteem and self-control.
- Job enrichment gives status to jobholder and acts as a strong satisfier in one's life.
- Job enrichment stimulates improvements in other areas of organization.
- Empowerment is a by-product of job enrichment. It means passing on more authority and responsibility.

#### **Demerits of Job Enrichment**

- Lazy employees may not be able to take additional responsibilities and power. It won't fetch the desired results for an employee who is not attentive towards his job.
- Unions resistance, increased cost of design and implementation and limited research on long term effect of job enrichment are some of the other demerits.
- Job enrichment itself might not be a great motivator since it is job-intrinsic factor. As per the two-factor motivation theory, job enrichment is not enough. It should be preceded by hygienic factors etc.
- Job enrichment assumes that workers want more responsibilities and those

workers who are motivated by less responsibility, job enrichment surely de-motivates them

- Workers participation may affect the enrichment process itself.
- Change is difficult to implement and is always resisted as job enrichment brings in a change in responsibility.

**5) Autonomous of Self-Directed Teams:** Empowerment results in self-directed work teams. A self-directed team is an intact group of employees responsible for whole work segment, they work together, handle day-to-day problems, plan and control, and are highly effective teams.

**6) High Performance Work Design:** Improving performance in an environment where positive and demanding goals are set leads to high performance work design. It starts from the principle of autonomous groups working and developing an approach, which enables group to work effectively together in situations where the rate of innovation is very high. Operational flexibility is important and there is the need for employees to gain and apply new skills quickly with minimum supervision. However due to bureaucracy high performance work design does not work.

## **10. Human Resource Management**

Human Resource Management is the process of managing people in an organization in systematic and organized manner. The main goal of human Resource management is maximize the productivity by enhancing efficiency of employees in an organisation. To manage efficiently and accomplish the goals of any organization, Human Resource Management is composed with various interrelated activities.

### **Human resource management activities:**

- 1) Recruitment:** Recruitment is one of the major functions of HRM. To attract and maintain skilled, experienced, dedicated, and well-motivated employees, a high level of resources and commitment is essential. Recruitment process involves various tasks those are developing the job specifications, advertising, sorting applications, job interviews and posting.
- 2) Training and Development:** On-the-job and refresher training for newly and existing employees is responsible of HR department. Training enhances specific skill among personnel of organization. Training programs might be specific job skills, communication skills, team building and legal and policy issues.
- 3) Payroll:** Accurate and on time handling compensation and payroll to everyone at the organization is a chief duty of the HRM. Compensation might be guaranteed and variable pay. Bonuses or incentive pay is contingent on performance. Hourly wages or fixed salary is guaranteed pay.
- 4) Employee and Labour/Management Relations:** Managing harmonious relations between employees and management is key role of the human resource management department. Employee rights must be protected whether they are represented by unions or not.
- 5) Human Resource planning:** The key functions of planning are anticipating future and avoid predicted problems.
- 6) Wage and salary administration:** A better wage and salary system in an organization enable to attract and keep employees long term as well as motivate them to perform their best. Hence, HRM should design effective pay system and implement with utmost care.
- 7) Job analysis:** Job analysis provides the knowledge about manpower planning. Job analysis is a process of collecting job related information, which helps to job description and specification. Job description involves title of job, location, duties, Working conditions, hazards, duties, machines and tools. Job specification contains education, training, communication skills, physical skills, emotional characteristics and initiative. job demand
- 8) Performance appraisal:** Performance appraisal is major activity of HRM to provide training and development, making decisions on promotions, transfer and increment to their employees. and assess them of their performance.

**Performance appraisal** is assessment of individual performance in an organisation. It is systematic way to appraise the ability of employee related to performing job.

**9) Industrial relations:** Progress of any organisation depends on labour management harmonious relations. Hence, managing industrial harmony is one of the key functions of HRM department. Employers, employee and government involved in industrial relations.

**10) Compensation:** Compensation is an important tool to HRM department to attract, motivate and retain employees. Compensation not only dealing with monetary rewards but also non-monetary rewards like insurance, travel allowance, maternity benefits, retirement and other special benefits.

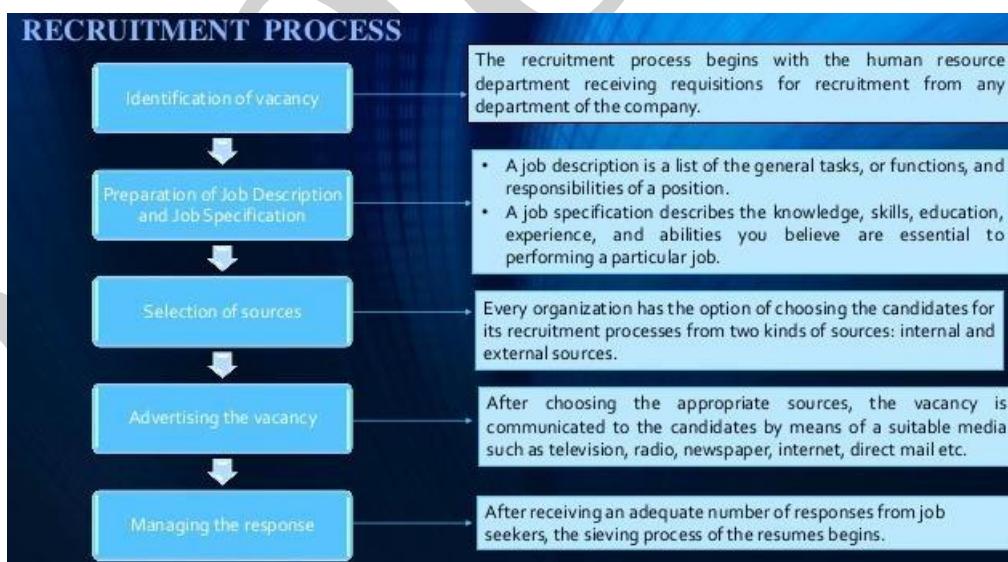
**11) Health, Safety, and Security:** Health, safety, and security aspects are important in any organisation to work at safe environment and well-being of workers In modern concept Physical as well as mental health and problems related to substance abuse, job stress, diversity and discrimination, sexual harassment and violence also concerns through employment assistance programmes.

**12) Motivation:** Intellectual, biological, emotional and social aspects determine motivation among individuals. Since organisation lies on more and more on people to get competitive advantage HRM department should formulate and implement essential intrinsic and extrinsic programmes to motivate their employees.

## **11. Recruitment**

Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. The recruitment process consists of the following steps

- Identification of vacancy
- Preparation of job description and job specification
- Selection of sources
- Advertising the vacancy
- Managing the response



### **a) Identification of vacancy:**

The recruitment process begins with the human resource department receiving requisitions for recruitment from any department of the company. These contain:

- Posts to be filled
- Number of persons
- Duties to be performed
- Qualifications required

**b) Preparation of job description and job specification:**

A job description is a list of the general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or a salary range. A job specification describes the knowledge, skills, education, experience, and abilities you believe are essential to performing a particular job.

**c) Selection of sources:**

Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment. Recruitment candidates from all the other sources (like outsourcing agencies etc.) are known as the external sources of the recruitment.

**d) Advertising the vacancy:**

After choosing the appropriate sources, the vacancy is communicated to the candidates by means of a suitable media such as television, radio, newspaper, internet, direct mail etc.

**e) Managing the response:**

After receiving an adequate number of responses from job seekers, the sieving process of the resumes begins. This is a very essential step of the recruitment selection process, because selecting the correct resumes that match the job profile, is very important. Naturally, it has to be done rather competently by a person who understands all the responsibilities associated with the designation in its entirety. Candidates with the given skill set are then chosen and further called for interview. Also, the applications of candidates that do not match the present nature of the position but may be considered for future requirements are filed separately and preserved. The recruitment process is immediately followed by the selection process.

## **12. SELECTION**

### **Staffing: Selection Process**

Selecting a suitable candidate can be the biggest challenge for any organisation. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

#### **Selection Process**

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#### **1 Initial Screening**

This is generally the starting point of any employee selection process. Initial Screening eliminates unqualified applicants and helps save time. Applications received from various sources are scrutinized and irrelevant ones are discarded.

#### **2 Preliminary Interview**

It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews

are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.

### **3 Filling Application Form**

An candidate who passes the preliminary interview and is found to be eligible for the job is asked to fill in a formal application form. Such a form is designed in a way that it records the personal as well professional details of the candidates such as age, qualifications, reason for leaving previous job, experience, etc.

### **4 Personal Interview**

Most employers believe that the personal interview is very important. It helps them in obtaining more information about the prospective employee. It also helps them in interacting with the candidate and judging his communication abilities, his ease of handling pressure etc. In some Companies, the selection process comprises only of the Interview.

## **13. TRAINING AND DEVELOPMENT**

After the selection of people for various jobs, the next function of staffing is to arrange for their training and development. This is because a person, however carefully selected is not molded to specifications and rarely meets the demands of his job adequately.

### **Definition**

According to Flippo, "Training is the act of increasing the knowledge and skills of an employee for doing a particular job."

### **Purpose of Training:**

The purpose of training includes

- ❖ To prepare the employee, both new and old to meet the present as well as the changing requirements of the job and the organization. need , user demands
- ❖ To prevent obsolescence
- ❖ To impart the new entrants the basic knowledge and skills they need for an intelligent performance of a definite job.
- ❖ To prepare employees for higher level tasks.
- ❖ To assist employees to function more effectively in the present positions by exposing them to the latest concepts, information and techniques and developing the skills in their particular fields.
- ❖ To build up a second line of competent officers and prepare them to occupy more responsible positions.
- ❖ To broaden the minds of senior managers by providing them with opportunities for an interchange of experiences within and outside with a view to correcting the narrowness of outlook that may arise from over –specialization.
- ❖ To develop the potentialities of people for the next level job.
- ❖ To ensure smooth and efficient working of a department.
- ❖ To ensure economical output of required quality.
- ❖ To promote individual and collective morale, a sense of responsibility, co-operative attitudes and good relationships

### **Types of Training**

Various types of training programmes are not mutually exclusive, but invariably overlap and employ many of the same techniques. Some of the more common types of training programmes are examined below

#### **1. Induction or Orientation Training**

## 2. Refresher Training

### 3. Job Training

#### Methods of Training:

A large variety of methods of management development have come into Prominence these days. These methods can be classified into two broad categories, namely

(a) On-the job methods

(b) Off-the job methods

#### **On – the – job trainingmethods:**

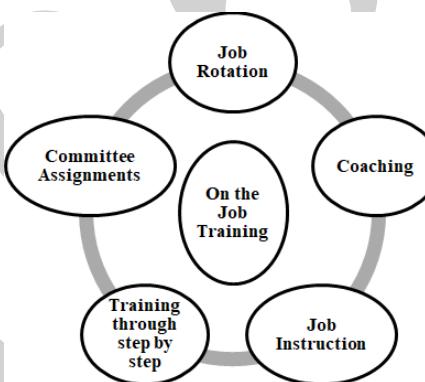
1. Job Rotation
2. Coaching
3. Job Instruction
4. Training Through Step – By Step
5. Committee Assignments

#### **II. Off – the – job trainingmethods:**

1. Vestibule Training
2. Role – Playing
3. Lecture Methods
4. Conference Or Discussion
5. Programmed Instruction

#### **ON-THE- JOB TRAINING METHODS:**

Another name of this training is Job Instruction training. It is the most commonly used training method. In this method, the individual is placed on a regular job and taught the skills necessary to perform that job. The trainee learns under the supervision and guidance of a qualified worker or instructor. On the job training has the advantage of giving first-hand knowledge and experience under the actual working conditions.



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#### **1. JobRotation:**

- ❖ This type of training involves the movement of the trainee from one job to another.
- ❖ The trainee receives job knowledge and gains experience from his supervisor or trainer in each of the different job assignments.
- ❖ Though this method of training is common in general management positions, trainees can also be rotated from job to job in workshop jobs. This method gives an opportunity to the trainee to understand the problems of employees on other jobs and respect them.

#### **2. Coaching :**

- ❖ The trainee is placed under a particular supervisor who functions as a coach in training the individual.
- ❖ The supervisor provides feedback to the trainee on his performance and offers him some suggestions for improvement

- ❖ Often the trainee shares some of the duties and responsibilities of the coach and relieves him from his work burden.
- ❖ A limitation of this method is the trainee may not have freedom or opportunity to express his own ideas.

### 3. Job instruction:

This method is also known as training through step – by – step method.

- ❖ In this method the training is rendered through step – by – step.
- ❖ Under this method, the trainer explains to the trainee the way of doing the job with this the Job knowledge and skills allows him to do the job.
- ❖ The trainer appraises the performance of the trainee, by providing feedback information about his work.

### 4. Committee assignments:

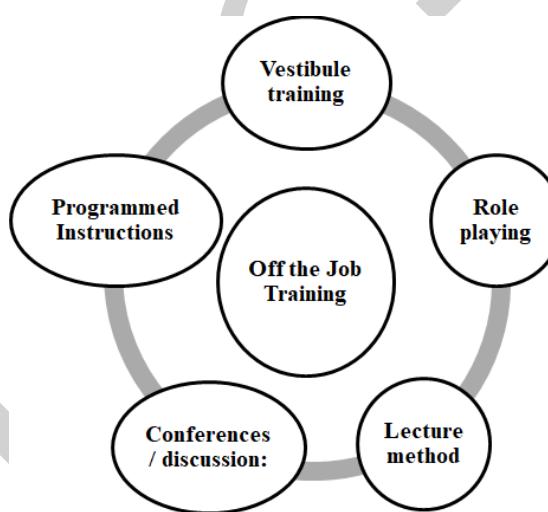
- ❖ In this method, a group of trainees are given and asked to solve an actual organizational problem.

- ❖ The trainees must solve the problem jointly and this method may develop teamwork among the trainees.

## **OFF – THE - JOB TRAINING METHODS**

Under this method of training, the trainee is separated from the job situation and his attention is focused upon learning the material related to his future job performance.

Since the trainee is not distracted by job requirement, he can place his entire concentration on learning the job rather than spending his time in performing it.



### 1. **Vestibule training:**

- ❖ The responsibility to operate a vestibule school generally rests with the personnel department.
- ❖ In this method, actual work conditions are simulated in a classroom. Materials, files and equipment, which are used in actual job performance, are used in this training.
- ❖ This method has the advantage of training large number of persons without hampering ongoing operations.
- ❖ It also saves costly machines from being damaged by mishandling of the untrained workers.
- ❖ Here, the trainee avoids the confusion and pressure of the work situation and thus is able to concentrate on learning.

### 2. **Role playing :**

- ❖ It is defined as a method of human interaction that involves realistic behavior in

imaginary situations.

- ❖ This method of training involves action. Doing and practice.
- ❖ The participants play the role of certain characters such as the production manager, mechanical engineer, superintendents, maintenance engineers, quality control inspectors, foreman, workers and the like.

### **3. Lecture method**

- ❖ It is a traditional and direct method of instruction.
- ❖ Instructor organizes the material and gives it to a group of trainees in the form of a talk.
- ❖ To be effective, the lecture must motivate and create interest among the trainees.

### **4. Conferences / discussion:**

- ❖ It is a method of training provided to the clerical, professional and supervisory personnel.
- ❖ This method involves a group of people who pose ideas, examine and share facts, ideas, data, test assumptions and draw conclusions.
- ❖ All of which contribute to the improvement of job performance.
- ❖ Discussion has the distinct advantage over the lecture method, in that the discussion involves two – way communication and hence feedback is provided.
- ❖ The participant feels free to speak in small groups.
- ❖ The success of this method depends on the leadership qualities of the person who leads the group.

### **5. Programmed instruction:**

- ❖ In recent years, this method has become popular.
- ❖ The subject matter to be learned and presented by a series of carefully planned sequential units.
- ❖ These units are arranged from simple to more complex levels of instruction.

The trainee goes through these units by answering questions or filling the blanks. This method is expensive and time consuming.

## **14. PERFORMANCE MANAGEMENT**

### **Performance Appraisal**

Performance appraisal is the process of obtaining, analyzing and recording information about the relative worth of an employee. The focus of the performance appraisal is measuring and improving the actual performance of the employee and also the future potential of the employee. Its aim is to measure what an employee does.

**Objectives of Performance appraisal are,**

- To review the performance of the employees over a given period of time.
- To judge the gap between the actual and the desired performance.
- To help the management in exercising organizational control.
- Helps to strengthen the relationship and communication between superior–subordinates and management – employees.
- To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.
- To provide feedback to the employees regarding their past performance.

## **15. CAREER PLANNING AND MANAGEMENT**

**Career development** not only improves job performance but also brings about the growth of the personality. Individuals not only mature regarding their potential capacities but also become

better individuals.

### Purpose of development

- Management development attempts to improve managerial performance by imparting Knowledge
- Changing attitudes
- Increasing skills

The major objective of development is managerial effectiveness through a planned and a deliberate process of learning. This provides for a planned growth of managers to meet the future organizational needs.

### Development Process:

The development process consists of the following steps

#### 1. Setting Development Objectives:

It develops a framework from which executive need can be determined.

#### 2. Ascertaining Development Needs:

It aims at organizational planning & forecast the present and future growth.



#### 3. Determining Development Needs:

This consists of

- Appraisal of present management talent
- Management Manpower Inventory

The above two processes will determine the skill deficiencies that are relative to the future needs of the organization.

#### 4. Conducting Development Programs:

It is carried out on the basis of needs of different individuals, differences in their attitudes and behavior, also their physical, intellectual and emotional qualities. Thus a comprehensive and well-conceived program is prepared depending on the organizational needs and the time & cost involved.

#### 5. Program Evaluation:

It is an attempt to assess the value of training in order to achieve organizational objectives.