Class   Work   Book

Entrepreneurship Development

And

Management

Semester-V(Sec-B&D)

Unit-1, 2 & 3 (for 1st IA test)

(There will be class test after completion of each unit, but marks will not be considered for IA test)

(Bringing class work book and class note book in each class is compulsory)

(Prepared by   Kajal Mukhopadhyay)

Dayananda Sagar College of Engineering

Electronic and Communication Department

Unit-1

1. Definition of Management

Definition-1   by Mary Parker Follet:
Management is the art of getting things done through people.

Definition-2   by George R. terry:
Management is a process consisting of Planning, organizing and controlling, performed to determine and accomplish the objectives by the use of people and resources.

2. **Characteristics of Management:**

1. It should have well defined goals and effective means to accomplish the goals.

2. It should be applicable to all kinds of organizations.

3. The management should consider only the factors that affect the areas of operation.

4 It should provide conductive atmosphere of work.

5. It should be responsive to many external elements like economics, technology, society, politics and ethics.

6. It should be simple and yet effective.

7. It should be transparent.

8. It should be stable.

3. Scope of management :

A. The scope of management is not limited only to business organization, but also extended to
1.Hospitals
2, Educational institution
3. Government establishment
4. Service organizations.
The nature of functions of management may differ from one type of organizations to another.

B. Its scope starts from self management to the management of big organizations.
Its scope can be extended to the following important areas-
1. Development management,
2. Distribution management,
3. Financial management,
4. Supply chain management,

5. Transport management,
6. Stores management.

4. Functional areas (Process) of Management.

4.1. Planning:

I) Planning is the function that determines in advance what should be done in the organization.
II) It is a process of deciding the business objectives and determining the methods of attaining the objectives.
III) This is done not only for the organization as a whole but for every division, department or sub unit of the organization.

4.2. Organizing:

Organizing is the process of identifying and grouping of work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing their objectives.
First they design and develop a human organization that will be able to carry out those plans successfully.
Next they develop material organizations to provide raw materials, tools and capital equipment.

4.3 Directing: In carrying out this function the manager explains to his people what they have to do and helps them to do it to the best of their ability. Directing involves three sub functions –Communication, leadership and motivation.

i)Communication is the process of passing information and understanding from one person to another.
ii)Leadership is the process by which a manager guide and influence the work of his subordinates.
iii)Motivation means arousing desire in the minds of workers to give their best to the enterprise.

4.4 Controlling: The controlling function of management involves three elements.

1. Establishing standards of performance.
2. Measuring current performance and comparing it against the established standards.
3. Taking action to correct any performance that does not meet those standards.

In the absence of sound control, there is no guarantee that objectives which have been set will be realized. Control compels events to conform to plans.

4.5 Innovating: Innovation means creating new ideas which may improve a product, process or practice.

4.6 Representing: A manager is also required nowadays to spend a part of his time in representing his organization before various outside groups which have some stake in the organization.

5.1. Management as a Science

We can call a discipline science if its

1. Methods of inquiry are systematic and empirical,
2. Information can be ordered and analyzed.
3. Results are repetitive and communicable.

From the above definition of science, we may presume that management is also a science. Science is used to denote two types of systematic knowledge-natural or exact and behavioral or inexact. If it is possible for us to study the effects of anyone of the many factors affecting a phenomenon individually by making the other factors inoperative for the time being, we call it exact science. But the same thing is not possible in management where we have to study the effect of ,say, only monetary incentive on a workers productivity because this effect will always be found to be mixed with and inseparable from other effects such as leadership style of the worker's supervisor, worker's need hierarchy. At best, we can get a rough idea of the relationship between the two. We may, therefore place management in the category of behavioral Science.

5.2. Management as an Art

Under "Science" one normally learns the why of a phenomenon; under "art" one learns the how of it. Management in this sense is more an art. It is the art of getting things done through others in dynamic and most non-repetitive situations. A theoretical body of lessons and principles which a manager has learnt in a classroom will not secure for him the aimed results unless he has also the skill (or art) of applying such principles and body of knowledge to his special problem. It is like the art of musician, or the art of a painter who seeks to achieve the desired effect with colour or instruments, but mainly with his own skills.

We may thus conclude that management involves both elements those of a science and an art. While certain aspects of management make it a science, certain others which involve application of skill make it an art.

5.3. Management –A Profession

Mc Farland gives the following characteristics of a profession.

1. Existence of an organized and systematic knowledge.
2. Formalized methods of acquiring training and experience.
3. Existence of an association with professionalization as its goal.
4. Existence of an ethical code to regulate the behavior of the members of the profession.
5. Charging of fees based on service, but with due regard for the priority of service over the desire for monetary reward.

Management does not possess all the above characteristics of a profession. Unlike medicine and or law, management does not have any fixed norms of managerial behavior. There is no uniform code of conduct or licensing of managers. Further the entry to managerial jobs is not restricted to individuals with a special academic degree only. In the light of this analysis we can conclude that management can not be called a profession.

However, there are certain unmistakable tends towards the professionalization of management. It is becoming increasingly essential nowadays to acquire some professional knowledge or training. Managing a business is no longer just a matter of intuition or a family ability. It has now come to be studied and taught as a subject by itself.

 6. **Difference between   Management and Administration**

There is a lack of unanimity among the writers over the meaning and use of the words *management* and *administration*

A. First school of thought:

1. Administration involves thinking and it as a top level function. It involves plans, policies and objectives.

2. Management involves doing. It is a lower level function. It involves execution and direction of policies and operations.

B. Second school of thought:
Management has two parts—Administration and operating management.

> i) Administration –consists of two functions Planning and Controlling.
> ii) Operating management -consists of two functions Organizing and Directing.

C. Third school of thought: The basic difference between management and administration lies in the use of these words in different field.
I) The governance of business enterprises is called management. Economic performance becomes the chief dimension of management.

II) The governance of non business institutions (Government, army) is generally called administration. the economic consequences of decisions are only secondary for an administrator. For example, in governing non business institutions, the chief staff of a military organization has to put military security first and economic considerations next.

7. Roles of a manager.

Role is the pattern of actions expected of a person in his activities involving others. It arises as a result of the position that he occupies in a group in a given situation. Thus a senior manager who occupies different positions in different situations plays different roles because people in each situation have different expectations of him concerning his function.

    A) Interpersonal roles
1. Figurehead: In this role, every manager has to perform some duties of a ceremonial nature, such as greeting the touring dignitaries, attending the wedding of an employee.
2. Leader: As a leader, every manager must motivate and encourage his employees. He must also try to reconcile their individual needs with the goals of the organization.
3. Liaison: In this role,every manager must cultivate contacts outside his vertical chain of command to collect information useful for his organization.

    B) Information role
1. Monitor: As monitor, the manager has to perpetually scan his environment for information, interrogate his liaison contacts and his subordinates and receive unsolicited information, much of it as a result of the network of personal contacts he has developed.
2. Disseminator: In this role, the manager passes some of his privileged information directly to his key subordinates who would otherwise have no access to it.
3. Spokesman: A manager is also required nowadays, to spend a part of his time in representing his organization before various outside groups, which have some stake in organization. These stakeholders can be government officials, labor unions, financial institutions, suppliers, customers etc. They have influence over the organization. The manager must win their support by effectively managing the social impact of his organization. Thus he advises shareholders about financial performance, assure consumer group that the organization is fulfilling its social responsibilities and satisfies government that the organization is abiding by the law.

    C) **Decisional Role:**
1. Entrepreneur: In this role, the manager does not merely adapt to his surrounding situation but proactively looks out for innovation to make things happen. Thus when demand for his product falls off, the manager does not cut back his production but seeks new outlets or new products in order to maintain production.
2. Disturbance handler: In this role, the manager has to work re-actively like a fire fighter. He must seek solutions of various unanticipated problems like strike, customer bankrupt etc.
3. Resource allocator: In this role, the manager must divide work and delegate authority among the subordinates. He must decide who will get what resource.
4. Negotiator: The manager at all levels has to spend considerable time in negotiations. Thus, the president of a company may negotiate with the union leaders a new strike issue; the foreman may negotiate with the workers a grievance issue.

8.1. Levels of management

The first line management group is made up of foremen and supervisors. Next is middle management which is vast and diverse group that includes sales managers, plant managers,

personnel managers and other department heads. The top management consisting of board chairman, the company presidents, the executive vice presidents. The top management coordinates all the specialties and makes policies for the company as a whole.

8.2. Managerial skill

A skill is an individual's ability to perform physical or mental tasks with a specified outcome. A manager should possess three major skills, these are: conceptual skill, human relation skill and technical skill.

A. The **conceptual skill** refers to the ability of manager to take broad and farsighted view of the organization and its future, his ability to analyses the forces working in a situation , his creative and innovative ability and his ability to assess the environment and the changes taking place in it. This skill seems to increase in importance as manager moves up to higher positions of responsibility in the organization.

B. The **technical skill** is the manager's understands of the nature of job that people under him have to perform. It refers to a person's knowledge and proficiency in any type of process or technique. This type of skill seems to be more important at the first levels of management, its relative importance diminishes as the manager moves to a higher positions.

C.Human relations skill is the ability to interact effectively with people at all levels. This skill develops in the manager sufficient ability (a) to recognize the feelings and sentiments of others. (b) To judge the possible reactions to, and outcomes of various courses of action he may undertake and (c) to examine his own concept and values which may enable him to develop more useful attitudes about himself. This type of skill remains consistently important for managers at all levels.

Required skills
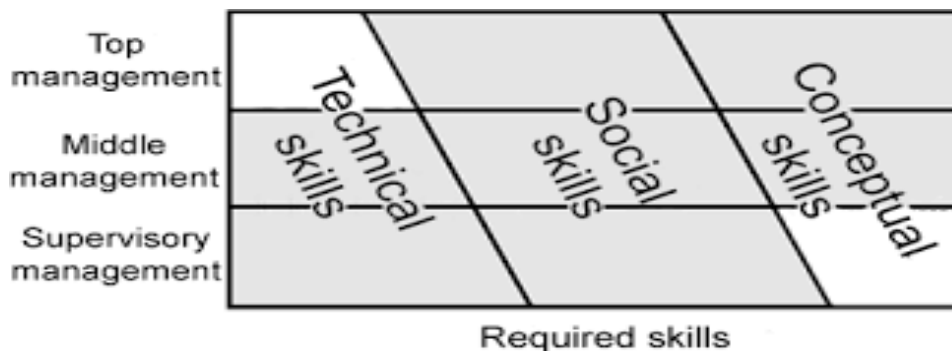
9. Development of management thought.

The history of management can be divided into three periods-early, neo-classical, and modern. The early period consists of three approaches: The scientific management, the administrative management

and the bureaucracy. Neo-classical period consists the human relation and behavioral approaches. Modern period consists of the quantitative , system and contingency approaches.

Each one of the above approaches has made a distinct contribution to management theory. The stress in the scientific management approach is on the *task* aspect of the group effort, in the administrative management approach, it is on laying down universal **principles of management** and in bureaucracy it is on following the **rules**.

In the human relation approach the stress is on the **human aspect** of group effort. The behavioral approach recognizes the practical and situational constraints of **human behavior**.

Quantitative approach emphasizes the use of operations research or **mathematical decision -making**. System approach emphasizes the concept of *holism .* Contingency approach attempts to **integrate all previous approaches**.

10. Early Management Approaches:

10.1. Scientific management?

During last hundred years, management has become a more scientific discipline with certain standardized principles and practices.

FW Taylor is considered to be the father of scientific management. He conducted a series of experiments and made several important contributions which are classified under scientific management.

FW Taylor's scientific management:

1. **Time and motion study:** Taylor thought was that no one knew how much work it was reasonable to expect a man to do. He therefore started time and motion study, under which each motion of a job was to be timed with the help of a stop watch and shorter and fewer motions were to be developed.
2. **Differential Payment:** Taylor introduced a new payment plan called the differential piece work, In which he linked incentives with production. Under this plan a worker received low piece rate if he produced the standard number of piece and high rate if he surpassed the standard.
3. **Drastic reorganization of supervision:** Taylor suggested two new concepts: i) separation of planning and doing and ii) functional foremanship. Taylor suggested that the work should be planned by a foreman and not by the worker.
4. **Scientific recruitment and training**: Taylor emphasized the need for scientific selection and development of the worker. He said that the management should develop and train every worker to bring out his best abilities.
5. **Intimate friendly cooperation between the management and workers:** Taylor said both the management and workers try to increase production. By doing so, profits would be increased to such an extent that labour and management would no longer have to compete for them.

Contribution:

I) The time and motion studies have made us aware that tools and physical movements involved in a task can be made more efficient and rational.

II) The stress which scientific management placed on scientific selection of workers has made us recognize that without ability and training, a person cannot be expected to do his job properly.

III) The importance, that scientific management gave to work design, has encouraged managers to seek the best way of doing a job.

Taylor's concept of scientific management developed into a movement and dominated the industrial management scene for several decades after him. His principles and concepts were refined and enlarged by several of his followers like Gantt and the Gilberths.

Contribution of F.B Gilberth

Frank and Lilian Gilberth made their contribution to the scientific management movements as a husband and wife team. They made motion and fatigue study their lifework. Using motion picture cameras,Frank Gilberth tried to find the most economical motions for brick laying. He classified all movements employed in industrial work into 17 basic types called "Therbligs", and provided a shorthand symbol for each so that the analyst could easily and quickly jot down each motion as he observed the worker in action. According to Gilberth, motion and fatigue studies raised worker's morale,not only because of their obvious physical benefits but also because they demonstrated management's concern for the works.

10.2 . Fayol's 14 principles of Administrative Management

Henry Fayol is considered the father of administrative management .He presented 14 principles of management as general guides to the management process and management practices.

1. Division of work: Division of work in the management process produces more and better performance with the same effort. Various functions of management cannot be performed efficiently by a single proprietor or by a group of directors.

2. Authority and responsibility: As the management need to get the work done through others, it implies that the manager should have the right to give orders and power to exact obedience. A manager may exercise formal authority and also personal power. Formal authority is derived from his official position, while personal power is the result of intelligence, experience, moral worth etc. Responsibility is closely related to authority and it arises wherever authority is exercised.

3. Discipline: By discipline we mean, the obedience to authority, observance of the rules of service and norms of performance, respect for agreements, sincere efforts for completing the jobs, respect for superiors.

4. Unity of command: This principle requires that each employee should receive instructions about a particular work from one superior only.

5. Unity of direction: It means that there should be complete identity between individual and organization goals on the one hand and between departmental goals on the other hand.
6. Subordination of individual interest.
7. Remuneration: It should be based on general business condition, cost of living, productivity of the concerned employee and the capacity of the firm to pay.
8. Centralization: If subordinates are given more role and importance in the management and organization of the firm, it is decentralization. The opposite is centralization.The management must decide the degree of centralization or decentralization of authority.
9. Scalar Chain: Scalar chain means the hierarchy of authority from the highest executive to the lowest one for the purpose of communication. As per this principle, the orders or communication should pass through the proper channels of authority along the scalar chain.
10. Order: Management should obtain orderliness in work through suitable organization of men and materials. The principle of "right place for thing and for every man" should be observed by management.
11. Equity: Equity means equality of fair treatment. Employees expect management to be equally just to everybody.
12. Stability of tenure of personnel: In order to motivate workers to do more and better work, it is necessary that they should be assured security of job by the management.
13. Initiative: Initiative means freedom to think out and execute a plan. The Zeal and energy of employees are augmented by initiative.
14. Esprit de corps: This means team spirit. Only when all the personnel pull together as a team, there is scope for realizing the objective of the concern.

10.3 Bureaucracy: Max weber, a German sociologist, is known as the father of Bureaucracy. The important features of Bureaucratic administration is given below.
i) There is insistence on following standard rules.
ii)There is a systematic division of work.
Iii) Principle of hierarchy is followed.
iv) It is necessary for the individuals to have knowledge of and training in the application of rules.
v) Administrative acts, decisions and rules are recorded in writing.

11. Neo classical Management Approaches:
   This approaches have two types i) Human relation movement, ii) Behavioral approach.

11.1. Human relation movement:

Taylor's scientific management and Fayol's administrative theory did not quiet achieve complete production efficiency and work place harmony. There was an increased interest in helping managers deal more effectively with the people side of their organization. The real inspiration for the movement came from the **Hawthrone experiments**. The experiments consists four parts.

1. *Illumination Experiments*: In this phase, the popular belief that productivity is positively correlated with illumination was tested. They set up two workers group. One group worked under constant level of illumination and the other group worked under changing levels of illumination. The post- test productivity of the two groups was then compared and it was found that illumination affected production only marginally.

2. *Relay assembly test room*: In this experiment a group of six women workers selected and were made to work in a very informal atmosphere. During the study, several variations were made in the working conditions but the researchers found that the production of the group had no relation with working conditions. It went on increasing and stabilized at a high level even when all the improvements were taken away. Researchers then attributed this phenomenon to the following factors:

   a) Feeling of importance among the girls as a result of their participation in the research and the attention they got.

   b) Warm informality in the small group and tension free interpersonal and social relations.

   c) High group cohesion among the girls.

3. *Interviewing program*: At first level direct questions were asked relating to the type of supervision, working condition, living condition and so on. But since the replies were guarded the technique was changed to non direct type of interviewing in which workers were free to talk about their favorite topics related their work environment. This study revealed that the workers social relations inside the organization had an unmistakable influence on their attitudes and behaviors.

4. *Bank wiring observation room*: This phase involved an in depth observation of one assembly work group, to determine the effect of informal group norms and formal economic incentives on productivity. It was found that the group evolved its own production norms for each individual worker, which was much lower than those set by the management.

   Contribution of the Human relation movement: A business organizations is not merely a techno-economic system but is also a social system. Hence it is as important for it to provide social satisfaction to the workers as to produce goods. Employee-centered, democratic and participative style of supervisory leadership is more effective than task centered leadership. The informal group and the individual is the dominant unit of analysis in organizations.

   Conclusion:

   The scientific management theory viewed task and structure as their central tenets and ignored the human variable, the human relations writers saw only the human variable as critical and ignored other variables.

11.2. Behavioral Approach in management:

The Behavioral approach recognizes the practical and situational constraints on human rationality for making optimal decisions. Behavioral scientists attach great weightage to participative and group decision making. Behavioral scientists are concerned with studying organization in the field and less interested in establishing normative models. Their view is that while in general the democratic-

participative style is desirable, the autocratic, task-oriented style may also be appropriate in certain situations.

To behavioral scientists, the realistic model of a human motivation is a complex man. This model suggests different people react differently to the same situation or react the same way to different situations. No two people are exactly alike, and the manager should tailor his attempts to influence people according to their individual needs.

The behavioral approach to organizational *conflict* and *change* is quite practical. It recognizes that conflict is inevitable and sometimes is even desirable and should be faced with understanding and determination that every organizational change involves technological and social aspects and that it is generally the social aspect of a change which people resist.

13. Modern Management Approaches

13.1. System Approach in management: The system approach provides integrated approach to management problems. There are four key concepts of this approach.

1. A system is a *set of interdependent parts* that together form a unitary whole that performs some function. An organization is also a system composed of four interdependent parts, namely task, structure, people and technology.
2. Central to the system approaches is the concept of *holism*: No part of the system can be accurately analyzed and understood apart from the whole system. Conversely, the whole system cannot be accurately perceived without understanding all its parts. Each part bears a relation of interdependence to every other part.
3. An *open system* is one which interacts with its environment. A business organization is actually dependent upon their external environment for information, material and energy. These enter the system as inputs and leave the system as outputs. Hence a business organization is an open system.
4. Organizations being social systems do not have clearly observable *boundaries*. Generally, the activities necessary for their transformation process define their boundaries. The concept of boundaries i) helps a system in determining where it ends and the other system begins. ii) Divide those elements that are part of a system from those that are a part of its environment.

13.2. Quantitative approach in management:

This approach, because of its use of scientific method for problem solving and its emphasis on establishing normative models of managerial and organizational behavior for maximizing efficiency, is considered as a descendant of the scientific management movement.

The focus of the quantitative approach is on decision making. This approach provides quantitative tools and techniques for making *objectively rational* decisions. Objective rationality implies an ability and willingness to follow a reasoned, unemotional, orderly and scientific approach in relating means with ends and in visualizing the totality of the decision environment. This approach focuses on the manager

as decision maker. The keynote of this approach is precision and perfection which is achieved by expressing relationship and facts in quantitative terms. The approach has been widely used in planning and control activities where problem can be easily identified and defined in quantitative terms. Operation Research and statistical method are two techniques in this approach.

Operational research: It gained momentum during Second World War. The interdisciplinary groups of scientists who were engaged for this purpose were known as operations research because work consisted of analyzing operations and carrying out applied scientific research. A mixed team of specialists from relevant disciplines is called into analyze the problem. The team constructs a mathematical model to simulate the problem. By changing the values of the variables and analyzing the different equations of the model generally with a computer, the team can determine what the effect of each change would be. The OR team presents the management with a rational base for making a decision.

Statistical methods: It is more versatile than OR. Sample theory and probability theory are two important tools in this technique.

13.3. Contingency approach in management:

The contingency approach attempts to integrate the various schools of management thought. According to this approach, management principles and concepts of various schools have no general and universal applicability under all conditions. There is no one best way of doing things under all conditions. Methods and techniques which are highly effective in one situation may not work in other situations. The contingency approach suggests that the task of managers is to try to identify which technique will, in a particular situation, best contribute to the attainment of management goals. Managers have, therefore, to develop a sort of situational sensitivity and practical selectivity.

Contingency views are applicable in designing organizational structure, in deciding the degree of decentralization, in the planning information decision system, in motivational and leadership approaches, in establishing communication and control system, in resolving conflicts and managing changes.

End of unit -1

Unit-2

1. Planning:

Planning is a management process, concerned with defining goals for company's future direction and determining the resources to achieve those targets. Planning is the process of thinking about and determining the activities required to achieve a desired goal.

2. Nature of Planning:

Planning is the *beginning of the process* of management. Planning sets all other functions into action. Planning is an intellectual process which requires a manager to think before acting. It is by planning that managers of organizations decide what is to be done, how it is to be done and who is to do it. Planning is a *continuous process*. Manager must constantly monitor the conditions, both within and outside the organization to determine if changes are required in his plans. So plan must be *flexible*. By flexibility of a plan means its ability to change direction to adapt to changing situations without undue cost. However flexibility is possible only within limits. Planning is important to all managers regardless of their level in the organization. Top level manager plan for long duration and spend more time in planning and the lower level manager plan for short duration and spend less time in planning and more time in execution.

3.1 . Importance of Planning:

i) Minimize risk and uncertainty: Planning provides rational and fact based procedure for making decisions. By this planning allows manager and organizations to minimize risk and uncertainty. In a dynamic society, in which social and economic conditions alter rapidly changing, planning helps the manager to cope with and prepare for the changing environment.
ii) Leads to success: When a businessman's actions are not random or ad hoc, arising as mere reaction to the market place i.e., when his actions are planned, he definitely does better. With the help of sound plan management can act proactively and not simply react.
iii) Focuses   attention on the organization's goals: planning helps the manager to focus attention on the organization goals and activities. This makes it easier to apply and coordinate the resources of the organization more economically.
iv) Facilitates control: In planning the manager sets goals and develops plans to accomplish these. These goals and plans become standards against which performance can be measured. The function control is to ensure that the activities conform to these standards. Thus control can be exercised if there are plans.

3.2. Limitations of Planning:

 1. Planning is an expensive and time consuming process.

 2. Planning sometimes restricts the organizations to the most rational and risk free opportunities.

  3. The scope of planning is said to be limited in the case of organizations with rapidly changing situations.

4. Establishment of advance plans tends to make administration inflexible.

5. There is the difficulty of formulating actual premises.

6. Planning may sometimes face people's resistance to it.

3.3. Purpose of Planning:

1. To select from many available alternatives so as to achieve the objectives of the enterprise,economically,effectively and efficiently.

2. To direct all other function of management.

3. To form the basis of the budget.

4. To provide effective control.

5. To avoid uncertainty .

4.1. **Objectives:**

Objectives are the specific targets to be reached by the organisation. They are the translation of an organisation mission into concrete terms against which results can be measured. For example a university may decide to admit a certain number of students. An organization's objective take into account all stakes and specify a common viewpoint acceptable to all stakeholders.

4.2 . Characteristics of objectives:

i)Objectives are multiple in number .

ii) Objectives are either tangible or intangible.

iii) Objectives have a priority.

iv) Objectives are generally arranged in a hierarchy.

v)Objectives sometimes class with each other.

5.1. Types of plans:

There are various types of plans that are arranged in a hierarchy . The plans at each level should contribute to the plans above them.

1. **Vision** is at the top of the hierarchy. This is the dream that an entrepreneur creates about the direction that his business should persue in future. J. N. Tata emphasizes on the application of Science and technology to serve the needs of Indian society.

2.**Mission** is the unique aim of an organisation. It is the organisations specialisation which decides the organisations scope of business. Mission of ABB Ltd. "..to be global leader--most competitive,competent,technologically advanced and quality minded electrical engineering company."

3. **Objectives** are the specific targets to be reached by the organisation. They are the translation of an organisation mission into concrete terms against which results can be measured. For example a university may decide to admit a certain number of students. An organization's objective take into account all stakes and specify a common viewpoint acceptable to all stakeholders.

4. **Strategy** is a plan to achieve the objectives of the organisation. In a competitive situations plans should take into account the environmental opportunities and threats and the organizational strength and weakness(SWOT).A strategy is a plan that takes these factors into account and provide an optimal match between the firm and environment.

5. **Operational Plans** act as a means of implementing the organization's strategy.there are two main types of operational plans-- Standing plans and single use plans.

Standing Plans: These plans are designed for situation which often repeat. For example a plan for processing a loan. It uses one standing plan that tells the requirement for approving or rejecting a loan. The major types of standing plans are policies, procedures, methods and rules.

Single- use plans These plans are developed to achieve a specific end. When the end is achieved, the plan is dissolved. The major types of these plans are programs and budgets.

5.1.   Single use and Standing plans:

A.Single- use plans: These plans are developed to achieve a specific end. When the end is achieved, the plan is dissolved. The major types of these plans are programs and budgets.

a) Programs are definite steps in proper sequence which need to be followed to discharge a given task. The essential ingredients of every program are time phasing and budgeting. The specific dates/times should be laid down for the completion of each successive stages of a program. For example, an enterprises may have program of opening five branches in different parts of the country. The program must earmark money and specific time periods for
1. Securing the necessary accommodation.
2. Recruiting personnel to manage the branches.
3. Arranging the supply of goods that are to be sold through branches.

b)Budgets: A budget is a financial and/or quantitative statement prepared prior to definite period of time, of the policy to be pursued during that period ,for the purpose of obtaining a given a objective. For example, the sales budget shows the expected sales of finished goods for period, the production budget shows the anticipated production over a period. As the budgets are expressed in numerical terms, they facilitate comparison of actual results with the planned ones and thus ,serve as a control device.

B. Standing Plans: These plans are designed for situation which often repeat. For example a plan for

processing a loan. It uses one standing plan that tells the requirement for approving or rejecting a loan. The major types of standing plans are policies, procedures, methods and rules.

a)*Policies* **:** Policy is a verbal,written or implied overall guide,setting up boundaries that supply the general limits and direction in which managerial action will take place.For example, the recruitment policy of a company is to recruit meritorious people through employment exchange.

b)*Procedures:* Policies are carried out by means of more detailed guidelines called "Procedure". For example, the procedure for purchasing raw materials may be

 i) requisition from the storekeeper to the purchasing department;
ii) calling tenders for purchase of materials;
iii) Placing orders with the suppliers who are selected;
iv)inspecting the materials purchased by the inspecting department;
v) making payment to the supplier of materials for good materials by the account department.

The same steps are followed each time that activity is performed.

c)*Methods:*A method is a prescribed way in which one step of a procedure is to be performed.Consider the step- iv in the above procedure. A specified technique to be used in inspecting the materials is a method. Methods help in increasing the effectiveness and usefulness of the procedure.

d) *Rules:* Rules are detailed and recorded instructions that a specific action must or must not be performed in a given situation. In sanctioning overtime to workmen, you must follow the government rule of maximum overtime hour per week.

6. 1. Steps in Planning Process:
1*. Establishing set of goals/Objectives to be achieved*: The type of goal selected will depend on a number of factors: the basic mission of the organization, the value its managers hold and the actual and potential abilities of the organization.The next step in planning is to determine the enterprises objectives. There are many types of objectives: a desired sales volume or growth rate, the development of new product or services etc.
2*. Establishing planning premises*: Planning premises are certain assumptions about the future on the basis of which plan will be ultimately formulated. Planning premises supply facts and information relating to the future such as population trends, the general economic conditions, production costs and prices, probable competitive behavior, capital and material availability, government control and so on. Planning premises can be classified in three types.
I) Internal and external premises
ii) Tangible and intangible premises
iii) Controllable and non controllable premises
3*. Deciding the planning period*: Companies generally base their period on a future that can reasonably be anticipated. Other factors which influence   the choice of a period are as follows a) lead time in development of a new product. b) Time required recovering capital investment. c) Length of

commitments already made.

4. *Finding alternative course of action*: The fourth step is to search for and examine alternative course of action. For example technical know how may be secured by engaging a foreign technician or by training staff abroad.

5. *Evaluating and selecting a course of action*. Having sought alternative courses, the fifth step is to evaluate them in the light of premises and goals and select the best courses of action.

6*. Developing derivative plans*: Once the plan for the organization has been formulated, middle and lower level managers must draw up the appropriate plans for their sub-units. These are required to support the basic plan. Thus , when one airline decides to acquire a fleet of new planes, a number of derivative plans dealing with hiring and training of various type of personnel, the purchase of spare parts, the development of maintenance facilities, advertising, financing and insurance need to be drawn up. In developing these derivative plans, lower level managers take steps similar to those taken by upper level managers-selecting realistic goals, assessing their sub unit's particular strength and weakness and analyzing those parts of the environment that can affect them.

7. *Establishing and deploying action plans*: The action plan identifies particular activities necessary to implement the derivative plan. The action plan specifies who, what, when, where and how of each action. A draft version of the action plan should be communicated to inform those directly affected and gain the cooperation.

8. *Measuring and controlling the process*: Planning is a continuous process. To monitor the activities and compare with the plan is a critical part of any plan. Managers need to check the progress of their plans so that they can,

a) take whatever remedial action is necessary to make the plan work

or

b) change the original plan.

6.2. Planning premises:

Planning premises are certain assumptions about the future on the basis of which plan will be ultimately formulated. Planning premises are vital to the success of planning as they supply pertinent facts and information relating to the future such as population trends, the general economic conditions, production costs and prices, probable competitive behavior, capital and material availability, government control and so on. Since managers at different levels generally differ in their views about these premises it is imperative for the chief executive to arrive at common set of premises that all can accept. If one part of the organization utilizes a different set of premises, the result will be lack of coordination.

Planning premises can be classified in three types.

   a) *Internal and external premises*
   b) *Tangible and intangible premises*
   c) *Controllable and non controllable premises*

a*) Internal and external premises*: Important internal premises include sales forecasts, policies and programs of the organization, capital investment in the plant and equipment, competence of management, skill of the labour force other resources and abilities of the organization in the form of machines, money and methods. External premises may be classified in three groups: business environment, factors which influence the demand for the products of the enterprises and the factors which affect the resources available to the enterprises. The external premises may include the following 1. Government policies and regulations, 2. Population growth, 3. Political stability, 4. Technological changes, 5. Sociological factors, 6. General business and economic environment.

b) *Tangible and intangible premises*:   Tangible premises are those which can be quantitatively measured while intangible premises are those which being qualitative in character cannot be measured. Population growth, industry demand, capital and resources invested in the organization are all tangible premises whose quantitative measurement is possible. On the other hand political stability, sociological factors, business and economic environment, attitudes, philosophies and behavior of the owners of the organization are all intangible premises whose quantitative measurements are not possible.

c) *Controllable and non controllable premises:*   While some of the planning premises may be controllable, some others are non-controllable. Because of the presence of uncontrollable factors, there is need for the organization to revise the plans periodically in accordance with the current developments. Some of the examples of uncontrollable factors are strikes, wars, natural calamities, emergency, legislation, etc. Controllable factors are those which can be controlled and normally cannot upset well-thought out calculations of the organization regarding the plan. Some of the examples of controllable factors are: the company's advertising policy, competence of management members, skill of the labor force, availability of resources in terms of capital and labor, attitude and behavior of the owners of the organizations.

7.1. Various steps in Strategic planning process:

There are eight steps of the strategic planning process of a large organisations.

i) Evaluate and improve last year's strategic plan process by building into it the lessons learned during the last year.

ii) Reaffirm the organization's vision, mission, values and objectives, which form the foundation for the strategic plan.

iii) Review organization's operational performance for the prior year to know its key strength and weakness.

iv) Evaluate the external environment to prepare for each environmental element a list of potential opportunities and threats. Environmental elements are products,services,competitive advantages and marketing and technological approaches.

v) Conduct SWOT analysis based upon the issues identified in steps 1,3 and 4 and forecast the results of

continuing the existing strategy.

vi) Identify,evaluate and select alternative approaches if a change in the existing strategy appears necessary.

vii) Deploy the modified plan. Communicate it to all departmental heads and stakeholders for aligning their actions,measures and goals via derivative plans, programs and budgets.

viii)Provide for updates and tracking to be conducted throughout the year.

7.2 Difference between strategic planning and tactical planning:

Strategic Planning	Tactical Planning
1. It deals with the long -term concept of the organisation, which is based on vision,mission and objectives.	1. It deals with the short-term allocation of resources for implementing the strategy.
2. It emphasis is on doing the right things i.e., effectiveness.	2. It emphasis is on doing things rightly i.e. efficiency.
3. It is done by top level corporate managers.	3. It is done by lower level managers
4. Its success depends on the judgment, experience, intuition and well guided discussions of the top management	4. Its success depends on staff work and mathematical models.
5. It is more prone to unanticipated factors that may erupt to change the situation.	5. It has greater element of certainty.

8.1. Meaning of decision: Decision making is an essential part of modern management . For example, Where to invest profit, What to do about an employee who is always late etc.
This implies three things.
i)Managers have a purpose in mind when they make a decision.
ii)Managers have alternatives available when they are making a decision.
iii)Managers are choosing one of the alternatives available to them on the basis of some conscious and deliberate logic or judgment.

8.2. Types of Decisions:

i)Programmed and non programmed decision

ii) Major and minor decisions

iii) Routine and strategic decisions

iv)Individual and group decisions

v) Simple and complex decisions

8.3. Rational decision:

A decision is rational if appropriate means are chosen to reach desired ends.

Seven steps are involved in the process of rational decision-making.

i) Recognizing the problem.

ii) Deciding priorities among the problems.

iii) Diagnosing the problem.

iv)Developing alternative solutions or course of action

v) Measuring and comparing the consequence of alternative solutions

vi) Converting the decisions into effective action

vii) Follow -up

End of unit-2

UNIT-3

1. **Organization:**

Organization is the process of identifying and grouping of work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing their objectives.

In the process of organizing we need to prepare the organization structure also.

There are two types of organizations.

 i) Formal : The formal organization structure of a company is merely the official picture of how authority is intended to flow.

 ii) Informal : The informal organization come into being to satisfy those needs of individuals which the more rigid formal organization is unable to satisfy.

2. Purpose of Organizations:

i) Formulate a frame of structure of an enterprise with a view to fulfill the enterprise tasks.

ii) Establish the pattern of relationship by giving duties and responsibilities to an individual or group.

iii) Provides adequate communication.

iv) Coordinates and controls the activities of individuals or groups.

3. Principles of Organization:

1.Objectives of the organization should first be clearly defined then every part of the organization should be designed to achieve these objectives.

2.Specialization: The activities of the organization should be grouped according to functions and assigned to person according to their specialization.

3.Span of control: Executives should be asked to supervise the reasonable number of subordinates.

4.Management by exception: Only the complex problems should be referred to the higher management level to enable them to devote time to important issues.

5.Scalar principle: The line of command from the top management to the first line supervisor must be clearly defined.

6.Unity of command. Each subordinate should have only one superior whose command he has to obey.

7.Delegation. Each manager should be delegated enough authority to accomplish his task.

8.Responsibility: The superior should be held responsible for the acts of his subordinates.

9.Authority: The authority of each manager must be clearly defined.

10.Efficiency: The organization structure should enable the enterprises to achieve its objectives with the lowest possible cost.

11.Simplicity:The organization structure should be as simple as possible and the organization level should be minimum as far as possible.

12. Flexibility: The organization should be adaptable to the the changing circumstances.

13.Balance: Balance is required between centralization and decentralization, span of control, unity of command etc.

14.Unity of direction: Unity of direction facilitates unification and coordination of activities at various levels.

*15.Personal abilities:*The management must try to maximize the personal ability by proper selection,motivation and training program.

16.Acceptability: The structure of the organization should be acceptable to the people who constitute it.

4.1 Line , Staff and Functional authority:

Line authority:

 In Line authority a superior exercises direct command over a subordinate. Line authority is represented by the standard chain of command that starts with the board of directors and extends down through the various levels in the hierarchy to the point where the basic activities of the organization are carried out.

Staff authority:

The nature of staff authority is merely advisory. The function of people in a pure staff capacity is to investigate, research and give advice to line managers. Figure shows that there are two staff managers(administration officer and accountant) advising manager who has three line managers(draftsmen) under his control.

Fig. 9.1   *Line and Staff Relationship in a Service Organization*
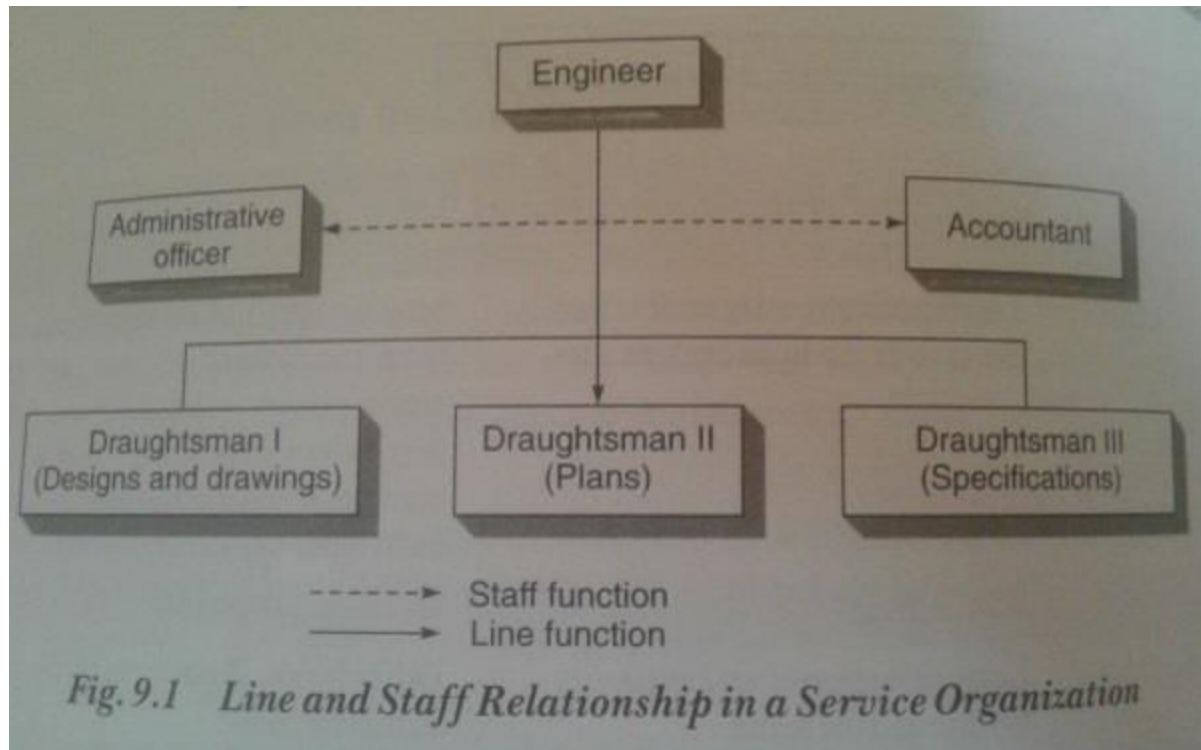
Functional authority:

Functional authority is the right which is delegated to an individual or a department to control specified processes,practices, or other matters relating to activities undertaken by persons in other departments. For example , a company's finance manager is ordinarily given functional authority to prescribe the system of accounting throughout the company.

4.2 Types of Organization:

i) *Line Organization:*

In line organization the line authority(mentioned at the top) is exercised. It is the simplest form of organization.

Advantages:

i) Flexible, ii) Clear channel of communication,iii) Encourage speedy action ,iv) Strong in discipline.

Disadvantages;

i) Requires high type of supervisory personnel to meet the challenges imposed in the absence of specialist as advisors. ii) Limited to very small concern.

ii) *Line and staff Organization:*

Line and staff organization is a modification of the line organization and more complex than line organization. According to this administrative organization, specialized and supportive activities are attached to the line of command by appointing staff supervisor and staff specialists, who are attached to the line of authority. The power of command always remains with the executives and staff supervisor guide and advice the line executives.

Quality control-er, PRO are example of staff supervisor.

Characteristics:

i)Division of work and specialization take place in line and staff organization.

ii)There are two types of authorities : line authority and staff authority.

iii)Power of commands remain with line line executive and staff serves as a councellor.

iv)Efficiency can be achieved through specialization.

Merits: Relief to the line executive, Expert advice, Balanced decision, Unity of action.

Demerits: Lack of understanding, Line and staff conflicts.

iii) *Functional Organization:*

The concept of functional organization was suggested by F.W. Taylor who recommended the appointment of specialist at important position. For example, the functional head and marketing director directs the subordinates throughout the organization in his particular area. This means that subordinate receive orders from several specialists,manager working above them.

This is an organization , which we can define as a system in which functional departments are created to deal with the problems of business at various levels. Functional authority remains

confined to functional guidance to different department. This helps in maintaining quality and uniformity of performance of different function throughout the enterprise.

Merits: Specialization, Effective control, efficiency, Economy

Demerits: Confusion, Lack of coordination, Difficulty in fixing responsibility, Conflicts.

Characteristics:

i)The entire Organizational activities are divided into specific functions such as operations, finance,marketing and personal relations.

ii)Three authorities exist--Line ,staff and function.

iii) Each functional area is put under the charge of functional specialists and he has got the authority to give all decisions regarding the function where ever the function is performed throughout the enterprise.

iv) Principle of unity of command does not apply.

iv) Committee Organization:

In the modern complex business world, some of the administrative tasks cannot be performed by a single person alone. Such situations may call for two or more persons to perform such tasks. This calls for a committee organization. A committee is a group of people pooled to carry out a defined objective. See article 6.0(Committee).

v) Matrix Organization:

Matrix organisation is a combine base organisation and is becoming very popular nowadays. In this form of organisation, two types of departmentation ,-- functional and product--exist simultaneously. Functional departments are a permanent fixture of the matrix organisation. They retain authority for the overall function of their respective units.Product departments are created as and when it is required.

Advantages:

1.Combination of all necessary inputs at one place reduces problems of communication and coordination.

2.Change of projects promotes the intellectual growth and development of employees.

3.Team members have a functional home when they are not needed on a project.

Disadvantages:

1. It violates the traditional organization principle of unity of command.

2. It fosters interpersonal conflict.

3. It lowers members loyalty to the project.

This form is now used in a variety of organizations such as R&D laboratories,entertainment companies, advertising agencies, construction companies, management consulting firm etc.

Drawing:

4.3.Organization structure.

An organization structure is more or less permanent arrangement of its horizontal and vertical parts. The horizontal parts are made of different departments. The vertical parts are made of number of levels from top to bottom. Authority flows downward along these levels.

By creating the most appropriate configuration of work units, organization structure enables its members to

i) Undertake a wide variety of activities according to departmentalization of tasks and function .

ii) Coordinate activities through various coordinating mechanisms.

iv) Define boundaries of their organization and its interface with the environment and other organizations with which it must react.

A classical organisation structure is usually pyramid-shaped. This implies centralization of authority at the top, departmentation of jobs, narrow span of supervision and intense division of labor. It provides a clear and well defined work setting up to its employees.

The organization structures of the pre- globalization period worked fine when there was less competition and more stable conditions. But they are unable to meet the needs of globalized business which demands more fluid organizations with greater flexibility ,empowerment,innovation,quality and responsiveness across a broad range of consumer market.The response has been the network and virtual organizations.

4.4 Organisation Chart:

This is a snapshot of an organization at a particular point in time which shows the the flow of authority, responsibility and communication among various departments which are located at

different levels of hierarchy. The connecting lines on the chart show who is accountable to whom and who is in charge of what department.

Advantages:

1. It acquaints everybody with the makeup of a company such as its size,basis of division of activities, coordination etc.

2. It reveals whether the span of management is wider or narrow.

3. It reveals whether the organisation is evenly balanced.

4. It reveals many of the deficiencies in the organisation structure such as one man might be reporting to two persons.

5. Departmentation:

The horizontal differentiation of tasks or activities into discrete segments is called departmentation. The aim is to take advantage of the division of labor and specialization up to a certain limit.

There are mainly two types of departmentation--Process departmentation and purpose departmentation.

A. Process Departmentation:

i)Business or organizational function: Each major function of the enterprises is grouped into a department. For example there may be production,finance and marketing department in manufacturing company.

ii) Technology: Depatmentation is here done on the basis of several discrete stages in the process or technologies involved in the manufacture of a product. A cotton textile mill may have separate departments for ginning,spinning,weaving,dyeing and printing.

B. Purpose of Departmentation:

i) Products: Product departmentalization is a logical pattern to follow when each product requires raw materials,manufacturing technology and marketing methods that are markedly different from those used by other products in the organizations. Hindustan lever, Johnson and Johnson have product based departmentation.

Ii) Customers: An electronic firm may have separate departments based on customer like military, industrial and consumer customer.

iii) Regions, Territory or Location: When several units of an organization are geographically dispersed in various locations it is logical to departmentalize those units on a geographical basis. The Indian Railways

are departmentalized on this basis.

iv) Division: when large , multi- product companies segments themselves into several independent profit centers on the basis of product, territory or customer,these units are called Divisions.

v) Time: Observed in production function of enterprises, like morning shift,general shift,night shift.

6.0. Committees:

 A. A committee is a group of people who have been formally assigned some task or some problem for their decision and/or implementation. Committees are often set up where new kinds of work and/or unfamiliar problems seem to involve decisions,responsibilities and powers beyond the capabilities of any one man or department.

B. Committees can be broadly classified into advisory committees and executive committees. Advisory committees have only a re-commendatory role and cannot enforce implementation of their advice or recommendation. Works committees, finance committees, sales committees are some example of advisory committees in business enterprise. Executive committees not only take decision but also enforce decisions. The board of directors of a company is an example of an executive committees.

Committees may also be classified as standing committee and ad -hoc task force. Standing committees are formed to deal with recurrent organizational problems. Loan approval committees in bank and finance committees in a company are example of standing committees. Ad hoc task force have a short duration. They are dissolved after the task is over.The members are chosen for their skills and experience.

7.1. Delegation of authority:

A. A manager in an enterprise cannot himself do all the tasks necessary for the accomplishment of group goals. Clearly, his capacity to do work and to take decisions is limited. He therefore, assigns some part of his work to his subordinates and also gives them necessary authority to make decisions within the area of their assigned duties. This downward pushing of authority to make decisions is known as delegation of authority. By delegating authority the manager does not surrender his authority or give this authority away. The delegating manager always retains the overall authority which was assigned to him to perform his functions.

B. Advantages of effective delegation:

1.It relieves the manager of his heavy workload.

2.It leads to better decisions.

3. It speeds up decision-making.

4.It helps train subordinates and builds morale.

C.Barriers to effective delegation.

1.Fear of loss of power.

2.The " I can do better myself" fallacy.

3.Lack of confidence in subordinate.

4.Fear of being exposed.

5.Difficulty in briefing.

7.Inability to establish and exercise proper controls.

7.2. Decentralization of authority:

The delegation of authority by an individual manager is closely related to an organization's decentralization of authority. Every organization has to decide as to how much decision-making authority should be centralized in hands of the chief executive and how much should be distributed among the managers at lower levels. In a centralized set-up, the decision making authority is concentrated in a few hands at the top and in a decentralized set up, it is delegated to the levels where the work is to be performed. In the words of Fayol, " Everything that goes to increase the importance of the subordinate's role is decentralization and everything that goes to reduce it is centralization.

7.3. **Distinction between delegation and decentralization.**

1.Delegation is the process, while decentralization is the end result of delegation and dispersal of authority.

2.In delegation, superior continues to be responsible for the work delegated to his subordinates, while in decentralization the superior is relieved from his responsibility for the work decentralized and subordinate becomes liable for that.

3.Delegation is vital and essential to the management process. Only through delegation, subordinates can be involved in the organization and the management can get things done. Decentralization is optional.

8.1 Span of control:

This indicates the number of subordinates who report directly to a manager. Span of control affects the efficient utilization of managers and the effective performance of their subordinates.

Too wide a span of control may mean that managers are over straining themselves and that their subordinates are getting very little guidance or control. Too narrow span of management may mean that managers are underutilized and that their subordinates are over controlled.

Narrow span of control:

Advantages:1.close supervision.2.close control.3.Fast communications between subordinates and supervisors.

Disadvantages:1.Superiors tend to get too involved in subordinates work.2.Many levels of management hence high cost. 3.Excessive distance between lowest level and top level.

Wide span of control:

Advantages:1.Superiors are forced to delegate.2.Minimum levels of management. 3. Easy communication between lowest level and top level.

Disadvantages:1.Overloaded superiors become the decision bottlenecks. 2 Danger of superior's loss of control. 3.Requires exceptional quality of managers.

8.2. Factors Governing the span of management.

1.Ability of manager: In planning an organization,the span of control should be based on a manager of average ability.

2.Ability of employee : If the employees are competent, wider span of control can be used.

3.Type of work : If the employees are doing the similar jobs, wider span of control can be used.

4.Well-defined Authority and Responsibility: It will help wider span of control.

5.Geographic Location: If the employees are in close geographic location,wider span of control can be used.

6.Sophisticated Information and control system. It will help wider span of control

7.Levels of management: Span of management varies with the levels of management.

8.Economic consideration: An economic balance has to be arrived at between cost savings and effective management.

9.1 MBO:

MBO is the establishment of effective areas and effective standards for managerial positions and the periodic conversion of these into measurable time-bound objectives, linked vertically and horizontally and with future planning.

There are three steps in MBO program.

i) Setting goals/Objectives: The top executives meet and decide the organizational goals for some specific period. But this they do so only after receiving inputs from lower levels. Next , goals are set at departmental levels. Finally ,goals are set at individual levels. These involves cross checking meetings in which subordinates present their tentative goals, check the impact of these goals on one another and make adjustments before finalizing their individual goals.

ii)Tracking progress: After the specific period the individual manager and his superior jointly review the progress against goals.

iii) Recycling: Organized tracking of progress leads to a repetition of the cycle with a revision of objectives,roles,priorities and allocation of resources from the overall organizational level through unit level,team level to individual level.

Advantages : a) It is a powerful tool for the management to achieve a higher productivity.

b) It prevents waste efforts and unnecessary expenditures.

c) It leads to better understanding between superiors and subordinates.

d) It gives proper direction and necessary responsibility to the people in organization.

e) This can be used as an appraisal tool.

Limitations : a) Sometimes it is not feasible to state specific objectives for a time-period.

b) MBO system can become so formalized that it becomes an end in itself.

c) MBO presumes a certain level of trust throughout the hierarchy.

9.2 MBE:

The theory behind this principle is that once a standard is set for a particular activity, and if it is going on smoothly, there is no point in informing this to the manager, as this is a mere waste of his time as well as the messenger's time. If something in the activity goes wrong and affects the smooth functioning of the progress, and the deviation is such that it could not be solved at the lower level, then that matter should be brought to the notice of the manager and his expert opinion can be sought in resolving the problem.

Advantages: a) Manager finds more time and feels comfortable to think of improvements.

b) Subordinates feel free and take responsibility of the work.

Limitations: a) Under this principle there is a possibility pf misusing the authority by the subordinates.

10 . Nature & Importance(need) for staffing:

Staffing is defined as filling and keeping filled, the positions provided by the organization structure by right people.

i) It helps in discovering talented and competent workers.

Ii) It ensures greater production by planning right man in the right job.

iii) It helps to prevent under utilization of personnel.

Iv) It helps to avoid sudden disruption of an enterprise's production run by indicating shortages of personnel, if any ,in advance.

10.1. Manpower Planning:

Manpower planning is to plan the requirement of manpower in various levels of organizations to achieve the objectives of the organizations. Manpower planning involves short term and long term.

10.2. Process of Recruitment and Selection:

A. Recruitment can be defined as the process of identifying the sources for prospective candidates and to stimulate them to apply for the job.

Sources of recruitment:

i) Re-employing former employees,

ii) Friends and relatives of present employees

iii) Applicants at the gate.

iv) College and technical institutions

v) Employment exchanges.

vi) Advertising the vacancy

vii) Labor unions

Evaluation of alternative sources is the next step in recruitment process.

B. Selection process is comparing the qualification of the candidates with the requirements of a job and

eliminates all those who do not stand up to this comparison.

Steps in the selection process:

i) Filling of the "application blank" by the candidate.

ii) Initial interview of the candidate

iii) Employment test-Aptitude test, Interest test, Intelligence test, Job specific test and personality test

Iv) Checking reference

v) Physical or medical examination

vi) Final interview

End of Unit-3