

CHAPTER- NATURE AND SIGNIFICANCE OF MANAGEMENT

S.No.	CONCEPTS	KEYWORDS
1	Management	<ul style="list-style-type: none">• Deliberate process• Group Activity• Term used for taking charge of different activities• Guiding activity for achievement of goals• Concerned with efficient use of resources.
2	Effectiveness	<ul style="list-style-type: none">• Finishing the task• Doing right task• Completing activities• Concerned with end result.
3	Efficiency	<ul style="list-style-type: none">• Doing the task correctly• Minimum cost• Cost-benefit analysis• Less input more output.
4	Input Resources	<ul style="list-style-type: none">• Money, Materials, Equipments and persons
5	Poor management results in	<ul style="list-style-type: none">• Inefficiency and ineffectiveness
6	Nature of Management	<ul style="list-style-type: none">• Art or Science or Profession
7	Management as an Art	<ul style="list-style-type: none">• Observation• Experience• Personalised application
8	Management as Science	<ul style="list-style-type: none">• Systemised body of knowledge• Experimentation• Universal validity
9	Management as Profession	<ul style="list-style-type: none">• Emphasis on managed business concerns
10	Levels of Management	<ul style="list-style-type: none">• Hierarchy• Authority-responsibility relationship
11	Co-ordination	<ul style="list-style-type: none">• Process• Synchronize• Force• Common thread• Minimum of conflict• Integration of efforts

CHAPTER- PRINCIPLES OF MANAGEMENT

S.No.	CONCEPTS	KEYWORDS
	Principles of Management	<ul style="list-style-type: none"> Broad guidelines
<ul style="list-style-type: none"> Functions of Scientific Management 		
1	Science, Not rule of thumb	<ul style="list-style-type: none"> Method of Scientific enquiry One best method developed through study and analysis Investigation of traditional methods
2	Harmony, Not Discord	<ul style="list-style-type: none"> 'Get work done' from the workers Kind of class conflict Mental Revolution Prosperity for employer accompanied by prosperity of employees
3	Co-operation, Not Individualism	<ul style="list-style-type: none"> Complete co-operation b/w workers and management Competition replaced by co-operation Reward for suggestions Paternalistic style of management
4	Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity	<ul style="list-style-type: none"> Workers' training Scientific selection of workers Work assigned should suit capabilities.
<ul style="list-style-type: none"> Techniques of Scientific Management 		
1	Functional Foremanship	<ul style="list-style-type: none"> Improving factory set up. Separation of Planning and Execution. Shop Floor. Extension of Principle of Division of Work and Specialisation. Eight specialists.
2	Standardisation	<ul style="list-style-type: none"> Process of setting standards. Benchmarks. To reduce given line or product to fixed types. To establish interchange ability.
3	Simplification	<ul style="list-style-type: none"> Eliminating superfluous varieties, sizes and dimensions Eliminating unnecessary diversity of products. Results in saving of cost of labour, reduced inventories, fuller utilization and increase turnover.

4	Method Study	<ul style="list-style-type: none"> Find one best way of doing the job. Concept of assembly line. Objective is to minimise the cost of production and maximize quality and satisfaction of customer.
5	Motion Study	<ul style="list-style-type: none"> Study of movements like lifting, putting objects, sitting and changing positions. Eliminating unnecessary movements. Use of stop watches, symbols, colours to identify different motions.
6	Time study	<ul style="list-style-type: none"> Standard time for task. Objective is to determine number of workers to be employed; frame suitable incentive schemes and determine labour costs.
7	Fatigue study	<ul style="list-style-type: none"> Rest while working. Regain stamina. Objective is to determine the amount and frequency of rest intervals.
8	Differential Piece Wage System	<ul style="list-style-type: none"> Differentiate efficient and inefficient workers.
9	Mental Revolution	<ul style="list-style-type: none"> Change in the attitude of workers and management. Aim to increase size of surplus.
<ul style="list-style-type: none"> 14 Principles of Management by Henry Fayol 		
1	Division of Work	<ul style="list-style-type: none"> Work divided into small tasks. Competent specialist is required. Leads to specialization. Increase in efficiency effective output. This principle is all pervasive.
2	Authority and Responsibility	<ul style="list-style-type: none"> Balance b/w authority and responsibility. Manager have right to punish for willfully not obeying a legitimate order.
3	Discipline	<ul style="list-style-type: none"> Obedience to organizational rules. Employment agreement. Good superiors at all levels. Clear and fair agreements.

		<ul style="list-style-type: none"> • Judicious application of penalties. • Honor commitments without prejudice.
4	Unity of Command	<ul style="list-style-type: none"> • One boss for every employee. • Order from one superior. • Dual subordination should be avoided.
5	Unity of Direction	<ul style="list-style-type: none"> • Common objectives through coordinated and focused efforts. • One head one plan. • Unity of action and co-ordination. • Each division should have its own incharge.
6	Subordination of individual interest to General Interest	<ul style="list-style-type: none"> • Larger interests of workers and stakeholders are more important than interest of any one person. • Manager should not misuse his power for any individual.
7	Remuneration of employees	<ul style="list-style-type: none"> • Fair pay and compensation. • Giving reasonable standard of living. • Just and equitable remuneration. • Helps in congenial atmosphere and good relations.
8	Centralization and Decentralisation	<ul style="list-style-type: none"> • Concentration of authority is centralization. • Managers' retention of final authority through centralization. • Dispersal of authority among more than one person is Decentralisation. • Balance subordinate involvement through decentralisation. • Panchayats is example of decentralisation at National level.
9	Scalar chain	<ul style="list-style-type: none"> • A formal line of authority from highest to lowest ranks is called Scalar Chain.

		<ul style="list-style-type: none"> • Chain of authority and communication. • Gang plank (shorter route for communication)in case of emergency.
10	Order	<ul style="list-style-type: none"> • A place for everything and everything in place. • Helps in increased production and efficiency. • People and Materials at right place. • Orderliness
11	Equity	<ul style="list-style-type: none"> • Fair and equal treatment with all employees. • Kindliness and justice in the behaviour of manager. • Increase in loyalty and devotion. • No discrimination on the basis of caste, creed, age etc.
12	Stability of Personnel	<ul style="list-style-type: none"> • Minimise employee turnover. • Selection of employees after due and rigorous process. • Stability of tenure. • No adhocism. High cost of recruitment, selection and training.
13	Initiative	<ul style="list-style-type: none"> • Taking first step with self-motivation. • Thinking out and executing the plan. • Employee suggestion system resulting in decrease in cost and time. • Rewards to employee for suggestion.
14	Espirit De Corps	<ul style="list-style-type: none"> • Team spirit of unity and harmony. • Replace 'I' with 'we'. • Mutual trust and belongingness.

CH- BUSINESS ENVIRONMENT

S.NO.	CONCEPT	KEYWORDS
1	Business Environment	<ul style="list-style-type: none"> Sum total of all individuals and forces.
<ul style="list-style-type: none"> <u>Importance of business environment</u> 		
1	First mover advantage	<ul style="list-style-type: none"> Early identification of opportunities. First to exploit opportunities.
2	Identify threats and early warning signals	<ul style="list-style-type: none"> Threats refer to external env. trends and changes that hinder firm's performance. Environmental awareness.
3	Tapping useful resources	<ul style="list-style-type: none"> Assemble various resources. Convert input resources into output.
4	Coping with rapid changes	<ul style="list-style-type: none"> Turbulent market conditions, Less brand loyalty, Fragmentation (division) of markets. Increasing dynamic environment. Examine environment and develop suitable course of action.
5	Assisting in <u>planning and policy</u> formulation	<ul style="list-style-type: none"> Deciding <u>future course of action</u> (planning). Training <u>guidelines for decision making</u> (policy). Think afresh about how to deal with situation.
6	Improving performance	<ul style="list-style-type: none"> Continuous monitoring of environment. Understanding business environment to make a difference in performance.
<ul style="list-style-type: none"> <u>Dimensions of business environment</u> 		
1	Economic	<ul style="list-style-type: none"> Interest rates, price, income, rate of growth.
2	Social	<ul style="list-style-type: none"> Life expectancy, birth rate/death rate, quality of life, population shifts, family, habits, traditions, values, education, literacy rate.

3	Technological	<ul style="list-style-type: none"> • New methods/techniques, new ways of production, scientific improvements and innovations.
4	Legal	<ul style="list-style-type: none"> • Legal Act, Court order, legal regulations, statutory warning on products like cigarettes or tobacco etc.
5	political	<ul style="list-style-type: none"> • Government policies, elected government decisions, political conditions, attitude of government etc.
	<u>Demonetisation</u>	<ul style="list-style-type: none"> • The Government of India, made an announcement on November 8, 2016. • The two largest denomination notes, Rs.500 and Rs.1,000 were 'demonetised'. • Ceasing to be legal tender except for a few specified purposes such as paying utility bills.
	Aim	<ul style="list-style-type: none"> • The aim of demonetisation was to curb--- <ul style="list-style-type: none"> ❖ corruption ❖ counterfeiting the use of high denomination notes for illegal activities; ❖ Accumulation of 'black money' generated by income that has not been declared to the tax authorities.
	Features	<ul style="list-style-type: none"> • Demonetisation is viewed as a tax administration measure. • Demonetisation also indicates that tax evasion will no longer be tolerated or accepted. • Demonetisation also led to tax administration channelizing savings into the formal financial system. • Another feature of demonetisation is to create a less-cash or cash-lite economy, i.e., channeling more savings through the formal financial system and improving tax compliance.
<ul style="list-style-type: none"> • Impact of demonetisation 		
	Money/Interest rates	<ul style="list-style-type: none"> • Decline in cash transactions. • Bank deposits increased.

		<ul style="list-style-type: none"> • Increase in financial savings.
	Private wealth	<ul style="list-style-type: none"> • Declined since some high demonetised notes were not returned and real estate prices fell.
	Public sector wealth	<ul style="list-style-type: none"> • No effect
	Digitisation	<ul style="list-style-type: none"> • Digital transactions amongst new users (RuPay/AEPS) increased
	Real estate	<ul style="list-style-type: none"> • Prices declined
	Tax collection	<ul style="list-style-type: none"> • Rise in income tax collection because of increased disclosure

Keywords

CHAPTER- PLANNING

S.NO.	CONCEPT	KEYWORDS
1	Planning	<ul style="list-style-type: none">• A process• Function of management.• Formulate an idea to do work.• Concerned with both ends and means.• Choosing best alternative course of action.• Deciding in advance what to do and how to do.• Planning process is structuring the work.
2	Premises	<ul style="list-style-type: none">• Assumptions are called premises.• Assumptions are the base material upon which plans are made.
• <u>Types of plans</u>		
	Single Use Plans	<ul style="list-style-type: none">• Plan developed for <u>one time event or Project</u>.• Not likely to repeat in future.• Budgets, programmes, projects
	Standing Plan	<ul style="list-style-type: none">• Plan for activities that occur regularly.• Repeatedly used plans.• Policies, Procedures, Rules, Methods.
1	Objective	<ul style="list-style-type: none">• Neither single-use nor standing plan.• End points OR end results.• Plans set by Top Management.• Serve as guide for overall planning.• Expressed in Specific terms like increase in 20% sales.• Define future state of affairs.
2	Strategy (Dimensions) <ul style="list-style-type: none">• Determining long term objectives.• Adopting particular course of action.• Allocating resources necessary to achieve objectives.	<ul style="list-style-type: none">• Neither single-use nor standing plan.• Broad Contours• Comprehensive plan.• Future decisions defining organisations' direction and

		scope in the long run.
3	Policy	<ul style="list-style-type: none"> • General statements • Basis for interpreting and implementing strategy. • Guides to managerial action. • Broad parameters • Recruitment policy, pricing policy, purchase policy etc.
4	Procedure	<ul style="list-style-type: none"> • Routine steps. • Procedures detail exact manner to perform task. • Chronological order. • Specified steps. • Procedures are meant for insiders to follow. • Sequence of steps or action to attain pre-determined objectives. • Procedures are steps to be carried out within a broad policy framework.
5	Method	<ul style="list-style-type: none"> • Prescribed ways or manner. • It comprises one step of a procedure. • Training methods, selection method, orientation programmes method, lecture method or seminar method.
6	Rule	<ul style="list-style-type: none"> • Specific statements that inform what is to be done. • No flexibility • Simplest type of plan. • No compromise or change in rule unless policy decision is taken.
7	Programme	<ul style="list-style-type: none"> • Detailed statements • Outlines objectives, policies, procedures, rules, budget and human and physical resources. • The minutest details are worked out.
8	Budget	<ul style="list-style-type: none"> • Statement of expected results expressed in numerical terms. • Plan which quantifies future facts and figures.

CHAPTER- ORGANISING

S.NO.	CONCEPT	KEYWORDS
1.	Organising	<ul style="list-style-type: none">• A process• Function of management• Process that co-ordinates human efforts, assemble resources and integrate both.• Process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources.
2	Departmentalisation	<ul style="list-style-type: none">• Process of grouping together similar activities.
3	Organisation Structure	<ul style="list-style-type: none">• Framework that specifies relationship b/w people, work and resources.
4	Span of Management	<ul style="list-style-type: none">• No. of subordinates that can be effectively managed by a superior.
5	Functional Organisation Structure	<ul style="list-style-type: none">• Grouping of jobs of similar nature.• Separate departments.• Leads to occupational specialisation.• Minimum duplication of work.• Suitable when size of org. is large, has diversified activities and operations and high degree of specialisation.
6	Divisional Organisation Structure	<ul style="list-style-type: none">• More than one category of product.• Set of homogenous functions.• Separate business units or divisions.• Within each Division, functional structure is adopted.• Product specialisation• Suitable for business where a large variety of products is manufactured, when an org. grows, need more employees, create more departments, and introduce new levels of management.
7	Formal organisation	<ul style="list-style-type: none">• Guided by rules and regulations• Job description

		<ul style="list-style-type: none"> • Org. structure deliberately designed by the management. • Specifies clear boundaries of authority and responsibilities. • Formal org. can be <i>Functional or Divisional</i>. • Procedural delays
8	Informal organisation	<ul style="list-style-type: none"> • Network of social relationships among employees. • Emerges within Formal Organisation. • No defined roles. • No fixed lines of communication. • Spontaneous • Interpersonal relations • Grapevine structure
9	Delegation	<ul style="list-style-type: none"> • Downward transfer of authority from superior to subordinate. • Manager extends his area of operations. • <i>Delegation does not mean abdication. It means manager shall still be accountable for the performance of assigned tasks.</i> • Authority can be taken back and re-delegated to someone else.
10	Elements of delegation	<ul style="list-style-type: none"> • Authority (right to command or power to take decisions) (flows downwards) (can be delegated) • Responsibility (obligation to do task) (flows upwards),(can't be entirely delegated). • Accountability (answerability) (can't be delegated)(flows upward)
11	Decentralisation	<ul style="list-style-type: none"> • Manner in which decision making responsibilities are divided among hierarchal levels. • Dispersal of authority through entire organisation. • Propagates that employees are competent, capable and resourceful. • Extension of delegation to the lowest level of management. • Decentralisation is a policy decision of the Top management.

CHAPTER- STAFFING

S.NO.	CONCEPT	KEYWORDS
1	Staffing	<ul style="list-style-type: none">• A continuous process• Generic Function of management• Putting people to jobs• Work force• Filling and keeping filled the positions in the organisation structure.
2	Why staffing is continuous process?	<ul style="list-style-type: none">• Because new jobs may be created and some of the existing employees may leave the organisation.
3	Why HRM is needed?	<ul style="list-style-type: none">• As organisations grow and number of persons employed increases, a separate department called HRD is formed.
4	Why Staffing is both a line as well as staff activity?	<ul style="list-style-type: none">• Because it is an essential function of manager as well as an advisory role played by the HRD.
5	Workload analysis	<ul style="list-style-type: none">• Assessment of number and types of human resources required.
6	Workforce analysis	<ul style="list-style-type: none">• To reveal the number and type of human resources actually available.
7	Recruitment	<ul style="list-style-type: none">• Positive process of searching for prospective employees and stimulating them to apply for the jobs.
8	Selection <u>Purposes:</u> <ul style="list-style-type: none">• Ensures org. gets the best among the available.• Enhances the prestige of those selected and conveys to them the seriousness with which things are done in the org.	<ul style="list-style-type: none">• Negative process because it involves rejection.• Choosing from among pool of the prospective job candidates through interviews and tests.

9	Placement	<ul style="list-style-type: none"> Employee occupying the position or post for which he has been selected.
10	Orientation	<ul style="list-style-type: none"> Introducing the selected employee to other employees and familiarizing him with the rules and policies of the org.
11	Training and Development	<ul style="list-style-type: none"> Upgrade or alter the skills. Attempt to improve current or future performance, attitude and skills of employee. Development means growth of individual in all respects.
12	Performance appraisal	<ul style="list-style-type: none"> Evaluating employees' past or current performance against pre-determined standards.
13	Promotion	<ul style="list-style-type: none"> Placed in positions of increased responsibility.
14	Compensation	<ul style="list-style-type: none"> All forms of pay or rewards going to employees through direct or indirect payments.
15	Process of Recruitment	<ul style="list-style-type: none"> Identification of different sources of labour supply. Assessment of the validity. Choosing the most suitable source. Inviting applications from the prospective candidates.
16	Transfer	<ul style="list-style-type: none"> Shifting of an employee from one job to another or one department to another
17	Intelligence tests	<ul style="list-style-type: none"> To measure level of intelligence quotient of an individual. Indicator of person's learning ability. Ability to make decisions and judgments.
18	Aptitude tests	<ul style="list-style-type: none"> To measure individuals' potential for learning new skills. Indicates persons' capacity to develop or grow. To judge person's future success score.

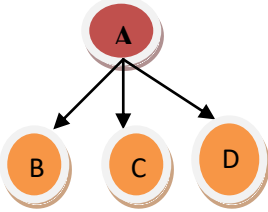
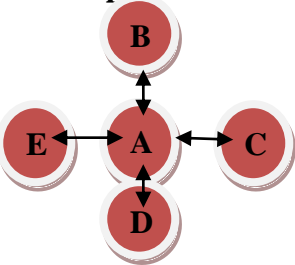
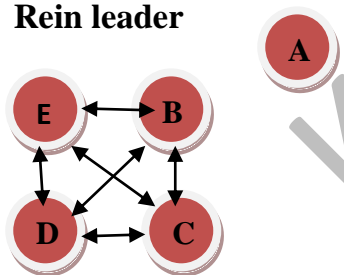
19	Personality tests	<ul style="list-style-type: none"> • Provide clue to a person's emotions, reactions, maturity and value system etc. • Probes the overall personality. • Tests are difficult to design and implement.
20	Trade tests	<ul style="list-style-type: none"> • Measure existing skills of the individual. • Measure level of knowledge and proficiency in the area of technical training.
21	Interest tests	<ul style="list-style-type: none"> • To know the pattern of interests or involvement of a person.
22	On the Job Training Methods	<ul style="list-style-type: none"> • Apprenticeship training • Coaching • Internship Training • Job Rotation
23	Off the Job Training Methods	<ul style="list-style-type: none"> • Classroom Lectures/ Conference • Films • Case Study • Computer Modeling • Vestibule Training • Programmed Instruction
24	Apprenticeship training	<ul style="list-style-type: none"> • To acquire higher level of skill. • For plumbers, technicians, electricians or iron-workers. • Spend prescribed time with experienced guide or trainer. • Slow learners may require additional training.
25	Coaching	<ul style="list-style-type: none"> • Superior guides trainee as a coach. • Trainee works directly with a senior mgr. • Trainee is groomed to replace the Senior Manager and relieve him from some of his duties.

26	Internship Training	<ul style="list-style-type: none"> • Joint programme of educational institutes and business firms. • To acquire practical knowledge and skills. • Doctors and C.As.
27	Job Rotation	<ul style="list-style-type: none"> • Shifting of trainee from one deptt. to another deptt. • To gain a broader understanding of all parts of business as a whole. • Org. finds it easier to promote or replace or transfer of employees.
28	Vestibule Training	<ul style="list-style-type: none"> • Away from actual work place. • Actual work environment is created in a classroom where trainees work using same materials, files and equipments.

Keywords

CHAPTER- DIRECTING

S.NO.	CONCEPT	KEYWORDS
1	<ul style="list-style-type: none">• Directing (Function of management)	<ul style="list-style-type: none">• Managerial Process of instructing, guiding, counseling, motivating and leading the people.
2	Principles of Directing	<ul style="list-style-type: none">• Maximum Individual Contribution• Harmony of Objectives• Unity of Command• Appropriateness of directing techniques• Managerial communication• Use of informal communication• Leadership• Follow through
3	Elements of directing	<ul style="list-style-type: none">• Supervision Motivation• Leadership Communication
4	Supervision	<ul style="list-style-type: none">• Element of directing• Function performed by supervisors• Process of overseeing or monitor workers' performance.
5	Motivation	<ul style="list-style-type: none">• Element of directing• Internal feeling• Complex process of stimulating or inspiring people• Positive or negative motivation.
6	Motivation process	<ul style="list-style-type: none">• Unsatisfied need → Tension → Drives → Search Behaviour → satisfied needs → Reduction of Tension.
7	Leadership	<ul style="list-style-type: none">• Influencing the behaviour of people.
8	Leadership style	<ul style="list-style-type: none">• Autocratic or Authoritarian leader• Democratic or Participative leader• Laissez faire or Free-Rein leader

9	Autocratic or Authoritarian leader 	<ul style="list-style-type: none"> • Boss centered approach (A is the leader and others are subordinates) • Only one way communication. • Leader gives orders and expects subordinates to obey the orders. • Leader is DOGMATIC i.e. does not wish to be contradicted. • Based on assumption that both reward and punishment can be given. • Only boss (Supervisor) is responsible for production on time • Quick decision making. • Listen to everyone's ideas but decision will be their own.
10	Democratic or Participative leader 	<ul style="list-style-type: none"> • Group Centered Approach • Leader develops action plans. • Leader takes decision in consultation with his subordinates. • Encourage subordinates to participate. • Based on the assumption that People perform best if they have set their own objectives. • Respect others' opinion and support subordinates • Leader exercise more control by using forces within the group.
11	Laissez faire or Free-Rein leader 	<ul style="list-style-type: none"> • Subordinate Centered Approach • Leader does not believe in the use of power unless essential. • Followers/ subordinates are given high degree of independence to make their own objectives. • The group members work on their own tasks and solve issues themselves. • Manager only supports them and provides required information to subordinates. • Subordinate assumes responsibility for the work to be done.
12	Communication	<ul style="list-style-type: none"> • Process of exchange of ideas, views, facts, feelings etc to reach common understanding.
13	Barriers of Communication	<ul style="list-style-type: none"> • Semantic barriers • Psychological barriers • Organizational barriers

		<ul style="list-style-type: none"> • Personal barriers
14	<u>Semantic barriers</u>	<ul style="list-style-type: none"> • Branch of linguistics dealing with meaning of words and sentences. • Problems in the process of encoding and decoding of message into words.
	Badly expressed Message	<ul style="list-style-type: none"> • Inadequate vocabulary. • Usage of wrong words. • Omission of needed words.
	Symbols with different meanings	<ul style="list-style-type: none"> • Word having several meanings. • Wrong perception
	Faulty translations	<ul style="list-style-type: none"> • Difficulty in understanding language.
	Unclarified assumptions	<ul style="list-style-type: none"> • Implied instructions. Like ‘take care of guest’ means all things should be considered while welcoming guest whether said or not.
	Technical jargon	<ul style="list-style-type: none"> • Use of technical words
	Body language and gesture decoding	<ul style="list-style-type: none"> • Body movement and gestures wrongly perceived.
15	<u>Psychological barriers</u>	<ul style="list-style-type: none"> • Emotional factors (worry, anger, confusion)
	Premature evaluation	<ul style="list-style-type: none"> • Evaluate message before listening complete message. • Pre-conceived notions or prejudices against the communication.
	Lack of attention	<ul style="list-style-type: none"> • Pre-occupied mind of receiver • Non-listening of message.
	Loss by transmission and poor retention	<ul style="list-style-type: none"> • Communication passing through various levels, • Successive transmission of message results in loss of or transmission of inaccurate information.
	Distrust	<ul style="list-style-type: none"> • If sender do not believe receiver or vice versa, then they can’t understand each other in original sense.

16	<u>Organisational barriers</u>	<ul style="list-style-type: none"> • Factors related to org. structure • Authority relationships, • Rules and regulations
	Organizational policy	<ul style="list-style-type: none"> • Highly centralised pattern in an org. makes communication difficult.
	Rules and regulations	<ul style="list-style-type: none"> • Rigid rules and cumbersome procedures • Prescribed channel may result in delayed communication.
	Status	<ul style="list-style-type: none"> • Status cause psychological distance b/w sender and receiver. • Conscious man may not allow subordinate to express freely.
	Complexity in organizational structure	<ul style="list-style-type: none"> • Large number of managerial levels. • Delayed and distorted due to large number of filtering points.
	Organizational facilities	<ul style="list-style-type: none"> • Lack of frequent meetings, Suggestion box, Complaint box, Social-cultural gathering, Transparency in operations etc.
17	<u>Personal barriers</u>	<ul style="list-style-type: none"> • Personal factors of both sender and receiver.
	Fear of challenge to authority	<ul style="list-style-type: none"> • If superior perceives (thinks) that a particular communication may adversely affect his authority.
	Lack of confidence of superior on his subordinates	<ul style="list-style-type: none"> • Superior does not have confidence on competency of his subordinates. • Does not ask their advice or opinions.
	Unwillingness to communicate	<ul style="list-style-type: none"> • If subordinate perceives that a particular communication may adversely affect their interests.
	Lack of proper incentives	<ul style="list-style-type: none"> • Employees lack initiative due to no motivation or no incentive. • No reward and no appreciation for employees' suggestions.

CHAPTER- CONTROLLING

S.NO.	CONCEPT	KEYWORDS	
1	Controlling	<ul style="list-style-type: none"> • Process • Function of management • Ensuring that activities are performed as per plans. • Controlling completes one cycle of management process and improves planning in the next cycle. • It should not be understood as last function of management. • Brings to light the deviations. • Corrective action. 	
2	Relationship b/w Planning and Controlling	<ul style="list-style-type: none"> • Planning and Controlling are inseparable twins of management. 	
	Planning without Controlling is meaningless	<ul style="list-style-type: none"> • Once a plan becomes operational, controlling is necessary to monitor the progress, discover deviations and initiate corrective measures to ensure that events conform to plans. 	
	Controlling is blind without planning	<ul style="list-style-type: none"> • If the standards are not set in advance, managers have nothing to control. When there is no plan, there is no basis of controlling. 	
	Planning is pre-requisite for controlling	<ul style="list-style-type: none"> • Controlling could not be accomplished without planning. 	
	Difference b/w Planning and Controlling	<ul style="list-style-type: none"> • Planning is intellectual process involving thinking, articulation and analysis to prescribe appropriate course of action. • Planning is prescriptive. 	<ul style="list-style-type: none"> • Controlling checks whether decisions have been translated into desired action. • Controlling is evaluative.

	Planning is looking ahead while controlling is looking back	<ul style="list-style-type: none"> • The statement is partially correct. • Plans are prepared for future and are based on forecasts about future conditions. Thus it is forward looking. • Controlling is like a postmortem of past activities to find out deviations from the standards. Thus, Controlling is backward looking.
	Planning is backward looking	<ul style="list-style-type: none"> • Planning is guided by past experiences.
	Controlling is forward looking	<ul style="list-style-type: none"> • Controlling aims to improve future performance by corrective action.
<ul style="list-style-type: none"> • <u>Conclusion</u>- Thus Planning and Controlling, both are forward looking and backward looking functions of management. • Planning and Controlling are inter-related and reinforce each other. 		
3	Critical Point Control	<ul style="list-style-type: none"> • Key Result Areas (KRA) is set as the critical points. • If anything goes wrong at the critical points, the entire organisation suffers. • Focus on KRAs.
4	Management by Exception	<ul style="list-style-type: none"> • Attempt to control everything results in controlling nothing. • Significant deviations which go beyond permissible limit should be taken care of. • Insignificant deviations may be ignored. • Deviations within permissible limit can be ignored.
5	Advantages of Critical Point Control	<ul style="list-style-type: none"> • Saves time and efforts of managers. • Focuses managerial attention on important areas. • Mgt. by Exception facilitates delegation of authority and increases morale of employees. • Identifies critical problems which need timely action.