

* Definition of management :-

According to Mary Parker, "management is an art of getting things done through others."

According to Harold Koontz, "management is an art of getting things done through people and with people in well organized form. It is the art of creating an environment in which people can perform as individual and yet co-operate towards attainment group goals."

According to Sir Henry Fayol, "to manage is to ~~plan, to~~ organize, to command, to correspond and to control."

* Nature of Management :-

1) Goal oriented -

~~Management is a purposeful activity. It co-ordinate the efforts of workers to achieve the goals of the organization. The success of management is measured by the extent to which the organization goals are achieved.~~

2: Economic resource -

Management is one of the factor of production, together with land, labour and capital. It is the most critical input in the success of any organized group activity. It is the force which assembles and integrated other resources.

3: Distinct Process -

Management is a distinct process consisting of such functions as planning, organising, staffing, directing and controlling.

4: Integrative force -

The essence of management is integration of human and other resources to achieve the desired objective. All these resources are collective and using-

5: Intangible force -

Management has been called as unseen force. Its presence is evidence by the result of its efforts, orderlines, inform employees, educate work output.

* Importance of Management :-

1. Achievement of group goals -

Management enables an enterprise to achieve its desire objectives by proper planning and control. It decides what should be done and how.

It lays down the long term and short term goals keeping in mind the resources of the enterprises.

2. Optimum utilization of resources -

Material machinery and money are the physical factors of production. The efficient use of these resources depends upon efficiency and motivation of workers.

3. Fulfillment of social obligation -

Management monitors the environment of business and makes necessary changes and business policies and practices for consumer and worker satisfy. In this way manager helps an enterprise to fulfill the obligation towards different sections of society.

4. Economic growth -

Management is also work for economic growth. Development is a matter of human energy rather than of economic growth and the satisfy of human energies is the task of management. Management working in developer and mover.

5. Stability -

Management ensures the survival of an organisation in a fast changing environment. It co-ordinate the activities of different department in an organisation and maintain team spirit.

* Management functions -

- 1.) Planning - A systematic way of work.
- 2.) Organising - Preparation
- 3.) Staffing - Right person at right job.
- 4.) Directing - to give guidelines and command.
- 5.) Controlling - backward looking.

* Management skills :-

1. Conceptual skills -

Conceptual skill is the ability to see the organisation as a whole family and to recognize interrelationships among different functions of the business.

2. Human skills -

Human skills are essential to work with others and achieve their cooperation. Human skills are the abilities needed to resolve conflicts, motivate, lead and communicate effectively.

3. Technical skills -

It refers to specialised in handling different methods, processes and techniques of specific jobs. These skills are most important at lower level of management.

* Levels of Management :-

Top level management

Middle level management

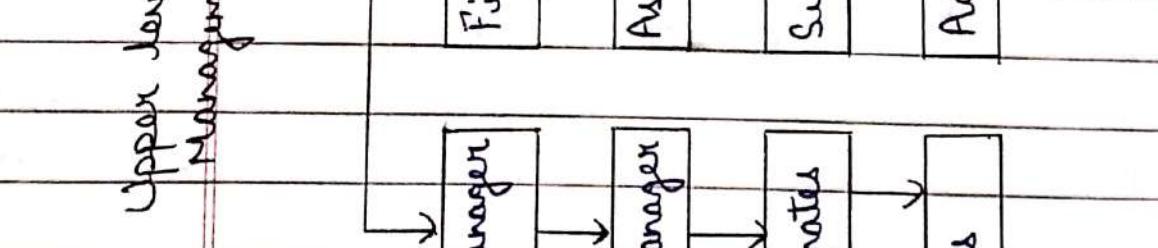
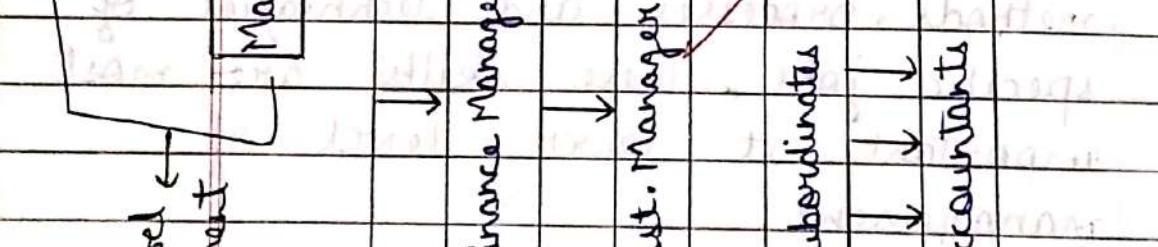
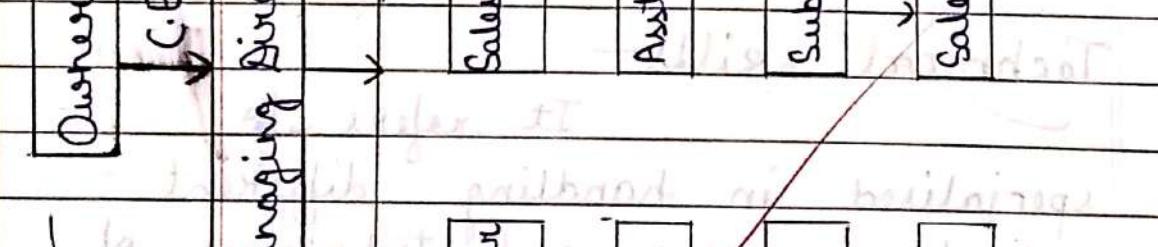
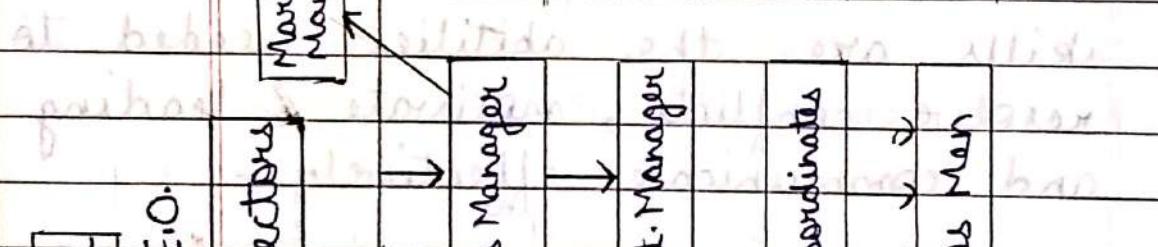
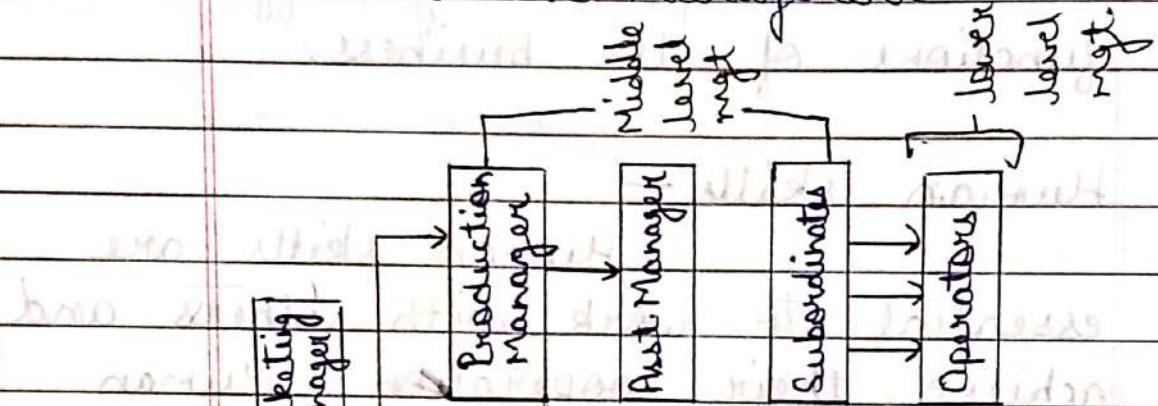
Lower level management

Upper middle

middle

lower
level

middle
level
mgmt



* Levels of Management:-

1: Top level management — Top level of a company consist of the board of directors C.E.O (Chief Executive Officers), managing director, the following functions performed by top management:-

- (i) Top mgt. lays down the objective of the enterprises.
- (ii) It prepares staticic plans and policies for the enterprises.
- (iii) It issues necessary instructions for the prepration of departmental budget, schedules, procedures etc.
- (iv) It co-ordinates the activities of different departments.
- (v) It appoints the managers for the middle level.

2: Upper middle level mgt. — The upper middle mgt. is divided into three sections — Production, Finance and Marketing. They perform the following functions:-

- (i) Upper middle mgt. lays down plans and policies for the middle mgt.
- (ii) They put the top mgt. plans into practice.
- (iii) They co-ordinate the functioning of their divisions.
- (iv) They give directions and guidelines to the lower level.
- (v) They prepare reports about the progress of their divisions for top level of mgt.

Middle level mgt. - The level of mgt. generally consist of heads functional departments. They perform following functions :-

- (i) To run the details of the organisation to lower level mgt.
- (ii) To co-operate in making a smoothly functioning organisation.
- (iii) To understand the various major policies of the department.

- (iv) To develop leaders for the future by broad training and experience.

Lower level mgt - The mgt refers to those executive whose work is under of middle level mgt. in direct operating activities. They perform the following functions :-

- (i) To plan and organise the activities of the group.
- (ii) To arrange necessary materials, machine tools etc.
- (iii) To participate in training seminars.
- (iv) To receive supervision and guideline from middle mgt.
- (v) To communicate problems to middle level mgt.

* Management as an art:-

Art is a bringing about a desired result through the application of skills. It is concerned with application

of knowledge and skills. If a science is learning then art is practised.

Actually science is to see knowledge and art is to apply this knowledge.

Management is an art because it involves the process of use of skills. The process of management is directive to words. The accomplishment of desire results as like art. Mgt.

is creative in the sense that managing creates new situations needed for further improvement. Mgt. is personalized every manager apply knowledge and skills to deal with various situations.

* Management as a science:- Science is the systematically organised body of knowledge based on proper findings and exact principles and is capable of verifications.

Mgt. is a science because it contains all the essentials of science. Mgt. is a applied science as a manager has to apply the principles just like a medical or legal practitioners.

* Management as a social system :- Mgt. is done by people, through people and for people. It is a social

process because it is concerned with interpersonal relations. Human factor is the most important element of management.

* Management as a profession:- A profession may be defined as an occupation backed by the specialised knowledge and training and to which entry is regulated by a representative body and which is duly recognised by the society.

Mgt. is also a specialised body of knowledge because mgt. is widely taught in the universities and other educational institutes and mgt. also have a formal education and training. MBA (Master in Business Administration) may be preferred for managerial jobs. So we can say that mgt. is also an emerging profession.

Unit - 2

Evolution of Management Thought

i) Classical approach or traditional approach :-

Classical approach is also called traditional approach. The main features of this approach are:-

- (i) Mgt. is viewed as a systematic network of interrelated functions.
- (ii) On the basis of experiences or practices, principles are developed. These principles are used as guidelines for practicing executive.
- (iii) Functions, principles and skills of mgt. are considered universal. They can be applied in different situation.
- (iv) Formal education and training is used for developing managerial skills.
- (v) People are motivated by economic.

gains therefore organisation control depends on economic status.

The classical approach was developed by three main streams :-

- 1: Scientific management
- 2: Administrative theory
- 3: Bureaucracy

Scientific mgt. was developed by engineers F.W. Taylor, Harrington Emerson. They looked mgt. as technical point of view and only improving efficiency in use of man and machine.

Administrative theory or functional approach was developed by mgt. practitioners and thinker Sir Henry Fayol, Allan C. Reilly.

Bureaucracy was developed by a German psychologist Max Weber. In this theory mgt. is visualise as a machine model of organisation. Max Weber only focused on rules and regulations for controlling human beings.

2) Behaviour Approach:-

The behaviour approach was developed by Prof. Elton Mayo. Prof. Elton Mayo is considered to be the founder of behaviour school of thought. He conducted the famous experiment, its name was Hawthorne Experiment. The experiment influenced on the social and psychological factor on employee morale and productivity.

The job holder become the focal point of this approach. Behaviour approach is multi dimensional and interdisciplinary in nature. Several sociologist and psychologist work on behaviour approach. Abraham H. Maslow, Douglas M.C. McGregor, Keith Davis, George Homans.

Some features of this approach are-

- (i) Organisation is viewed as social technical system.
- (ii) A wide range of factors influence interpersonal and group behaviour of people in organisation.
- (iii) There should be match between the

organisational goals and human needs.

- (iv) Several differences in the attitudes perception and values of employees. So there work influence from there behaviour and performance.
- (v) Some degrees of conflicts may be desirable in organisation.

3) Quantitative approach:-

It is also called mathematical approach. It is starting after world war II. During the war interdisciplinary group of scientist were engaged to undertake applied scientific research in technical military operations. These groups were expected to develop optimal decisions about employment of military resources.

Mathematical model building to be applied to find out optimal solution to military and logistical problems.

Main features of this approach are:-

- (i) Management is a series of decision making.

(ii) Variables can be presented in the form of mathematical model. It consist set of functional equations and these variable are in interrelationship.

(iii) If the model is properly formulated and the equations are correctly solved we get the best solution of the model.

(iv) Decision making model should be evaluated in the light of criteria like cost reduction, return on investment, meeting time etc.

4) Social system approach :-

Chester F. Barnard developed the concept of social system that is composed of people who work in cooperation. An organization comes into existence when there are a number of persons communicate with each other and they are willing to cooperate for a common purpose.

Barnard also recognise informal

organization representing social interaction which generally do not have a coordinated joined purpose. The main features of this approach are :-

- (i) Organization is treated as a social system.
- (ii) Relationships exists among the internal and external environment of the organization.
- (iii) Co-operation among group members is necessary for the achievement of organizational goals.

* Scientific - Management theory :-

F. W. Taylor was the first person who introduce the scientific methods in management. Taylor is regarded as the father of scientific management.

According to F. W. Taylor scientific mgmt. is the substitution of exact scientific investigations and knowledge for the old individual judgement or opinion in all matters relating to the work done in the shop.

1. Science is not a rule of thumb:- Scientific investigation should be used for taking managerial decisions instead for basing decision and opinion, in or rule of thumb.

2. Scientific selection and training of workers:- Every organization should follow a scientific system of selection. The selected workers are to be trained to avoid wrong method of work. Management is responsible for their scientific education and training.

3. Cooperation between labour and mgt:- There should be cooperation between the mgt. and the workers. This requires change of mental attitude of the workers and the mgt. towards each other.

4. Maximum output:- The mgt. and the workers should try to achieve maximum output in place of restricted output. This will be beneficial to both the parties.

5:

Equal division of responsibility:-

There must be equal division of responsibility between the managers and workers. The mgt. should be responsible for planning and organizing the work whereas as the workers should be responsible for the execution of work as per instructions of the management.



Fayol's theory of mgt:- Henry Fayol classify all operations in business organization under the following six categories:-

- (i) Technical (Productivity)
- (ii) Commercial (Purchase and Sales)
- (iii) Financial (Funding and controlling capital)
- (iv) Security (Protection)
- (v) Accounting (Balance sheet & financial statement)
- (vi) Administrative (Planning, Organizing, Staffing, Directing)

* 14 Principles of Henry Fayol:-

- 1) Division of work :- Work should be divided among individuals and groups to ensure that effort and attention are focused on special portions of the task. Fayol presented work specialization as the best way to use the human resources of the organization.
- 2) Authority and responsibility :- The concepts of authority and responsibility are closely related. Authority was defined by Fayol as the right to give orders and the power to exact obedience. Responsibility involves being accountable and is therefore naturally associated with authority. Whoever assumes authority also assumes responsibility.
- 3) Discipline :- Employees must obey, but this is two sided: employees will only obey orders if management play their part by providing good leadership.

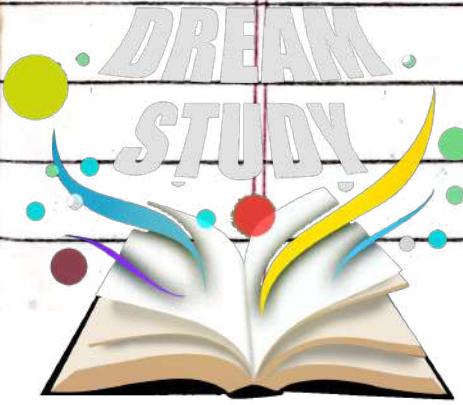
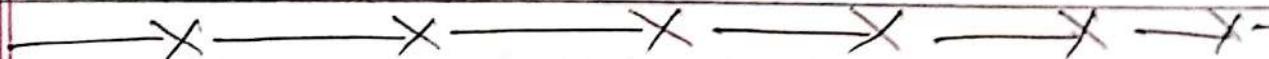
- 4.) Unity of Command :- Workers should receive orders from only one manager.
- 5.) Unity of direction :- The entire organization should be moving towards a common objective in a common direction.
- 6.) Subordination of Individual interests to general interests :- The interests of one person should not take priority over the interests of the organization as a whole.
- 7.) Remuneration :- Many variables, such as cost of living, supply of qualified personnel, general business conditions and success of the business should be considered in determining a worker's rate of pay.
- 8.) Centralization and Decentralization :- Fayol defined centralization as lowering the importance of the subordinate role. Decentralization is increasing the importance. The degree to which centralization or decentralization should be adopted depends on the specific

organization in which the manager is working.

- 9) Order :- For the sake of efficiency and coordination, all materials and people related to a specific kind of work should be treated as equally as possible.
- 10) Equality :- In running a business 'combination of kindness and justice' is needed. Treating employees well is important to achieve equality.
- 11) Stability :- Retaining productive employees should always be a high priority of mgt. Recruitment and selection costs, as well as increased product-rejects rates are usually associated with hiring new workers.
- 12) Initiative :- Mgt. should take steps to encourage worker initiative, which is defined as new or additional work activity undertaken through self direction.
- 13) Scalar chain :- Managers in hierarchies are part of a chain like authority.

scale. Each manager, from the first line supervisor to the president, possess certain amounts of authority. The president possess the most authority, the first line supervisor, the least. Lower level managers should always keep upper level managers informed of their work activities. The existence of a scalar chain and adherence to it are necessary if the organization is to be successful.

- 14) Esprit De Corps :- Mgt. should encourage harmony and general good feelings about employees.



Unit - 3

Function Of Management - 1

★ Planning :-

Planning is the process of deciding in advance what is to be done and when it is to be done.

In the words of Knott O. Donnell, "Planning is an intellectually demanding process it requires the conscious determination course of action and base of decision is purpose knowledge and considered estimates."

Nature of Planning :-

- (i) Planning is an intellectual activity among
- (ii) Planning involves selection among alternatives.
- (iii) Planning is forward looking.

(iv) Planning is related to objective.

(v) Planning is the most basic of all management functions.

* Importance of Planning :-

1: It focus on objectives and results — Planning focuses on the goals and objectives of the organization. Planning makes objectives fruitfull and tangible.

2: Reduces the risk elements — At some extents planning helps in reduce the risk and it helps to identify the opportunities and threats in the environment.

3: Planning provides a direction — Planning helps the organization to move in a particular direction and saves the organization from any slow moving act or without any particular and aimless activities.

4: Planning encourages innovation and creativity :- To survive in the

present environment the organization always focuses on innovation and creativity. It helps for the continuous growth of the organization.

5: Planning helps in co-ordination - Planning is always play an important role in the coordination because it helps to achieve a coordinate structure of operations.

6: Planning provides the guidance for decision making - Planning helps to select the best alternative which is helpful to take the decisions.

* Types of Planning :-

1: Long range planning or strategic planning - It is process of planning for long term goals. It covers a period of 5 years or more. Long range planning defines the mission of the organization, specifies its product, market position and outlines its major

strategies and policies. It establishes a dynamic link between organization and its environment.

2: Medium term planning — It generally covers a time period of 2 to 5 years. Plans are usually more detailed than long range plans. Such plans are coordinate in nature and are designed to implement long range plans with coordinate efforts of different departments.

3: Short range planning or operational planning — Short term planning usually extends upto 1 year. Short term plans are specific and detailed, short range planning is action oriented and specific. It provides bases for day to day operations. It is usually implemented on lower level executives.

4: Corporate planning — It is also in long term nature. Corporate plans are generally formulated at the top level of mgt. It may be defined as the systematic process of

Laying down the basic objectives, strategies and policies for the total organization in the light of capabilities of the organization.

* Process of Planning :-

1. Establishing objectives — Establishment of objectives are more important than the objectives themselves. Since they are establishment emphases of various people and unit fit the overall organization framework. This process can also be used to motivate individuals to achieve objectives which one established by them.
2. Collection and forecasting of information — Sufficient information must be collected to make plans and sub-plans. The collection and forecasting of information should be done in terms of external and internal environment.
3. Development of planning premises — Assumptions denote the expected environment in the future are

known as planning premises. The assumption along with the future forecast provided a bases for the plan.

4. Search of alternative — At the time of finding or developing alternatives the planner should try to screen out the most feasible alternative. So that there are few alternative remaining for detailed analyses.

5. Evaluation of alternative — Once alternative is selected then action plan have been determine consideration like cost, range, objective, limited resources, expected return, risk and many intangible factors to select the ~~satisfactory~~ course of action.

6. Selection of plan and development — The final step in the planning process is to select the most feasible plan and develop. The plan must also include the feedback mechanism.

* Business forecasting :-

Forecasting is the research procedure to discover those economic, social, financial influences governing business activity so as to predict or estimate current and future financial production and marketing operation.

Techniques of Business Forecasting :-

i) Quantitative Techniques :-

- (i) Time series — Time series may give misleading results when the future doesn't reflect the past. This method can be used only when data are available for a long period of time.
- (ii) Regression analysis — This method attempts to find out the relative moments of two or more interrelated series. It is used to estimate the changes in one variable as a result of specified changes in other variable.
- (iii) Input-Output analysis — This technique

is based on the well established interrelationships between different sectors of the economy.

(iv) Economic models - In this method mathematical models are used to express in quantitative terms, the interrelationship among different variables. These models take the form of a set of regular equation.

2) Quantitative techniques:-

(i) Business barometer - These are the index number used to predict the direction in which the economy is moving. Gross national product, wholesale price index, consumer price index, index of industrial production, volume of money and supply, stock exchange are the common business barometers used in forecasting.

(ii) Panel method - Under this method a panel of experts in the area is prepared, the opinions of these experts are combined and averaged.

(iii) Relevance tree method — The purpose of this method is to help the businessman in determining objective and predicting ways to attain them.

~~Delphi~~

(iv) Delphi method — In this method also the mind of experts in the concern area are look systematically but there is no face to face contact between them. They are kept in part and their identity is kept secret from one another. Their opinions are helpful because of these are in the forms of return answers to a carefully prepared questionnaire. These experts who have different with the majority opinion are feedback the results are requested to communicate the reasons for their opinions. The process is repeated until a better option be find.

* Decision making :-

It is a process of selection from a set of alternative courses of action which is thought

to be fulfill the objectives of the decision problem more satisfactory than others.

Types of decision making :- There are two types of decision making :-

1. Rational
2. Irrational

1. Rational decision making - It means taking decision on the basis of facts and figures and logical reasoning. A decision maker is said to rational when he identifies and analysis the problem systematically.

2. Irrational decision making - On the other hand decision making become irrational when the decision maker depends purely on intuition without using the relevant facts and figures.

Process of Rational decision making :-

1. Identify the problem
2. Analysis the problem
3. Collection of data
4. Developing alternatives

5. Review of key factor.
6. Selecting the best alternative.
7. Use idea into practice.
8. Follow up

* Organising :-

According to Allen, "organising is a process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing a pattern of relationship for purpose of enabling people to work most effectively together for accomplishment of objectives."

Elements of Organising :-

- 1.) Strategy - It is a contingent plan designed to achieve the objectives. It involves decisions as to what industry in the organization, the organization will enter how will it compete and where, Top managers generally formulate strategy after careful analysis of opportunities in the environment and the strength and weakness in

the organization.

2) People - It is taken for granted that managers and workers are to fit into the structure but human organization can't afford to have machine like designs for long. The organization structure is a major source of satisfaction for the employees therefore the organising structure design should reflect the thinking and way of working of the employees.

3) Technology - It is an important variable in the organising process. It refers to way in which work is done that is equipment and technical skills used and the type of work-flow in the transformation process.

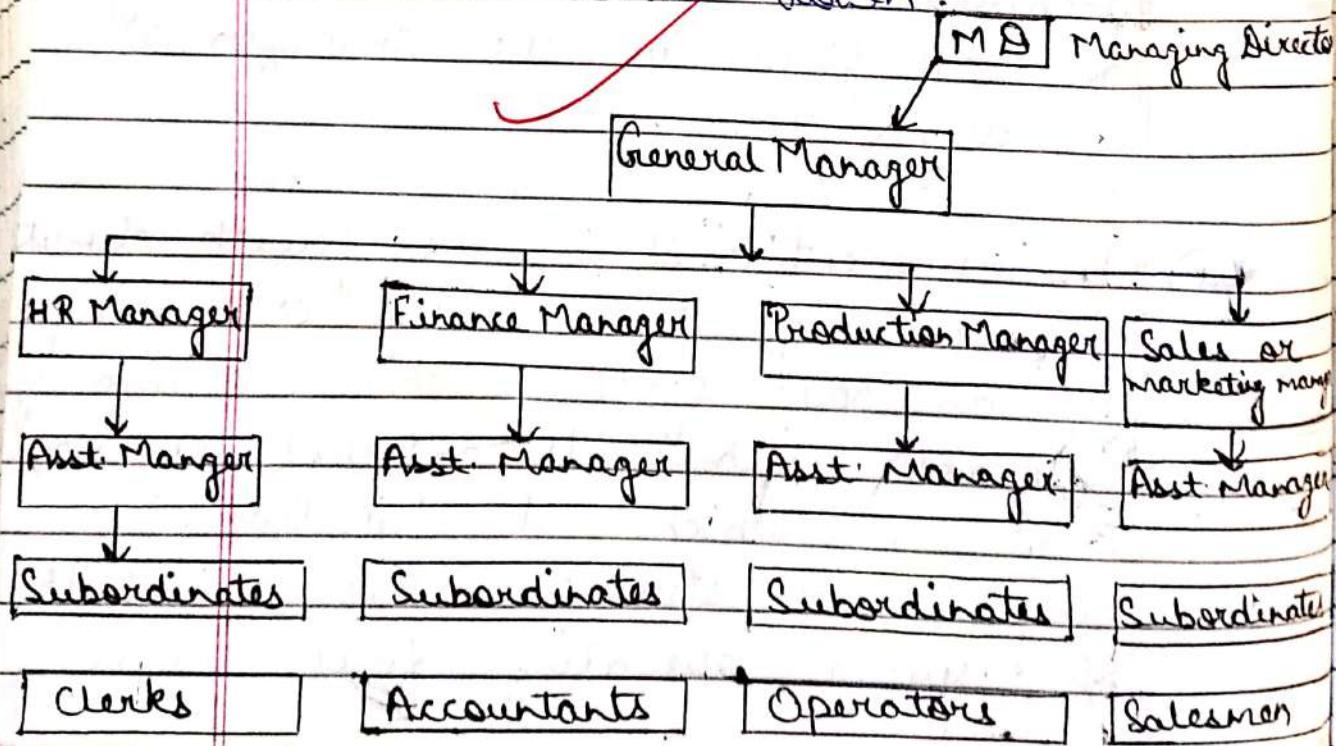
4) Environment - It is the fourth element of organising process. An organising is an open system which continuously interacts with its external environment in which it function.

Organization structure is a result of several operating force inside

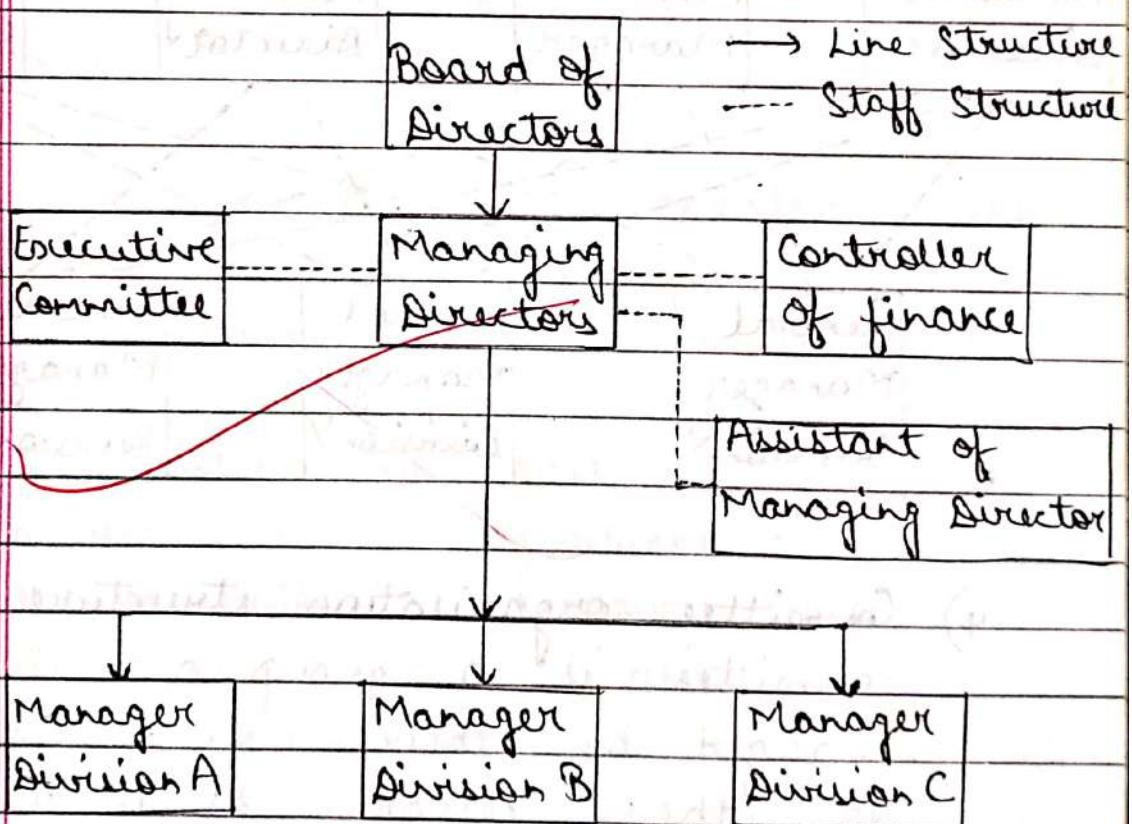
and outside the enterprises. These inside and outside forces are interrelated and independent. These forces are called environment.

Types of Organisation Structure :-

- 1) Line organisation structure — The line organisation structure represent direct vertical relationship by which authority flows. It is the simplest form of organisation structure and is also similar to scalar or military organisation structure. In this structure the authority is highest at the top and reduces at each successive level down.

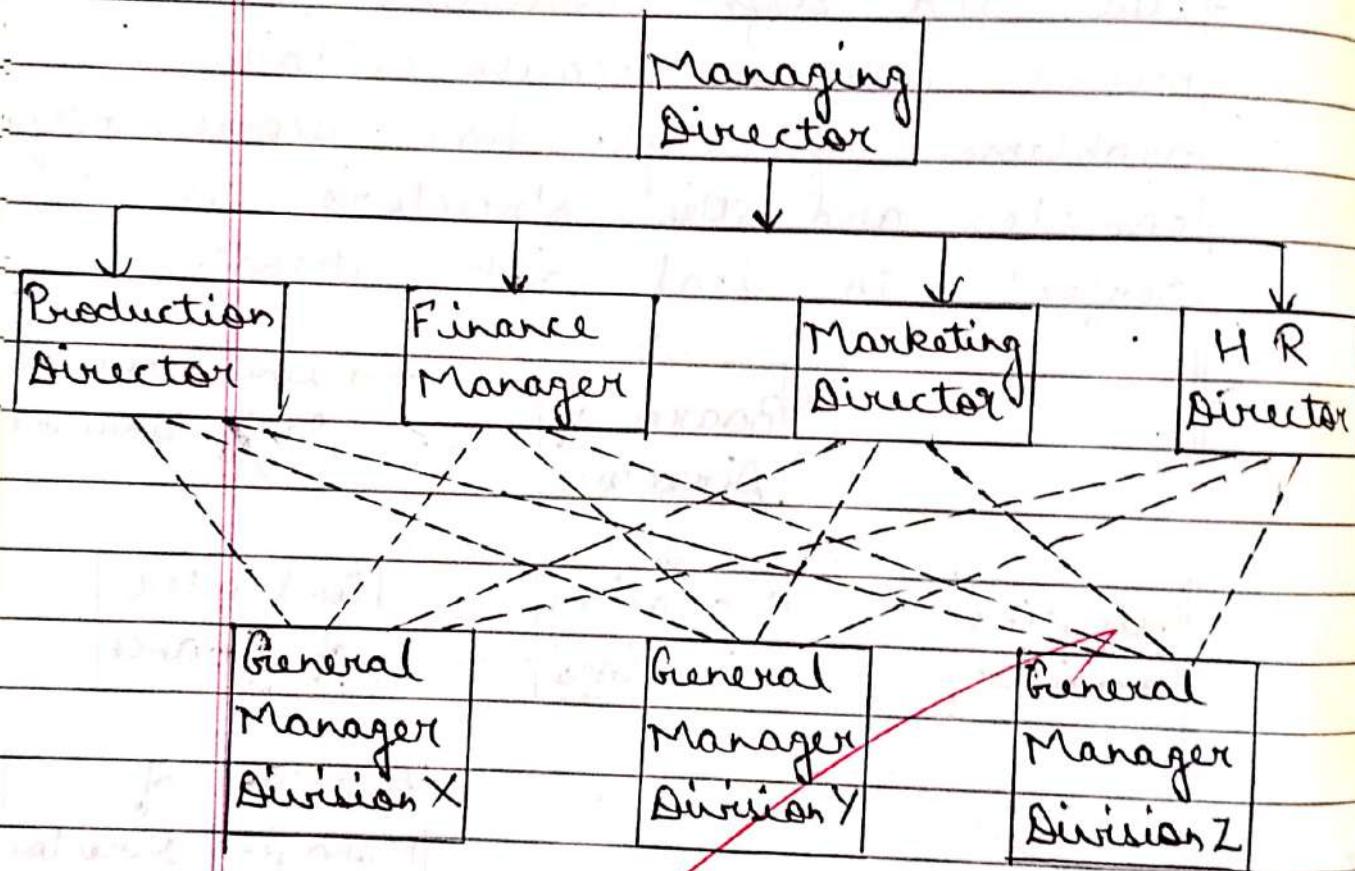


- 2.) Line and staff organisation structure—
 The line executive is often described as a individual who stand in the primary chain of command and is directly concern with the accomplishment of primary objectives.
 Line and staff structure has become popular because certain problems of mgt. has become very complex and this structure is perfect to deal with them.



- 3.) Functional organisation structure—
 Functional authority occupies a mid way position between line and staff authority. It means specialist in

top position throughout the enterprise. It confers upon a holder of a functional position, A limited power of command over the people of various departments concerning their function.



- 4.) Committee organisation structure - A committee is a group of units engaged by their willingness to do the necessary. It is a group of people to do the work of specific task. A committee usually represents a modification in the existing line, line and staff and functional organisation structure.

5.) Project organisation structure -

- 1: It facilitates concentrated attention on the complex project.
- 2: It can be to meet the requirement of a particular project.
- 3: Project mgt. requires specialist in various fields.
- 4: Project organisation structure is in flexible nature.
- 5: Project organisation structure facilitates the timely completion of a project without disturbing the normal activities of the organisation.

Delegation

- (1) It is a process or an act.
- (2) It denotes relationship between a superior & subordinates. It is essential for right process.
- (3) It is optional as top mgt may or may not disperse authority.
- (4) The delegator exercises control over the sub-ordinates.
- (5) It is technique of mgt.

Decentralisation

- (1) It is the end result of delegation.
- (2) It denotes relationship between the top mgt. various departments or divisions.
- (3) It is optional as top mgt may or may not disperse authority.
- (4) The control may be delegated to departmental heads.
- (5) It is a philosophy of mgt.

Staffing

The managerial function of staffing involves meaning the organisational structure through proper and effective selection, appraisal and development of personnel to fill the well designed into the structure.

The staffing function of mgt. pertains through recruitment, training, dev., appraisal and remuneration of personnel.

Importance of Staffing :-

- (1) Staffing helps in discovering and obtaining competent personnel for various jobs.
- (2) It makes for higher performance by placing right persons on the right job.
- (3) It improves job satisfaction and morale of employees through objective assessment and fair compensation for their contributions.
- (4) It facilitates optimum utilisation of human resources.
- (5) It ensures the continuity and

growth of the organisation through the development of managers.

Directing

Directing is the guidance, the inspiration, the leadership of those man and woman that constitutes the real core of the responsibilities of mgt.

Nature of Directing :-

- (1) Pervasive function - Directing is a managerial function performed by all the managers at all levels of the organisation.
- (2) Continuous function - Directing is an ongoing or never ending process till the organisation is survive in the environment.
- (3) Linking function - Directing serves as a connecting link between the various functions of the mgt that are planning, organising, staffing and controlling.

(4) Creative function - Directing converts plans into performance. It is the process around which performance revolves.

(5) Human factor - It is very dynamic and is conditioned by a complex of forces about which not much is known and over which mgt has little control.

(6) Chain of Command - Directing initiates at the top level in the organisation and follows to bottom through the hierarchy (structure).

Principles of Directing :-

1) Harmony of objectives - Individual gain the organisation to satisfy their sociological and psychological need.

2) Maximum individual contribution - Organisational objectives are achieved at the optimum levels when every individual in the organisation make maximum contribution towards them.

3) Unity of command - A sub-ordinate should get orders and instructions from one superior only.

4) Appropriate techniques - The manager should use correct direction techniques to ensure efficiency of direction.

5) Direct supervision - Direction become more effective when there is effective direct personal contact between his superior and his sub-ordinates.

6) Strategic use of informal organisation
Mgt should try to understand and make use of informal groups to strengthen formal or official relationship.

7) Comprehension - Communication of orders and instructions is not sufficient. Manager should ensure that sub-ordinate correctly understand what they are to do and how and when are to do. This will avoid unnecessary queries and explanations.

- 8) Managerial Comm.— A good system of comm. between superior and his sub-ordinates help to improve mutual understanding.
- 9) Effective Leadership — Manager should act as leader so that they can influence the activity of their sub-ordinate without dissatisfaction them.
- 10) Principle of follow through— Directing is a continuous process. Therefore after issuing order and instruction a manager should find out whether the sub-ordinate are working properly and what problems they are facing.

Communication :-

According to Hudson, "comm." in its simplest form is conveying of information from one person to another."

In other words of Allen, "comm. is the sum of all the things one person does when he want to create understanding in the mind of another. It is a bridge of meaning."

It involves a systematic and continuous process of feeling, listening and understanding.

* Types of Comm:-

~~Importance of Comm - Good oral
comm. is the foundation of sound
mgt. It is the element which set
the enterprise in motion and
provide life to the dead structure.~~

Comm. is essential not only in
business but all type of organisation.
In fact it is difficult to imagine
any kind of interpersonal activity
without comm.

Sound comes offers the following benefits -

- ## (i) Planning & decision making

- (2) Implementation of plans
- (3) Motivation and morale
- (4) Human relation
- (5) Training and development
- (6) Co-ordination
- (7) Public relation



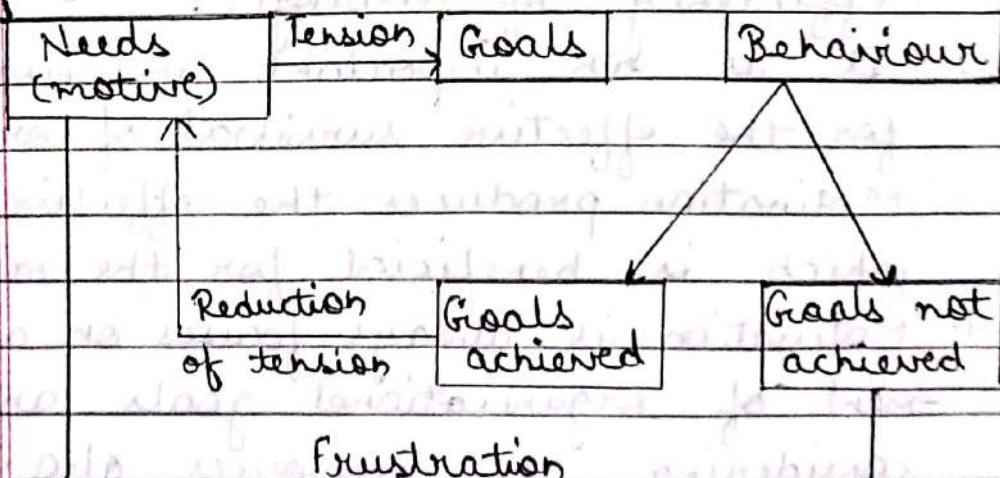
UNIT - 4

Motivation

Dubin has defined motivation as, "the complex of forces starting and keeping a person at work in an organisation. Motivation is something that moves the person to action and continues him in the courses of action already initiated."

According to Dutton E. Mc Farland, "Motivation refers to the way in which urges, drives, desires, aspirations or behaviour of human beings".

~~Motivation is the process in which people are steering towards the accomplishment of organisational goals.~~



A simple model of motivation

Importance of motivation -

Likert has called motivation as the core of mgt. Motivation is an important function which every manager performs for motivating the people to work for the accomplishment of objectives of the organisation. A manager has to make appropriate use of various techniques of motivation to enthuse the employees to follow them.

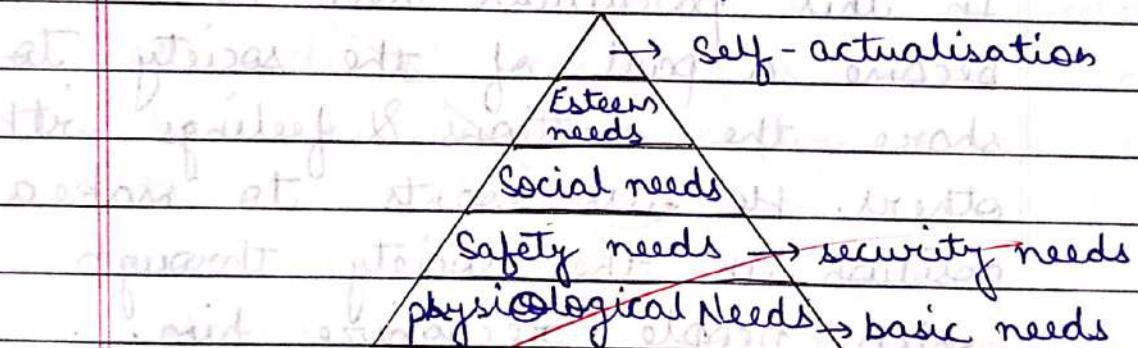
Motivation is an effective instrument in the hands of a manager inspiring the work force, mgt. creates will to work which is necessary for the achievement of organisational goals.

1. It is helpful for increasing the efficiency of employee.
2. It is an important instrument for the effective survival of orgn.
3. Motivation produces the effective results which is beneficial for the orgn.
4. Motivation is always focuses on accomplishment of organisational goals and considering the employees also.
5. Motivation is always related with

the operating efficiency of the organisation.

Theories of Motivation -

1. Need hierarchy theory or Maslow's theory of motivation - Abraham H. Maslow developed a theory or a framework for understanding human motivation. He defined a person's effectiveness as a function of matching man's opportunity with the appropriate position of hierarchy of needs.



Maslow's Need Hierarchy

- (i) Physiological Needs - The needs that are taken as the starting point for motivation theory are so called the physiological needs. These needs relate to the survival and maintenance of human life. These needs include such things food, water, shelter and other

necessaries of life.

ii) Safety Needs - After the first stage people wants the assurance of maintaining a given economic level. They want job security, security source of income, provision for old age, insurance against risk etc.

(iii) Social Needs - Man is a social being. He is therefore interested with conversation with society and want to exchange his ideas, feelings. In this particular need he want to become a part of the society to share the emotions & feelings with others. He also wants to make a position in the society through which people recognize him.

(iv) Esteem Needs - It may be classified into two parts -

(a) Self esteem

(b) Esteem by others

The self esteem needs means knowledge, skills and confidence.

Esteem by others means the people are praise for his achievement and knowledge.

(v) Self-actualisation Needs - This need is the extreme point or last stage in the theory. This need is particularly focused on the self reliance and self fulfillment. After the fulfillment of all needs person desired for personal achievement.

2. Herzberg's two factor theory of motivation - Herzberg's and his associates based on the interview of 200 low engineers and accountants who work for 11 different firms in Pittsburgh area. These persons were asked to relate elements of their job which made them happy or unhappy. Analyzing of their answers revealed that feelings of unhappiness or dissatisfaction work related to the environment in which people works.

According to Herzberg, maintenance or hygiene factors are necessary to maintain a reasonable level of satisfaction among employees. These factors do not provide satisfaction to the employees but their absence will dissatisfy them. The theory is focused on the two factors.

(i) Maintenance factors or hygiene factors:

(ii) Motivating factors

Maintainace factor	Motivating factor
(1) Company policy and administration	Achievement
(2) Technical supervision	Recognition
(3) Interpersonal relationship with subordinates	Advancement
(4) Interpersonal relationship with subordinates	Opportunity for growth
(5) Interpersonal relationship with supervisor	Responsibility
(6) Salary	Work itself
(7) Job security	
(8) Personal life	
(9) Working condition	
(10) Status	

★ Leadership :-

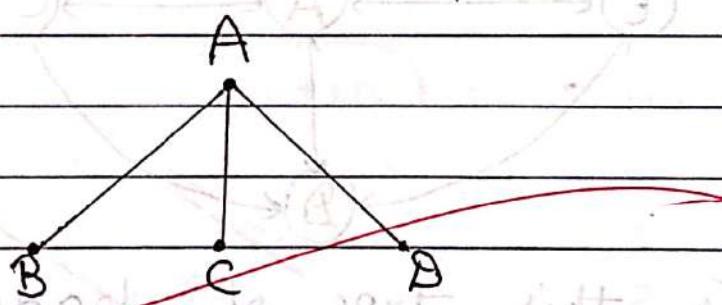
According to Haimann, "Leadership is the process by which an executive imaginatively directs, guides and influences the work of others in choosing and attaining specified goals by mediating between the individuals and the organisation in such a manner that both will obtain maximum satisfaction."

Chester Barnard viewed leadership as the quality of behaviour of individuals whereby they guide people or their activities in organising efforts.

In the words of Louis A. Allen, "A leader is one who guides and directs other people. He gives the efforts of his followers a direction and purpose by influencing their behaviour."

Styles of leadership :-

(i) Autocratic leadership -

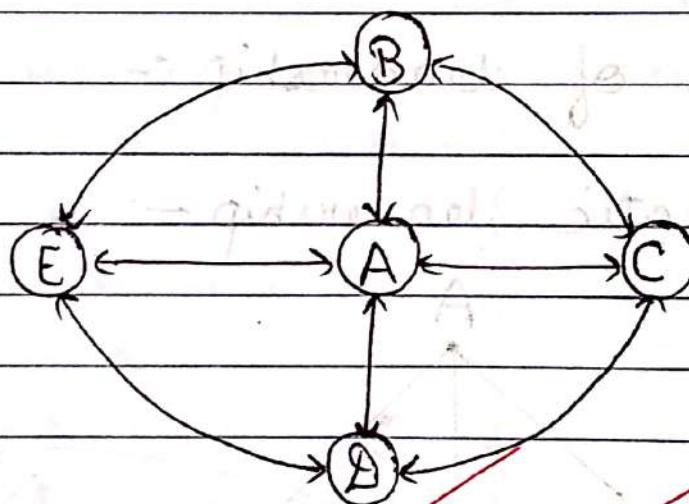


In this type of leadership, there is one leader which taking all the decisions related to the organisational goals. The leader gives all the direction without consulting the subordinates. The decisions which are taken by the leader is followed by his followers.

(i) Autocratic leadership style permits quick decision making.

- (ii) It provides strong motivation and satisfaction to the leader who dictates terms.
- (iii) Less competent sub-ordinates are needed at lower levels.
- (iv) The style may yield positive results when great speed is required decision.

2.) Democratic or participative leadership



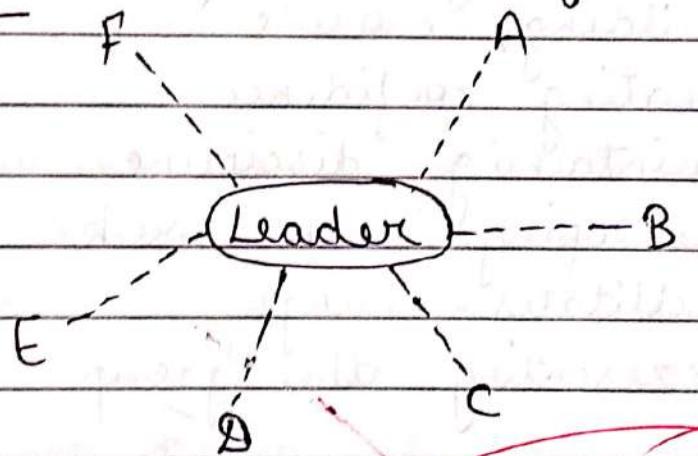
In this type of leadership style, the leader takes the decisions with the consultation of his sub-ordinates.

In this style the sub-ordinates share their suggestions to the leader to take appropriate step for accomplishment of organisational goals.

- (i) Consultative or democratic leadership improves the job satisfaction and morale of sub-ordinates.

- (ii) It cultivates the decision making ability of sub-ordinates.
- (iii) The leader multiplies his abilities through the contribution of his followers.
- (iv) It develops positive attitudes and reduces resistance to change.
- (v) The quality of decisions is improved.
- (vi) Labour absences & labour turnover are reduced.

3.) Free rein or Laissez-faire leadership style - F.



In this type of leadership style the sub-ordinates are free to take their decisions. The sub-ordinates meets the leader for consulting the things to take any type of decision which is beneficial for the organisation.

- (i) Positive effect on job satisfaction and morale of sub-ordinates.
- (ii) Maximum possible scope for development of sub-ordinates.

- (iii) Full utilization of the potential of sub-ordinates.

The style may be appropriate when the sub-ordinates are well-trained, highly knowledgeable, self-motivated and ready to assume responsibility.

Functions of Leaders -

- (i) Setting goals
- (ii) Motivating employees
- (iii) Building morale
- (iv) Creating confidence
- (v) Maintaining discipline
- (vi) Developing team work
- (vii) Facilitate change
- (viii) Representing the group

Controlling

According to Koontz and Weirich, "The managerial function of controlling is the measurement and correction of the performance in order to make sure that enterprise objectives and the plans devised to attain them are accomplished."

Nature of Controlling -

1. Controlling process is universal - The process of controlling is acceptable in all the fields. That's why the controlling is of universal nature.
2. Controlling is continuous process - It is a process which is never end till the organisation is survive in the environment. The controlling is always going on for the proper or adequate use of resources.
3. Controlling is backward looking - It is the last function in orgt and motivates behind controlling is to see and evaluated all function which are performed previously in the organization.
4. Controlling is an influence process - The process of controlling influence the performance of individuals in an organisation. The influence of controlling is that all the goals whether for short term or long term purposes are influence.
5. Controlling is goal oriented - The

function of controlling is always goal oriented. It means that the controlling helps to achieve the specific task or objective with remembering the goal orientation.

Importance of Controlling :-

- (1) It provides the guidelines how to operate in organisation.
- (2) It is related with the verification of policies and procedures.
- (3) The controlling helps or play an important role for the employee morale.
- (4) The controlling helps to reduces the psychological pressure.
- (5) It play an ~~important~~ role for the coordination purposes.
- (6) It also helpful to find out the holes in the previous function of mgt.
- (7) It is also helpful for taking the managerial decisions for the orgn.
- (8) It is also helpful for measuring the actual performance with standard performance.
- (9) It provides a basis for the proper

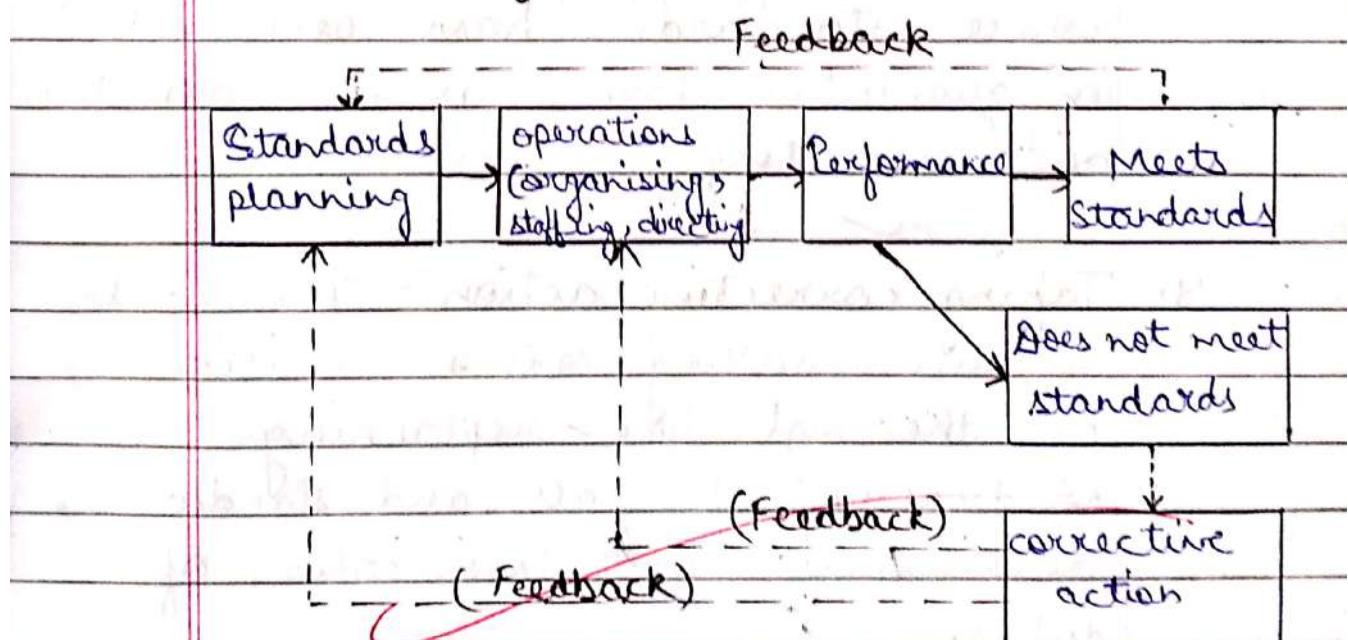
running of the organisation.

- (10) Controlling always beneficial for making the effective policies which are helpful for the growth of the organisation.

Needs of Control :-

The need for control arises due to several factors.

Process of Control



1. Establishment of standards — The first step in control process is the setting up of standards of measurement. Standards represent criteria for performance. A standard act as a reference like basis of appraisal of

actual performance.

Establishment of standards in terms of quantity, quality and time is necessary for effective control.

2. Measurement of performance - The second step is to measure actual performance of various individuals, groups or units.

3. Comparing performance with standards - Comparison of performance is easy where standards have been set in quantitative terms as in production and marketing.

4. Taking corrective action - This will involve taking certain decisions by the mgt like replanning or redrawing of goals and standards, reassignment or classification of duties.

* Techniques of Control :-

Traditional techniques

- (a) Personal observation
- (b) Good orgⁿ structure
- (c) Unity of objectives, policies and

procedures and methods.

- (d) Statistical reports and analysis.
- (e) Break-even analysis
- (f) Budgetary control

Modern techniques

- (a) Mgt. Audit (Check)
- (b) Return on investment
- (c) Responsibility accounting
- (d) Pert and CPM
- (e) Mgt information system.

Co-ordination is

Co-ordination deals with the task which requires the efforts of a team or group in order to ensure successful attainment of an objective.

~~It is accomplished by means of planning, organising, actuating and controlling.~~

In the words of Mooney and Bailey,
"Co-ordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of a common purpose."

Importance of co-ordination -

- 1) Co-ordination is the basic requirement for effective running of orgn.
- 2) Co-ordination is an important for achieving the specific or common objective.
- 3) Co-ordination create a sense of responsibility among the different members of the orgn.
- 4) Co-ordination is required in each department or section of the orgn.
- 5) Co-ordination helps to reduce the misunderstanding among the members of the orgn.
- 6) Co-ordination is the basic element for sharing the information between the various departments of the orgn.
- 7) Co-ordination is always important for achieving the goals whether related to specific unit or orgn or the whole orgn.



UNIT-5th.

Management

of

Change.



Concept of change -

The term change refers to any alternative which occurs in the overall work environment of an orgⁿ. It implies alteration of structural relationship and role of people in an orgⁿ.

Nature of Change -

1. Change results from the pressure of both internal & external forces in the orgⁿ. It distributes the existing status quo in the orgⁿ.
2. Changes may affect people, structure, technology and other element of the orgⁿ.
3. The change in any part of the orgⁿ effect the whole of the orgⁿ.
4. Changes may be reactive or proactive when change is brought a lot due to the pressure of external forces; it is called re-active change. Pro-active change is initiated by the mgmt its own.

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to increase orgⁿal effectiveness.

Definition — "Mgmt of change is a conscious attempt to modify or change in which operation or functions with a view to respond to change to ensure survival of org".
OR

Mgmt of change is the plan attempt by mgt to improve the overall performance of individuals, group and orgⁿ by altering structure behaviour and technology.

Mgmt of change — Mgt of orgⁿal change is a complex process change in orgⁿ does not occur on continuous basis. It requires proper planning and efforts on process of managing change are —

- 1- Identifying need for change.
- 2- Define the element to be change.
- 3- Planning the change.
- 4- Assessing change forces.
- 5- Implementing the change.
- 6- Follow up and feed back.

Forces of change -

External forces -

- (a) Technology — The technology changes are responsible for changing the nature of jobs performed at all levels in the orgn.
- (b) Market Condition — These are no more static. They are in the process of rapid change as the needs, desires and expectations of the customer change frequently.
- (c) Social changes — Because of spread of education, knowledge, explosion and govt's efforts social changes are taking place at a fast speed.
- (d) Political forces — Political forces within and outside the country have an important influence on large business houses, particularly the multinational corporation.

Internal forces -

- (a) Changes in managerial personnel -
Old manager are replaced by new managers which is necessary because of retirement, promotion, transfer etc.
- (b) Changes in operative personnel - The new generation of workers have better education qualifications, place greater emphasis on human values and question authority of managers.
- (c) Need for changes in existing structure
- Changes may be needed to make up differences in the present org'nal setup.

Need for change -

The mgt should carefully analyse the external and internal forces demanding change in the org'n.

The information regarding change comes from the external env. & internal control system. After this, it is essential to lay down the objectives of change. This will help in determining statements of objectives of change will also facilitate in planning strategies of change.

New Trends in org'nal change -

- 1- Effective comm - Two way comm. will go a long way towards removing fears and apprehensions of the workers and drinking understanding between the mgmt & the workers.
- 2- Consultation with union leaders - Mgt. is regarded as the instigators of changes and unions are regarded as the fare stallers of change. The leaders can convey the workers about the logic of change and benefits the worker would desire out of it.
- 3- Education and training - In order to successful implement the change, sub-ordinates must introduced in new relationships taught new skills and helped to change attitudes. The educational process can be aided by training classes, meeting & conferences.
- 4- Facilitation and support - Facilitative

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support means removing physical barriers in implementing change by providing appropriate training, tools, materials etc. Emotional support is provided by showing personal concern for the subordinates during periods of stress and strain.

5- Negotiation - It is related with offering the incentives for removing the resistance.

6- Manipulation - It involve conscious structuring of events and the very selective use of information. It implies giving people a desirable role in the design and implementation of change.

7- ~~Group dynamics~~ - A group can be effective and in changing the attitudes and behaviour of its members particularly when it is attractive to the members and they have a strong sense of belonging to the group.

7.

Models of change Or

Process of planned change

1- Unfreezing - Unfreezing calls for loosening of emotional link with the old work methods and practices. It leads to unlearning of old thinking to learn new ones.

It involves the following steps:-

a) Recognizing the driving forces - In order to recognize the pressure to change manager's need to develop sensitivity towards the external and internal environment

b) Increasing the driving forces - Once the need for change is identified it needs to be communicated to the people concerned.

c) Managing the resisting forces - People resist change because they perceive it to be harmful to them. It is therefore essential that they are made aware of its benefits.

2. Changing or moving - The moving phase consist of the following elements -

- a) Force occurs when individuals are forced to change their by rewards or by punishment.
- b) Internationalisation takes place when individual are forced to encounter a situation that call for new behaviour.
- c) Identification occurs when individuals recognise one among various models in the environment that is most suitable to their personality.

3. Refreezing - During this phase, change is made a permanent part of org's life, members of the org internalise the new beliefs, attitudes & behaviour learn during the changing phase. The manager as the change agent has to see that the new behaviour is effectively work with other behavioural patterns. Without internationalisation individuals may

revert back to the old systems after sometime.

- * Stress Management — Stress mgt is the alteration of stress and especially chronic stress often for the purpose of improving everyday functioning.

functioning stress produces numerous symptoms which vary according to persons, situations. These can include physical health decline as well as depression.

Although life provide numerous demands that can prove difficult to handle stress ~~mgt~~ is the best way to manage & maintain overall well-being.

In order to develop an effective mgt. programme it is first necessary to identify the factors that are central to a person controlling his/her stress and to identify the intervention methods which effectively target these factors.

Techniques of stress management-
High demand levels load the person with extra effort and work. A new time schedule is worked up, and until the period of abnormally high personal demand has passed, the normal frequency and duration of former, schedules is limited.

- (i) Cognitive Therapy
- (ii) Exercise
- (iii) Meditation
- (iv) Deep breathing
- (v) Yoga Nidra
- (vi) Prayer
- (vii) Spending time in nature
- (viii) Natural medicine
- (ix) Listening to certain types of relaxing music / may be the
 - new age music
 - classical music
 - sleep music
- (x) Spending quality time with pets.

UNIT - 6



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Strategic Management -

Strategic mgt involve a series of decision and actions which lead to the formulation, complementation and control of effective strategies so as to achieve the objectives of the organisation.

Strategic mgt is the formulation and implementation of plans and the carrying out of objectives relating to the matters which are of vital, continuing importance to the total orgⁿ. Strategic mgt as a systematic approach to a measurement increasing by important responsibility of general mgt, to position and relate the firm to its environment in a way which will assure its continued success and make it secure from surprises.

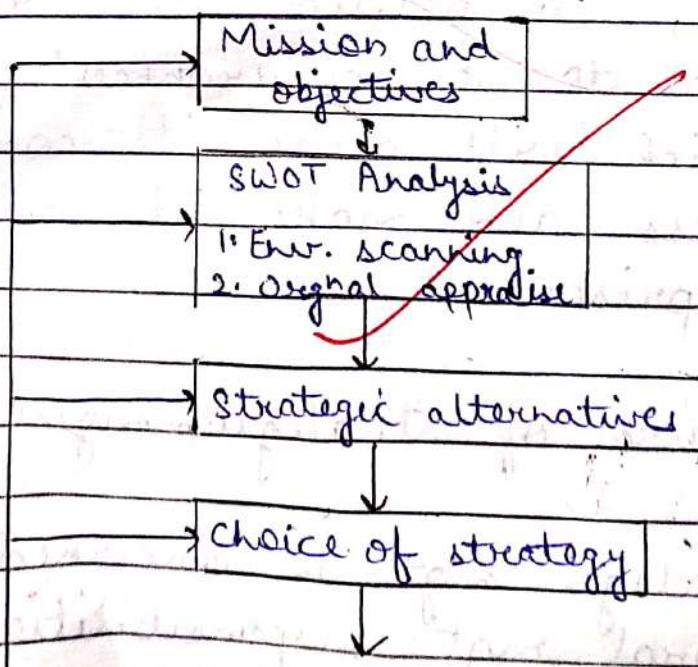
Features of strategic mgt -

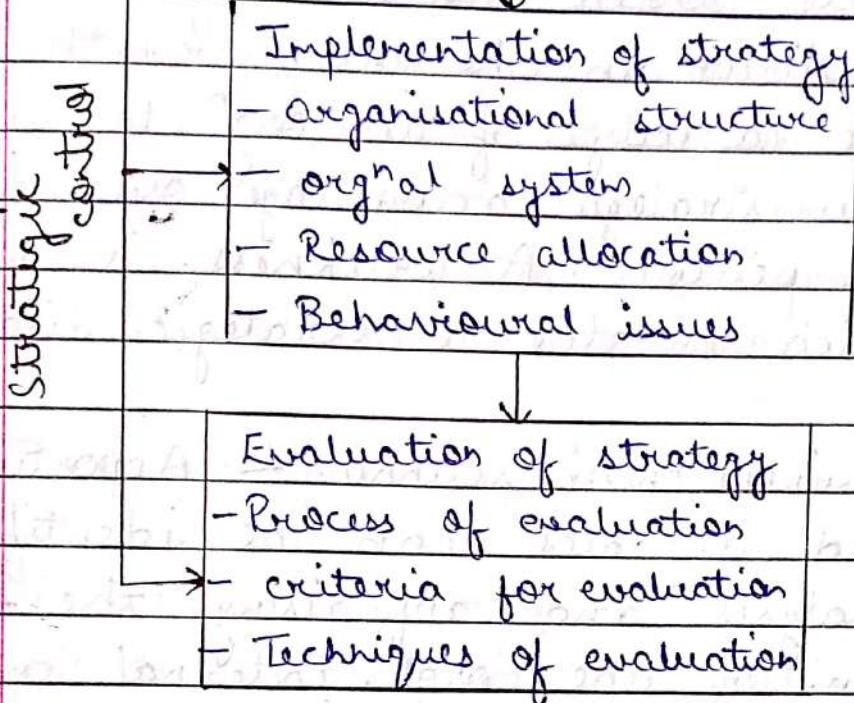
- i) Strategic mgt is concerned with general mgt responsibilities. Therefore board of directors, C.E.O and their functionaries play a major role in

strategic mgt.

- (ii) It relates the orgⁿ to the env. in such a way that the orgⁿal objectives may be achieved.
- (iii) It deals with the total orgⁿ as to ensure the survival and growth of the orgⁿ.
- (iv) It consist of a system approach to orgⁿal problems and decisions.
- (v) It aims at civilizing and enhancing the competitive strength of the orgⁿ.

Process of strategic Mgmt :-





Strategy formulation -

The first step strategy formulation is defining the basic mission and objectives of the org". Mission is a statement which defines the basic purpose and role of an org" in the society. An org" s mission statements includes what it wants to become and why it exist.

- (i) SWOT Analysis - It is a systematic approach to understand the env. SWOT stands for strength, weakness, opportunities and threats. An opportunities is a favourable condition in the env.

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while threat is an unfavourable condition in the env. strength means the capacity of an orgⁿ to use its gain strategic advantage over its competitors. A weakness is a limitation which creates a strategic disadvantage.

Environmental scanning - Opportunities and threats can be identified by analysis and appraising the external env. of the orgⁿ. External environment comprises economic, legal, market and competitive factors.

Orgⁿ Appraisal - The internal env. of the orgⁿ is analysed in terms of its resources and behaviour. Analysis of the technological, marketing, financial and human resources of a company reveal its strength and weakness.

2. Strategic Alternatives - The next step strategic formation is the generation possible alternatives strategies of identifying strategic options.

3. Strategic choice - The choice of strategy from alternative strategies is the most critical step in strategy formula

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for this purpose. Strategic alternatives are compared and evaluated and the impact of each alternatives on the orgⁿ is analysed. Choice may be made on the basis of analysis, judgement and bargaining.

4. Implementation of strategy -

The chosen strategy must be implemented effectively in order to achieve the strategic objectives. A good strategy without effective implementation is of no use. The implementation of strategies is concerned with designs of systems and structures so as to achieve the best integration of people, processes, structure and resources in achieving orgⁿal objectives. It consist of designing the orgⁿ structure, developing appropriate systems and procedures and allocating the sources and managing human behaviour so as to ensure the effective use of capabilities for accomplishing the desired objectives.

Orgⁿ structure - An appropriate orgⁿ design is essential for successful

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implementation of the strategy. The total responsibility for strategy implementation has to be subdivided and distributed to different units in the org'n. The main steps involved in the developing org'n structure are as under-

- (a) Defining the major task required to implement the strategy.
- (b) Grouping task into department / divisions on the bases of common skills required.
- (c) Delegating authority for performing the task.
- (d) Co-ordinating different units or divide responsibilities.

Org'nal system - The overall strategy can be implemented only when a number of policy decisions are taken. Functional strategies like production, marketing, financial and personnel policies are formulated to interpret the strategy in additional procedures programs and rules are designed to put the strategy into action.

Resource allocation - After developing appropriate structures and systems, the required resources are obtained and allocated to execute the strategy. Resources refer to funds, personnel, physical facilities and equipments, materials, supplies and services etc.

Behaviour issues - An appropriate org' climate and culture are essential for effective execution of strategy personnel values members, business ethics, corporate power politics, leadership etc.

Control of strategy - Review and evaluation of strategy in the final phase is the process of strategic mgmt. The purpose of strategic control is to evaluate the effectiveness of strategy in achieving original objectives.

Strategic control can be of four types -

- (i) Premise control - Every strategy is based on certain assumptions about the internal & external environment

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Premise control helps to keep track of changes in key assumptions and their impact on the strategy.

- (ii) Implementation Control — This control is aimed at evaluating whether the policies and programs designed to implement the strategy and guiding the orgⁿ towards its predetermined objectives.
- (iii) Strategic Surveillance — It is designed to monitor a broad range of events both inside and outside the company which are likely to threaten the course of its strategy.
- (iv) Special alert control — This is a controlling strategy in orgⁿ we are controlling the unexpected events.

* Essentials of a good strategy :-

1. Internal Consistency — A business strategy must be consistent with the goals & policies of the orgⁿ. There should be perfect co-ordination between objectives and strategies. Strategies in different areas of

business should be integrated into a strategic frame work.

2. Consistency with Environment - A strategy is basically a response to cope with changes in the external env. Therefore it should be designed to fit the opportunities and threats of the external env. It should be based on forecasts of future trends.
3. Appropriate time horizon - Time is a critical factor of a strategy. The time span of the strategy should be adequate enough for the commitment of resource while deciding the right time span, objectives & env. of the enterprise should be considered.
4. Realistic - A strategy should reflect the strength & weakness of the enterprise. It should be appropriate in the light of available resources.
5. Acceptable to degree of risk - Every strategy contains an element of risk & uncertainty. But the degree

of risk inherent in a strategy should be such as the enterprise and bear its. Resources shouldn't be committed nor they should be concentrated on a ~~sing~~ single activity. A proper match should be created between risk and return.

6. Feasibility — A strategy should be workable and capable of producing results within the parameters known to management.
7. Social - Sanction — Strategy must fulfill crucial and social responsibility.

Types of Strategy —

- 1.) Stability Strategy — A strategy oriented towards stability is generally followed by an enterprise when it is satisfied with its present position. It is likely to be successful in a stable and simple external environment. Orgⁿ may choose stability strategy because it is the easiest, most comfortable and least risky course of action.

2. Growth strategy - Many enterprises prefer the strategy of expansion and growth. Growth strategy is generally used in dynamic industries with rapidly changing technologies. Growth may be achieved in several ways such as product development, market development, diversification, vertical integration and merger.
3. Retreat strategy - An enterprise may be retreat from its present position in order to survive or improve its performance. Such a strategy must be adopted during recession and other crisis situation.
4. Combination strategy - A large firm active in a no. of industries may adopt combination strategy. It represents a mix of any of strategies given above.
5. Master or grand strategy - It determines the picture of enterprise. It is the overall strategy of an org". The purpose of grand strategy is to determine and comm" to the probable shape which the org"

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is likely to take in future.
Strategy may be defined as to find
the general forces operating in
an industry and the economy.

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