

# MANAGEMENT CONCEPTS AND PRACTICES

**Dr Hemant Kumar**  
**Assistant Professor**  
**Management**

# MANAGEMENT



# DEFINITIONS OF MANAGEMENT

- Management is an art of getting things done through and with the help of people in formally organized groups.
- Management is the process or form of work that involves the guidance or direction of a group of people towards organizational objectives.
- Management is planning, organizing, controlling, directing and co-ordinating supported by leadership communication, motivation, and morale.
- Management is the distinct process consisting of planning, organizing, actuating and controlling to determine and accomplish the objectives by the use of people and resources.
- Management has been defined as the creation and maintenance of internal environment in an enterprise, where individuals working together in groups can perform efficiently and effectively towards the attainment of group goals.

# Indian Management Thought

- Modern Indian thought on Management has its roots in the ancient Indian philosophy of Vedanta-Indian philosophy deals with life and existence of self and realization of self and attainment of fearless bliss or pure consciousness is its ultimate objectives.
- **Kautilya** or whom we call 'Chankya' was the mentor and advisor of Chandragupta Maurya who wrote 'Arthashastra' in 321 B.C. It is based on political, social and economic management of the state.
- **Sukrayacharya's 'Shukraniti'** emphasized that the King as a head of the state had to be virtuous and self-disciplined for he was chiefly the creator of social progress and prosperity.
- **Samartha Ramdas** contributed much to the conception of Administration and Management and advice to Shivaji.
- **Swami Vivekanand** mentioned that everybody has a divine power to face challenges

# NATURE OF MANAGEMENT

- Management is purposeful and goal oriented.
- Management is a process (to make the best use of all M ).
- Management is universal----applied everywhere.
- Management is continuous process.
- It aims at achieving pre-determined objectives.
- It is action oriented.
- Management is dynamic discipline-----changes as per time.
- It is a social process.
- Management is what management does.
- It is required at all level of organization.
- Management is the combination of Art, Science and Profession.
- It is influenced by internal and external environmental factors.

# MANAGEMENT IS AN ART

**Management is an art because-----**

- It involves the use of know-how and skill.
- It is creative.
- It is directed towards the accomplishment of concrete results.
- It is personalized

# MANAGEMENT IS THE SCIENCE

**Management is the science because-----**

- It consists of a body of organized knowledge.
- It probes from known to unknown premises.
- It depends on observations and experiments.
- It uses scientific methods.
- It establishes cause and effect relationship.
- It has predictive power.

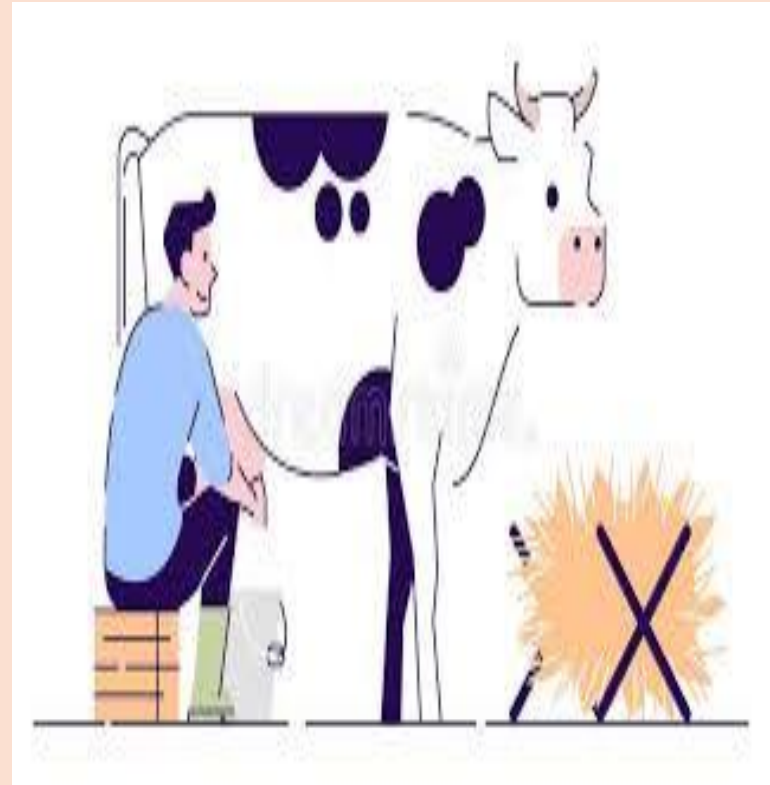
# MANAGEMENT IS THE PROFESION

**Management is the profession because-----**

- It requires a definite period of learning.
- It involves proficiency, efficiency and timeliness.
- It has enforceable code of conduct.
- It is based on expertise and experience of manager in the requisite field.
- Knowledge based decision-making instead of intuition and individual based decision-making.
- The management practices are based on worldwide experiences and information.



# Cow Milking ???



# 14 Principles of Management by Henri Fayol

1. Division of Work
2. Authority and Responsibility
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of Individual Interest
7. Remuneration
8. The Degree of Centralization
9. Scalar Chain
10. Order
11. Equity
12. Stability of Tenure of Personnel
13. Initiative
14. Esprit de Corps/ Team spirit

# Historical Background of Management

- Ancient Management
  - Egypt (pyramids) and China (Great Wall)
  - Venetians (floating warship assembly lines)
- Adam Smith
  - Published “*The Wealth of Nations*” in 1776
    - Advocated the division of labor (job specialization) to increase the productivity of workers
- Industrial Revolution
  - Substituted machine power for human labor
  - Created large organizations in need of management

# HISTORY OF MANAGEMENT THOUGHT

- **Historical Background of Management**

why studying management history is important.

some early evidences of management practice.

- **Scientific Management**

the important contributions made by Fredrick W. Taylor and Frank and Lillian Gilbreth.

how today's managers use scientific management.

# HISTORY OF MANAGEMENT THOUGHT

- **The Contingency Approach**

- how the contingency approach differs from the early theories of management.
- how the contingency approach helps us understand management.

- **Current Issues and Trends**

- why we need to look at the current trends and issues facing managers.
- the current trends and issues facing managers.

# HISTORY OF MANAGEMENT THOUGHT.

- **General Administrative Theory**

- Fayol's contributions to management theory.
- Max Weber's contribution to management theory.
- how today's managers use general administrative theory.

- **Quantitative Approach**

- what the quantitative approach has contributed to the field of management.
- how today's managers use the quantitative approach.

## HISTORY OF MANAGEMENT THOUGHT

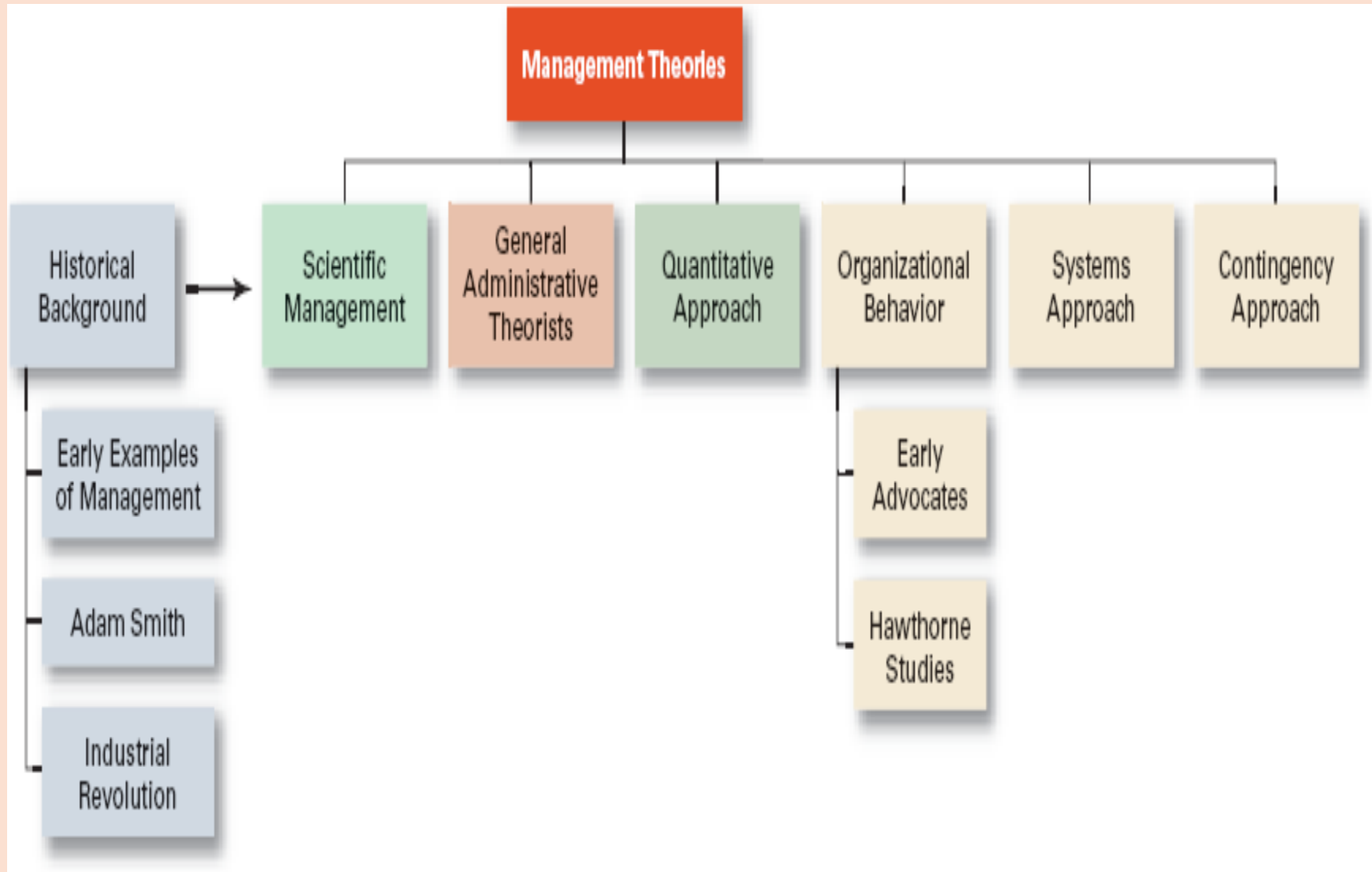
- **Toward Understanding Organizational Behavior**

- Describe the contributions of the early advocates of OB.
- Explain the contributions of the Hawthorne Studies to the field of management.
- Discuss how today's managers use the behavioral approach.

- **The Systems Approach**

- Describe an organization using the systems approach.
- Discuss how the systems approach helps us management.

## Development of Major Management Theories





# Major Approaches to Management

- Scientific Management
- General Administrative Theory
- Quantitative Management
- Organizational Behavior
- Systems Approach
- Contingency Approach



# HISTORY OF MANAGEMENT THOUGHT

➤ Frederick Taylor (1856–1915) is called the Father of Scientific Management.



- Fredrick Winslow Taylor
  - The “father” of scientific management
  - Published *Principles of Scientific Management* (1911)
    - The theory of scientific management
      - Using scientific methods to define the “one best way” for a job to be done:
        - Putting the right person on the job with the correct tools and equipment.
        - Having a standardized method of doing the job.
        - Providing an economic incentive to the worker.

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## Taylor's Four Principles of Management

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- 1. Develop a science for each element of an individual's work, which will replace the old rule-of-thumb method.**
- 2. Scientifically select and then train, teach, and develop the worker.**
- 3. Heartily cooperate with the workers so as to ensure that all work is done in accordance with the principles of the science that has been developed.**
- 4. Divide work and responsibility almost equally between management and workers. Management takes over all work for which it is better fitted than the workers.**

# Scientific Management (cont'd)

- Frank and Lillian Gilbreth
  - Focused on increasing worker productivity through the reduction of wasted motion
  - Developed the microchronometer to time worker motions and optimize work performance
- How Do Today's Managers Use Scientific Management?
  - Use time and motion studies to increase productivity
  - Hire the best qualified employees
  - Design incentive systems based on output

# Features of Scientific management

1. Time study- with the implements and methods for properly making it.
2. Functional or divided foremanship- and its superiority to the old-fashioned single foreman.
3. The standardization of all tools and implements used in the trades, and also of the acts or movements of workmen for each class of work.
4. The desirability of a planning room or department.
5. The "exception principle" in management.
6. The use of slide-rules and similar timesaving implements.
7. Instruction cards for the workman.
8. The task idea in management, accompanied by a large bonus for the successful performance of the task.
9. The "differential rate."
10. Mnemonic (memory aid) systems for classifying manufactured products as well as implements used in manufacturing.
11. A routing system.
12. Modern cost system, etc., etc.

- Essentials of a good plan

- Planning must be continuous.
- Planning must be creative.
- Planning process must be communicated to the lowest possible level.
- Planning must be time bound.
- Planning should exist at all levels in the organization.
- Planning must motivate people towards its implementation, so it must have an inbuilt rewards system for effective execution.
- Planning should not be rigid.
- Planning must coordinate the efforts of all departments.
- Planning must be an inbuilt controlling process.
- People are the essence of planning.

# General Administrative Theory

- Henri Fayol
  - Believed that the practice of management was distinct from other organizational functions
  - Developed fourteen principles of management that applied to all organizational situations
- Max Weber
  - Developed a theory of authority based on an ideal type of organization (bureaucracy)
    - Emphasized rationality, predictability, impersonality, technical competence, and authoritarianism

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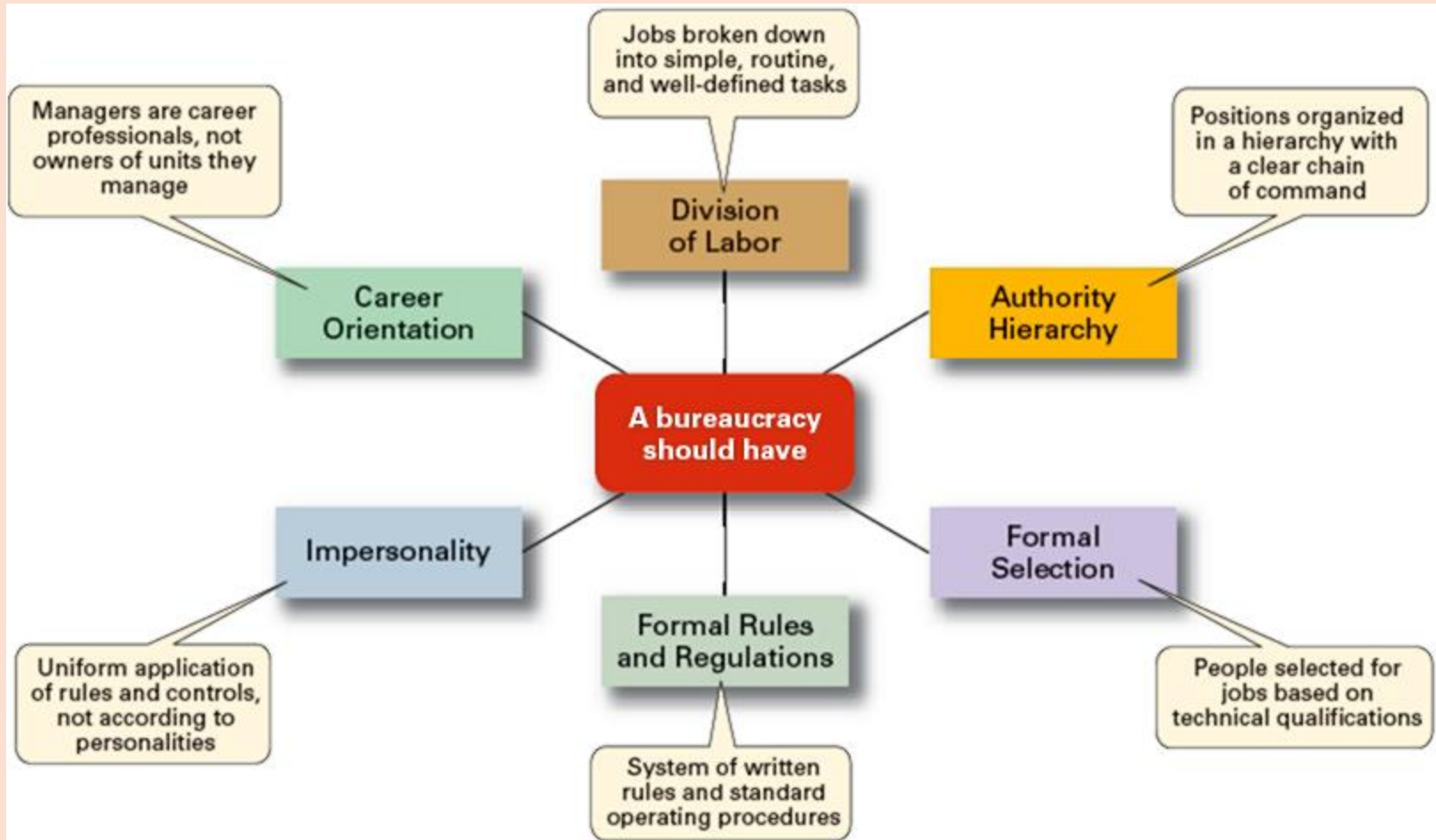
## Fayol's 14 Principles of Management

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1. Division of work.
2. Authority.
3. Discipline.
4. Unity of command.
5. Unity of direction.
6. Subordination of individual interests to the general interest.
7. Remuneration.
8. Centralization.
9. Scalar chain.
10. Order.
11. Equity.
12. Stability of tenure of personnel.
13. Initiative.
14. Esprit de corps.



## Weber's Ideal Bureaucracy



# Quantitative Approach to Management

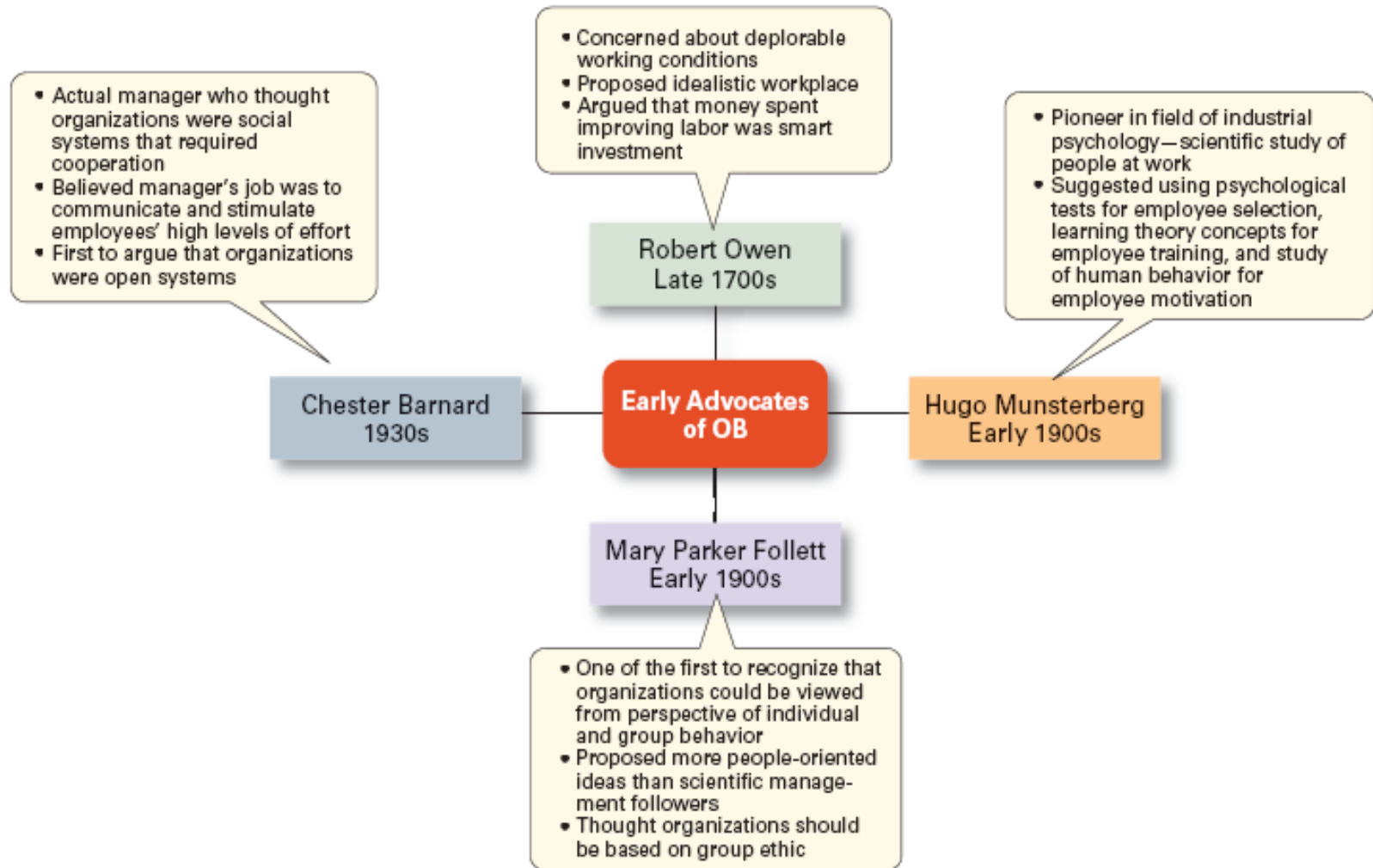
- Quantitative Approach
  - Also called *operations research* or *management science*
  - Evolved from mathematical and statistical methods developed to solve WWII military logistics and quality control problems
  - Focuses on improving managerial decision making by applying:
    - Statistics, optimization models, information models, and computer simulations

# Understanding Organizational Behavior

- Organizational Behavior (OB)
  - The study of the actions of people at work; people are the most important asset of an organization
- Early OB Advocates
  - Robert Owen
  - Hugo Munsterberg
  - Mary Parker Follett
  - Chester Barnard



## Early Advocates of OB



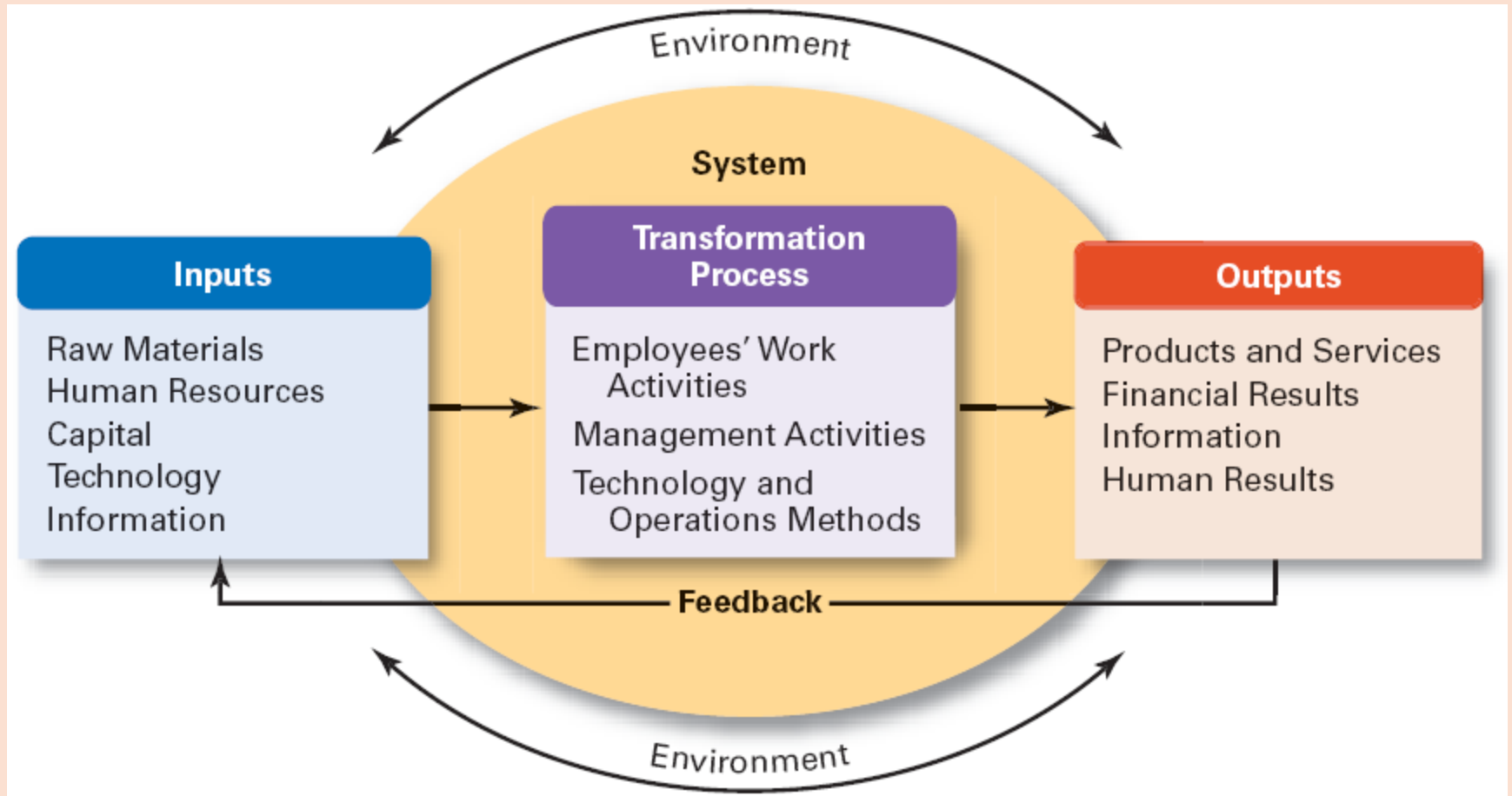
# The Hawthorne Studies

- A series of productivity experiments conducted at Western Electric from 1927 to 1932.
- Experimental findings
  - Productivity unexpectedly increased under imposed adverse working conditions.
  - The effect of incentive plans was less than expected.
- Research conclusion
  - Social norms, group standards and attitudes more strongly influence individual output and work behavior than do monetary incentives.

# The Systems Approach

- System Defined
  - A set of interrelated and interdependent parts arranged in a manner that produces a unified whole.
- Basic Types of Systems
  - Closed systems
    - Are not influenced by and do not interact with their environment (all system input and output is internal).
  - Open systems
    - Dynamically interact to their environments by taking in inputs and transforming them into outputs that are distributed into their environments.

## The Organization as an Open System



# Implications of the Systems Approach

- Coordination of the organization's parts is essential for proper functioning of the entire organization.
- Decisions and actions taken in one area of the organization will have an effect in other areas of the organization.
- Organizations are not self-contained and, therefore, must adapt to changes in their external environment.



# The Contingency Approach

- Contingency Approach Defined
  - Also sometimes called the *situational approach*.
  - There is no one universally applicable set of management principles (rules) by which to manage organizations.
  - Organizations are individually different, face different situations (contingency variables), and require different ways of managing.

# MODULE II

## Planning

- Class Activity
- For Dept. Event

# FORECASTING, PLANNING AND DECISION MAKING

- Management function begins with forecasting. It is the scientific process of looking forward which is based on past performance, current analysis and future trends. Planning is based on forecasting.
- Business forecasting refers to the statistical analysis of the past and current movement in the given time series so as to obtain clues about the future pattern of those movements

# Features of Forecasting

- Forecasting relates to future events.
- Forecasting defines the probability of happening of future events.
- Analyzing the past and present relevant events makes forecasting.
- The analysis of various factors may require the use of various statistical tools and techniques.

# Planning

- Planning is the thinking process, the organized foresight, the vision based on the facts and experience that is required for intelligent action.
- Planning is the process of thinking through and making explicit the strategy, action and relationship necessary to accomplish an overall objectives or purpose.
- Planning is informed anticipation of future.

# Nature of Planning

- Planning is goal oriented.
- It is intellectual process.
- It is continuous and never ending.
- It is a function of every manager.
- It is inter-dependent process.
- It aims at co-ordination.
- It involves continuous collection and selection of data.
- It is flexible and based on future conditions

# Advantages of planning

- Planning makes companies competitive.
- Planning anticipates risk factors and eliminates waste.
- It reduces cost.
- It helps the company to face future challenges.
- Planning helps in controlling.
- Planning gives direction and helps in formulating specific strategies.
- Planning improves efficiency and introduces various system in the organization.
- Planning can warn about deviations and helps in assessing performance.
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# Essentials of a good plan

- Planning must be continuous.
- Planning must be creative.
- Planning process must be communicated to the lowest possible level.
- Planning must be time bound.
- Planning should exist at all levels in the organization.
- Planning must motivate people towards its implementation, so it must have an inbuilt rewards system for effective execution.
- Planning should not be rigid.
- Planning must coordinate the efforts of all departments.
- Planning must be an inbuilt controlling process.
- People are the essence of planning.



# PLANNING PROCESS

- Analysis of external environment.
- Analysis of internal environment.
- Define the enterprise mission.
- Determination of objectives.
- Forecasting the planning premises.
- Determining alternative course of action.
- Evaluate alternative courses.
- Selecting the best course or developing strategies.
- Establishing the sequence of activities.
- Formulation of strategic long-range plan.
- Formulation of functional or tactical plan.
- Formulation of actual programmes.
- Reviewing and recycling the planning.

# HIERACHY OF PLANS

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- MISSION-----Basic intention consists of long-term vision.
- OBJECTIVES-----Goals, end results.
- STRATEGIES-----Action component of planning.
- POLICIES-----Policies are general statement. It offers directions.
- RULES-----Prescribed guidelines.
- PROCEDURE-----Method of handling activities.
- PROGRAMME-----Timetable of planning.
- BUDGETS-----Numerical statement expressing the plans, policies, and goals of an organization for a definite period in future.

# MANAGEMENT BY OBJECTIVES

- Management By Objective is a system of integrating managerial activities. MBO is comprehensive managerial system that integrates many key managerial activities in a systematic manner, consciously directed towards the effective and efficient achievement of organizational objectivities.
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- MBO is a result oriented, non-specialist, operational managerial process for effective utilization of material, physical and human resources of the organization by integrating the individual with organization and organization with the environment.
- 
- MBO is both a philosophy and approach of management. It is a process whereby superior and subordinates jointly identify the common objectives

# WHY MBO?

- To clearly set objectives/goals/targets.
- For periodic review of performance.
- For participation by managers in decision-making process.
- For monitoring the performance from time to time.
- For self-control, assessment and self-direction.
- For effective control.
- It is a tool of training and development.
- It focuses on results (system output) rather than activity (system process).
- Objectives in MBO provide guidelines for appropriate system and procedures.
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# PROCESS OF MBO

- - [mbo.pdf](#)
- **BENEFITS OF MBO**
  - Improvement in management.
  - Clarification of organization.
  - Encouragement of personal commitment.
  - Development of effective control.
  - Improved communication.
  - Effective time management.
  - Basis for organizational change.
  - Improved planning for individual jobs.
  - Increased motivation.
- **PROBLEMS / WEAKNESSES OF MBO**
  - TIME AND COST-----Insufficient time allowed for achievement of established objectives.
  - Failure to teach MBO philosophy.
  - Problems of objective setting.
  - Emphasis on short-term objectives.
  - Inflexibility.
  - Insufficient review and evaluation of programmed goals.
  - Inadequate participation and input from subordinates in goal setting.

# DECISION MAKING

- Decision-making can be defined as making a choice among alternative course of action.
- Decision-making is the process of identifying and selecting course of action to solve a specific problem.
- **Decision-making involves three aspect of human behaviour i.e.**
  - Cognition-----activities of mind associated with knowledge.
  - Conation-----action of mind implied by words as willing, desire, aversion.
  - Affection-----aspect of mind associated with emotions, feeling, mood, temperament

# TYPES OF DECISION

1. Organisational decision.
2. Personal decision.
3. Basic decision-----long-range commitment.
4. Routine decision
5. Strategic decision.
6. Programmed decision.
7. Non-programmed decision

# PROCESS OF DECISION MAKING

1. Formulating the problem.
2. Identification of decision criteria.
3. Allocation of weights to criteria.
4. Development of alternatives.
5. Analysis of alternatives.
6. Selection of alternatives.
7. Implementation of alternatives.
8. Evaluation of decision effectiveness



# FACTORS AFFECTING THE DECISION MAKING PROCESS

- Information.
- Time factor.
- External environment.
- Internal factors.
- Personality of the decision maker.
- Participation.
- Precedents.
- Experience of a decision maker.
- Power to decide.
- Escalation of commitment (point of no-return).
- Bounded rationality
- Problem perception.

# MODULE III

## ORGANISING

- Organizing is the process of identifying and grouping the work to be performed, defining and delegating responsibilities and authorities.
- Organizing is one of the function of management, the one concerned with choosing what tasks are to be done, who is to do them, how the tasks are to be grouped, who is to report to whom and where decisions are to be made.
- **Concept of organising**
  - Delegation of authority
  - Decentralization.
  - Span of management.
  - Formal organization and informal organization.
  - Division of work.
  - Hierarchy.
  - Co-ordination.
  - Staffing process.

# Process of organising

1. Determination of objectives.
2. Enumeration of activities like production, purchase, personnel, marketing etc.
3. Grouping activities.
4. Allocation of fixed responsibilities to persons.
5. Delegation of authorities.

# DELEGATION OF AUTHORITY

- Delegation is the dynamics of management. It is the process of dividing the work and entrusting it to the subordinates who possess specialized skill to perform such jobs.
- Components of delegation of authority
- Responsibility.
- Authority.
- Accountability.
- Types of delegation
- Formal delegation.
- Informal delegation.
- Features of delegation of authority
- Delegation is the authorization to a manager.
- Delegation has dual characteristics----- gives authority to subordinate but at the same time he retains original authority.
- Authority once delegated can be enhanced, reduced or withdrawn.
- Delegation of authority is always to the position created through process of organization.
- A manager delegates authority out of the authority resting in him.
- Delegation of authority may be specific or general.

# STEPS IN DELEGATION

1. Determination of result expected.
2. Assignment of duties.
3. Authorization for actions.
4. Creation of obligations.

## Advantages of delegation of authority.

1. It reduces the workload of superiors.
2. It provides an opportunity to subordinates to grow.
3. It helps in exercising effective control.
4. It provides satisfaction to subordinates.
5. Accountability imposed on subordinates' forces them to act in a more meaningful and responsible manner.
6. It results in prompt decision-making.

# TEN PRINCIPLES OF EFFECTIVE DELEGATION

- 1 Explain the degree of delegation.
2. Select appropriate subordinate.
3. Keep line of communication open.
4. Train your subordinates, motivate them.
- 5 Reward delegation- financial and non-financial.
6. Keep appropriate reporting system and controlling.
7. Do not delegate and disappear.
8. Do not follow practices of delegation of paper.
9. Believe in feedback, interaction and result orientation of delegation
10. Principle of exception.

# DECENTRALISATION

The concept of decentralization refers to the extent to which authority has been passed down to the lower levels. Decentralization is used to mean several types of dispersal other than of authority.

## **Factors determining degree of decentralization.**

- Size of the organization.
  - History of the organization.
  - Management philosophy.
  - Availability of managers.
  - Pattern of planning.
  - Control technique.
  - Decentralized activities.
  - Business dynamics—the pace of change.
  - Environmental influences.
- 
- Benefits of decentralization
    - It reduces burden of top management.
    - It facilitates growth and diversifications.
    - It motivates managers.
    - Development of management by providing opportunity.
    - Increases span of control.

# SPAN OF CONTROL

- The term span of control is also referred to as span of management, span of supervision, span of authority or span of responsibility. It indicates the number of subordinates who report directly to the managers.
- It refers to the number of persons manager can control effectively to accomplish the desired objectives of the organization.

## Factors determining appropriate span of control

1. Nature of work.
2. Ability of the manager.
3. Ability of the subordinates.
4. Well-defined authority and responsibility.
5. Geographic location.
6. Degree of independence in decision-making.
7. Sophisticated information and control system.
8. Level of management.
9. Economic consideration.
10. Planning and standardization of work.
11. Communication techniques.
12. Level of personal contact



# Departmentation

- *Departmentation refers to the grouping of operating tasks into jobs, the combining of jobs into efficient work groups and combining of groups into divisions called as 'Departments'.*
- “Departmentation is the process of grouping activities into units for purposes of administration.” —William H. Newman
- “Departmentation is the process of grouping the various activities into separate units.” —Theo Haimann
- “Divisionalisation is a means of dividing the large and monolithic functional organisation into smaller, flexible administrative units.” —Louis A. Allen
- “Departmentation is not an end in itself but it is simply a method of arranging activities to facilitate the accomplishment of enterprise objectives.” —Koontz and O'Donnell

## The various steps involved in departmentation are:

- 1. To identify task or duties,
- 2. To analyse details of each task,
- 3. To describe the functions or to group similar activities,
- 4. To entrust the grouped activities to departmental heads,  
and
- 5. To define the authority and responsibility of departmental  
heads

- **Delegation of Authority means division of authority and powers downwards to the subordinate.**
  - Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.
- **Elements of Delegation**
- **Authority** - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives.
  - Authority must be well-defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misutilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority.
    - **Authority always flows from top to bottom.**

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

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

For achieving delegation, a manager has to work in a system and has to perform following steps : -

- Assignment of tasks and duties
- Granting of authority
- Creating responsibility and accountability

# Differences between Authority and Responsibility

## Authority

1. It is the legal right of a person or a superior to command his subordinates.
2. Authority is attached to the position of a superior in concern.
3. Authority can be delegated by a superior to a subordinate
4. It flows from top to bottom.

## Responsibility

1. It is the obligation of subordinate to perform the work assigned to him.
2. Responsibility arises out of superior-subordinate relationship in which subordinate agrees to carry out duty given to him.
3. Responsibility cannot be shifted and is absolute
4. It flows from bottom to top.

# Accountability in the Workplace

- The duty to give an account of tasks after they are completed
- Happens after a situation occurs ( or in the form of status update)
- Should be assigned to just one person to avoid thinking someone else will be doing the job
- Specifically results-focused
- Is assigned (ideally to one person) – they are held accountable for results and potential consequences of not reaching desired results

# What Is Adhocracy?

- Adhocracy is a form of business management that emphasizes individual initiative and self-organization in order to accomplish tasks. This is in contrast to bureaucracy which relies on a set of defined rules and set hierarchy in accomplishing organizational goals. The term was popularized by Alvin Toffler in the 1970s

## **The key characteristics of an adhocracy include:**

- The structure takes shape organically
- Minimal formalization of employee behavioral expectations
- Job specialization not necessarily tied to or based on formal training
- Specialists often work in functional units for housekeeping purposes but can deploy them in small, market-based project teams to accomplish specific goals
- Low or no standardization of procedures
- Roles not clearly defined
- Significant power belongs to specialized teams



# What Is a Bureaucracy?

- The term bureaucracy refers to a complex organization that has multilayered systems and processes. The systems and processes that are put in place effectively make decision-making slow. They are designed to maintain uniformity and control within the organization.
- **Bureaucracy vs. Governance vs. Administration**
  - Bureaucracies are all around us from the companies for which we work to the governments that rule our world's countries. They are in place to ensure that things run efficiently and by the book—that is, that people follow the rules, whether that's to conduct health and safety checks while on the job, to get a permit for a building project, or to access government benefits.

# Staffing

- Staffing refers to the continuous process of finding, selecting evaluating and developing a working relationship with current or future employees. The main goal of staffing is to fill the various roles within the company with suitable candidates. Staffing can be done within the company or by contractors at various levels of the staffing process.
- Staffing is an important step to keep the turnover rate in check, expand the talent profile within the org, and keep the retention rates steady. Here are some more reasons why staffing is an important HR function:
  - Getting qualified and skilled people into the team.
  - Roles become clearer and the workload works become lesser.
  - There is an improvement in the morale and job satisfaction.
  - It helps the organization diversify its talent profile and hence aids with company growth.

# staffing process?

1. Manpower Planning
2. Recruitment
3. Selection
4. Placement
5. Training
6. Development
7. Promotion
8. Transfer
9. Appraisal process
10. Determination of Remuneration

- Primarily there are 3 types of staffing, these are:

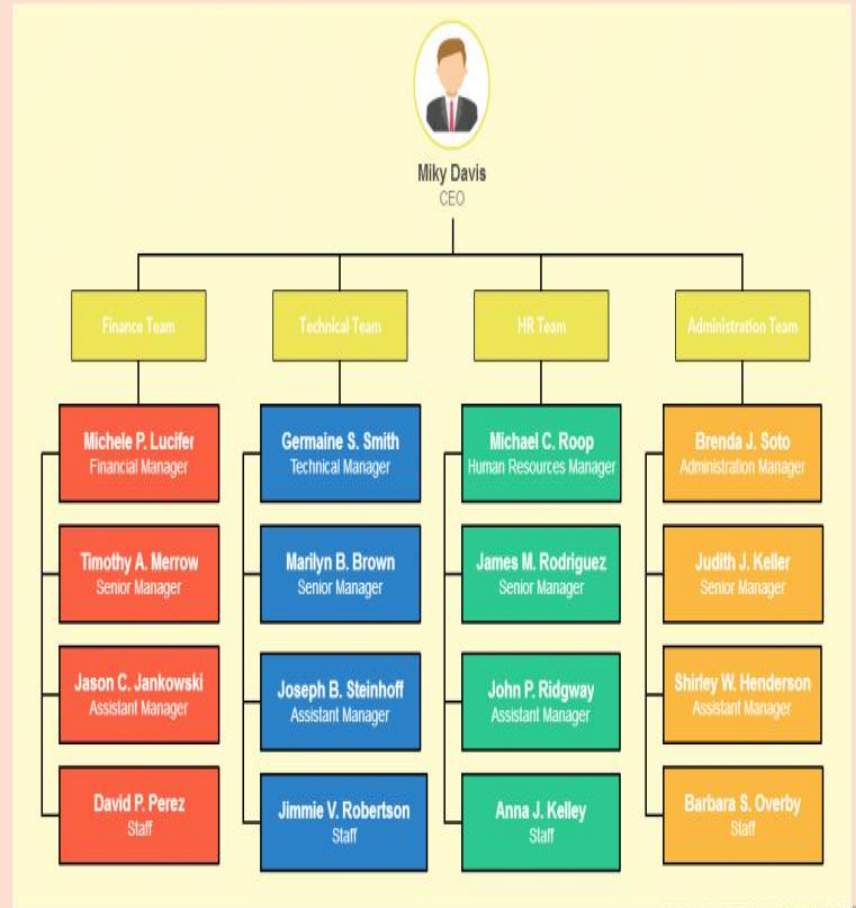
Contract employment or short-term staffing: To target skillful people who come with the apt qualifications and skills.

Contract to hire staffing: To hire qualified people for the job, assess their performance for a particular period of time and hire them as a full-time employee if all goes well.

Direct placement hiring: To hire the traditional full-time staff for your organization.

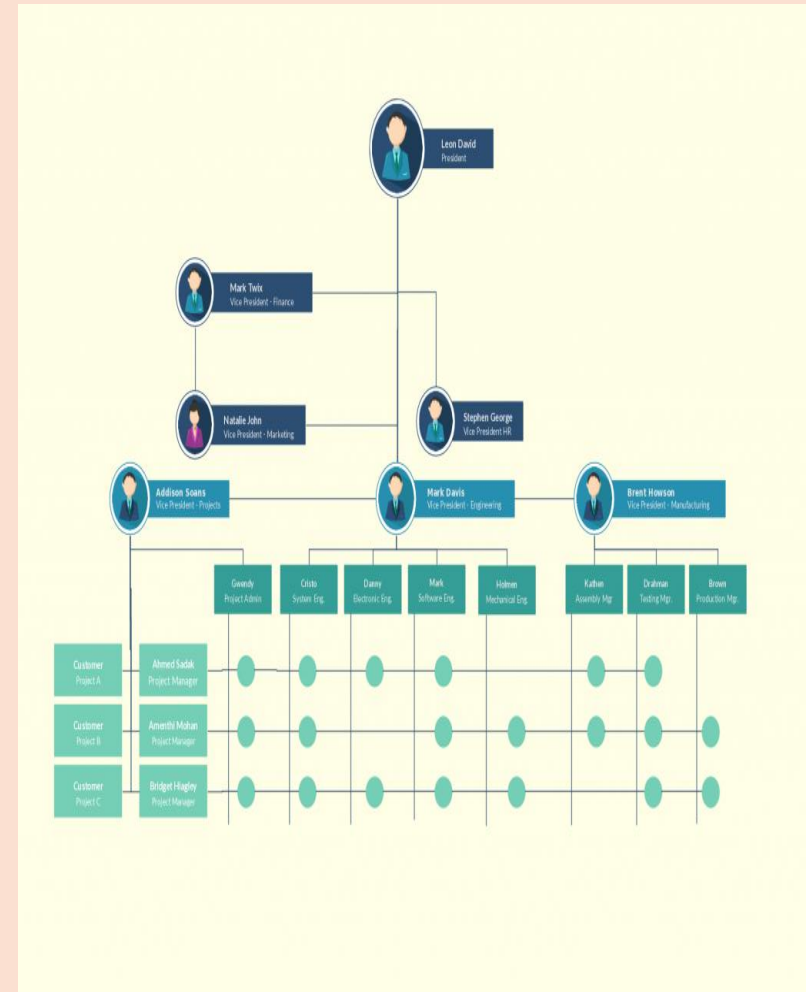
# Organizational Structures

- Hierarchical Structure
  - In a hierarchical organization structure, **employees are grouped with every employee having one clear supervisor.**
    - Function
    - Geography
    - Product



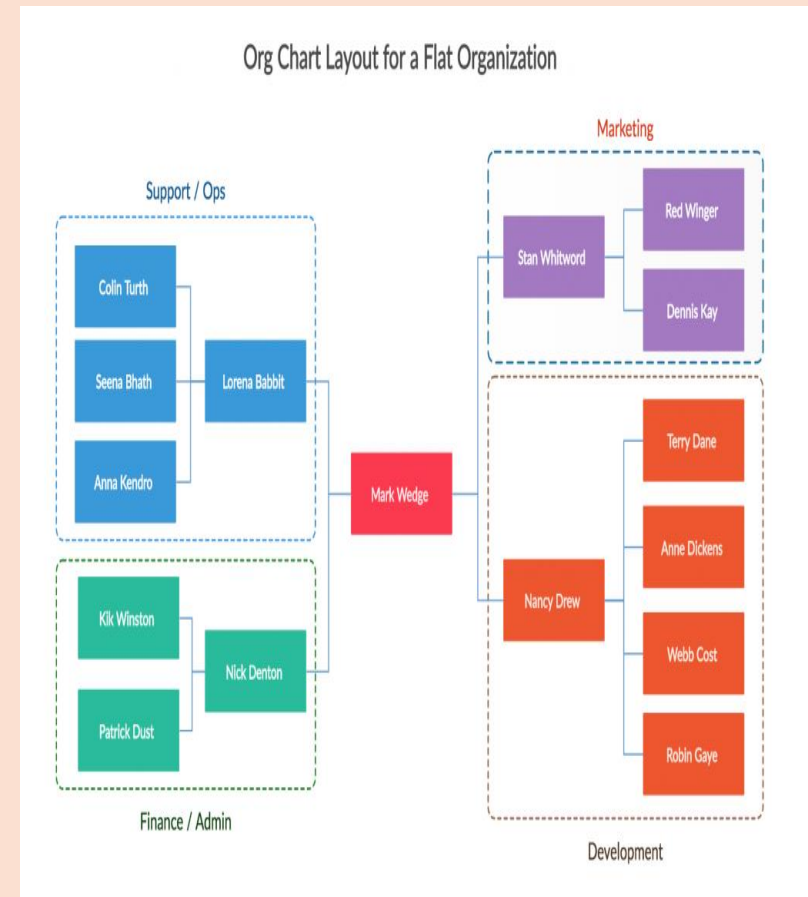
# Matrix Structure

- In a Matrix organizational structure, the reporting relationships are set up as a grid, or matrix, rather than in the traditional hierarchy
- For example, all engineers may be in one engineering department and report to an engineering manager. But these same engineers may be assigned to different projects and might be reporting to those project managers as well..



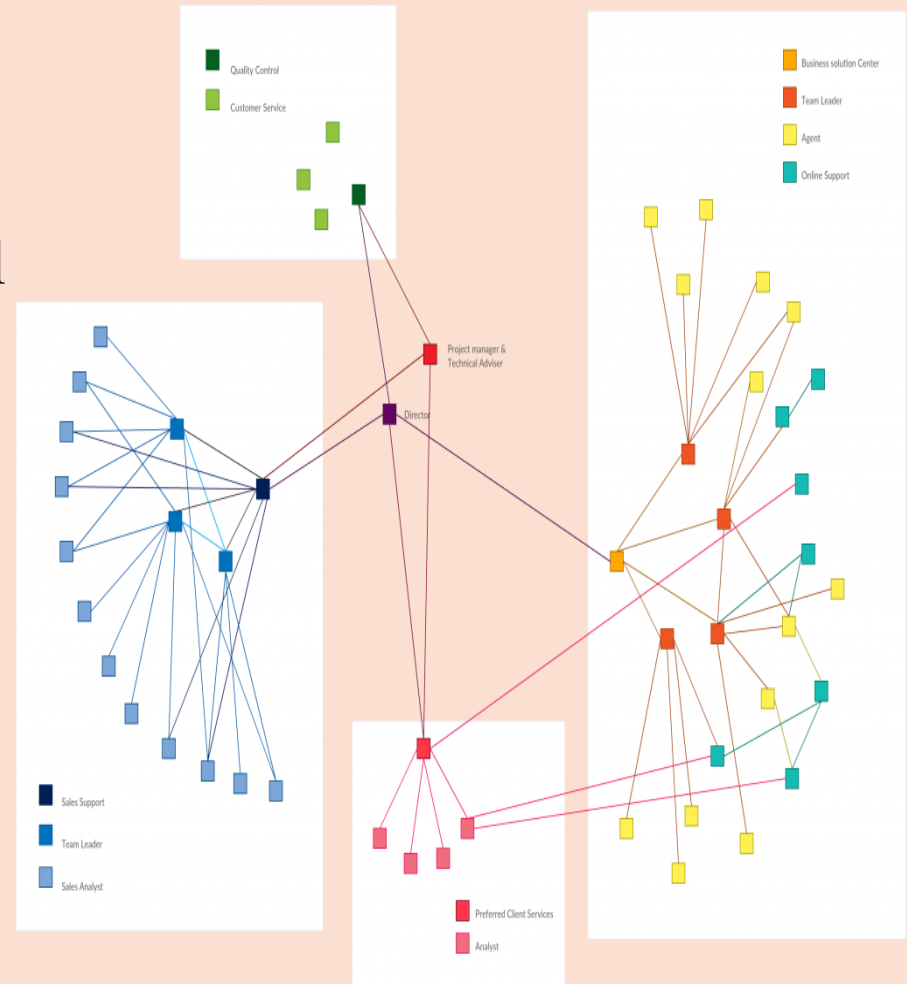
# Horizontal/Flat Structure

- The most important thing about this structure is that **many levels of middle management are eliminated.**
- This enables employees to make decisions quickly and independently. Thus a well-trained workforce can be more productive by directly getting involved in the decision-making process.



# Network Structure

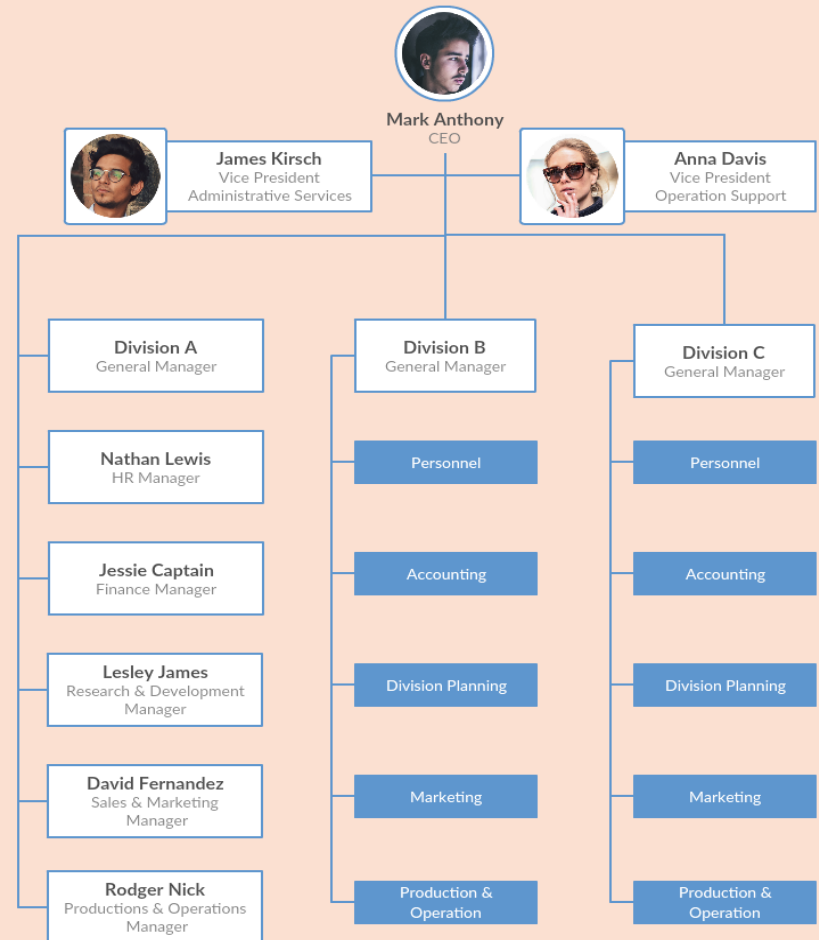
- Network organizational structure helps visualize both internal and external relationships between managers and top-level management.
- They are not only less hierarchical but are also more decentralized and more flexible than other structures.





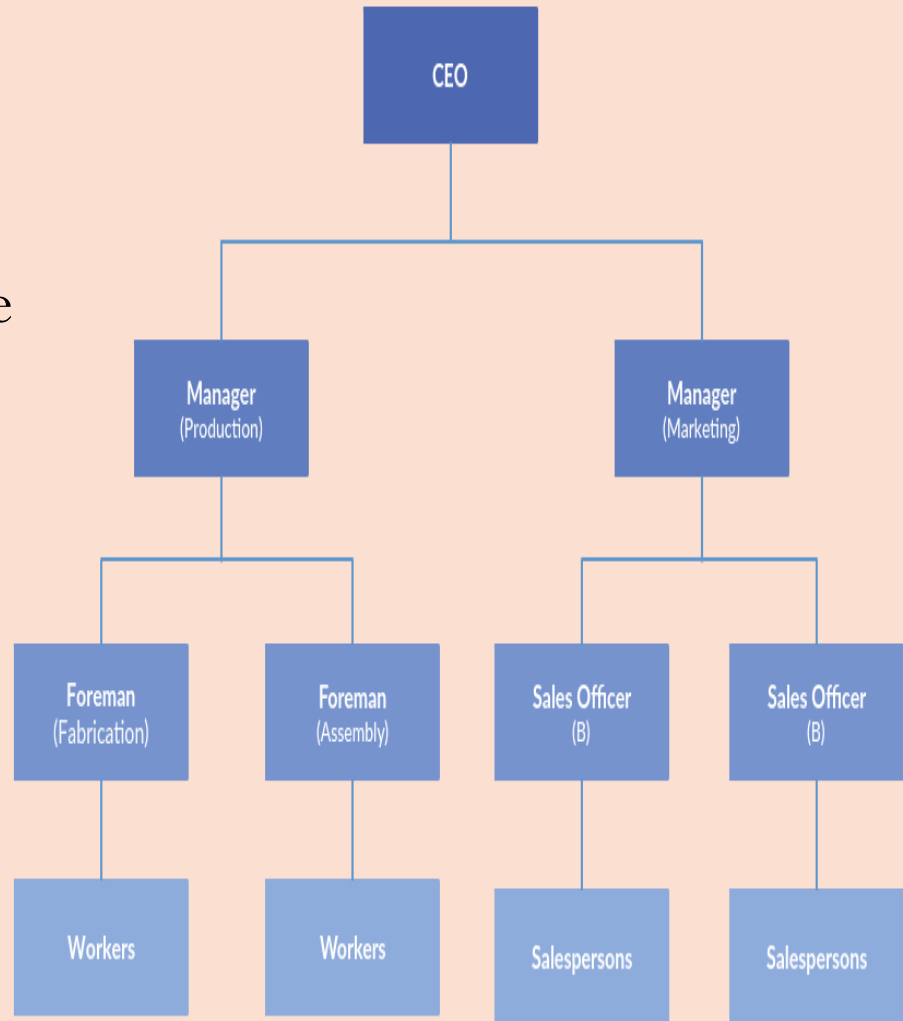
# Divisional Structure

- Within a divisional types of organizational charts has its own division which corresponds to either products or geographies. Each division contains the necessary resources and functions needed to support the product line and geography



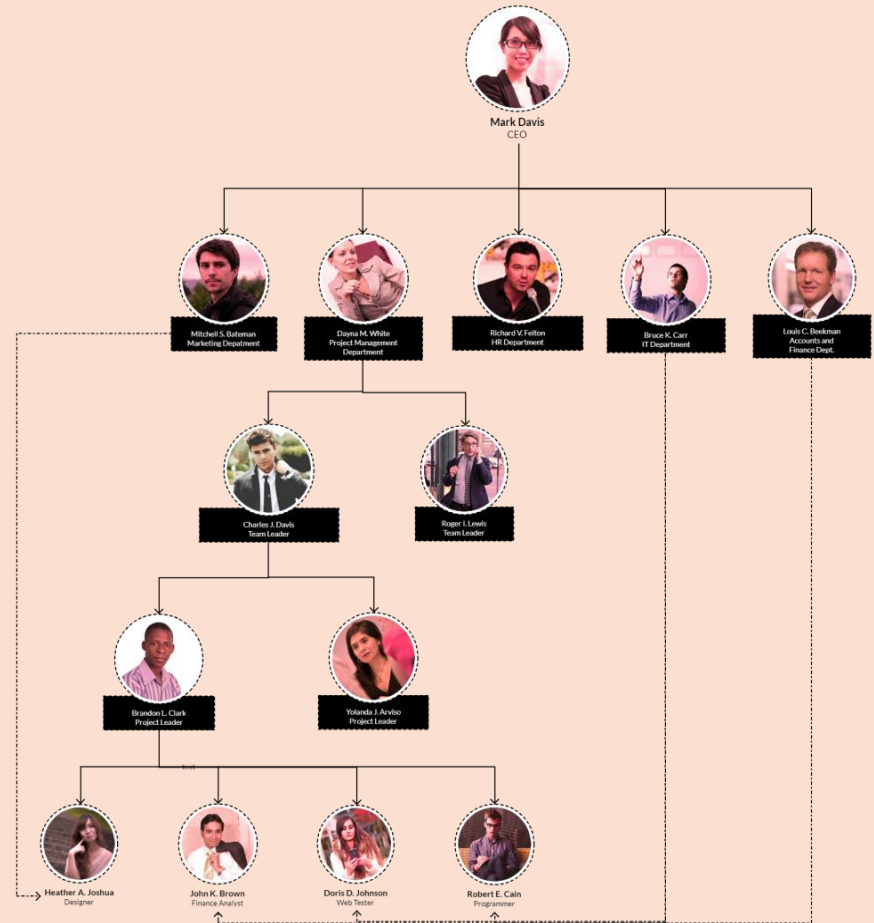
# Line Organizational Structure

- Its authority flows from top to bottom. Unlike other structures, specialized and supportive services do not take place in these organizations.



# Team-based Organizational Structure

- Team-based organizational structures are made of teams working towards a common goal while working on their individual tasks. They are less hierarchical and they have flexible structures that reinforce problem-solving, decision-making and teamwork.



# MODULE IV

## Directing and Coordinating

- Directing may be defined as function of management, which is related with instructing, guiding and inspiring human factor in the organization to achieve organizational objectives.
- Directing is telling people what to do and seeing that they do it to the best of their abilities.
- Direction is that part of management which actuates the people to work efficiently and effectively.

- Direction function consists three aspects-----
  - Leadership
  - Motivation
  - Communication

# Elements of direction-

according to Joseph Massie,

- Issuing of orders that are clear, complete and within the capabilities of subordinates to accomplish.
- Continuous training activity in which subordinates are instructed to carry out the particular assignment in the existing situation.
- Motivation of subordinates to try to meet the expectations of the manager.
- Maintaining discipline and rewarding those who perform properly.

# FEATURES OF DIRECTION

- It initiates action.
- It is managerial function.
- It is performed at all level of management.
- It is continuous process.

## IMPORTANCE OF DIRECTION

- It is the heart of administration.
- It initiates action.
- It helps to achieve objectives.
- It is important to execute the decision.
- It integrates employee's effort.
- It facilitates change.
- It provides stability and balance.
- It helps to utilize capabilities.
- It takes maximum out of individual.
- It develops human resources and future managers.

# PRINCIPLES OF DIRECTION

1. Principle of directing objectives.
2. Principle of harmony of objectives.
3. Principle of direct supervision.
4. Principle of effective leadership.
5. Principle of effective communication.
6. Principle of unity of command.
7. Principle of maximum individual contribution.
8. Principle of human relations.
9. Principle of participation.
10. Principle of follow through



# CO-ORDINATION

- The orderly arrangement of group effort to provide unity of action in pursuit of a common purpose.
- **Need for co-ordination**
  - Division of labour
  - Direct interpersonal horizontal relationship
  - Continuity
  - Efforts of manager
  - Dynamism---constant experiments

# Types of co-ordination

- Internal co-ordination-----among the employees
- External co-ordination-----with customers, suppliers, govt.
- Vertical co-ordination-----exists in a department where the dept. head is called upon to co-ordinate the activities of all those placed below him.
- Horizontal co-ordination-----it exists between different departments such as production, sales, purchase etc.

# Principles of co-ordination

- Early introduction-----co-ordination must be visualized right from the early stages of planning and policymaking.
- Individual interest vs. organizational interest.
- Interdependence of unit-----co-ordination arises because of interdependence of various units. The interdependence among units can be of following three types.
- Pooled interdependence-----units linked by pooled interdependence make contributions to the total organizations but are not directly related.
- Sequential interdependence-----one unit must act before the next.
- Reciprocal interdependence-----in this the input of one unit becomes the output of other and vice versa.



# TECHNIQUES OF CO-ORDINATION

- 
- Hierarchy-----by putting inter-dependant units under one boss, some co-ordination among their activities are ensured.
- Effective communication
- Indoctrination----task of a leader is not only to make a policy but also to build it into the organization's social structure.
- Induction
- Rules, procedures and policies
- Planning
- Boundary spanning
- Reducing the need for co-ordination
- Good organizational set up.
- Committees.
- Able supervision
- Meeting of dept. heads
- Continuous liaison
- Good information and feedback system
- code of conduct and dicipline

# COORDINATION AND SYNCHRONIZATION

- Coordination as a function
- Many players and many activities
- Lopsided planning of managerial functions
- Over toning and under toning
- Lack of uniform and ready resource supply
- Decision making
- Balancing situations and decisions
- Growth orientation
- Synergizing

## PERSONAL LEVEL COORDINATION---- FACTORS-----

- Personal role vs. organizational role
- Authority vs. power
- Managing vs. leading
- Leading vs. following
- Concern for human vs. work
- Expectation vs. satisfaction
- Participation vs. direction
- Competition vs. cooperation
- Male vs. female
- Ownership vs. employee attitude

# ORGANISATIONAL LEVEL COORDINATION

- Decision making and information
- Authority and responsibility
- Divisions, departments and sections
- Authority levels
- Communication and actions
- Internal and external relations
- Business vs. organization
- Departments and processes
- Specialized and generalized functions
- Informal vs. formal organization
- Line and staff
- Legal vs. commercial
- Time vs. cost



# DIFFICULTIES OF CO-ORDINATION

- Differences in orientation towards particular goals.
- Differences in time orientation
- Differences in interpersonal orientation
- Differences in formality of structure

# LEADERSHIP

- **Leadership is the ability to persuade and inspire others to seek defined objectives.**
- Leadership is a process of influencing people to direct their efforts towards the attainment of some particular goal or goals.
- Leadership is the ability to get other people to do what they don't want to do and like it.

# Leadership styles

- Autocratic or Authoritarian

This can be further divided into three types.

- Hard-boiled autocrat---leaders use negative influence.
- Benevolent autocrat---leaders use positive techniques.
- Manipulative autocrat---leaders make the subordinate feel that they are actually participating in the decision-making even though manager has taken the decision himself.

- Democratic or participative

- Laissez faire/ free rein---giving freedom to subordinates.

- Paternalistic----fatherly attitude

- Bureaucratic----rules, procedure centered.

- **LEADERSHIP TRAITS**

- Energy—mental and physical
- Emotional stability
- Knowledge of human relations
- Empathetic
- Objectivity
- Personal motivation
- Communication skill
- Teaching ability
- Social skill
- Technical and conceptual skill

- **The seven keys to business leadership**

- Trust your subordinates.
- Develop a vision
- Keep yourself cool
- Encourage risk
- Be an expert
- Invite dissent
- Simplify

# PERFORMANCE APPRAISAL

- **Definitions**
- Performance appraisal is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for future development.
- Performance appraisal is a formal, structured system of measuring and evaluating employee's job, related behaviour and outcomes to discover how and why the employee is presently performing on the job and how employee can perform more effectively in future.

# OBJECTIVES OF PERFORMANCE APPRAISAL

- To help to improve current performance of the employees.
- To set objectives for individual performance.
- To assess training and development needs.
- To agree plan for employee's future development.
- To assess future potential for promotion.
- To give employees feedback on their performance.
- To counsel employees on their career opportunities.
- To rate the employees performance for salary/wage review purpose.
- To encourage managers to think carefully about the performance of their staff in general and factors influencing it, including their own style and behaviour

# IMPORTANCE OF PERFORMANCE APPRAISAL

1. Unified appraisal procedure.
2. A tool of employee's development and stimulation.
3. Important personnel decisions.
4. Improvement in human behaviour.
5. Performance appraisal works as an evidence.
6. A tool in the hands of supervisors.
7. Improved quality of supervision.
8. Maintenance of industrial relation



# PROCESS OF PERFORMANCE APPRAISAL

1. Establish performance standard.
2. Communicate standards to employees.
3. Measurement of actual performance.
4. Compare actual performance with standard.
5. Discuss the appraisal with employees.
6. If necessary initiate corrective actions.

# METHODS OF PERFORMANCE APPRAISAL

- *Traditional methods---*

- Straight ranking method.
- Paired comparison method.
- Graphic or point method.
- Grading method.
- Forced distribution method.
- Forced choice description method.
- Checklist method.
- Free essay method.
- Field review method.

## *Modern methods-*

- Management by objectives (MBO).
- 360-degree feedback.
- Assessment center
- Behaviourally anchored rating scales (BARS)
- Human resource accounting method.

# MOTIVES AND MOTIVATION

## Definitions :

- Motive is an inner State that energizes, activates, moves, directs or channels behaviour towards work.
- It is the situation of any emotion or desire operating upon one's will and prompting to or driving it to action.
- Types of Motives
- Primary motives – are the motives based on primary needs and usually unlearned and physiologically based e.g. hunger, thirst, and sleep.
- Secondary motives – are based on secondary needs and closely related to learning concepts e.g. power, achievement, affiliation.
- General motives – are based on general needs e.g. competence, affection and activity motive.

# Motivation

- **Motivation is the process of attempting to influence others to do your will through the possibility of gain or rewards**
- **Motivation is an act of stimulating someone or oneself to get desired course of action, to push right button to get desired action.**
- **Motivation refers to the degree of readiness of an organism – to achieve some designated goal.**

# Importance of Motivation

- Proper utilization of human resources
- Best utilization of other resources
- Willingness to work
- Building of good industrial relations
- Basis of co-operation
- Improvement in skill and knowledge
- Builds human relations

- Types of Motivation
- 
- Positive Motivations or incentive motivation-----It is generally based on reward which includes praise and credit for work done, a sincere interest in subordinates as individuals, pay, competition, participation, pride, delegation of responsibility, appreciation.
- Negative or fear motivation-----It is based on force or fear.
- Extrinsic motivation-----It is concerned with external motivators which employees enjoy i.e. fringe benefits, retirement plans, health insurance schemes, holidays and vacations.
- Intrinsic motivation-----It is concerned with the feeling of having accomplished something worthwhile i.e. the satisfaction one gets after doing one's work well. Intrinsic motivation includes recognition, esteem, status, power and responsibility.

- Techniques to Increase Motivation-

Job security, good working conditions, job enrichment, bonus, incentive, promotion, and worker's participation in management, worker wage structure.

- Theories of Motivations

1. Content Theories
2. A. Maslow's need hierarchy theory
3. Alderfer's ERG theory
4. McClelland's achievement theory
5. F. Herzberg's two factor theory



- **Process Theories**
- **Victor Vroom's expectancy theory**
- **J. Stancy Adam's Equity theory.**
- **D.McGregor's X and Y theory**

# MORALE

- Morale is the feeling of togetherness.
- Attitude of an individual or group of people towards their work environment.

- **Factors Affecting Morale**

Objectives of Organisation

Working Conditions

Leadership and attitude of executives

Rewards

Job Satisfaction

Improper Selection of Personnel

Freedom of Workers

Approach of Management

Supervision

**Inter Personal Relationship**

# Improving morale

1. Creation of whole new jobs.
2. Job enrichment.
3. Building responsibility.
4. Modifying the work environment.
5. Flexing the work hours.
6. Job sharing.
7. Rotation of jobs.
8. Delegation of authority and responsibility effectively.

# MODULE V

## Controlling

- Management control is a systematic process to set performance standard with planning objectives.
- Control is any process that guides activity towards some predetermined goals.
- Control is the process through which managers assure that actual activities conform to planned activities.

# Elements of control

- ❖ Setting standards of performance at strategic points.
- ❖ Leading, motivating, supervising, directing, guiding of employees.
- ❖ Measurement of actual performance.
- ❖ Its comparison with the stated standard of performance

# ELEMENTS OF EFFECTIVE CONTROL

1. Suitability
2. Deviations
3. Predictions.
4. Objective
5. Flexible
6. Economic
7. Understandable
8. Corrective

# CHARACTERISTICS OF CONTROL

- End function
- Continuous process
- Flexible activity
- Forward looking
- All level exercise
- Employees behaviour
- Anticipating probable changes
- It is economically realistic
- It is accurate, timely, objective and comprehensive.
- It focuses on strategic control points

# NEED OF CONTROL

- FOR-----
- Proper action
- Decision making
- Consistency
- Co-ordination
- Positive impact
- Detection of weaknesses
- Proper implementation of plans.



# STEPS IN CONTROL PROCESS

- Establish the standards and method for measuring performance  
(Developing standards)
- Measure the performance  
(Against standards)
- Determine whether performance matches the standard.  
(Evaluation)
- Take corrective action  
(Adjusting performance)

# TYPES OF CONTROL

- Pre-action control-----control method ensuring that human, material and financial resources have been budgeted.
- Steering control (feed forward control)-----control method designed to detect deviation from some standard goal and permit corrective measures.
- Yes/No or Screening control-----control method for screening procedures that must be followed or conditions that must be met before operation continues.
- Post-Action control-----method of control for measuring the result of a completed activity.
- Concurrent control ----- control that occurs while an activity is in progress.

# Control techniques

1. Personal Observation
2. Suitable organizational structure
3. Unity of policies
4. Statistical reports
5. Break-even analysis
6. Budgetary control
7. Management audit
8. Return on investment
9. PERT and CPM---Programme evaluation and review technique / Critical path method.

# Limitation of Control

1. External factors
2. Difficulty in setting standards
3. Fixing of responsibilities
4. Variation and its causes.

# Cost Benefit Analysis

- A cost-benefit analysis is a systematic process that businesses use to analyze which decisions to make and which to forgo. The cost-benefit analyst sums the potential rewards expected from a situation or action and then subtracts the total costs associated with taking that action

# The Cost-Benefit Analysis Process

- Direct costs would be direct labor involved in manufacturing, inventory, raw materials, manufacturing expenses.
- Indirect costs might include electricity, overhead costs from management, rent, utilities.
- Intangible costs of a decision, such as the impact on customers, employees, or delivery times.
- Opportunity costs such as alternative investments, or buying a plant versus building one.
- Cost of potential risks such as regulatory risks, competition, and environmental impacts.

# Benefits might include the following:

- Higher revenue and sales from increased production or new product.
- Intangible benefits, such as improved employee safety and morale, as well as customer satisfaction due to enhanced product offerings or faster delivery.
- Competitive advantage or market share gained as a result of the decision.

# New Approaches in management.

- Quantitative or Mathematical theory
- Systems Approach
- Contingency Approach