PRINCIPLE OF MANAGEMENT

UNIT 1: INTRODUCTION OF BUSINESS MANAGEMENT

Introduction:

In the past time human needs and wants were quite limited and resources were also limited, which were enough to satisfy these limited needs. There problems were also limited and there management was not a big problem.

After industrial revolution in England in 1760, there were wide and major changes in the needs and these changes were to affecting to the world.

There was a need to recruit, select, train and co-ordinate and direct the activities to satisfy the needs. "scientific management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way."

- F.W. TAYLOR

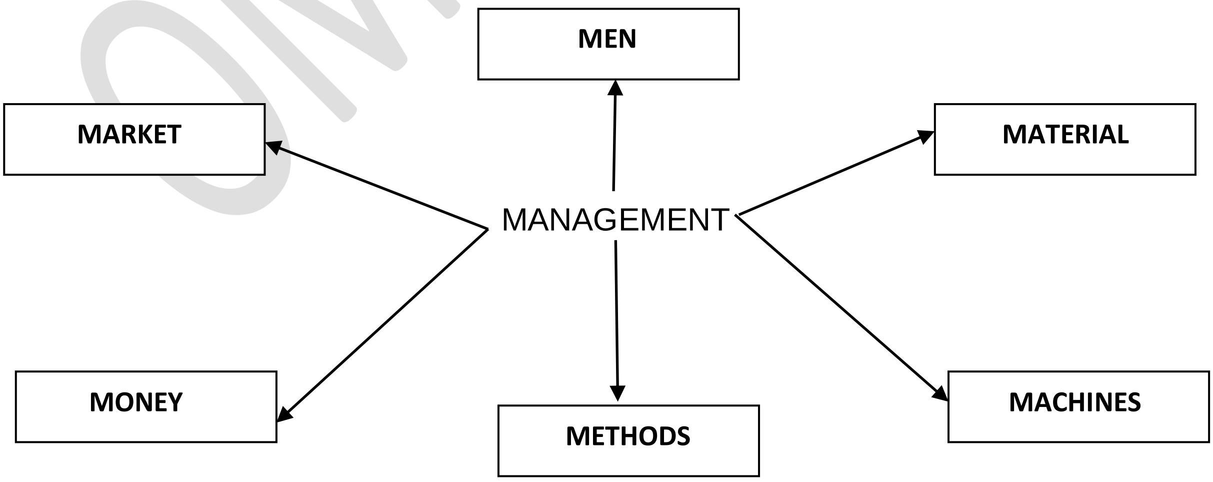
Definition:

1) "Management is an art of getting things done through others."

- koontz and O'Donnell

2) Management is an distinct process consisting of planning organizing, activating and controlling performed to determine and accomplish the objectives by the use of human being and other resources like machines materials, market, money and methods. - Dr. George R. Terry

Dr. George R. Terry calls these basic elements as the six- ms



CONTIBUTORS OF MANAGEMENT CONCEPT—

1) Walter Hanley:

England 13th centaury concept from mgt, pioneer of scientific mgt.

2) <u>Charless Babbage:</u>

England 19th centaury mathemation: Cambridge university concept application of science and mathematics in the mgt. of industry industrial visit in England and France.

3) <u>Fredrick Winslow Taylor</u> :

America 20th centaury father of scientific mgt. book shop management (1903) the principle of scientific mgt (1911).

Q.1 Features / nature / characteristic of management:

1) <u>Management is a group activities:</u>

Management is not only an activity but it is a group activity, a group function. This process is seen in the various functions of planning, organizing, directing, guiding, coordinating, safe guarding and controlling of mgt. this process is continues and permanent management tries to coordinates the different activities of business unit.

2) <u>Management is a human activity:</u>

Management is a human activity mgt gives more importance to the human element in the organization. Even at the time of controlling machines, tools and equipment, methods, market, finance, management provide importance to coordinating and guiding the human efforts.

3) <u>Management is universal</u>:

Management is required not only for commercial activity but for every activity were pre determined objective has to be accomplished. Henry fayol has stressed on this factor saying, "management plays an important role in enrolling all the business units, whether they are large or small, economic, social, political or religious. "

4) <u>Management focuses on goal achievements:</u>

An activity required to be under taken for the accomplishment of goals requires mgt, management helps to solve all types of business related problems easily and puts in continuous efforts to achieve the pre determined goals.

5) <u>Management is a flexible</u>:

Management policies also change with the changing business, economic, social or political environment. Management tries to increase product demand production, quality market etc. therefore it cannot be statics but has to change with the changing times.

6) <u>Management is a coordination of efforts:</u>

Coordination is the soul of management. The most important activity of management is to coordinate human efforts. We have seen earlier the management is group activity. If there is no proper coordination between different groups department and different skilled and competent employs than the organization goals is a never be achieved.

7) <u>Management is a leadership activity:</u>

The direction and control function of management is a leadership activity. Management provides leadership to the employees, worker, teams and groups.

8) <u>Management solve problem:</u>

The various problem of industrial unit relative to employees, production, purchase and sales, innovation or market solved by mgt. it is based on solving growth related problems.

Q.2 Significant of management:

OR

Merits / importance/ use of management:

1) <u>Efficiency:</u>

Through concept, methods knowledge and training. The various principles of mgt. that are required like planning organizing, controlling etc have helped manages to take important decisions to increase efficiency of the organization.

2) <u>To recruit / retain efficient employees</u>:

The management concepts of organizing and staffing involves recruitment, selection, training and compensation etc. this will help to select right kind of people with right job. By this way employee loyalty will also increase. It help to device the need and worth of every activity.

3) <u>Labor management cooperation increases:</u>

Mgt is a group activity. The object of organization will only be achieved by the coordination of all group member and there cooperation. Mgt principles helps to provide more wages and motivation towards increasing employees work. New forms of cooperation develop. The co operation between the labour and the management increases.

4) <u>Production scales:</u>

Mgt concept like motion study, time study, wage and salary administration etc gives satisfaction to workers. This will help to increase there work efficiency. As a result production scale will increases from small scale to medium scale and medium scale to large scale.

5) **<u>Quality control:</u>**

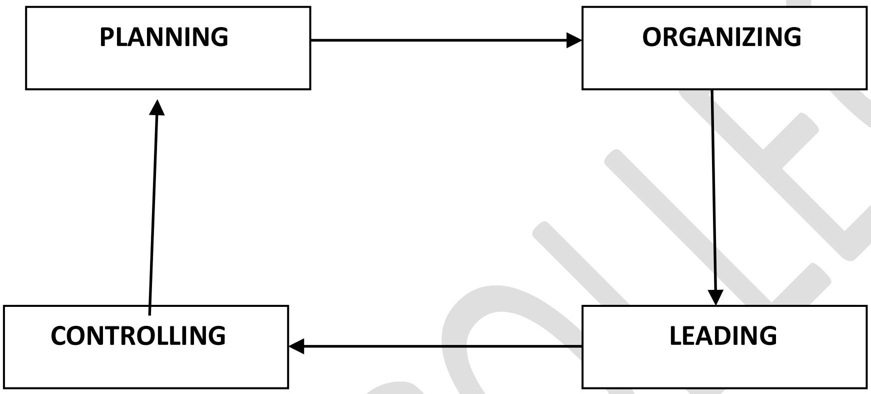
Mgt helps to increase the efficiency of machinery and tools equipment employees are given the necessary training and guidance related to the usage. Control and supervision is exercised an their work. There for the quality of production increase.

6) **Control production cost:**

Mgt increase production maintains the quality and control the wastage. So the cost of production reduce whose benefits are received in terms of high profit more wages to employees and reduction in prices for the customers.

Q.3 Function / process of management:

There are four function of management:



1) **Planning:**

First step of the management process. It is an organized way of preparing to take certain action. Planning is the process of deciding where we want to be from where we are right now. It is goal oriented and should also poses different choices of alternatives. Planning can be short term, medium term and long term depending on the need and situation.

2) **Organizing:**

In organizing the managerial staff are instructed to organize for all the essential sources, materials, financial resources, human resources and equipment. It involves following activities:

- Division of work
- Staff building
- Work allocation to individuals
- Coordination of work and their department

3) **Staffing**:

Staffing include having right person in the right place at the right time. It basically refers to the personal and human resources. It is necessary to have competent and qualified.

4) Directing:

Directing means giving direction. It is basically the role of a manager top level officer. It includes giving direction and showing ways to the team members achieve the goals. It also involves motivating staff and team members and showing them the possible direction achieve the desired goal. It also include leadership, motivation and communication.

5) Coordination:

Coordination involves synchronized efforts between the team members. Each employee should be made mindful as to how his role fits into the higher, managerial whole. Additionally, he will also feel accountable to take essential efforts for doing the job.

6) Controlling:

Controlling means verifying whether all the activities are being performed as per plan or not.. it includes every days performed evaluation of individual department for achieving the desired organizational objectives.

7) Reporting:

Reporting means communicating about the actions events to the supervisor/ manager as concerned authorized reporting helps to update about the work to the concerned authorities so that unnecessary adjustment to the plan can be made as per the necessity. Reporting is also a way to collect evidence.

8) Budgeting:

Budgeting is the essential of an organization. It is very important for every organization/ individual to plan, execute and record all the budget and financial activities properly. It is used must be transparent to all the concerned team.

Q.4 Management is a science:

Management is a science because of several reasons like it has universally accepted principles. It has cause and effect relationship etc and at the same time it is art because it requires perfection through practice, practical knowledge, creativity, personal skill etc. science is obtaining information about a particular object by a systematic pattern of observation, study, practices, experiment and investigation.

The management process also follows the same pattern. Gathering data and facts, analyzing them and making a decision based on analysis are the basic functions of the management.

Management follows systematic method to find a possible solution for a problem. It is true that the science underlying managing in inexact or a soft science at best. It is not as “science” as physical science such as a chemistry or biology which deal with non human entities.

<u>Systemized and organized body of knowledge:</u>

Science is a body of organized knowledge with a base of principles, observations, facts and proof. In management there is a systematic study of ideas, concept and principles which are properly arranged and used management decision are taken with respect to established goals by the position of labour, finance and time. Therefore mgt can be called a science.

<u>Social science:</u>

Mgt is considered as a social science because its deal with human behavior study as a human behavior is totally uncertain science is still in its infant stage.

<u>Inexact science</u>:

Mgt is an inexact science like physics, chemistry, and biology. In mgt there are flexible directions because business it is highly dynamic.

<u>Application of mathematics:</u>

As we know that almost in every area of science there must be some application of mathematics many experiments and principles are derived on mathematical basic. Mgt science subject many method and concept are derived with help of stastical and mathematical model.

Q.5 Management is an art:

Mgt can also be considered as an art. Art is considered with understanding of how particular work can be performed. Arts deals with how the knowledge can be applied in a particular situation. Art is a skill of doing things in an efficient manner.

<u>Fundamental knowledge</u>:

Fundamental knowledge is quite essential for the representation of knowledge skill and his job. The fundamental knowledge of principles. Methods and process of mgt helps manager to become successful.

e.g. scientist, cricketer, painter etc.

<u>Creative art:</u>

Just like a musician requires creativity to play different emotions of a music, painter requires creativity to paint different varieties of painting in the same way, manager requires creativity to solve a variety of problems that they face while managing the firm.

Regular practice:

For managing the firm tactfully manager has to work on regular and consistent manners. Manager has to learn from practices. There may be success or failure in any of the work. Manager has to take it as a learning experience and move a head.

Q.6 Discuss professionalization of mgt:

Meaning:

Mgt is not being categorized as a complete profession; it has a status of an emerging profession. Due to the growth of privatization, economy, liberalization from government regulations etc. the modern area provides very good encouragement to consider mgt as a profession some experts are given their comments on professionalism in management.

- "There should be no statutory control over managers."
- "Manager must be known by their performance rather than by degrees."
- "No greater damages could be done to economy and society than to attempt to professionalize management by licensing manager or by limiting access to management manager or by limiting access to management to people with special academic degrees. " **- peter drunker**

Essential for professionalization mgt:

1) **Formal education and training:**

If the criteria necessary for education and training of managers are specified then future manager who enter into the field will have good confidence knowledge and skill.

2) **Importance of ethics:**

Professionalization promotes ethics in mgt and restricts negative practices like corruption, malpractices, violation of transparency etc therefore; we can say that without professional management practices would be unhealthy.

3) **Status and prestige:**

Professionalization manager will concentrate more on his work and services rather than on his personal benefits and profit. It enhances their reputation and prestige in the market.

4) **Systematic development:**

In modern area there is a need for well trained and qualified managerial personal because today's business conditions are quite dynamic and competitive. Managing people has become a highly tough job.

- **Challenges of professionalization in mgt:**

The following are considered as handles for mgt to become as a profession.

1) **Difficult in setting qualification standard:**

Managers can't be judged by degree and qualification only. If we recruit manager by t5his way then we may loss those people who have practical knowledge, creativity and dynamic thinking more over the required qualification and degrees differ from organization to organization. Thee for formal qualification standards are difficult to set.

2) **For managers, performance and outcome are more important than degree:**

As drucker has rightly said managers must be known by their performance rather than by degree while degree and qualification only gives bath practical and theory cal knowledge for managing people, creativity, experience, and quick decision making, problem solving approach etc play an important role for managers. Ex. reliance Birla etc.

3) **Managers are not responsible to one group only:**

If we analyze organization structure than we find that managers are responsible to their immediate senior and authority. But in general managers are responsible to groups like customers, share holder, creditors, government etc. there for codes and regulation are difficult to set for managers.

4) **Lack of proper facilities of standard education and training:**

In india quality education is still a serious problem in many areas. The education standards and levels are not satisfactory. The level of teaching resources. ICT library, industry interaction, training facilities, practical and field knowledge etc are still not up to satisfying level.

Q.7 Explain mint berg's managerial roles?

OR

Explain managerial roles from the view point of hennery Mintzberg:

In 1973, Henry Mintzberg introduce this concept as a "a set of certain behavioral rules associated with a concrete organization or past manager performance many different kind of roles within his boundary."

Mintzberg classified managerial roles in three category:

1) Interpersonal roles
2) Informational roles
3) Decisional roles

1) **<u>Interpersonal roles:</u>**

This category includes providing information and ideas.

a) **Figurehead:**

Managerial roles is expected to be of exemplary conduct and a source of inspiration for others in an organization. Manager has to responsible for social, legal and ceremonial responsibility. Generally other's look towards a manager as an authority as a figurehead.

Ex. presentation and demonstration opening, hosting an event

b) **Leader:**

It includes motivating subordinates performing responsibilities of everyone in the group, regular discussion with them and providing training to other employees.

Ex. all managerial operations

c) **Liaison**:

Manager has to establish contact and do internal and external networking and inform subordinates of these contacts. Ex. business correspondence, attending meeting and conference with other division of organization etc.

2) **<u>Informational roles:</u>**

It includes processing of information.

a) **Monitor (receiver):**

Manager has to regularly acquire information about organization competitor, and industry in this regard. If necessary make changes in the environment. Manager has to regularly monitor his team w.r.t productivity and well being.

b) **Disseminator:**

Manager has to regularly update his colleagues by communicating information collected from internal and external sources.

ex. important letter, agreements, interview etc.

c) **Spoke person:**

Managers represent their organization and communicate information about organization mission, vision, goal, policy etc. to outside people.

Ex. circulars, attending business conference etc.

3) **<u>Decisional role:</u>**

It includes using of information.

a) **Entrepreneur (initial of change):**

Manager has to create and control change within the organization by developing new ideas, solving problem, efficient implementation etc. manager has to search for new opportunities, have interaction with other division, system. Structure etc. and implement new innovations to improve the growth of organization as well as employee.

Ex. meeting and discussion on innovations

b) **Disturbance handler:**

Manager has to take leading charge when organization / his team face unexpected difficult, threat etc. in this case, the manager has to play a role of mediator and solve the difficulties.

Ex. financial crisis.

c) **Resource allocator**:

Manager needs to identify where the organization's physical, financial and human resources are best utilized. It includes:

Ex. fund allocation, assigning staff and other resources control etc.

d) **Negotiator (mediator):**

Manager needs to participate to in direct / indirect negotiations within team divisions within team, divisions or organization.

Ex. a link between organization and other companies.

Mintzberg published these ten roles in his book. "Mintzberg on management: inside our strange world of organization" -1990

Today, the role of a manger is not limited to giving instruction and getting work done through others, this is a time where a manger has to work done through other. This is a time where a manager has to work as a facilitator and be participative. Today the biggest challenge for the manager is retention. If a manger is not able to retain his staff then his efficiency level goes down.

A successful manager complete the tasks in the most efficient and desired manner, with respect to time, quality and output.

<u>To become a great leader:</u>

A successful leader should posses the qualities of a great leader like enthusiasm, energy, aspirations, confidence and convincing ability. He should have a great vision, motivation and zeal to achieve the goals of the organization.

UNIT 2: SCHOOL OF MANAGEMENT THOUGHTS

Modern theory:

During 1950's management scholars pays more attentions to organizational theory. In 1959 symposium held by the foundation for research in human behavior, Michigan has published a modern organizational theory. The contributors were William waste, Chris argyris, e. bake, James march, Jacob maychek, fielder antol rapport. The concepts are:

a) Contingency (situational) approach:

It is an extension of system approach:

This approach suggests that management actions are situation. The particular action applied to one situation is up to that pay only. The same action can't be applied to other situations.

That is not being possible to work in one particular way for managing the organization. Every organization differs from one to another W.R.T. their way of managing, technology, employees and external factors. Management principle and methods are situational and relative. Manager has to first study the particular situation and then applies different approaches. Behavior, functions, systems, etc.

Contributors of this approach:

Tames Thomason- Lawrence- lorsch- Woodward- Selznick- burns- stalker- fielder- tuthons- stoker- charley- parrot.

"When a sub-system in an organization. Behave in response to another system or sub system, we say that response is contingent on environment. Hence, a contingency approach is an approach where the behavior of one sub unit is dependent on its environmental relationship to other units or sub units that have control over the consequence desired by sub unit." - **Hammer and tossi**

1) <u>Feature</u>:

1. Management actions are completely situational with respect to internal and external factors and systems. (even sub systems)
2. Organization should properly integrate with external environment and system.
3. Organizational actions differ from situation to situation.

2) <u>Advantage:</u>

This approach provides a base to study complex phenomenon of organization and its dynamic nature under different kind of situations. The advantage of this approach is….

Actions of managers really entirely on situations and environmental factors.

1. Contingency approach design appropriate solutions for particular managerial actions w.r.t. its internal and external variable.

3) Limitations:

The limitations of contingency approach are:

1. This approach is simple to understand but difficult to put in practice. It is a highly complex phenomenon and requires detailed analysis. Mangers may take short cuts when he works under short time span.
2. This approach is reactive and not proactive w.r.t a given situation. Manager has to design the plans and policies in such a manner that environmental effects should be as little as possible.
3. This approach requires detailed study of various external and internal factors affecting the organization. Therefore, empirical testing is difficult due to complex representation of problems.

Though, there are certain limitations of this approach, it creates barriers for managers, but in practice, manager have to make detailed study of situations and accordingly take decisions, it requires great degree of logical analysis and skill.

b) System school approach:

This approach was developed after 1950's. this approach is consider as an integrated approach of management.

1) Characteristics:

A system is a combination of various inters related parts/ components of form complex unity. The characteristics of system approach are:

- ✓ A system is a basic combination of various sub system. Every sub system is a combination of various parts of components. Ex. computer is a system of cpu, monitor, keyboard etc.
- ✓ The various parts of sub system are mutually related to each other directly.
- ✓ For any system the arrangement of parts is very important. Therefore every system has an individual identity which consists of arrangement of various parts.

2) Types of system:

Open system includes feedback system to maintain the equilibrant. Ex. any human body

Open system can directly interact with environment variables. Therefore, it is considered as a dynamic and flexible system. Close system do not have any interaction with the environment. They are self maintained system. they are based on machine and automation.

3) Implication:

- ✓ This approach visualizes that in management various forces influence in an integrated manner.
- ✓ This approach suggests that manager has to develop an ability to think in integrated way for solving any problems.
- ✓ This approach develops team spirit in the organization.
- ✓ This approach implies that various factors of environment affecting an organization are inter related.

c) <u>Quantitative approach</u>:

This approach got quite popularity during world war especially in British and U.S. defense series for utilizing their resources in the most effective manner. It encompasses the application of mathematics, science, statistics and informational effectiveness. It includes:

1. Management science
2. Operations management
3. Management information system.

1. <u>Management science</u>:

It suggest the application of mathematical and statistical techniques in decision making. It focuses on technical issues and not much on human behavior issues. Now a days, use of computers in quite an advantage to speed and accuracy.

2. <u>Operations management:</u>

It is relevant with manufacturing and delivery of quality products / services to the and users. It includes inventory management, facility location, quality control and scheduling, operations management directly concerns with some production functions for management concerns like process, materials, work scheduling etc. many statistical techniques are useful to handle these operational issues like:

- Linear programming
- Queering theory
- Sampling theory
- System design, date structuring & processing
- Input/ output analysis
- Inventory control
- Manpower planning, sales planning, profit planning
- Information theory.

3. <u>Management information system:</u>

It focus on designing and implementation of computerized information system for managerial decision making. Data is a raw concerns and has to be processed to convert is into information for all the levels of management.

Benefit:

- ✓ Useful to identify problems and its relevant variables for finding out the best possible solution.
- ✓ It suggest holistic and displined thinking among managers to analyze multidimensional factor having influence on managerial decision making.
- ✓ It provides important quantitative method for rational decision making by analyzing relationships between the suitable and minimizing it by mathematical models.

Classical theory / approach:

Classical means which is already accepted and traditionally long established before. But it is not static with respect to time bound limit.

Element:

1) Integrated function:

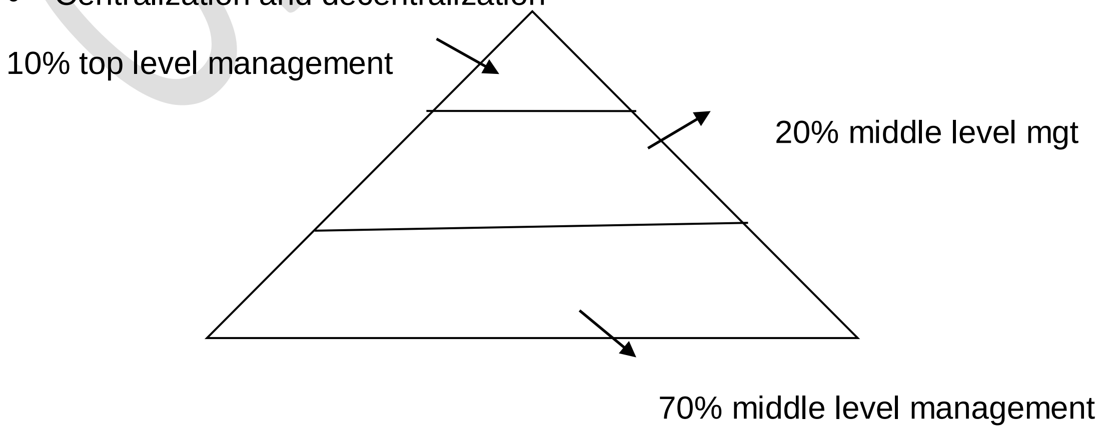
Management consist of planning, organizing, directing and controlling functions which are interrelated and inter dependents.

2) Principles:

Classic approach mainly focuses on organizational efficiency to increase the maximization of success ratio. The classic expert develops certain principles based on practical experience to improve managerial thinking and decision making skill.

Expanded:

- Hierarchical chain
- Scalar chain
- Unity of command
- Division of work
- Line and staff
- Delegation
- Centralization and decentralization



3) Controlling structure:

It is but natural that if you follow your rules and regulations give your best result then definitely you will receive appreciation and rewards if you lack behind then you will not get anything.

Classical theory includes:

A) Bureaucracy
B) Scientific management
C) Administrative

A) Bureaucracy :

Bureaucracy is an organizational structure characterized by a strict hierarchy, division of labour, adherence to formal rules and procedures. Impersonality and merit based selection on promotion.

Meaning:

Bureaucracy means a structure which includes:

- Division of work into smaller tasks with specialization.
- Formal mechanism of rules and regulation.
- Departmentation on functional basis.
- Centralized authority.
- Limited span of control.
- Clear decision making as per commanding channel.

❖ This approach has been developed by max Webber, max Webber was a German sociologist.
❖ The theory of social and economic or organization around 1920.
❖ This theory all up the scientific gap of Taylor approach with the development of industrial engineering.

<u>Characteristics:</u>

1) Inter personal relationship:

In organization all are equal in terms of rules and treatments. There is no space for emotions and favourism.

2) Complex mechanism:

In organization there must be a complex mechanism of rules, regulations and procedures for controlling behavior of the employees. This structure is strictly bound for everyone in the organization.

3) Record:

There must be deficient record keeping for every task performed by everyone. This can be useful in future to reference.

4) **Hierarchical chain:**

It is a ranking system from top to bottom of an organization as per their position. There must be supervision on every department and lower office for proper controlling no one department should be left without supervision and controlling.

<u>Advantages / merit:</u>

1) **Benefit of specialization:**

In bureaucracy work is divided into different functional department in organization. Employee can be specialized in his particular fields and give the best performance.

2) **Rationality:**

In bureaucracy decision making is based on the objective criteria. In addition bureaucracy brings clear cut authorities and reporting relationship with a hierarchal chain of command.

3) **Democratic structure in bureaucracy:**

- ✓ Decisions are based on rational approach with set policy and standard.
- ✓ Work priorities are based on the time schedule.
- ✓ Selection is based on knowledge, degree, experience, skills etc.
- ✓ Based approach favoritism etc would be totally avoided.

<u>Disadvantage / demerits:</u>

1) **Rigid approach:**

Many expert believes that bureaucracy brings rigidity structure. The strict follow up of rules and regulations makes structure and people fills stress in their respective duty.

2) **No room for human feelings:**

As from above point. Bureaucracy develops mechanical way of performing the job rules and regulation takes space of human needs and emotions, therefore it is termed as "organization without persons."

3) **Boy of boundary:**

The adherence of strict rules and regulation fix the people in their respective job, through they are capable to doing some other work for examples, a carpenter farmers a temple from wooden material even though if he is capable to make electric wiring in that then also he has to leave that job for the electrician. Bureaucracy insists to continue existing old jobs and odd new ones that will increase wastage.

4) **Paper work:**

In bureaucracy, everything is recorded on paper. The files moving between many department and in many offices makes delay in the matter. Due to paper work.

Personal communication is reduced between the people and furthermore rigid rules/ regulations makes delay in arriving judgment.

Due to above criticism, today many experts believe that bureaucracy is totally unwanted phonemes they believe that it is:

- Continental nuisance
- A structural dissonance
- Impersonal monster
- Wastage of time, money and efforts
- Hopeless company mar.

B) <u>Scientific management thoughts:</u>

It is an approach that focuses on improving the efficiency of the worker through scientific way of working. Frederic Winslow Taylor is considered as a real father of this approach other contributes were frank gilberts, Lillian gilberts and Henry Gantt. Taylor joined Midvale steel company- U.S.A as a worker and become a supervisor. His qualification was M.E. he has also worked at bethelehan steel company. He performed a number of experiments on improving the working efficiency of the people. He has also written a book "scientific management" which includes his experiment and principles.

1. <u>Feature of scientific management:</u>

Features

1) Separation of planning from actual doing work.
2) Functional foremanship
3) Job analysis
4) Scientific selection and training of workers
5) Monetary benefits
6) Economy and profit

1) Separations of planning from actual doing work:

Taylor advocates that a worker should be free from planning aspects. Planning task should be performed by supervisor and managers. A worker has to concentrate on his performance at work earlier. The worker used to perform both the tasks-planning and actual work. This created many problems and difficulties for workers.

2) Functional foremanship:

Taylor wants to strengthen his first principle of separation of planning. That is why he has formulated the functional foremanship. The foremanship was based on specialization of different functions performed by workers and foreman.

3) Job analysis:

Taylor suggest the concepts of job analysis for finding out the best possible way to perform the job he suggested the concept of time motion and fatigue study for the purpose job analysis. Time study includes calculations of exact time required to perform a job. It will carry the calculation of determining the fair work for a period.

4) Scientific selection and training of workers:

Taylor advocates that selection of workers should be made on a scientific basis by considering their work experience, qualification skills and knowledge physical ability etc.

5) Monetary benefits:

Taylor suggested that monetary benefits can be used as a source of motivation for workers. He also provides a system of differential piece rate system.

6) Economy and profit:

Taylor also gave attention on the control technique for reducing cost and wages for better economy and profits. Proper and efficient use of available resources is also necessary.

2. <u>Principles:</u>

The principles of scientific management are:

1) Replacing rule of thumb with science:

Taylor advocates the work approach scientific way by standardization, differential, piece rate system etc. instead of rule of thumb (means work through estimates).

2) Harmony :

Taylor gives more focus on group harmony in such a way that win-win conditions can be developed among group members.

3) Cooperation:

Taylor suggested that cooperation can only be achieved through mutual understanding.

4) Maximum result:

Taylor emphasized on increasing the scale of the performance of the organization, and remove the inefficiency in performance.

5) Worker's development:

Taylor suggested that development of workers can be possible through scientific selection and through training. Taylor, scientific management thought was being opposed by trade unions, management and general public also a manager thinking was that. This approach is of old type of working.

C) Administrative school approach:

French industrialist Henry fayol who is considered as a real father of modern management provides "administrative approach" in his book 'administration industrially at general ' – 1916. This approach primarily focuses on principles and practice that can be applicable for managers for better management of the organization.

1) Science of management:

Fayol has classified six activities for better management of the organization.

1. **Technical** – production/ manufacturing.
2. **Commercial**- buying-selling- exchange.
3. **Financial** – search for capital with its better utilization.
4. **Security**- it is concerned with property and person.
5. **Accounting**- statics, profit-loss, balance sheet.
6. **Managerial** – planning, organization, and controlling, commanding, coordinating.

2) Managerial qualities and training:

Fayol identified six qualities, required for the managers to be successful:

1. Physical (health)
2. Mental (ability to learn , understand and making judgments)
3. Moral (energy, firmness, dignity)
4. Educational (qualification / basic knowledge to perform a job)
5. Technical (particular to the function being/ performed)
6. Experience (arising from the work)

With these qualities fayol also promotes management training with technical abilities for this purpose the suggests that managers should apply fourteen principles.

3) Principles of management:

According to fayol, these 14 principles can be universally applied to the organizations. Irrespective of their type, size, functions and levels.

1. Davison of work:

Fayol suggest that division of work requires at every levels of org. to get the benefit specialization by the division of work. Employees will properly concentrate on a same job.

2. Authority and responsibility:

Managers need the authority to get the work done through others. Authority means right to give orders and responsibility means obligations to obey orders. Formal authority derives from hierarchical or org. structure informal authority derives from informal relations, qualities, experience etc.

3. Discipline:

All the employees should be in discipline in their service. It is an outcome of effective leadership. Discipline means respect, obedience and good manner at work. Self discipline comes through individual nature and effective leader.

4. Unity of command:

It means employees receive orders and commands from more than one authority. Then he will get confused that which command he has to follow.

5. Unity of direction:

It means that for performing a job. One manager one plan with same objective should be formulated it provide better coordination among worker and employees in the org.

6. Centralization:

Everything that goes down to reduce the importance of sub ordinates is called as centralization. Increasing role of sub ordinates is called as decentralization.

7. Scalar chain:

Scalar chain means the line of communication from top level to the lower level. Fayol suggest that information should pass through all the stages and level of the org. supervisor should be well informed in advance.

8. Order:

This is related to proper arrangement of concerned resources. Materials should be placed at the right place, with the right men at the right time for everyone.

9. Equity:

Manager should not act particularly or unfairly while dealing with employees in decision making. It requires good understanding knowledge and loyalty of employees towards the org.

10. Stability:

Employees should feel safe and stable in the org. employees should not have contractual or short term employment in the org.

4) <u>Elements of management</u>:

Fayol advocates that management can be termed as a process of five elements.

1. **Planning:**

The first element involve-

- What is to be done?
- How, where and when it is to be done?

2. **Organizing:**

It is the process of dividing the activities which are necessary for any purpose and arranging then in a group which are assigned to individuals.

3. **Commanding:**

It is necessary for effective implementation of plans.

4. **Coordination:**

It is considered as a soul of management and necessary for verifying that all the employees should work together.

5. **Controlling:**

Control verifies that everything works as per pre decided plans and schedules.

5) <u>Contributions of Fayol:</u>

1. Classification of six activities including management.
2. Fayol also provides the elements of management i.e. planning, organizing, commanding, coordination and controlling.

6) Limitations / criticisms:

Following are the criticisms of this approach as suggested by other experts.

1. **Human factors are ignored:**

In these approach human factors like feelings, emotions etc are totally ignored. It only focuses on org. structure policy, rules regulations and monetary benefits.

2. **Bias:**

This approach is more concerned with what a manager should do rather developing common understanding of managerial behavior. This approach does not provides clear application of management principles.

3. **Dynamic nature of environment:**

Today the economic parameters are quite dynamic due to competition and continuous changes. Therefore, in today's dynamic era, only things done through sub ordinates are not sufficient.

Though there are certain limitations of this approach: still this approach is considered as a turning point in the history of modern management.

UNIT 3: PLANNING

Introduction:

Any society, whether cultured or uncultured carries out systematic arrangement of its functioning whether consciously or sub consciously in the same way in any management the function of planning is carried out in one way or the other extensively. In general since, planning means to determine the path of functions or methods to be carried out in future.

Planning becomes essential if one want to threat on the uncertain and unclear path by throwing light of planning. Only planning is not sufficient. It should be based on clear cut and solid facts. The worlds of fayol that, “managing means looking ahead” make clear the meaning of planning.

Definition of planning:

As per dr. terry ‘planning means determine the proposed method of work. Planning is greeting in advance the idea about the difficulties and before they can emerge, they are prevented. It is the systematic method to pre estimate difficulties in advance. Present, the activities are carried out inconsonance with the future and constantly observe the future requirement.’

According to urvik,”planning is an intellectual process, which pre estimates to carry out function in a systematic manner and take decision on the basis of solid facts instead of only presumptions.”

Henry fayol has in his book, “general and industrial management” has said that, “planning shows the future picture it shows never events very clearly and future events a bit hazy.”

Features or characteristics of planning:

The implementation and formulation of planning may be differ from org to org. the characteristics of planning are discussed as follows.

1) **Planning is goal oriented activity**:

Planning becomes unclear and confusing without clear. Precise and specific goals. Planning is a tool to achieve specific set of objective by the management goal provides direction to the planning activities.

2) **Planning is a logical process:**

Planning is frame for future activity. As future is highly uncertain. So planning will also be highly uncertain. The manager who frames the plans must have to apply his logical since for framing accurate plans.

3) **Forecasting is the base of planning:**

Management itself is future observation. Manager prepares plans after consideration of future events therefore, forecasting is quite essential to frame plans. Planning is impossible without taking the base of forecasting.

4) **Planning is flexible:**

Managers frame the plan for future events by analyzing past data in present situation. Future events may be different from forecasting of the manager. Therefore, as per changing situations, it is necessary to apply changes in the plans.

5) **Planning is selection of alternative:**

Planning involves selection among various alternative course of action. It is a basic task of planning to select the best plan among the available alternatives by careful understanding, through analysis and decision making.

6) **Planning is a continuous process:**

Planning is a continuous and permanent process. Initially, plans are prepared for specific purpose for specific period. They are implemented by converting into course of action. At the end of the period, plans are changed according to the change in situations.

7) **Planning is a futuristic activity:**

Management itself is future observation. Planning is a forward looking activity and prepares for the future. Plans are prepared only after taking into considerations the future events.

8) **Planning is applicable to all**:

Planning is applicable to all management levels in all types of organizations like private, public charitable houses, cooperative etc. generally people have wrong assumption that planning is generally presticides at top level management only.

9) **Planning is a starting point of management process:**

Planning is a base and foundation of mgt. planning provides the basic foundation from which all future management functions arise. Planning is the first step of management process.

10) **Planning require accuracy and efficiency:**

The main objective of planning is to utilize the resources efficiently and effectively. Therefore, managers has to frame accuracy and simple plans for the organization.

- **<u>Importance of planning:</u>**

Present era is the planning era . no one can change the past, but man can shape the future. Therefore, planning is a significant factor which gives shape to the future. The importance of planning can be desired in the following ways.

1) **Planning objectives:**

It is quite clear that without planning. Organization will suffer in the long run. Planning provides directions and objective to the organization. Once the objective is determined, one has the idea about the working style for fulfilling it with the frame work of objective and directions. The chances of errors.

2) **Planning jobs and activities:**

Planning gives the answer of following question after defining goals and objectives.

I. What is to be done?
II. Where and when it is to done?
III. How the things have to be done?

Therefore, all activities are directed to achieve desired objectives.

3) **Planning risks and uncertainties**:

Planning helps the organization to face challenges and risk associated with the future. It helps the managers to predict future challenges and prepare well in advance for effectively facing these challenges without planning. Organization becomes reactive planned decision has an element of preciseness.

4) **Planning efficiency and economizing:**

Planning is the base for forecasting with clear and definite analysis of data, process and cons of related future actions. Planning acoids guess works by this way, unproductive efforts and work duplication will be totally removed. Planning improves efficiency and reduces the efforts.

5) **Planning wastage of resources:**

By planning all the activities are properly analyzed before they are put into practice. So, unnecessary work, duplication and mistakes can be minimized. By this way, planning will save time and efforts and give maximum productivity.

6) **Planning economical:**

For fulfilling the fixed objectives, planning selects the most proper method. From the beginning itself. Inefficient and expensive method Is removed. Hence, planning becomes an economic activity.

7) **Planning activities in systematic manner:**

Planning gives direction to the employees for forecasting on productive work. Without planning the efforts of employees may be diverted. Every activity will be completed within fixed time schedule.

8) Planning other functions:

Planning is the base of managements (Henry fayol). Planning makes other functions of the management easier i.e. organizing directing and controlling. Through planning, manager can easily estimate the requirements of resources (men, machine, materials, and money.) afterwards, organizing and staffing take place then, how many employees need training to perform their job will determine to perform all the activities.

9) Planning decision making and control:

As we know that planning is a choice of alternative. Planners have to properly evaluate all the alternatives and then select a best plan which involves decision making. Objectives and goals set the target criteria for evaluating different plans.

10) Planning coordination and cooperation:

Coordination is the soul of management. Planning establishes harmony and cooperation among different departments and employees. Through planning employs will come to know about their job, duties and responsible at work place. Planning removes misconceptuality and misunderstanding regarding work and jobs.

11) Planning creativity and visualization:

Planning means looking into the future and preparing the organization as a compatible and well equipped organization to face future challenges. This requires through analysis of organizations strength weakness, opportunity and threat (swot) analysis. Strength and weakness factors are internal factors of the organizations. Opportunities and threats are external factors affecting on organizations performance.

Limitation of planning:

We have gone through many advantages of planning but there are some limitations of planning as per different conditions there are discussed below:

1) Planning rigidity:

Planning puts the activities and work culture of the organization into the rigid structure. Some managers of the company are not ready to make changes. Once the plan has been framed. Therefore, planning brings rigidity in the organization. Managers may not consider the potential opportunities and critical threats of the market because they want to stick to the current plans.

2) Planning time consuming expensive and lengthy process:

Planning is expensive in terms of managerial requirements for framing plans and time required to formulate different plans. Planning is quite lengthy and time consuming process. It is required to develop alternative plans analysis of data. Analysis of alternatives, selection of best plans preparing derivative [sub division] plans, implementation and assessment of plan.

3) Planning uncertainly:

The manager has to analyze past data in present and frame plans for the future. Future is always uncertain manager has to take certain calculate assumptions and premises for the future. These premises may not prove correct at all times.

4) Planning obstacle for growth and freedom:

By way planning, all the things like objectives, policy, strategies, systems, etc. will be decided in advance afterwards, the role of employees is only execution of that aspects. Therefore, employees do not get freedom to apply their own contribution and creativity. This wills curtail the growth of employees.

5) Planning external environment factors:

There are various external factor on which there is no management control, like political, technological, government, trade union etc. these factors have great impact on organizational planning.

6) Political and government factor:

All the organization with more or less degrees, face this factors. Government policy, taxation structure, business guidelines, etc. affects organizational planning.

7) Technological factor:

When there is a change in technology, it will create many problems in the organization like production process, arrangement of raw materials, cast, competition, financial requirements, new labour source etc.

8) Trade unions:

Generally, it has been seen that trade unions are executed on national level and their movements are in the benefits of employees like wage and salary, resistance against mergers, disinvestments, take over etc. which are very critical issues which may affect planning.

9) Planning incomplete details:

Managers frame the plan after carefully analysis of all the relevant data. If these data are incomplete (i.e. inaccurate and insufficient) then plans will not be successful. Planning should be based on accurate and complete data.

Planning process:

Planning is a very critical function of the management. It requires a lot of skills, knowledge and time from planning managers. Desires of management, situation, staff etc. affect planning. Therefore, planning process may differ from organization. For examples, planning in small scale business or in family business is quite different from large scale or multinational corporations.

1) Analysis of opportunities:

Awareness of various available opportunities is very important for formulation of planning, so that our plans will get a success to hit the opportunities. It involves the study of-

I. Possible opportunities
II. Strength and weakness of organization to grab the possible opportunities.
III. Benefits and return of possible opportunities.
IV. The need of an organization to grab the opportunities.

2) Determining objectives:

At this stage, managements sets the main objective by analyzing various opportunities. This organizational objective will specify all key result areas and benefits that may be expected by the the enterprise. It includes:

I. What is to be achieved?
II. Where action should initiate?
III. Who will perform a particular action?

The organizational objectives provides direction to all major division and sub departments objectives can be of long term and short term or immediate objective it can also be divided into main objective and subsidiary objectives.

3) Determine planning premises:

After setting organizational objectives, the next step is to determine planning premises. Planning is future oriented activity. The planning premises are certain assumptions about future conditions under which planning activities will be performed. These premises are of three types.

<u>Uncontrollable premises:</u>

The premises which are fixed and management does not have control on it e.g. population trend, price level taxation policy etc.

<u>Semi controllable premises:</u>

The premises on which management has partly or somewhat control. E.g. competition, product policy, labors efficiency etc.

<u>Controllable premises:</u>

The premises on which management has direct control e.g. company policy, plant capacity etc.

4) Data collection, classification and analysis:

Planning can only be made efficient, if the data related to premises are properly collected. Only data collection is not useful. The data should be related and reliable for making proper planning.

5) Formulating and assessment of future course of action:

All this stage, various alternative plans will be framed based on organizational objectives and planning premises. These alternative plans give a direction that objectives can be achieved through many ways:

e.g. objective of organization- development

I. alternative plan
II. Expansion of business in the same field.
III. Diversification of business in different field..
IV. Partnership or merge with another firm etc.
V. The main task of manger is not just to develop alternatives but to select best alternative from the given choice.

6) Selection of right plan:

After the assessment of all the alternative plans, the most favorable plans have to be selected for proper evaluation and assessment, statistical and mathematical technique can also be used. There are various selection criteria for the plans like cost efficient, profitable, development change etc.

7) Formulating derivation or subsidiary plans:

After formulating the basis plan, the next step is to frame various supplementary plans based on this basic plan. There are various supplementary plans in an organization like raw materials planning, production planning, sales planning, composition planning, budgetary planning etc.

8) Securing cooperation & participation:

For successful implementation of a plan, honest efforts and cooperation of all the employees are required. Management has to consider all the suggestion, ideas, view, complaints, etc. from all the concerned employees and remove all defects from the plans.

9) Assessment of progress:

Plans have to be regularly assessed and verified to ensure the relevance and its effectiveness. The success and failure of plans depends upon this factor.

- **<u>Types of planning:</u>**

Planning process can not be same for all the organizations planning can be formed in many styles and practices. It is a forecasting method by which planning can be framed properly by participative nature of all the executives. Planning can be done at top level and then implement up to the lower levels.

Types of planning

Long term v/s planning | corporate planning | objective based planning | functional

Short term

1) <u>Long term planning and short term planning :</u>

This type of planning generally covers along durations of at least 3 to 5 years or it can be more also. It details with setting broad be more also. It objectives applicable to organization and selection of proper methods to achieve that objectives. Long term planning develops creating and imagination among the managers. Long term planning will be developed after careful consideration, pattern, business conditions, economic conditions, personnel policy etc.

Ex. production planning based on future pending orders. Sales planning based on market demand, financial planning based on future financial requirement.

- **<u>Short term planning:</u>**

Short term planning covers a period of one year or up to twelve months, long term planning say for ex. 5 years is divided into short term planning of one year duration of five times. Compared with long term planning. Short term planning gives accurate forecasting and favorable result.

- **<u>Comparative analysis:</u>**

Points	Long term planning	Short term planning
Time duration	3 to 5 years or more than that	Maximum up to one year
Framed by	Top level	Operational or lower level
Span	Dealing with long term objectives and mission	Dealing with departments and other areas of organization
Risk factor	High degree of risk and uncertainty	Less chances of uncertainty and low risk factor.
Scope	Correlates organization with External environmental factors.	Correlates organization resources and other departments to achieve long term objective.

2) Corporate planning:

In an organization, planning activities are performed at various levels. Where planning covers the whole organization, it is called as corporate planning. Many aspects which includes long term planning, corporate planning can be divided into two categories:

I. Strategic planning
II. Operational planning

Strategic planning:

In various objectives like starting of business, development of sales, diversification of existing business with new ventures, developing new product lines, expansion of business, etc. requires long term thinking by considering various external environmental factors. Strategic planning is a top management responsibility. It involves SWOT analysis (strength, weakness, opportunity and threats). It is concerned with broad objectives of the organization.

Operational planning:

It is also known as short term or tactical planning. Operational/ planning includes operative activities like production turnover, plants capacity, budget, etc. usually of one year period.

Particulars	Strategic planning	Operational planning
Objective	It provides direction to the Organization and is Concerned with allocation of functional resources.	It concerns with the execution strategic plans towards the achievement of Organization objectives.
Environmental influence	Strategic planning is influenced by external environmental forces.	Operational planning in influenced by internal Environmental forces.
Time period	At least five years	Up to one year
Scope	Total organizational performance	Functional performance
Long term/ short term	It is concerned with long term Objective	It is concerned with short term Objective.
Functions	Planning and direction	Controlling, execution and evaluation
Certainly	Highly uncertain	Certainly due to short term
Level of formulation	Top level	Middle level

3) **Objective base planning:**

Organization also frames plans for specific objectives like restructurization, maintaining and development etc.

I. **Reengineering or restructures planning:**

It is concerned with some inefficiency observed in the organization like consecutive loss, cost of sales, employee turnover, financial deficit, dissatisfaction from customers etc.

II. **Planning for maintaining current business organization:**

It is concerned with managing the current business. This planning provides the strength and direction to the organization for facing new challenges happen in the environments.

III. **Growth and development planning:**

It is concerned with organizational development w.r.t. profit, sales, production, human resources, etc. it includes proper planning by considering long term vision of the organization.

4) **Functional planning:**

It is concerned with various departmental function of organization like…..

A) Research and development planning
B) Investment planning
C) Advertisement planning
D) Sales planning
E) Budget
F) Production planning
G) Human resource development planning etc.

UNIT 4: ORANIZING

Introduction:

The word organization is thus used to show the static structure as well as dynamic process to achieve some objective. **William Scott has very well defined the term organization as, "organizations are collectivities of people that have been established for the pursuit of relatively specific objectives more or less on a continuous basis."**

Definition:

Chester Bernard, "A system of cooperative activities of two or more persons is called organization."

Koontz and O'Donnell: "organization involves the grouping of activities necessary to accomplish goals and plans, the assignment of these activities to appropriate department and the provision for authority delegation and coordination."

G. R. Terry: "organization is establishing of effective behavioral relationship among persons so that they may work together efficiently and gain environmental conditions for the purpose of achieving some goal or objectives."

Importance of organization:

Someone has very rightly said, "Management is the brain of business enterprise, while organization is its body." The key to any business enterprise is organizing. The structure is created for such a system is called an organization.

1) Facilitate administration:

Administration aims at earning highest profit by utilizing the available resources properly. There are various functions performed like planning, decision-making, direction, coordination etc. these functions are performed best only under the structure of organization.

2) Helps to increase the efficiency of the management:

It is always that under good organization structure there are chances of utilizing the employees' ability and utilization of resources to the maximum.

3) Facilitates growth and diversification:

The structure of the business may be changed whenever the growth and expansion activities take place. The growth of business means an increase in its production capacity, diversification like introducing new products etc. this may result into change in the organization structure, like appointment of additional staff, decentralization of authority, raising level of capital etc.

4) Adoption of new technology:

The effectiveness of the organization is measured by the reaction of staff members to the adopting of a new technology. Every day there are innovation and inventions taking place. If the new technology is adopted by the firm, maximum benefits can be obtained in any field.

5) Ensure optimum utilization of resources:

Division of work and specialization are the tools used to achieve the objectives of organization, with optimum utilization of the resources and human efforts.

6) Encourages creativity and initiative:

A sound organizational structure will given an opportunity to the staff to show their latent talents, which will help the enterprise to achieve the business goals and earn higher profits.

7) Facilitates coordination:

The activities of different departments are grouped together to achieve the business objectives. Each department performs its own function in a closely related manner and not as competitors.

8) Facilitates training and development of managerial personnel:

A good organizational provides training to new staff members before placement and gives refresher training to the existing staff members to improve their efficiency.

9) Prevents the growth of secrecy, influence and corruption:

Sound organization develops the morale, honesty, devotion towards duty and loyalty of business organization. Normally these help to remove corruption, secret and influence.

10) Facilitates control:

Organization structure facilitates effectives control and supervision over the subordinates. It is due to clear cut relationship that has been defined under the structure built up.

Types of organization structures:

It in the organization, all the duties, authorities are clearly defined then it is very easy to design organization structure. For effective implementation of business strategies, rules regulation. Policies among various departments and individuals. As time passes, there is growth and expansion in the activities of organization that leads to more complex administrative structure and need for large number of employees, experts, etc.

A. Line organization
B. Staff/ functional organization
C. Line and staff organization
D. Committee organization
E. Project organization

F. Matrix organization
G. Network organization
H. Virtual organization

1) Line organization:

- It is also called as “military”, “department”, “scalar”, and “vertical” organization.
- “As authority flows from the top to bottom line and responsibility flows from bottom to top line it is known as line organization.”

A business enterprise is divided as per the functions on the basis of authority and responsibility. Authority flow is descending from top to bottom line as every superior is commanding authority on his immediate subordinates/ employees working under him. A superior can issue orders and command that his employee has to follow higher the level, higher the authority, lower the level, less authority.

Merits:

1) Discipline:

In line organization, everyone knows about his supervisor and subordinates. Their development and promotion depends on supervisor’s opinion so they follow instruction very efficiency, as each function is allocated to a particular individuals so discipline can be easily maintained.

2) Clear authority and responsibility:

Everyone in the organization to whom he is authorized and to whom he is responsible. The line of authority and responsibility is clear so duplication is avoided in the organization.

3) Identifying responsible factor:

In line organization, head of the department is directly responsible for his department for the success/ failure.

4) Quick decision making:

In line organization, head of the department can immediately take any departmental decision. If needed, then he has to only discuss with his immediate boss. So decision making is quite fast.

5) Skill development:

The head of the department managers all his departmental functions with supervising and controlling. So, one person get an advantage to develop his skill in multidimensional aspects and for organization, there is no need to appoint more number of executives that will reduce cost.

6) Success and effectiveness:

For success, the entire credit goes to head so he will be strongly motivated to work effectively. As a single control authority for coordination organization is more effective with quick response.

7) **Flexibility:**

It is very easy to add/ remove new departments in the organization as with the changes in circumstances or expansion.

Demerits:

1) **Centralization:**

The head of the department is sole authority for decision making as per his desire. Organization totally depends on single person, the working of organization is highly unstable when that person leaves.

2) **Corruption:**

As continuation from centralization, head of the department may misuse his authority and power in promotion of employees, favourism, scope for corruption etc.

3) **Lack of specialization and overloading:**

As an entire department function is totally managed by single person, he has to perform varieties of functions. No individual can become expert of all the function. He may face excessive workload. He remains busy in all unimportant tasks and cannot concentrate in important aspects like planning, controlling etc.

4) **Difficulties in transfer:**

Each head of the department would not be ready to transfer his efficient employees to other department which might need his expert support.

5) **Lack of multitalented staff:**

As the head has to perform varieties of his departmental functions, he should be multitalented to perform daily operations. It is very difficult to find such multi talented persons.

6) **Difficulties in Departmentation:**

As earlier said that line organization is also called as departmental organization, but it is very difficult to determine how many departments are required. It is totally decided by desires of head or managers.

7) **Difficulties in coordination:**

The head of the departments only focus on his own functions to achieve good performance and not consider other departmental needs. So there may be inter departmental disputes, competition and problem of coordination may arise.

8) No focus on planning and research:

All the departmental heads are busy in routine tasks due to overburden so they cannot concentrate on new development and planning.

Application:

- Small scale organization in which employees are also limited in numbers.
- Production technology is simple and continuous process.
- Atomization in machineries.
- Employer- employees problems are easy to solve.

2) Functional/ staff organization:

Frederick Winslow Taylor (F.W. Taylor- father of scientific management) recommended functional organization which removes the limitation of the line organization as a single functional authority.

“The total management task is divided as per the type of function and every individual has to only perform a specific function assigned to him in the organization called as functional or staff or specialized organization.”

Every task is performed by concerned experts. These experts are not responsible to particular department but they are responsible to many authorities in the organization. These experts are responsible and administrators as well as adviser for their respective functions.

Formations:

- Division of work by following specialization for better and efficient performance.
- Purchase officer is only responsible for procurement of materials.
- Chief engineer is only responsible for production task and plant activities.
- H.R. officer is only responsible for H.R. activities like recruitment, selection, training, placement, compensation etc.
- These officer are expert in performing special function.
- Under this officer, various foremen are assigned. These foremen are specially trained to perform special repetitive tasks/ operations/ section of plant and as an in charge of a group of workers. A foreman is a general term for a particular type of manager in manufacturing industries. They achieve their position by educational and training programs.

Taylor’s Foremanship:

In 19th century, Taylor developed this system. Taylor suggested that, management should divide the work to each person with supervisor including few functions to be performed as a single lead function for getting quick and efficient performance.

Taylor criticizes line organization that it is difficult to get multitalented foremen for getting success. So, foremen should be given single specialized task to get efficient performance.

1) Planning Room

In planning room, a foreman is concerned with designing plans, instructions, calculating time and cost and maintaining discipline.

A) Route Clerk

He is expert in designing route (path or Sequence) of production that material is passed through different stages and converted into finished product. It has to be given to the concerned workers and superior with time schedule.

B) Instruction card clerk

He is expert in designing instruction manual for each work as per route sequence. This instruction card provides all the details like who will do the job, when, how and which tools are required with its speed of machines.

C) Time and cost clerk:

He is expert in calculating and recording time of each work, its cost, wages of each worker and gives to account department.

D) Shop disciplinarian:

He maintain discipline in the production unit and has authority to take any action against indiscipline like excessive absenteeism/ leave, misconduct, violation of rules and regulations, wasting time and resources etc.

2) Workshop:

It is related with division of work, providing resources like raw materials, tools and equipments, inspection of quality, maintaining speed of work etc.

A) Gang boss:

He divides the work among workers in the group and in charge of preparing work up to the setup of machines as a team leader.

B) Speed boss:

He is expert in improving the speed of work, efficiency and best performance. He gives advisory for this at the time of machine setting till the end.

C) Inspector:

He is involved in quality and quantity inspection of raw materials, machineries, finished goods and various processes for examining that everything goes as per standards (qualitative/ quantitative) or not.

D) Repair boss:

He involves in maintenance of machineries, tools and equipments in goods conditions. He examines that workers should maintain the machineries in proper condition like regular cleaning etc.

Merits:

1) Decentralization:

Here, no expert has full authority of department. They are authorized up to particular job. So, problem concerning with line organization of centralization is removed.

2) Flexibility:

This structure is easily expandable or contracted horizontally / vertically with new department's addition or closure. In functional organization, there is facility of easy expansion as per standardization and specialization.

3) Specialization:

In functional organization, each function is allocated to the concerning skilled/ qualified expert only. As they only have to perform a particular task so they become master in the job with a wide scope of research and improvement in productivity.

4) Large scale production:

As form the above, benefits of specialization and standardization provides large scale production, so per unit manufacturing cost is reduced and quality level will be improved.

5) Scientific recruitment and selection

As every employee is only concerned with a particular specialized job there is no requirement of multitalented person like in line organization. Here, there is a need of in-depth job analysis and requirement. Accordingly, qualified employees will be appointed and specialized training has been provided for the job.

6) Harmony and Cooperation

As every employee has to look after his/her own particular function so there are no internal disputes, jealousy and competition in the departments. So, cooperation problem will not arise.

Demerits:

1**) Difficulties in coordination**

Here, all the employees are expert in their respective field and, having some level of ego. As there is no any strong leadership for functional coordination and too much division may lead to lack of coordination/administrative issues.

2) **Unity of command is not followed**

Here, employees are receiving orders from many superiors so they feel confusion to follow which order is in priority. This will lead to delay, contradictions and making mistakes.

3) **Problem of Indiscipline and Controlling**

As employee receives multiple commands from different superiors and lack of clarity of controlling authority, serious disciplinary issues and controlling difficulties arise.

4) **Difficulties in decision making**

Here, in a department different persons are allocated with different function so it is not possible to identify responsibility for success/blame for failure.

5) Difficult to identify responsibility

Here, in a department different persons are allocated with different function so it is not possible to identify responsibility for success/blame for failure.

6) Expensive

Here, to perform each job, team of expert is required of high salary. So this structure is highly expensive and not applicable to small units.

7) Clerical work

In this organization, there is a need of regular writing orders for every function; many forms have to be filled for instruction. So, paper work may increase.

3) Line and staff organization:

"The line and staff organization is combination of advantages of clarity and simplicity of line organization as well as benefits of specialization of functional organization."

In this structure, line officers are authorized to take decision and staff executives provide expert advices to the line officer. As a line officer, he cannot have the experience of all functions, to make decision and so they receive from staff experts.

Line officers are involved in administration and decision making staff means group of experts who gives advices and instructions to line officers in making right decisions.

As per figure, general manager, marketing, production and office in charge are line officer. Legal officer and research Scientifics are staff officials.

Legal officer and research scientist are expert in their respective legislation mechanism and technical field. They give their expert advice as a benefit of specialized knowledge of their respective field the line officers like general manager, marketing manager, production manager and office in charge for making effective decision.

General manager works under the B.O.D. under general manager, three line officers work. They are production manager, marketing manager and office in charge. Staff officials, legal officer and research scientist are strictly as a support for giving only expert advice to line officers.

Merits:

1) **Combining the benefits of line officers and staff expert:**

Here, there is a benefit of line officers is combined with staff.

2) **Reduce the burden of line officers:**

As line officer is assisted with expert staff, so line officers can concentrate on all important matters. He can rely on staff advice.

3) **Simplicity and balance:**

The structure includes the simplicity of line organization as authority flows from top to bottom. In addition with that, line structure is balance with staff organization for getting benefits of specialization.

4) **Coordination:**

The structure staff officers maintain is in coordination with different line officials. So there is a less chance of conflicts between different line officers.

5) **Accurate decisions:**

Line officers are decision making authority for his department. They can get the right and expert advice from the staff, if needed. So, decision making is quite accurate.

6) **Easy to locate responsibility:**

For any failure, ultimate responsibility is on line officers. They cannot skip from responsibilities. In addition with that for success, credit also goes to line officers.

7) **Flexibility:**

The structure is highly flexible against environmental charges. In addition to line officers, staff experts can easily appointed with the growth of business unit.

Demerits:

1) **Conflicts between line and staff:**

Many conflicts may arise between line and staff officials in this organization. Line officers may ignore the advice of the staff expense. Some line officers feel superiority complex and cannot accept highly intelligent staff experts. Line and staff officers may try to downgrade the respect of one another and tries to influence their own importance to the management. So strife and bitterness permanently exist between line and staff.

Avoiding responsibilities:

Line officers have a complaint that in case of success staff wants to take the credit and in failure, line officers are blamed for it.

Conflicts of ego and importance:

Line officers may have an ego that they have the decision making authority and can work independently without consulting staff for expert advice. At the same time staff may have an ego of their expertise knowledge and feel insulted it line officers ignores them or their suggestion.

2) Line officers become more careless:

In some instance, line officers become more careless and release more and more tasks to the staff. Line officers will lose their efficiency and self respect.

3) Expensive:

This structure is highly expensive due to high number of experts compared to actual requirement, admin/ clerical work, paper work etc. which leads to inefficiency.

4) Committee organization:

- "Committee is a group persons either selected/ elected designed for regular discussion and dealing with the particular matters."
- "Committee is a body of specialized people for exchanging ideas and performing some administrative tasks."
- At the highest level, top management committee is formed for corporate affairs.
- Under top management committee, production marketing, finance and H.R. committee is formed for performing respective main function.
- These committees works in integrated manner e.g. H.R. manager cannot form H.R. policy without consulting production, marketing and fiancé executives. They have effective coordination to take matured decision. It is generally used in university municipalities, religious trusts, hospitals, research center etc.

Types of committees:

1) As per status / authority
Line – staff- combine committee

- Line committee includes line officers as an authority to take decisions and implement it.
- Staff committee includes experts who are authorized to give advice/ recommendations.
- Combine committee includes both line and staff officers for taking and implementing decision effectively.

This line committee is also referred to as executive committee. It has complete authority to take and enforce decision without any consultation required in respective boundary. The staff committee is also referred to as advisory committee for different functions. They cannot take/ implement advices but can only give advices.

2) **As per formality**
   Formal and informal committee

- Formal committee is formed as per rules and regulation of organization with clarity of their authority and responsibility.
- Informal committee is formed as and when required without any procedure and clarity. There is no existence of informal committees in organization structure.

3) **As per time duration**
   Permanent and temporary committee

Permanent committee is life long in the organization of perform their specific function with regular meeting.

Temporary committee is formed for specific purpose only. As soon as the purpose has been served, committee will be removed or dissolved. E.g. production committee, maintenance committee. As soon as servicing tasks of all the plant machineries have been completed, maintenance committee will be dissolved.

4) **As per nature**
   Like research committee- budget committee- planning committee- purchase committee- advertising committee- selection committee etc.

<u>Merits:</u>

1) **<u>Cooperative and coordination:</u>**

Here, in any matter, each and every employee is consulted for decision making so they feel motivation and confidence. They get an opportunity to take part in decision making so they feel their self importance. They can express their views in meeting of the committee. The decisions are taken after free and open group discussion by sharing the performance reviews of their department. By this way, there is a good coordination and cooperation is maintained between members of group.

2) **<u>Group activity:</u>**

Through committee organization, varieties of opinion can be beneficial for expressing their views and opinion on a matters. By this way mature decision can be taken.

3) **<u>Complete decentralization:</u>**

Through committee organization, decision making is totally group base discussion. There is no single decision making authority of centralization. It removes the problem of concentration of authority.

4) **Accurate and matured decision making:**

All the committee members are expert in their specialized field. So, in decision making all the group members explore every angle of the problem in every aspect. By this way, accurate and matured decision can be made at the end.

5) **Easy communication and administration:**

During committee meetings, all group members share information and clearly explain to everyone. So misinterpretation of communication of information can be avoided. In committee structure, decision are taken by group so individual member cannot be responsible. A weak administrative member of the committee also gets the help of other experienced and matured members to make decision. Afterwards, they also become knowledgeable and efficient.

6) **Helpful in research:**

As in the committee organization, if experts are taken from their respective fields, they are playing very important role in conducting research like new product development, market development etc.

7) **Helpful in training:**

Committee organization provides opportunity for every member for training in important organization matters. Member of the group learn by regular experience and are gradually ready for higher level position. In the group structure a fresh member can be easily trained by senior/ experience members. It is easy to maintain continuity of work.

8) **Good labour relations:**

Committee allows all respective of various labour groups in the organization to take part in every matters. They become part of the committees. So, labour relations and internal bitterness between employees will be reducing.

9) **Maintaining management policy:**

Committee membership remains for long time and does not change frequently. So, organization policy will remains unchanged for long time.

Demerits:

1) **Conflicts and jealousy:**

In some cases, there may be hot discussion between the group members and that results into angerness, strife and bitterness. There may be misrepresentation and misinterpretation between group members.

2) **Ignorance of minorities:**

In the committee structure, decision making is based on majority opinion, so minority opinion is not considered. The views, suggestions and knowledge of minority are not important.

3) Expensive

Committee structure includes many expenses like arranging meeting regularly, regular attaining the meeting, cancellation/postponed it etc.

4) Delay in decision making

To arrive at one point which is acceptable to all committee members for making decision takes time. This might result into loss of profit opportunities due to time delay. If members are mischievous, may waste time unnecessarily in useless issues.

5) Secrets can leak

Members of the committee should be limited and they must be experienced and matured people. If members are too many then it is difficult to preserve business secrets.

6) Careless attitude:

The key executives of the organization remain busy in conducting & attaining meetings. They may not get enough time for important tasks. This will convert into carelessness and laziness in the working of the organization.

7) Difficulty in fixing responsibility:

In committee organization, decisions are taken by collective approach as a joint decision making so it is not possible to fix the responsibility on particular member.

Application:

When multidimensional information is required for making decision, people from diversified field are required. It also requires to maintain coordination between different departments.

E.g. research laboratories, university academic section etc.

5) Project organization:

It is a restructuring of traditional form of organization structure by project management and system management. It is a horizontal integration of various functions together.

“in this structure where various activities are taken as project basis by addition of necessary activities and eliminating unnecessary ones is called as project organization.”

Various departments are formed on temporary basis till the life of the project. As soon as the project is completed, concern division will be remove. To manage the project structure, project manager is required to be appointed as a responsible for the entire project completion between various project activities. Project manager decides what it is o be done, who will do, when it is to be done and where it is to be done. Project manager is the central point of project organization. Project manager does not have direct vertical authority on various divisions but he has the responsibility to complete the project in a time limit. So, project manager faces an authority gap.

Merits:

- The best utilization talented and knowledgeable people on different projects. They can be transferred from one to another project on equal basis.
- Organization structure is highly dynamic to adopt environmental changes.
- Flexibility in the utilization of resources by allocating them on different projects as per project requirements.

Demerits:

- Project organization structure having temporary base because as project is completed the question comes what will happen now. So people feels uncertainty in the project organization.
- There is less clarity of the roles and responsibilities among different people in the organization. The people feel confusion about their working in the organization.
- Project manager has responsibility without authority. He should be personally capable rather than depending on formal authority. He may not be to work in the traditional management system.

Recommendations:

Project manager has to change his traditional thinking of functional management of resources and accept that functional conflicts are a part of life while managing organization. Project manager must realize that project management is a dynamic process where changes happen any time.

Application:

- It is suitable to manage small number of big projects.
- It is suitable for specific, unique and defined one time task for single specific project.
- It is suitable to deliver specialized customer service by creating separate division for it.
- Organization structure can be easily expanded without disturbing the existing divisions.
- Project managers get diversified experience while managing projects so managers become talented to manage corporate affairs.

5) Matrix organization:

- Matrix structure is a two dimensional structure i.e. project and functional structure.
- It is a combination of these two authority.
- It violates the principle of unity of command.

- Matrix organization is a total of matrix structure, matrix system, matrix culture and matrix behavior.
- A project manager is appointed for managing project tasks.
- Functional departments are formed as per requirements like production, marketing finance and H.R.
- Project manager takes the required staff for the project from the respective functional departments.
- After completing the project, again employees will get back to their original department for further tasks.
- During the project work, he has to work under both the commanding authority. As project manager and he may be commanding authority. As project manager and he may be instructed by his functional superior/ boss to perform departmental tasks, so he has two bosses.

Merits:

- A quite flexible structure to work in a dynamic environment.
- Project manager enjoys authority of knowledge rather than authority of position. This structure develops professional competences of the project manager as well as employee.
- People in matrix structure feels highly motivated, because it focus resources on a single project at a time, allows more efficient control. People can directly focus on completing one project.
- Top management feels flexibility to make changes as per environmental needs.

Demerits:

- As in matrix structure, there are two bosses on the personnel. (project manager and departmental head.) so due to dual command as to follow which authority at a time.
- As people are working under dual command, problem of informal relations may arise as people may not be clear about their role and expectations from them. The benefits of flexibility convert into problem.
- The structure is expensive because of dual management system, in the long run, benefits may be received more.

Applications:

It is suitable for managing larger number of smaller projects like manufacturing medicine, heavy engineering, chemical etc. services like retail, finance, advertizing etc. Govt and non govt. organizations, etc.

Staffing:

Introduction:

Management means art of getting things done through people. In an organization, the resources like machines and materials are useless, unless the human resource who have the knowledge of optimum use of these resources. Therefore, selecting the most capable human resources in an important task of the management.

Definition:

"To recruit required employee for the unit means personnel management."

– In 20th century

"Staffing is concern with obtaining and maintain satisfied employees."

- Dr.George R. Terry

Functions of staffing (project of staffing):

As we know that staffing is considered as an important function of an organization. The functions of staffing are applicable as per the organization scale, structure, size and nature. The functions of staffing can be easily explained with the following chart:

Now, we will discuss all these function of staffing in details:

1) Manpower planning:

Planning is a basic skill required for managers. Manpower planning is a major responsibility of personnel manager. Manpower planning is a major responsibility of personnel manager. Sufficient manpower should be available at the right time of utilize them in a effective way. For an organization, it is essential to undertake manpower planning well in advance; selecting sources for them, training and development planning, so that right candidates are selected at the right time.

"manpower planning involves two stages: the first stage is concerned with the details of planning manpower requirements for all types and levels of employees, through the period of the plan and the second stage is concerned with planning of manpower supplies to provide the organization with the right type of people from all sources to meet the planned requirements." - **Macbeth**

From the above definition, we can say that…..

Manpower planning is concerned with availability of right people at right time in the organization. Manpower planning forecasts the needs of manpower as with future planning of organization. Manpower planning is also concerned with how current staff of an organization will handle future challenges of the organization.

Manpower planning is concerned with effective utilization of available manpower.

2) Recruitment and selection:

Requirements of manpower, recruitment and selection process starts. Vacancies and stimulating them to apply for the said post. Selection is concerned with identifying the best candidate from among a number of candidates for the said post.

"Requirement is the process of searching for prospective employees and simulating them to apply for the jobs in the organization." **- Flippo**

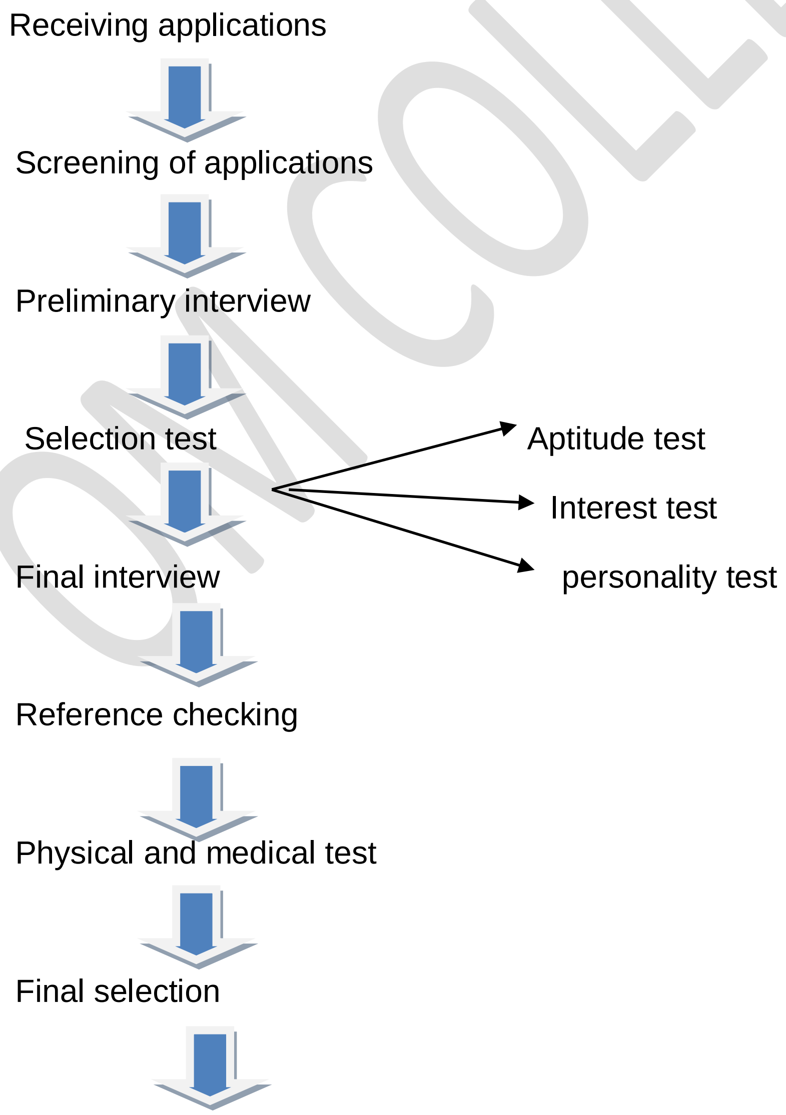
The sources of recruitment are:

Sources of recruitment

Internal	External
Promotion within the organization.	Advertisement is news papers, websites.
Internal resume/ biodata records.	Public and private employment agencies.
Friends and relatives of current employees	School and college campus recruitment.
Advertisement notice at factory & office Outlets.	contractors
	Labour unions
	Jobbers
	Recommendation of existing employees

"Selection is the well planned efforts for selecting particular candidates from number of candidates."The selection process is as follow:

Selection process



Placement

The functions of recruitment and selection are…..

- To fill up the vacancies in the organization.
- To understand the job requirements.
- To keep in touch with labour market and labour sources.
- For effective implementation of selection procedure.
- To keep records of all employees and candidates.
- To place the candidates to their suited job and assign duties to them.

"Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job." **- Pigors and Myers**

3) <u>Training and development :</u>

After placement of a candidate to a certain position, the next step is to train them regarding that job. The main purpose of training is to increase the skill, ability, efficiency and knowledge of an employee for performing a certain job.

"Training is an act of increasing the knowledge and skills of an employee for doing a certain job."

The various methods of training are……

Methods of training

On the job training	**Off the job training**
Experience on specific job	Lecture method
Apprenticeship	Conferences and seminars
Job rotation	Case study
Vestibule training	Management/ business games
Special projects training	Role play
Coaching etc.	Brainstorming
	Sensitivity (t - group) training etc.

The term development is related to program and activities for increasing the abilities of an individual for achieving organizational objectives.

"Executive development is the program by which executive capacities to achieve desired objectives are increased." - **Michael J. Jucius**

Methods of development are…

On-the job methods	Off the job methods
Self development	Study courses
Special projects and assignments	Lectures and case study method
Reading books, magazines & other Subjective	Business games
Job rotation	Seminars and conferences

Coaching	Syndicate method
Understudy etc.	Role play

The function of training and development are…

- To formulate policies for training and development program as per subjective criteria of the employees.
- To frame training programs for employees so that they can perform their jobs in an efficient manner.
- To frame development programs for career development of an employee and increasing conceptual and theoretical aspects of employees.
- Training programs focus on practical aspects while developmental programs focus on conceptual aspects.

4) <u>Wage and salary administration</u>

This is an important element of motivation for employees. It is a critical factor which has major impact on satisfaction of employees in the organization. Every organization has their own wage policy for all categories of employees. But one has to consider the principle of equal work and equal pay.

There are basically two types of wage systems: (1) piece wage system and (2) time wage system. The functions of wage and salary administration are…

- To frame proper system of wage and salary.
- To allow employee participation in formation of wages and salary system.
- To frame the structure of job analysis, job description, job specification and job evaluation. Job analysis means to collect basic information and requirements for every job.
- **Job description** means to prepare a statement which gives details about the job that an employee has to perform.
- **Job specification** means to specify the required type of employee for a particular job.
- **Job evaluation** means the study of a particular job by relating it to other jobs in the organization.
- To frame the structure of performance appraisal on merit base. Performance appraisal is based on employee's abilities and performance regarding their jobs.

5) <u>Promotion and transfer, termination and demotion:</u>

Promotion and transfer is the easiest way to fill up vacancies within the organization. Promotion is an upliftment of an employee from a lower grade to a higher grade with changes in work, responsibility, authority, prestige and salary. Transfer is a movement of an employee within the same level with changes may be of department, location, office etc. in case of transfer, there are no changes regarding salary, grade, authority and responsibilities of an employee. The functions of promotion and transfer are….

- To formulate policies regarding promotion and transfer for suitable employees.

- To formulate policy regarding demotion and termination of an employee. Demotion means change the level/ position of an employee from higher post to lower post. Termination means, relieving employee from his job.
- To keep records of all employees regarding promotion, transfer, demotion and termination.

6) <u>Services- welfare and quality of work life:</u>

Welfare are concerned with recreational and motivational activities for employees. Ex. transport facility, medical, child education, housing facility etc. Quality of work life is concerned with creating healthy and comfortable environment with team spirit in the organization. Ex. meditation and yoga practices for stress management. Freedom of working and decision making. Healthy relationship between employer and employees, adding changes and varieties in the jobs of an employees etc.

7) <u>Employee participation and Grievance handling:</u>

In an organization, with regular working, there may be chances of conflicts, disputes, disagreements etc. between employee-employee, employer-employees, and employer-labour union. These type of disputes and conflicts may affect the performance and stability of the organization. Personnel manager has to solve these problems in a very tactful way. The functions are that he performs to solve these grievances are:

- To establish coordination between employee employee, employee- employer, and employer- labour unions.
- When any kind of dispute arises, then negotiations are conducted between employer and employees and labour unions.
- Personnel manager has to formulate a Grievance handling procedure for the organization.
- When any kind of Grievance arises by any employee, personnel manager has to participate in grievance handling procedure.

8) <u>Career planning and development:</u>

Every employee needs growth and development in the organization. No one wants to stick at the same cadre and position. Therefore, in an organization, management has to frame certain programs for career development of the employees. These are:

- To give directions and suggestions to employees for their upliftment and growth.
- To advice them for achieving higher positions and development in the organization.
- To frame various career planning and developmental programs like seminars, experts talks, conferences, workshops etc. in the organization for motivation the employees.

UNIT 5: DIRECTING

Introduction:

Directing people is not easy. However, it can be done successfully. And it can be a very rewarding experience. Managers spend a lot of time during the work day giving direction to people. He tells people what needs to be done. When it needs to be done, and how it needs to be done, when people need to be told in different ways. That is what the essence of directing is.

Characteristic of directing:

From the above mentioned list of definitions, few of the distinguishing features of directing can be deduced which are as under:

1) It is a managerial function:

Directing is the ultimate task performed by the managers or any superior. It is the function performed by a higher level authority and thus we know it as the administrative function. Direction is showing the path to the employees and thus it is done by the leader or the manager of the group, so as to achieve preset objectives.

2) It is enveloping function:

Directing is such a function which is required at each and every stage of the management. no single task is possible without guidance and paving the way for success. It is a function which can be considered as all pervasive or present at each level. Though the intensity and amount of direction may vary, but ultimately the direction is required at every juncture of management.

3) It is uninterrupted process:

It is cognizant that management is things done though others. Getting things done requires the element of directing. And as management is a continuous process, so is directing an uninterrupted process. If possible. Thus it is a continuous process.

4) It is an educative function:

Direction is the function which is undertaken to instruct, guide, make aware about the facts, process, method etc. to the group of people. It is in short the learning that is provided through direction. The manager instructs and teaches about the various aspects of task and this becomes an educative process. There are various information to be carried forward to the employees so as to make their work easy and that is done through directing.

5) Supervision is an element of direction:

The function of direction is not restricted to issuing orders and commands but includes an important element of supervision. Supervision is close control or check over the deeds of the workers. It is a very essential component of directing. It is because of supervision that the employees can be checked properly and can be brought to the right path.

6) Efficient communication is a prerequisite:

The direction function is not possible without resourceful communication. It is ultimately through well organized communication skill that direction can be materialized. No direction is possible without efficient communication. Instructions and guidance are to be made available to the employees through communication and thus it is required before direction is imparted.

7) Leadership is a constituent of direction:

The person who is competent enough with leadership skills can takeover with the direction correctly. It is the command and instruction provided. According to which is carried out. It should be properly specified by the person who is skilled and has good leadership trains a good leader proves to be a good instructor.

8) It integrates functions of organization:

Directing integrates and connects various groups of employees. It integrates and balance the interests of various groups of employees. It integrates individual interests with general interest of the organization.

Importance of directing:

Success of the management largely depends upon effective direction. Direction deals exclusively with human efforts towards enterprise objectives. Direction is a vital managerial function. Manager stimulates action by giving direction to his subordinates through orders and supervision or instruction about the plans and policies. It is the continuous action and very commonly known as management in action. The following points suggest the significance of direction in a unit:

1) Planning becomes effective due to directing:

Direction is well justified when we say, it is management in action. While plans are mere paper work, directing is the function which provides the efficacy to the plans. Without appropriate direction, no plans can be successfully implemented.

2) Communicating the data and information:

Direction not only helps in communicating information but also allows the manager to change attitude of the employees towards work, motivates them, and also increases their morale.

3) Leading the people towards organizational goals:

Direction is very important action, as it leads the people in the organization towards the achievement of the goals. It is through direction that subordinates come to know as to what to do and how to do the assigned task.

4) Influencing various actions:

It is through direction that a manager can influence the actions of his team members. The manager can arrange the actions of his subordinates, and wherever necessary, he can manipulate the plans and schemes.

5) Improving employee satisfaction:

Well guided team members always aim at accomplishing the task in an orderly fashion. Ultimately, an accomplishment leads the employees towards job satisfaction, which in turn helps to retain the human resources in the unit.

6) It provides necessary leadership in the business:

Leadership in fact is one of the major tool of directing. The manager leads his subordinates whenever a new task is initiated. Not only that, it also helps the manager to pilot the whole action in the most fruitful manner. To run any business successfully, it is so much important to have efficient leadership which is then provided by direction.

7) It aims at securing the cooperation of employees.

Appropriate direction in a unit avoids any ambiguity in work. Manager guides each and every member so that they can coordinates their efforts towards the achievement of goals. Overall cooperation of the employees is possible.

8) Directing brings in steadiness:

Due to proper guidance under directing, the functioning becomes smooth. Ultimately, consistency is attained in the operation. A regular and steady flow of functions is possible due to direction. Again, efforts of the employees can be made consistent due to direction.

9) Direction helps to bring the talent of an individual:

Direction not only guides and directs an individual’s performance, the manager also helps him explore his talent. Not only that, but the tries to bring out the best out of him. These talents can be utilized again to achieve various goals of the organization.

10) Dynamic organization structure is possible:

In an accurately directed unit, the efforts of the employees are coordinated which makes the unit more suitable and prone to changes, dynamism comes very easily without resistance. And dynamism in the unit is a must for any unit to survive for a long time in the business.

11) Overall efficiency is improved through proper direction:

In absence of appropriate direction a simple task may sound difficult. But in presence of direction, every work becomes simple, easy and accessible. It becomes easy to use all the resources in the most efficient manner, and thus overall efficiency can be availed in the unit.

12) It helps to reduce the resistance towards the changes:

The manager of the unit tries to steer the team so that everyone can be made well versed with the pattern of the work. Well guided team always remains open to the changes. There are less chances of the employees to react negatively towards any changes. They are more receptive. Direction gives personal touch to the employees resulting them to be more intimate with unit than otherwise.

13) Directing helps in reducing errors and rectifying them:

Directions leads the manager to remain in constant touch with the employees work. Close supervision facilities in reducing errors and if at all mistakes are committed, they can be rectified easily and promptly.

- **Principles of directing:**

Following are the basic guiding principles of directing that will be useful for managers to direct their subordinates in an effective manner.

1) Principle of directing method:

As in all the directing tools, managers do have many choices of methods but there is a need of proper selection of the right method. For ex. in leadership, basically managers have three methods like autocratic, democratic and free rein. As we know, the most acceptable method is democratic or participative management. But in some cases, managers should also work out autocratic and free rein leadership. So , the choice of the correct method is quite important to manage a particular situation.

2) Principle of unity of command:

For efficient working, an employee should receive the command only from one superior. If he receives command from multiple authorities, he may be confused. In long run this situation may creates indiscipline, work disturbances and instability in the organization. So, for employee there should be mechanism of one superior only.

3) Principles of harmony of objective:

In any organization there is always working of two goals, company goal as management goal and personal goal. Managers always are there in this sandwich position. He has to satisfy both the goals. Employees have their personal goal like salary hikes, promotion etc. top management goals are related with the growth of company. So, by proper use of directing techniques for subordinates, managers can secure the maximum growth of the company along with maximum benefits for his staff.

4) Principle of human factor:

Managers should always be realized that employees are all human beings, having feelings, self respects etc and not like machines. Don't always be commanding where politeness and request can work. It is not good to always give orders only. Managers should constantly study the behavior of employees and must respect them as a human being.

5) **<u>Principle of clear policy and procedure:</u>**

For effective directing and proper outcomes from employees. Defining clear policies and procedure is quite essential. It will minimize long detailed explanation.

6) **<u>Principle of leadership:</u>**

A manager should know about the strength and weakness of his subordinates and deal with them accordingly. Manager should also help them in solving their personal problems to receive his trust and confidence in return. So, accordingly manager should deal with the employees and direct them effectively as a leader not the boss.

7) **<u>Principle of motivation:</u>**

A manger should effectively motivate their subordinates to achieve their personal goals as well as company goal. A highly motivated team can lead to the success of highest level. So, managers should know and apply various motivational techniques, he should personally motivate subordinates and win their trust and confidence.

8) **<u>Principle of communication:</u>**

Communication is a medium through which directing function works. Managers should effectively communicates guidance, instructions and commands so that employees can work efficiency to provide desired output. An employee should properly understand what he is required to do. So as a manager its not just enough to communicate orders and instruction but should also secure that they understood the things in proper manners or not. Manager must be positive in his communication with a smiling face while guiding, appreciate and helping subordinates. An efficient communication system is considered as a prerequisite for any successful organization.

9) **<u>Principle of supervision and follow up</u>**:

For managers, an efficient directing requires to have personal and direct supervision on employees. Manager should always maintain direct contact with the subordinates for guiding and overseeing them. It's just not end with issuing instructions. Manager should follow through the working of subordinates and verify that they are working as per his instruction or not. Managers cannot remain idle after giving directions. Directing is a continuous process. If necessary, manager should make changes in his directing techniques.

- **<u>Importance of controlling:</u>**

The control function is very imperative managerial activity. In every organization controlling is inevitable. Well built planning may fail if the controlling system is to implemented stupendously in an organization. Goals, targets may just remain on paper, resources may be used recklessly and there may be completely meddled situations. Thus, absence of control may improve to be very expensive and fatal.

Henry fayol has rightly said and enhanced the importance of the controlling in a unit. According to him “the road signals at a busy road crossing appropriately illustrates the significance of control.”

1) **Achievement of goals:**

Controlling can be considered such a function that ultimately helps to achieve the goals of a unit. Where planning leads to certain course of action, controlling keeps the action on the right track so that everything can be managed according to the plans. Whenever the deviations are noticed, the remedial steps can be implemented. The goals are then achieved efficiently in present of course.

2) **Execution and revision of plans:**

Controlling measures the progress, uncovers the deviations and indicates the corrective steps. Thus keeping everything in the best intact manner. When there are drastic changes in the situations, it is the control which helps to review and revise the plans so that they can be updated according to situation. Thus, perfect execution of plans is only possible in light of control.

3) **Coordination in action:**

Controlling is all pervasive managerial function, as it is featured as its characteristics. It happens to be present at every level, though the degree and its method may change. Thus, all the activities from top to bottom of the unit are brought into a single line and coordination is established. Control facilities coordination between different departments and provides them with the unity of direction, which helps to achieve the common objective.

4) **Order and discipline can be restored:**

While pursuing the goals of the unit, the managers and rest of the team members may have to face problems and mistakes are obvious to occur. It may be related to wrong decision, reckless use of resources and wrong selection of methods etc. the control system helps to check such tendencies and they stop the mistakes from turning it to major mishaps.

5) **Coping with uncertainties:**

Any organization survives in the dynamic external environment that is full of uncertainties. There may be drastic changes in the preference of consumers, innovations may be drastic changes in the preference of the consumers, innovations may prevail, new regulations may pass etc. o cope with these changes a control system keeps a watchful eyes on the performance of the organization as well as the happenings in the outside world.

6) Detecting irregularities:

Attentive control system helps the manager to spot undesirable irregularities like product defects, cost overruns, high personnel turnover. Small mistakes may be insignificant at its initial stage but ultimately these errors when get accumulated may become very serious. Timely detection of such errors can prevent minor misdeeds from mushrooming into major failure or fatalities leading a unit from being overrun with time and money.

7) Identifying opportunities:

Constant monitoring of key areas like market conditions, financial conditions and customers preference helps management encase the opportunity that are thrown from time to time in a business. Control helps the managers to identify area in which things are going good than expected or vice versa, new opportunities can be identified and monetary rewards can be generated.

8) Facilitating decentralization of authority:

When the managers delegates the authority to the subordinates at the lower levels, a constant eye is kept on the performance to check that subordinates are not deviated from the predetermined set of objectives and the plans. Control systems with the feedback lower levels are in line with that having been planned already.

9) Handling complex situations:

Today's business unit runs with growing complexities everyday. When a unit is dealing with simple product, limited resources, it may afford having a simple control system, however it may not be possible for the unit having various products to deal with; there the sophisticated control system becomes necessary to maintain adequate control in large organization.

10) Minimizing costs:

The effective control system can improve output per unit by reducing the cost. For any business to survive for long should be able to control its financial resources and its economic use. Control systems helps to locate those areas where in the cost may be increasing unproductively, this can be controlled and the output can be boosted with the most exhaustible use of money.

11) Efficiency and effectiveness in organization:

Many factors of control like making managers responsible, coordination, higher performance ensures that the organization works efficiently towards the goal achievement. The manager must be aware about the essential features of effective control system to avail the best out of the control system already implemented.

Controlling process:

The control is such a managerial function in which the basic process remains the same. Whether the unit is big or small, may the area of its application may be different but the controlling process very much remains uniform. Control is the function that is performed in accordance of the preset plans. It is a regulatory body in the unit to control organizational activities, so that actual performance is in accordance with the expected goals.

1) Establishment of standards:

The foremost step in the control process is the establishment of appropriate standards. Standards serve as the scale against which the actual performance is measured, so as to find the deviation. These set standards are benchmarks as they specify the acceptable level of performance. It helps the manager to detect the minute deviation as it works as the scale for the standard performance. These standards are the criteria, which one must follow while performing a task. Thus, the standards should be established to measure the work performance. Moreover, the standards should be scientific, realistic and evaluation. There are various types of standards that can be set by the unit like…..

Types of standards:

a) Quantitative standards:
1. Time standards
2. Cost standards
3. Productivity standards
4. Revenue standards

b) Qualitative standards

A) Quantitative standards:

They are all such standards which can be measured in the terms of the money or any measurable units. Basically they are standards, which cam be counted and quantified.

1) Time standards:

As the name suggests it is the standards related to the time duration in which certain work should be completed. A certain set of tasks should be accomplished in the stipulated time period. Only if this time standards are fixed the work can be measured and finished in time.

2) Cost standards:

This type of standard is measured in terms of money. It shows the cost limits within which results should be achieved. It is based on the cost of producing the goods and services. For e.g. per unit cost of producing unit of cost of selling, per unit wages etc.

3) Productivity standards:

This standard is based upon the output of goods or services during a set of given time period. For e.g. a productivity standard in a unit may be to produce 10 units at the end of an hour.

4) Revenue standards:

These standards are in the form of money. It is calculated in the form of monetary values related to sales. It may be in the form of sales per unit, income per mile, income earned against the investment etc. in short the measuring rod to calculate this standard is money.

b) Qualitative standards:

In a unit there may be such standards also which may not measurable in terms of any basic scale or rode like units, money, income, expenditure. However, there is existence of certain intangible items like goodwill, employee morale, motivation, human attitude etc. that efforts the ultimate accomplishment of goals. They become almost inevitable for the achievements of targets. Though they are not quantified, it is inevitable.

2) Measurement of actual performance:

The second step suggests the measurement of actual performance against the established standards in the previous stage. At this stage the performance of the employee is measured against the standards already fixed before, it is generally done in an against the standards already fixed before, it is generally done in an objective manner. It is easy to measure the performance where it is to be measured in quantitative terms. The real problems are faced when the performance is to be measured in qualitative terms.

As far as the technique of measurement is concerned, it can be direct through personal observation method or it may be indirect through regular reports it may be oral or written. Personal observation provides first hand and intimate knowledge of the actual operations, activity. Here the information being filtered by others is not endangered. It is good method of measurements as the facial expression, tonal value and body language of the person plays a very important role.

As against the personal observation, another method is oral reports the may be gathered from conferences, meetings, one to one talk to telephonic or video conference. In the written reports, there is the documentation available for the future references. Again, it can be used for evidential purpose in future. Thus the measurement of the performance can be brought into the tangible from with written reports. To make the measurement process effective, the three vital points can be considered totality, objectivity and responsiveness.

3) Comparison of actual performance with the standards:

At this stage the actual performance of the employees are compared with the standards set previously. The comparison helps to detect the deviations between the actual performance and the standards established. Even the degree of deviations can be easily detected at this step. It is like drawing a line on the plain paper with the help of scale, which helps the lone to be straight and neat.

However, one must understand this that some variations are very obvious, some normal deciations are sure to occur. It is important to determine the acceptable range of deviations; it means the deviation can be accepted up to a limit. Beyond a certain range, the deviation between becomes significant and demands managers attention.

These variation may be due to any reason may be due to faulty planning, defective implementation or due to negligence on the part of the operations, in each case a normal variation is ought to occur. Only those deviations that may cause serious problems or may prove to fatal is detected and communicated to the top management. This is known as “management by exception.” Ina nutshell it can be said that this is a phase in which the errors are noticed by comparing it with the standards preset. Thus vigorous comparison is a must to set everything in order.

4) <u>Corrective actions whenever necessary:</u>

It is said that controlling is incomplete without this phase, it is rectification stage in controlling process. Corrective actions are taken by the managers with a view to rectify the defects in actual performance. What so ever the types of errors may have detected in the prior stage, here it is corrected to rectified steps.

If the variation in work due to poor performance of the employees, managers try to implement proper incentive schemes which helps to motivate the work of the employees. Thus, a corrective action may involve any kind of change in methods, rules, procedure etc. of performing a particular work. Corrective actions may of immediate or basic, immediate actions are generally temporary in nature to get the things back to order. Whereas the basic corrective action is concerned with permanent solution to the problem of serious deviations.

Even at times it can be noticed that the deviation arises due to unrealistic standards. That is the goals may be too high or low to be achieved feasibly. A manager should always be ready to revise such standards. It the manager does not correct such standards then the consequences may really be dangerous like, high standards then the intractable problems to operators, whereas too low standards make employees passive and unproductive. In both the cases the employees breed discontentment and frustration which does not create conducive atmosphere to achieve the goals of the organization.

Thus it can be concluded that finding the deviation is not enough but remedial measures should be suggested to cure the various that is done at this stage. Corrective measures should be followed in such a manner that the employee’s morals and enthusiasm is not disturbed, at the same time mistakes can be rectified.

The aim of corrective actions is not only to rectify the misdeeds but also to prevent it to happen in future.