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PRINCIPLES OF MANAGEMENT

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Evolution of Management Thought, Various Approaches to Management, Functions of Management. Unit 4 Nature and Purpose of Planning, Objectives, Types and Significance of Planning, Steps in Planning, Decision-Making. Unit 5 Nature and Purpose of Organizing, Organizing Principles, Span of Control, Line and Staff Relationship, Authority, Delegation and

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Summary; 12.7 Answers to 'Check Your Progress'; 12.8 Questions and Exercises; 12.9 Further Reading References
 INTRODUCTION A number of developments in managerial thinking and processes have taken place in the last few decades. All parts of the world have become closer to each other; the communication networks and Internet resources have made the whole world into a "global village". Organizations have become multinational, transcending national and geographical boundaries. The workforce has become highly diversified. More women are joining the management ranks and ethical conduct of organizations is being emphasized and monitored. There is movement towards total quality in products and services. Customer satisfaction has become a concern of highest priority. Today's business environment is one of global competition, scarce resources, rapid technological changes, increasing demand for social responsibility and downsized organizational structures. The economic and industrial environments have become more volatile and the management is required to do strategic planning for the near and far future of their respective organizations in order to address fast and dynamic changes as well as the continuously evolving competitive environment. Today's managers face a complex web of difficult and exciting challenges. No longer does a manager sit in an ivory tower and issue directives from a distance. The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision-making, lateral relationships, flexible work structures and more. The management is becoming more and more aware that an organization has no life but for the people in it. Accordingly, it is becoming more and more people-oriented as against task-oriented of the previous years. The job of a manager is one of the most rewarding, most exciting and most challenging of professions. Effective managers are effective leaders who can (and do) make significant contributions to society through the output of their industrial or service organizations such as businesses, universities, hospitals, government agencies and so on. This book has been carefully

and painstakingly

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planned to prepare the students of distance learning programs to become successful managers and practitioners.

The book

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covers the tools, techniques and strategies used by effective managers in today's dynamic and complex environment. It is well-grounded and authoritative in terms of latest developments in management theory and practice. The material has been presented in simple, clear, unambiguous and structured manner so as to engage the student towards an appreciation of managerial responsibilities and challenges and to arouse their intellectual curiosity. Self-Instructional Material 1

Introduction NOTES

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INTRODUCTION

In this unit you will learn about the nature, scope and need of management.

Management

is

an

essential for leading

an organized life and necessary for running all types of organizations. Good management is the backbone of successful

organizations. Managing life means getting things done to achieve life's objectives and managing an organization means getting things done with and through other people to achieve its objectives.

Whether management is an art or a science will continue to be a subject of debate. However, most management thinkers agree that some form of formal academic management background helps in successful management.

Practically, all Chief Executive Officers (CEOs)

are university graduates. Hence, the reason for including business degree programmes in all academic institutions.

Management is a set of principles relating to the functions of planning, organizing, directing and controlling, and application of these principles helps in harnessing physical, financial, human and informational resources efficiently and effectively to achieve organizational goals. 1.1

UNIT OBJECTIVES ? Introducing management ? Defining management ? Explaining nature and scope of management ? Explaining need for management ? Explaining management and administration ? Defining management as science or an art ? Explaining levels of management

6 Self-Instructional Material Nature of Management NOTES 1.2 MANAGEMENT: AN OVERVIEW

Management in some form or another is an integral part of living and is essential wherever human efforts are to be undertaken to achieve desired objectives. The basic ingredients of management are always at play whether we manage our lives or our business.

For example, let us look at the managerial role of a simple housewife and how she uses the managerial ingredients in managing the home. First

of all,

she appraises her household and its needs. She forecasts the needs of the household for a period of a week or a month or longer. She takes stock of her resources and any constraints on these resources. She plans and organizes then in order to obtain the maximum benefits out of them.

She monitors and controls the household budget and expenses and other activities. In a large household, she divides the work among other members and coordinates their activities. She encourages and motivates them to do their best in completing their activities. She is always in search

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improvements in goals, resources and in the means to attain them. These ingredients, generally, are the basic functions of management. The concept of management is as old as the human race itself. The concept of 'family' required that life be organized and resources of food be apportioned in a manner so as to maximise the utility of such resources. Taking proper steps to safeguard the family from attacks by wild animals, planning out where to go fishing and hunting and whom to go with, organizing these groups into chiefs and hunting and fishing bands where chiefs gave directions and so on, are all subtle ingredients of management and organization. A study of various people around the world shows good examples of organizational structures and organizational evolution over the years. A village open market in a tribe and a large department store in a modern city serve the same needs in a similar fashion, putting things together that people need. While tribal organization was simple in nature, the modern organization is much more sophisticated and complex with many technological innovations. However, the basic form of management and organizational structure seems to have existed since the beginning of organized human activity. Even the recorded history shows the application of some current management techniques as far back as 5000 B.C. when the ancient Sumerians used written records in assisting governmental operations. The Egyptian pyramids, built as early as 3000 B.C., required the organized efforts of over 100,000 workers. It would be natural to assume that all functions of modern management, namely, planning, organizing, directing and controlling played a significant role in the construction of these monuments. Similarly, the early civilisation of India bears witness to organized living.

Around 500 B.C., Mencius declared: 'Whoever pursues a business in this world must have a system. A business, which has attained success without a system, does not exist. From ministers and generals down to the hundreds of craftsmen, every one of them has a system. The craftsman employs the ruler to make a square and the compass to make a circle. All of them, both skilled and unskilled, use this system. The skilled may at times accomplish a circle and a square by their own dexterity. But with a system, even the unskilled may achieve the same result, though dexterity they have none. Hence, every craftsman possesses a system as a model. Now, if we govern the empire, or a large state without a system as a model, are we not even less intelligent than a common craftsman?'

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Management, as a system, is not only an essential element of an organized society but also an integral part of life when we talk about managing our lives. Managing life is not much different from managing an organization and this 'art' of management has been with us from time immemorial. Just as a well-managed life is much better organized, goal oriented and successful 'good' management of an organization makes the difference between the success and the failure of the organization. Perhaps, the importance of management was highlighted by the late President of United States, John F. Kennedy

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when he said that, the role of management in our society is critical in human progress. It serves to identify a great need of our time: to improve standards of living for all people through effective utilisation of human and material sources. Similarly, Peter F. Drucker, a noted management authority has emphasised the importance of management in social living. He proclaimed nearly 25 years ago that, "effective management was becoming the main resource of developed nations and that it was the most needed resource for developing nations." A manager's job is highly crucial to the success of any organization. The more complex the organization, the more crucial is the manager's role in it. A good manager makes things happen. The importance of management in any organization was emphasised by Professor Leonard R. Sayles in his address to a group of management development specialists, as follows: 'We must find ways of convincing society as a whole, and those who train managers in particular, that the real leadership problems of our institutions — the getting things done, the implementation, the evolving of a consensus, the making of the right decisions at the right time with the right people — is where the action is. Although we as a society haven't learned to give much credit to managers, I hope we can move toward recognising that managerial and leadership jobs are among the most critical tasks of our society. As such, they deserve the professional status that we give to more traditional fields of knowledge.'

1.3 MANAGEMENT DEFINED Many management thinkers have defined management in their own ways. For example, Van Fleet and Peterson define management, 'as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more

goals.'

Figure 1.1 illustrates the components of management.

Figure 1.1: The

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Components of Management Megginson, Mosley and Pietri define management as 'working with human, financial and physical resources to achieve organizational objectives by performing the planning, organizing, leading and controlling functions'. Figure 1.2 illustrates the Megginson, Mosley and Pietri definition of management. 8

Self-Instructional Material Nature of Management NOTES Figure 1.2:

Megginson, Mosley and Pietri Management Definition

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Kreitner considers management a problem-solving process. He defines management as follows: 'Management is a problem-solving process of effectively achieving organizational objectives through the efficient use of scarce resources in a changing environment.' Some of the integral elements of this definition can be separated and briefly explained as follows:

1.3.1 Problem-solving Process One of the most important functions of a manager is to make decisions and solve problems. Some of the major problems that management must continually face include unpredictable economic trends, changing governmental regulations, resource shortages and a severe competition for these resources, employee demands, technical problems, technological developments and so on. There are other problems that are comparatively routine in nature and can be solved by some tried and tested mechanisms. For example, a change in production quality can be easily looked into and the process corrected or modified or changed if necessary. On the other hand, an increase in employee grievances or employee absenteeism or turnover may require carefully studied unique solutions.

1.3.2 Organizational Objectives All organizations have a mission that is the very basic reason for their existence and certain goals and objectives. While the goals are long range and more general in nature, objectives are more specific, tangible and most often quantifiable. For example, the mission of a college may be high-quality education, its goal may be to primarily serve the educational needs of the surrounding community and its objective may be to increase the number of new students entering the college by ten per cent in two years. The primary objective of most organizations is to provide a service for the public. Of course, such service has to be profitable for the organization in monetary terms, for that is the essence of a capitalist economy. Accordingly, management must plan its activities along these lines. Additionally, it is also the management's responsibility to integrate the personal objectives of the employees into organizational objectives. The personal objectives of employees may include higher remuneration, more challenging tasks and responsibilities and participation in the decision-making process.

1.3.3 Efficiency Efficiency, along with effectiveness, is the most common way of measuring organizational performance. Efficiency is the ability to 'get things done correctly.' An efficient manager achieves a higher output with given resources of time, talent and capital so that these resources are fully utilized without waste. Similarly, effectiveness means 'doing the right things in the right way at the right time.' Accordingly, successful managers would not only be effective in terms of selecting the right things to do and the right methods for getting them done, but they would also be efficient in fully utilizing resources.

Management Planning Organizing Leading Controlling Human, Financial and Physical Resources Goals
Self-Instructional Material 9 Nature of Management NOTES 1.3.4

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Scarce Resources The resources of people, time, capital and raw materials are all finite and limited. They are all scarce in nature and are not expandable. Additionally, there is a fierce competition for acquiring these resources. Management, basically, is a 'trusteeship' of these resources and hence must make conscious efforts to make the most of these resources.

1.3.5 Changing Environment The dynamics of the environment is evidenced by the changes that have taken place in all areas in the last few years. The advent of computers and telecommunications technology has changed the ways in which the assessment of the environment is carried out for decision-making purposes. Accordingly, management must be prepared to predict accurately these changes and formulate ways to meet these new challenges more effectively.

1.4 NATURE OF MANAGEMENT In spite of the growing importance of management as an immensely academic discipline contributing to the quality of human life, the concept is still clouded by certain misconceptions. No doubt, management as an academic body of knowledge has come a long way in the last few years. It has grown and gained acceptance all over the world. Yet, it is a paradox that the term 'Management' continues to be the most misunderstood and misused. A study of the process of management reveals the following points about the nature of management.

1.4.1 Management is a Universal Process Where there is human activity, whether individual or joint, there is management. The process of management can be noticed in all spheres of life. The basic nature of management activity remains same in all arenas, whether the organization to be managed is a family, a club, a trade union,

a trust, a municipality, a business concern or the government. Slight variations in

approach and style may exist from organization to organization, but the management activity is basically the same everywhere. 1.4.2 Management is a Factor of Production Management is regarded as a factor of production. Just as land, labour and capital have to be brought together and put to effective use for the production and distribution of goods and services, similarly managerial skills have also to be acquired and effectively used for the purpose. In the modern industrial set-up, qualified and efficient managers are essential to reap the fruits of huge investment in business where the pattern of production has become capital- intensive. In fact, in this scenario, the

more important would be the role of management. 1.4.3

Management is Goal Oriented The most important goal of all management activity is to accomplish the objectives of an enterprise. These objectives may be economic, socio-economic, social and human and thereby management at different levels seeks to achieve these in different ways. But at all times, management has definite objectives to pursue and it employs all the resources as it commands — men, money, materials, machines and

methods in the pursuit of the objectives.

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Self-Instructional Material Nature of Management NOTES 1.4.4

Management is Supreme in Thought and Action Determination of the objectives of an enterprise tests the collective wisdom and sense of imagination of its management. The objectives should be neither too high sounding or difficult to achieve, nor too low pitched to rob the workers of their sense of achievement. But, mere setting of objectives will be of no avail, if there is no vigorous action to achieve them. Managers set realizable objectives and then mastermind action on all fronts to accomplish them. Managers belong to that rare breed of men who are not only aware of what is to be achieved and how, but also possess the capability and courage to accept the challenges of doing it. 1.4.5 Management is a Group Activity An enterprise will not be able to achieve its objectives if only one or a few individuals or departments are efficient and the rest are inefficient. The calibre of each individual and each

department needs to be efficient in order to make a project successful.

For example,

even the best performance by the production department will become meaningless if the sales department does not make efforts to sell the products or if the finance department does not ensure adequate availability of funds. For the success of an enterprise, it is necessary that all

the

human and physical resources at its disposal are efficiently coordinated to attain the maximum levels of productivity. It is well known that the combined productivity of different resources will always be much higher than the total of individual productivity of each resource. The test of managerial ability lies in coordinating the various resources and to achieve maximum combined productivity. With proper management, one plus one does not mean two, but eleven. This is also called the multiplier effect of management activity. 1.4.6

Management is a Dynamic Function Management is a dynamic function of a collective enterprise, which is constantly engaged in casting and recasting the enterprise in the world of an ever-changing business environment. Not only this, it also sometimes initiates moves that reform and alter the business environment. If an enterprise is well equipped to face the changes in business environment brought about by economic, social, political, technological or human factors, it can soon adapt itself to a changed environment or make innovation to attune itself to it.

For example, if there is a fall in the demand for a particular product, the enterprise can be kept in readiness to explore new markets or switch over to production of new goods with ready demand. 1.4.7 Management is a Social Science In

other words,

management means getting the tasks done by different people with different qualities. This involves dealing with individuals each one of who has a different level of sensitivity, understanding and dynamism. In fact, no definite principles or rules can be laid down

in respect of

human behaviour. These principles change from individual to individual and from situation to situation. No doubt, a manager may seek guidelines from established principles and rules but he cannot base his decisions on them. 1.4.8 Management is an Important Organ of Society Management as an activity has carved for itself an important place in society. Management shares a direct relationship with society. While society influences managerial actions, managerial actions influence society. By their decisions, management of large undertakings influence the economic, social political, religious, moral and institutional behaviour of the members of society. This creates an impact on the social and moral obligations of business management, which cannot be easily ignored. Self-Instructional Material 11 Nature of Management NOTES 1.4.9

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Management is a System of Authority It is the job of management to bring about a harmonious arrangement and pattern among the different resources employed in an undertaking. In fact,

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management's role as a factor of production forces it to be methodical in plans and procedures, and systematic and regular in their implementation. For this, it is necessary that the authority vested in the management is exercised properly and correctly. This calls for well-defined lines of command, delegation of suitable authority and responsibility at all levels of decision making. Unless there is proper balance between authority and responsibility at each level of decision-making, the organization might not succeed in the task of accomplishment of its objective. 1.4.10 Management is a Profession Management makes judicious use of all available means to accomplish certain predetermined ends. To achieve this successfully, managers need to possess managerial knowledge and training. Moreover, they have to conform to a recognised code of conduct and remain conscious of their social and human obligations. Managers are well paid and well provided by the organization for their work. Moreover, they enjoy considerable social prestige too. 1.4.11 Management as a Process Management is an activity consisting of a distinct process, which is known as the management process. This process is primarily concerned with the important task of goal achievement. No business enterprise can achieve its objectives until and unless all the members of the unit make an integrated and planned effort under the directions of central coordination agency. In management terminology, this central co-ordinating agency is technically known as 'MANAGEMENT' and the methodology of getting things done is known as 'Management Process' The process, in general, is defined as a series of actions or operations conducted towards an end. The logic of the management process is that particular functions are performed in a sequence within a given period of time. In other words, the functions that are performed by a manager and the sequence in which they are performed are together called the 'Management process'.

Ordinarily there are two main functions of each manager: decision-making and implementation of the decisions. Collectively, these two fall under the management process. Processes such as planning, organizing and actuating involved in the achievement of business goals together form the management process. 1.5

SCOPE OF MANAGEMENT

Although it is difficult to precisely define the scope of management, yet

the following areas are included in it: 1.5.1 Subject-matter of Management Planning, organizing, directing, coordinating and controlling

are the activities included in the

subject matter of management. 1.5.2 Functional Areas of Management These include: ? Financial management includes accounting, budgetary control, quality control, financial planning and managing the overall finances of an organization.

CHECK YOUR PROGRESS 1. How is management a dynamic function? 2. What are the essentials of management? 3. What are the distinct elements of administration process?

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Self-Instructional Material Nature of Management NOTES ?

Personnel management includes recruitment, training, transfer promotion, demotion, retirement, termination, labour-welfare and social security industrial relations. ? Purchasing management includes inviting tenders for raw materials, placing orders, entering into contracts and materials control. ? Production management includes production planning, production control techniques, quality control and inspection and time and motion studies. ? Maintenance management involves proper care and

maintenance of the buildings, plant and machinery. ? Transport management includes packing, warehousing and transportation by rail, road and air. ? Distribution management includes marketing, market research, price-determination, taking market-risk and advertising, publicity and sales promotion. ? Office management includes activities to properly manage the layout, staffing and equipment of the office. ? Development management involves experimentation and research of production techniques, markets etc. 1.5.3

Management is an Inter-disciplinary Approach For the correct implementation of the

management, it is important to have knowledge of commerce, economics, sociology, psychology and mathematics.

1.5.4 Universal Application The principles of management can be applied to all types of organizations irrespective of the nature of tasks that they perform. Three essentials of management are: ? Scientific method ? Human relations ?

Quantitative technique 1.5.5 Modern Management is an Agent of Change Management techniques can be modified by proper research and development

on how to improve the performance of an organization. 1.6

NEED FOR

MANAGEMENT Management is an essential component of all social organizations and is to be found everywhere as a distinct, separate and dominant activity. The importance of management cannot be over emphasised.

The significance of 'Management' may be outlined in the following paragraphs: 1.6.1

To Meet

the Challenges of Change In recent years, the challenge of change has become intense and critical. Only scientific management can overcome the complexities of modern business. 1.6.2 For Effective Utilization of the Seven Ms There

are seven Ms in business: men, materials, money, machines, methods, markets and management. Management stands at the top of all these Ms. It determines and controls all other factors of business.

Self-Instructional Material 13 Nature of Management NOTES 1.6.3

For the

Development of Resources Good management procures good business by creating a

vital dynamic and life-giving force in the organization. 1.6.4 Management Directs the Organization Just as the mind directs

and controls the body to fulfil its desires,

similarly

the

management directs and controls the organizations to achieve the desired goal. 1.6.5

Integrate Various Interests There are various interest groups that put pressure over other groups for maximum share in the total output. Management balances these pressures and integrates various interests. 1.6.6 Management Provides

Stability In modern society, management provides stability by changing and modifying resources in accordance with the changing environment of the society. 1.6.7 Management Provides Innovation Management provides new ideas,

imagination and vision to the organization, which is necessary for a better

life and greater performance. 1.6.8 Management Provides

Co-ordination

and Establishes Team Spirit Management co-ordinates

the activities of the different departments in an enterprise and establishes team spirit amongst the personnel. 1.6.9 To Tackle Business Problems Goods management serves as a friend, philosopher and guide in tackling business problems. It provides a tool for doing a task in the best possible manner. 1.6.10 A Tool of Personality Development Management is necessary not only for productivity, but also for improvement in the efficiency of mankind. Management helps improve the personality of people and therefore attempts to raise their efficiency and productivity. 1.7

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MANAGEMENT AND ADMINISTRATION The terms 'management' and 'administration' are often used synonymously. According to Dalton E. McFarland: 'In business firms, administration refers to

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higher, policy- determining level. One seldom regards the first—line supervisor as an administrator, instead he is a manager. In the health care fields and in many service organizations, problems (such as individual's chronic disease) are managed but programmes (such as flu vaccine distribution) are administered.' Administration may be defined as 'the guidance, leadership and control of the efforts of a group of individuals towards some common goals.' Often the terms administration and management are used together as administrative management. Administrative Management is different from 'operative management', which is concerned with the operational aspects of a business. Some experts like Oliver and Sheldon distinguished administration from management by suggesting definitions of their own. Definition of Administration and Management Administration is defined as a function of an organization that is concerned with policy – determination, coordination of finances, production, distribution and control

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of the executives that are required for establishing an organization.

Contrary to this,

14

Self-Instructional Material Nature of Management NOTES

management is the process that is concerned with the execution of the policies within certain limits set by the administration and employment of the organization for the

purpose of accomplishing objectives laid down by the administration. Essence of Administration Ordway Tead has analyzed the process of administration into distinct elements, which are: ? Establishing the objectives

of an organization ? Formulating broad policies for an organization ?

Stimulating the organization ? Evaluating the performance of an organization ? Looking ahead Thus, management actions are directed towards attaining aims and objectives that are laid down by the administration. It is, therefore, clear that administration is more important at higher levels whereas management is more important at lower levels in the firm's organizational pyramid.

This is shown in Figure 1.3.

Thus, administration is a top-level function while management is a bottom-level function. The fundamental point of distinction between these two aspects is that former is the process of formulating policies and goals of the organization while the latter directs and guides the operational or functional aspects of the organization towards achieving the objectives set by the former.

Figure 1.3 shows the administration and management ladder. Figure 1.3: The Management Ladder

A closer look reveals that the scope of management is broader than that of the administration. It is true that planning is more important and broader at higher levels of the organization. Yet, it is equally valid that every level of management, irrespective of its hierarchy in the organizational set up has to do some sort of planning and policymaking along with their execution. Therefore, management includes both administrative management and operative

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management. 1.8 MANAGEMENT – A SCIENCE OR AN ART Generally, a controversy arises with the question whether the management is a science or an art. It is said that management is the oldest of the arts and the youngest of science. This explains the changing nature of management. But to have an exact answer to the question it is necessary to understand the meaning of the terms 'science' and 'art'. Administration Management

Top Management (Executive President) Bottom Management (Foreman, Supervisor) Management Ladder Self-Instructional Material 15 Nature of Management NOTES

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Management as a Science Before trying to examine whether management is a science or not, we have to understand the nature of science. Science may be described as a systematised body of knowledge pertaining to an act of study and contains some general truths explaining past events or phenomena. It is systematised in the sense that relationships between variables and their limits have been ascertained and underlying principals have been discovered. Three important characteristics of science are: ? It is a systematized body of knowledge and uses scientific methods for observation. ? Its principles are evolved on the basis of continued observation and experiment. ? Its principles are exact and have universal applicability without any limitation. Examples of scientific principles are that two atoms of hydrogen and one atom of oxygen form one molecule of water or, according to the law of gravitation, if anything is thrown towards the sky, it will come down to earth. Judging from these criteria, it may be observed that management too is a systematised body of knowledge and its principles have evolved on the basis of observation not necessarily through the use of scientific methods. However, if we consider science as a discipline in the sense of our natural science, one is able to experiment by keeping all factors and then varying them one at a time. In natural science, it is possible to repeat the same conditions over and over again, which enables the scientist to experiment and

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obtain a proof. This kind of experimentation-cannot be accompanied in the art of management since we are dealing with the human element. This puts a limitation on management as a science. It may be designated as an 'inexact' or 'soft science'. Management as an Art Art

refers to

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the 'know-how to accomplish a desired result'. The focus is on doing things in one way. In keeping with the saying 'Practice makes a man perfect', constant practice of theoretical concepts (knowledge base) contributes towards the formation of skills. The skills can be acquired only through practice. In a way, the attributes of science and art are

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two sides of a coin. Medicine, engineering, accountancy and the like require skills on the part of the practitioners and can only be acquired through practice. Management is no exception. For example, a university gold medallist in surgery may not necessarily turn out to be a good surgeon; similarly a management graduate from an excellent institute may not be very effective in practice. In both cases, the application of knowledge acquired through formal education, requires ingenuity, correct understanding of the variables in the situation, pragmatism and creativity in finding solutions to problems. Effective practice of any art requires a thorough understanding of the science underlying it. Thus science and art are not mutually exclusive, but complementary. Executives who attempt to manage without the conceptual understanding of the management principles and techniques have to depend on luck and intuition. With organized knowledge and the necessary skill to use such knowledge, they have a better chance to succeed. Therefore, it may be concluded that management is both a science and an art. 1.9 MANAGEMENT

LEVELS

As organizations grow larger and more complex, they usually develop several levels of managerial positions, forming a hierarchy

of superior

and subordinate reporting relationships. Traditionally, there are three managerial levels, which are usually depicted, in the form of a hierarchical pyramid. The total number of personnel found at each level decreases as the management level increases up the pyramid. The largest numbers of people in the organization are at the lower organizational level, at the bottom of the

16 Self-Instructional Material Nature of Management NOTES pyramid, and these people operate in a non-managerial capacity. This group consists of individual contributors who are simply the employees who work under the guidance of their supervisors.

Figure 1.4 shows these levels

of management. 1.9.1 Top-Level Managers

The

top-level managers are ultimately responsible for the entire organization. The top-level management, also known as "central management" includes top executives such as chief executive officer (CEO), chairman of the board of directors, president, executive vice-presidents

and various vice-presidents. These managers are primarily involved in

broad organizational matters such as policy formulation, long range strategic planning, goal setting and development of organizational strategies. In general, top management effectively deals with all elements and forces that affect the survival, stability and growth of the organization.

In the words of B. Yuill: "It is the function of top management to watch, interpret, exploit, or where necessary, counter external influences with appropriate decisions and plans and to initiate the appropriate adjustments in the functional authority and status structures of the organization. It is the top management's duty to protect the integrity of the organization so that it can survive for its own employees, shareholders, suppliers and the customer's interests and for the general good of the social and economic system within which it operates."

Figure 1.4: Levels of Management 1.9.2

Middle-Level Managers The middle-management level generally consists of divisional and departmental heads such as a plant manager, production manager, marketing manager, personnel director, and so on. Their responsibility is to interpret policies and directions set by the top-level management into specific plans and guidelines for action. Their responsibility also includes coordinating the working of their departments so that the set objectives can be achieved. They are concerned with short-term goals and specific results. They spend more time on operational planning, information processing and day-to-day monitoring of their divisional activities. They serve as a link between the strategic activities of the top managers and operational activities of first-level managers who are the subordinates in terms of information dissemination in both directions. Organizations, specially very large ones, often have several layers of middle managers. During its expansion years, at one time, General Motors (GM) had 14 or 15 management levels. However the tendency now is

to have fewer layers and

to

give the managers greater autonomy and responsibility, part of which is delegated to lower-level managers.

CHECK YOUR PROGRESS 4. What are the different levels of management? 5. Give the definition of administration. 6.

What is the difference between general and functional managers?

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President, Chairman of the Board, Vice-Presidents Department Head, Branch Manager, Dean of a School Supervisor, Foreman, Office Manager Salesmen, Clerical and Technical Employees Top Management Middle Level Management First Level Management Individual Contributors

Self-Instructional Material 17 Nature of Management NOTES 1.9.3

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First-Level Supervisory Managers This level of management consists of supervisors, superintendents, unit heads, foremen, chief clerks, and so on. The primary concern of first-level managers is with the mechanics of the job and they are responsible for coordinating the work of their employees. They must possess technical skills so that they can assist their subordinate workers where necessary. They plan day-to-day operations, assign personnel to specific jobs, oversee their activities, evaluate their performances and become a link between the workers and the middle-level management. Since they represent both the middle-level management as well as the workers on the other side, first-line supervisors often find themselves in the middle of conflicting demands. According to Kerr, Hill and Broedling, their greatest emphasis evolves around dealing with internal human relations rather than operational activities because of the trend towards a more educated work force, team work and group cohesions, as well as

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growing use of computers in tracking and monitoring many activities that were previously regulated by first-line managers. 1.9.4 General Versus Functional Managers Apart from the vertical levels of

the

managerial hierarchy, there are two types of

managers with different responsibilities. These are 'Functional Managers' and 'General Managers'. Functional managers take responsibility for one type

of function or specialized activity and supervise the work of employees who are engaged in

such specialized activities as marketing, finance, accounting, quality control, production, and so on. General managers, on the other hand, are responsible for the activities of several different groups that perform a variety of functions and have authority over both the specialized as well as generalized activities. For example, the general manager of a plant in a manufacturing company is responsible for monitoring all aspects of the plant such as production, engineering, quality control, labour relations, purchasing, inventories, and so on. Branch managers are considered as general managers if employees from different disciplines within the branch report to them. General managers in non-profit organizations such as hospitals, universities or government agencies are designated as 'administrators', rather than managers. For example, the head of a hospital might be known as a chief administrator. Similarly, the president of a college or the dean of a school would be designated as an administrator. 1.10

SUMMARY ?

Management

in some form or the other is an integral part of living.

The concept of management is as old as the human race itself.

A manager's job is highly crucial to the success of an organization. ?

Management thinkers, including Van Fleet and Peterson, Megginson, Mosley and Pietri and Kreitner, have given their definitions of management. To Kreitner, management is a problem-solving process. ?

Management is a universal process; it is a factor of production; it is goal oriented; it is supreme in thought and action; it is a group activity; it is dynamic; it is a social science; it is an important organ of society; it is a system of authority; it is a profession; it is a process. ?

Management and administration are often used synonymously.

Administration is a function of an organization that is concerned with policy; management

is concerned with execution of policies within the limits set by the administration.

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Self-Instructional Material Nature of Management NOTES ?

It is said that management is the oldest of the arts and the youngest of science. ?

As organizations grow larger and more complex,

they usually develop several levels of managerial positions, forming a hierarchy of superior and subordinate reporting relationships.

The levels of management include top-level managers, middle-level managers and first-level supervisory managers. 1.11

ANSWERS TO 'CHECK YOUR PROGRESS' 1.

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Management is a dynamic function of a collective enterprise, which is constantly engaged in casting and recasting the enterprise in an ever-changing business environment. Besides, it also sometimes initiates moves that reform and alter the business environment. If an enterprise is well-equipped to face the changes in a business environment brought about by economic, social, political, technological or human factors, it can soon adapt itself to a changed environment or innovate to attune itself to it. 2.

Three essentials of management are: A. Scientific method B. Human relations C. Quantitative technique 3.

Ordway Tead has analyzed the process of administration through distinct elements, which are:

A. Establishing the objectives

of an organization B. Formulating broad policies for an organization C. Stimulating the organization D. Evaluating the performance of an organization E. Looking ahead 4.

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The total number of personnel at each level decrease as the management level increases up the pyramid. The largest number of people in the organization are at the lower organizational level, at the bottom of the pyramid and these people operate in a non-managerial capacity. This group consists of individual contributors who are simply the employees working under the guidance of their supervisors. 5.

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Administration is defined as a function of an organization that is concerned with policy – determination, coordination of finances, production, distribution and control of the executives who are required for establishing an organization. 6.

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Functional managers take responsibility for one type of function or specialized activity and supervise the work of employees who are engaged in such specialized activities as marketing, finance, accounting, quality control and production. General managers, on the other hand, are responsible for the activities of several different groups that perform a variety of functions and have authority over both the specialized as well as generalized activities. 1.12

EXERCISES AND QUESTIONS Short-Answer Questions 1. Define the concept of management. 2. Distinguish between management and administration.

Self-Instructional Material 19 Nature of Management NOTES 3. Define management as an art. 4. Define management as science. Long-Answer Questions 1. Explain the characteristics

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of management. 2. What are the different levels of management? 3. What do you understand by the nature of management? 4. What is the

need of management? 5. 'Management is new concept'. Justify this statement. 1.13

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Self-Instructional Material 21 Managerial Roles, Functions and Skills NOTES UNIT 2 MANAGERIAL ROLES, FUNCTIONS AND SKILLS Structure 2.0 Introduction 2.1 Unit

Objectives 2.2 Management Functions 2.3 Managerial Roles 2.4 Managerial Skills 2.5 Summary 2.6 Answers to 'Check Your Progress' 2.7 Exercises and Questions 2.8 Further Reading 2.0 INTRODUCTION This unit discusses the roles, functions and skills required in the

management of an organization. It classifies these three tasks into different categories. The categories range from the basic features of management to further sophisticated characteristics that are involved. 2.1 UNIT OBJECTIVES ?

Understanding the classification of managerial functions ? Discussing the roles to be performed by managers ? Classifying the types of managerial skills ? Elaborating the types of managerial skills 2.2

MANAGEMENT FUNCTIONS

There are basically five primary functions of management. These are: 1. Planning 2. Organizing 3. Staffing 4. Directing 5. Controlling The controlling function comprises coordinating, reporting and budgeting, and hence the controlling

function can be broken into these three separate functions. Based upon these seven functions, Luther Gulick coined the word POSDCORB, which generally represents the initials of these seven functions.

All the primary functions are explained

22

Self-Instructional Material Managerial Roles, Functions and Skills NOTES and discussed fully in the following pages and only a brief introduction to these functions is given here. 2.2.1

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Planning Planning is future-oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves predicting the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Peter Drucker has defined planning as follows: "Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback". An effective planning programme incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trends as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental regulations regarding community interests, unstable international political environments, etc. The internal factors that affect planning are limited growth opportunities due to saturation requiring diversification, changing patterns of work force, complex organizational structures, decentralisation etc. 2.2.2 Organizing Organizing requires a formal structure of authority and the direction and flow of such authority through which work sub-divisions are defined, arranged and coordinated so that each part relates to the other in a united and coherent manner so as to attain the prescribed objectives.

Thus the function of organizing

involves

the

determination

of

activities that need to be done in order to reach the company goals, assigning these activities to

the proper personnel, and delegating the necessary authority to carry out these activities in a coordinated and cohesive manner. It follows, therefore, that

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the function of organizing is concerned with: 1. Identifying the tasks that must be performed and grouping them whenever necessary. 2. Assigning these tasks to

the personnel

while defining their authority and responsibility. 3. Delegating this authority to

the employees. 4. Establishing a relationship between authority and responsibility. 5. Coordinating the

activities. 2.2.3

Staffing Staffing is the function of hiring and retaining a suitable workforce for the enterprise both at managerial as well as non-managerial levels. It involves the process of recruiting, training, developing, compensating and evaluating employees, and maintaining this work force with proper incentives and motivations. Since the human element is vital factor in the process of management, it is important to recruit the right personnel.

This function becomes even more critical since people differ in their intelligence, knowledge, skills, experience, physical condition, age and attitudes, and this complicates the function. Hence, management must understand, in addition to the technical and

operational competence, the sociological and psychological structure of the workforce.

Self-Instructional Material 23 Managerial Roles, Functions and Skills NOTES 2.2.4

Directing Directing is concerned with leadership, communication, motivation and supervision so that the employees perform their activities in the most efficient manner possible, in order to achieve the desired goals.

The leadership element involves issuing of

instructions and guiding the subordinates about procedures and methods.

Communication must be open so that the information can be passed on to the subordinates and their feedback received in an easy manner.

Motivation is very important, since highly motivated people perform excellently with less direction from superiors.

Supervising subordinates would give continuous progress reports as well as assure the superiors that the directions are being properly carried out. 2.2.5

Controlling The

function of control consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans.

The activities consist of establishing standards for work performance, measuring performance and comparing it to these set standards and taking corrective actions as and when needed, to correct any deviations.

All these five functions of management are closely interrelated. However, these functions are highly indistinguishable and virtually unrecognisable

on the

job. It is necessary, though, to put each function separately into focus and deal with it. 2.3

MANAGERIAL ROLES Another approach to studying management is to examine the roles that managers are expected to perform.

These roles can be defined as the organized sets of behaviours

identified with the position. These roles were developed by Henry Mintzberg in the late 1960s after a careful study of executives at work. All these roles in one form or another deal with people and their interpersonal relationships. These ten managerial roles are divided into three categories. The first category of interpersonal roles arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as

a direct result of interpersonal roles and these two categories lead to the third category of decisional roles.

Figure 2.1 shows the managerial

roles. These roles are now explained in detail. 2.3.1

Interpersonal Roles Managers spend a considerable amount of time in interacting with people both within their own organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and community leaders. All these interactions require an understanding of interpersonal relations. Studies show that interacting with people takes up nearly 80 per cent

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of a manager's time. These interactions involve the following three major interpersonal roles: ? Figurehead: Managers act as symbolic figureheads performing social or legal obligations.

Their

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duties include greeting visitors, signing legal documents, taking important customers to lunch, attending a subordinate's wedding or speaking at functions in schools and churches. All these, primarily, are duties of a ceremonial nature but are important for the smooth functioning of the organization. ? Leader: The influence of the manager is most clearly seen in his role as a leader of the unit or organization. Since he is responsible for the activities of his subordinates, he must lead and coordinate their activities in meeting task-related goals and he must motivate them to perform better. He must be an exemplary

CHECK YOUR PROGRESS 1. What are the primary functions of management? 2. How does planning affect the future of the company? 3. What are managerial roles?

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Self-Instructional Material Managerial Roles, Functions and Skills NOTES

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leader so that his subordinates follow his directions and guidelines with respect and dedication.

Figure 2.1: Various Managerial Roles ?

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Liaison: In addition to their constant contact with their own subordinates, peers and superiors, the managers must maintain a network of outside contacts in order to assess the external environment of competition, social changes or changes in governmental rules, regulations and laws. In this role, the managers build up their own external information system. In addition, they develop networks of mutual obligations with other managers in the organization. They also form alliances to win support for their proposals or decisions. The liaison with external sources of information can be developed by attending meetings and professional conferences, through personal phone calls, trade journals and by informal personal contacts within outside agencies. 2.3.2 Informational Roles By virtue of his interpersonal contacts, a manager emerges as a source of information about a variety of issues concerning the organization. In his capacity

as an information processor, a manager executes the following three roles: ? Monitor: He is

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constantly monitoring and scanning his environment, both internal and external, collecting and studying information regarding his organization and the outside environment affecting his organization. This can be done by reading reports and periodicals, by asking his liaison contacts and through gossip, hearsay and speculation. ? Disseminator

of information:

The manager must transmit his information

regarding changes in policies or other matters to his subordinates, his peers and to other members of the organization.

This can be done through memorandums, phone calls, individual meetings

and

group meetings. ? Spokesperson: A manager has to be a spokesman for his unit. He represents his unit in either sending relevant information to people outside his unit or making some demands on behalf of his unit. This may take the form of

the president

of the company making a speech to a lobby on behalf of an organizational cause or an engineer suggesting a product modification to a supplier.

FORMAL POSITIONAL AUTHORITY Interpersonal roles Figurehead Leadership Liaison Informational roles Monitor Disseminator Spokesperson Decisional roles Entrepreneur Conflict-handler Resource allocator Negotiator Self-Instructional Material 25 Managerial Roles, Functions and Skills NOTES 2.3.3

Decisional Roles On the basis of the environmental information received, a manager must make decisions and solve organizational problems. In that respect, he plays four important roles. ? Entrepreneur: As entrepreneurs, managers are continuously involved in improving their units and facing the dynamic technological challenges. They are constantly on the lookout for new ideas for product improvement or product addition. They initiate feasibility studies, arrange capital for new products if necessary, and ask for suggestions from the employees to improve the organization. This can be achieved through suggestion boxes, holding strategy meetings with project managers and R & D personnel. ? Conflict handler: Managers are constantly called upon to act

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as arbitrators in solving differences among the subordinates or the employees, conflicts with the central management. These conflicts may arise due to demands for higher pay or other benefits; or they may involve outside forces such as vendors increasing their prices; a major customer going bankrupt; or unwanted visits by governmental inspectors. Managers must anticipate such problems and take preventive action if possible or take corrective action once the problems have arisen. These problems also include labour disputes, customer complaints, employee grievances, machine breakdowns, cash flow shortages and interpersonal conflicts. ? Resource allocator: The third decisional role of a manager is that of a resource allocator. The managers establish priorities among various projects or programmes and make budgetary allocations to the different activities of the organization based upon these priorities. They assign personnel to jobs, they allocate their own time to different activities and they allocate funds for new equipment, advertising and pay raises. ? Negotiator: The managers represent their units or organizations in negotiating deals and agreements within and outside of the organization. They negotiate contracts with the unions. Sale managers may negotiate prices with prime customers. Purchasing managers may negotiate prices with vendors. All these ten roles are important in a manager's job and are interrelated even though some roles may be more influential than others, depending upon the managerial position. For example, sales managers may give more importance to interpersonal roles while production managers may give more importance to decisional roles. Recognising the appropriate role to play in each situation and the flexibility to change roles readily when necessary are characteristics of effective managers. Most often, however, managerial effectiveness is determined by how well the decisional roles are performed. 2.4

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MANAGERIAL SKILLS A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of understanding the processes involved and scientifically analyzing problems and opportunities, all other skills deal with people in one form or the other. These human skills are the most important assets of any successful manager. It is the manager's job to achieve the organizational objectives through the proper utilization of its human and material resources. However, since the material resources of equipment, capital, facilities, information and so on can only be used by humans, human 26

Self-Instructional Material Managerial Roles, Functions and Skills NOTES

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resources are the most valuable assets of any organization. Accordingly, a manager must be highly skilled in the art of optimally utilising the human resources. This art is universal in nature. In every walk of life, human skills are necessary for success. These various skills are explained as follows:

2.4.1 Technical Skills These skills basically involve the use of knowledge, methods and techniques in performing a job effectively. This is a specialized knowledge and expertise which is utilized in dealing with day-to-day problems and activities. For example, engineers, accountants, computer programmers and systems analysts, have technical skills in their areas which have been acquired through education and training. This skill is highly necessary at the lower level of management and as one moves to higher levels of management, the relative importance of technical skills usually diminishes. This is so because unlike first-level supervisors, managers at higher levels have less direct contact with technical operating problems and activities.

2.4.2 Human Skills Human skill is the ability to work with other people in a cooperative manner. It involves understanding, patience, trust and genuine involvement in interpersonal relationships. These are interpersonal skills and are necessary at all levels of management. People with good human skills build trust and cooperation as they motivate and lead and thus become successful managers. This skill is gaining importance as the work place is becoming more and more ethnically diversified and the manager has to be aware

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and become adaptive to cultural differences. Furthermore, since businesses are becoming multinational and global, managers are required to learn new ways of dealing with people in different countries with different cultures and value systems.

2.4.3 Conceptual Skills Conceptual skill is the ability to view the organization as a whole and as a total entity as well as a system comprising various parts and subsystems

that have been

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integrated into a single unit. This skill is specially crucial for top-level executives who must keep the whole system under focus. They must understand the complexities of the overall organization, including how each unit of the organization contributes towards the overall success of the entire organization. This skill generally depends upon an organized thinking process which deals with understanding of various functions of an organization, their interdependence and the relationship of the organization with the outside environment in terms of threats and opportunities.

2.4.4 Diagnostic Skills This skill refers to a manager's analytical abilities wherein he can logically and objectively investigate and analyze a problem or an opportunity and use scientific approaches to arrive at a feasible and optimal solution. It is important however that a manager gets to the root of the problem so that the solution is a permanent one rather than a short-term or a cosmetic one. This skill overlaps with other skills because a manager may need to use technical, human, conceptual or political skills to solve the problem that has been diagnosed.

2.4.5 Communicational Skills Communicational skills are an important component of interpersonal skills and are basic to all other skills. These are necessary at all levels of management. A manager's best ideas will have little impact if they cannot be communicated effectively. Good communication is the foundation of sound management. Proper communication eliminates delays, misunderstandings, confusion, distortions and conflicts and improves

CHECK YOUR PROGRESS 4. What are the managerial skills? 5. Define interpersonal roles? 6. Why communication skill is the basic of all other interpersonal skills?

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coordination and control. All the four communicational skills, namely, writing, reading, listening and non-verbal gestures are important ingredients of successful leadership. 2.4.6 Political Skills Political skill can be described as the ability to get your own way without seeming to be selfish or self-oriented. It is the ability to get your share of power and authority and use it without fear of losing it. It is the most complex of skills in that it is required for establishing the right connections, impressing the right people, and then skillfully using these connections to one's advantage. Political skill is most necessary at the middle management level because middle managers

are aspiring

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to reach the top levels of management and right connections help in such aspirations. 2.5

SUMMARY ? This unit discusses the roles functions and skills required

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in the management of an organization. ? There are five primary functions of management. These include planning, organizing, staffing, directing and controlling. ?

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Another approach to studying management is to examine the roles that managers are expected to perform. These

include interpersonal roles, informational roles and decisional roles. ?

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All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. 2.6

ANSWERS TO 'CHECK YOUR PROGRESS' 1.

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There are basically five primary functions of management. These are: A. Planning B. Organizing C. Staffing D. Directing E. Controlling 2.

Planning

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involves predicting the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Planning is the continuous process of making present entrepreneurial decisions systematically and with

the best possible knowledge of their relevance in the future, systematically

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organizing the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback. 3.

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Managerial roles are categorised into three categories. The first category of interpersonal roles arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as a direct result of interpersonal roles and these two categories lead to the third category of decisional roles. 4.

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A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of 28

Self-Instructional Material Managerial Roles, Functions and Skills NOTES

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understanding the processes involved and scientifically analysing problems and opportunities, all other skills deal with people in one form or the other. 5.

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Managers spend a considerable amount of time in interacting with other people both within their organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and community leaders. All these interactions require an understanding of interpersonal

relations. 6.

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Communicational skills are an important component of interpersonal skills and are basic to all other skills. These are important and necessary at all levels of management. A manager's best ideas will have little impact if they cannot be communicated effectively. Good communication is the foundation of sound management. Proper communication eliminates delays, misunderstandings, confusion, distortions and conflicts and improves coordination and control. All the four communicational skills, namely, writing, reading, listening and non- verbal gestures are important ingredients of successful leadership. 2.7

EXERCISES AND QUESTIONS Short-Answer Questions 1. What goal does the function of control help to achieve in management? 2. What are the decisional roles of a manager? 3. Discuss the informational roles of a manager. 4. What are the different types of skills required to be present in a manager? Long-Answer Questions 2. Discuss the primary functions of management. 3. Give a detailed account of the directing function of management. 4. Elaborate on the interpersonal roles of a manager. 5. Discuss the political skills that are essential for middle-level managers. 6. Elaborate the conceptual skills required in a manager? 7. Describe the importance of good communication skills for effective expression of ideas by managers. 8. Discuss the necessity of human skills in management. 2.8 FURTHER READING 1. Lewis Pamela, Stephen Goodman and Patricia Fandt, Management; Thomson Publishing, 2004. 2. Robbins Stephen and David Deenzo, Fundamentals of Management; Prentice Hall, 2001. 3. Dessler Gray, Management; Prentice Hall, 2001. 4. Hunsaker Phillip, Training in Management Skills; Prentice Hall. 5. Schermerhorn John, Management and Organizational Behaviour Essentials; John Wiley 1996.

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Self-Instructional Material 29 Evolution of Management Thought NOTES UNIT 3 EVOLUTION OF MANAGEMENT THOUGHT Structure 3.0 Introduction 3.1 Unit Objectives 3.2 Classical Approach 3.3 Bureaucracy 3.4 The Scientific Management Stage 3.5 Contribution by F.W. Taylor – Scientific Management 3.6 Contribution by Henry Fayol – Principles of Management 3.7 Contribution by Peter F. Drucker – MBO 3.8 Summary 3.9 Answers to 'Check Your Progress' 3.10 Exercises and Questions 3.11 Further Reading 3.0 INTRODUCTION The practice of management is as old as human civilisation itself. In fact, much of the progress made by mankind over the centuries may be attributed to the effective management of resources. Examples of effective management of resources can be the irrigation systems, existence of public utilities and the construction of various monuments like Taj Mahal and the Egyptian pyramids of the bygone era. These examples amply demonstrate the practice of management in the olden days. The ancient civilizations of Mesopotamia, Greece, Rome and Indus Valley displayed the marvellous results of good management practices. However, the study of management in a systematic way as a distinct body of knowledge is of recent origin. That is why, management is often described as 'oldest of an arts and youngest of the sciences'. Therefore, the practice of management cannot be considered as a new venture. Management has been practiced for thousands of years. But the science part of it, which refers to the systematic body of knowledge, is no doubt a phenomenon of the present century. The traditional management practices remained quite stable until the Industrial Revolution which began in the mid-18th century. The Industrial Revolution

substituted man power by machine power

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through several scientific inventions. As a result, within a few decades, industrial activity went through a metamorphosis. Man's quest for finding new ways of doing things while adopting the scientific and technological inventions in the production of various goods and services, resulted in: 1. Mass production due to anticipation of demand 2. Advent of corporate form of organization, which led to large-scale production 3. Spectacular improvements in the transport and communication facilities 4. Increase in competition for markets 5. Establishment of the new employer-employee relationship and so on 6. Industrial Revolution, which sowed the seeds of modern management 30

Self-Instructional Material Evolution of Management Thought NOTES Early Contributions The development of a systematic management thought took place in

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the 20th century. But this should not create the impression that this was developed in this century alone. Attempts at solving management problems date back to ancient times. For example, the importance of organization and administration in the ancient times is evident from the interpretation of the early Egyptian papyri dating back as early as 1300

B.C. In his parables Confucius gave practical suggestions in regard to

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public administration and advised the selection of unselfish, honest and capable officers. There are many examples in Greek, Roman and other civilisations,

of the use of scientific principles of management and administration. Military leaders, also used many such principles. The Roman Catholic Church had the most formal organization in the history of western civilisations. Striking examples of these techniques are the development of the hierarchy of authority with its scalar territorial organization, specialization of activities along the functional lines and the early and intelligent use of staff. 3.1

UNIT OBJECTIVES ?

Explaining the

approaches in development of management thought ? Understanding the role of F.W.Taylor in

the development of scientific management ? Understanding the principles of Henry Fayol ? Understanding

the contribution of Peter F. Drucker 3.2

CLASSICAL APPROACH

The classical approach is also known as functional approach, empirical approach and management process approach. The main features of this approach are as follows: 1.

Management is viewed as a systematic network of various functions like planning, organizing,

directing, staffing and controlling. 2.

On the basis of experiences of practicing

managers, management principles are developed and used as guidelines for practising managers

and form the basis for management training. 3.

Functions, principles and skills of management are universal. They can always be applied in any situation. 4. Formal education and training are emphasised

for developing managerial skills in upcoming managers. 5. Emphasis is placed on economic efficiency and the

formal organization structure. 6. People are motivated by economic gains. Therefore, organization controls economic incentives.

Advantages of the Classical Approach 1. It focuses on what managers actually do. 2. It highlights the universal nature of management.

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It provides a scientific basis for managerial practice. 4. It provides a starting point for researchers to verify the validity and to improve the applicability of management thought. Disadvantages of the Classical Approach 1. It ignores the environmental changes and their effect on management. 2. It relies too much on the past experience. The technique or principle that was found to be effective in past may not be effective in the present or the future. 3. It is based on oversimplified assumptions. Its principles are ambiguous and contradictory. 4. It offers a mechanistic framework that undermines the role of the human factor.

This approach is based on three main pillars: 1. Bureaucracy 2. Scientific Management 3. Administrative Theory 3.3 BUREAUCRACY

Max Weber, a German

social scientist analyzed the formation and administration of enterprises. The main features of his approach are as follows: 1.

Division of work: There is division of work on the

basis of specialization of jobs in bureaucratic organizations. Each employee performs his specialized work in a predictable manner. 2. Rules and regulations:

Detailed rules and regulations regarding work behaviour, and the

rights and

duties of employees are laid down. Rules are designed to ensure the consistency and predictability in work performance.

In addition, procedures are laid down for

the

orderly performance of tasks. 3. Hierarchy of authority: Hierarchy in organizations is characterised by downward delegation of authority. Each superior exercises control over his subordinates. The authority flows from top level to lower

level of management. 4. Technical competence: Selection and promotion of employees are based on technical competence of employees. For each job, the qualifications are prescribed. Training is also provided to familiarise the

employees with the rules and administrative procedures of the organization. 5. Record keeping: Every decision and

action is recorded in its original as well as draft form. 6. Impersonal relations: Superiors are formal in their dealings with

subordinates. Advantages of Bureaucracy 1. Specialization: A bureaucratic organization provides the advantages of

specialization because every member is assigned a specialized task to perform. 2. Structure: A structure of form is

created by specifying the duties and responsibilities and reporting relationships within a command hierarchy. Structure sets the pace and framework for the functioning of the organization.

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Self-Instructional Material Evolution of Management Thought NOTES 3.

Rationality: A measure of objectivity is ensured by prescribing in advance the criteria for decision-making in routine

situations. 4. Predictability: Rules, regulations,

specialization,

structure and training impart predictability

and thereby ensure stability in the organization. Conformity to rules and roles in the structural framework bring about

order to cope with complexity. 5. Democracy: Emphasis on qualifications and technical competence make the

organization more democratic. Officials are guided by the prescribed rules, policies and practices rather than by

patronage or other privileged treatment. Limitations of Bureaucracy 1. Rigidity: Rules and regulations in a bureaucracy are

often rigid and inflexible. Rigid compliance with rules and regulations discourages initiative and creativity. It may also

provide

the

cover to avoid responsibility for failures. 2. Goal displacement:

Rules framed to achieve

organizational objectives at each level become an end in themselves. When individuals at lower levels pursue personal objectives, the overall objectives of the organization may be neglected. 3. Impersonality: A bureaucratic organization stresses

a mechanical way of doing things. Organizational rules and regulations are given priority over the

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individual's needs and emotions. 4. Compartmentalization of activities: Jobs are divided into categories, which restrict people from performing tasks that they are capable of doing. It also

leads to

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preservation of jobs even when they become redundant. 5. Paperwork: Bureaucracy involves excessive paperwork as every decision must be put into writing. All documents have to be maintained in their draft and original forms. This leads to great wastage of time, stationery and space. 6. Empire building: Bureaucrats tend to use their positions and resources to perpetuate self-interests. Every superior tries to increase the number of his subordinates as a big staff is considered a symbol of power and prestige. 7. Red tape: Bureaucratic procedures involve inordinate delays and frustration in the performance of tasks. Despite its drawbacks, bureaucracy has become an integral feature of modern organizations. It is, therefore, necessary to understand it and to overcome its negative aspects through proper reckoning of individual needs and organizational goals. 3.4 THE SCIENTIFIC MANAGEMENT STAGE The first stage of management identified in the United States was scientific management, which was started by Taylor. But there were some precursors to Taylor who had made significant contributions. James Watt, Jr. and Mathew Rabinson Boulton, who invented and developed the steam engine, were the earliest users of scientific approach to management. They managed the Soho Engineering Foundry in Great Britain from 1876 and developed many management systems. They developed the processes of market research and forecasting, planning machine layout and standardisation of components. They also developed some important casting systems, training and development programmes, welfare programmes, productivity-based payments and so on.

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Robert Owen, another pioneer

of the early nineteenth

century, concentrated on the personnel side and carried out many experiments. He is rightly referred to as the father of modern personnel management. He improved the working conditions

of the employees

and incurred benefits for them

as he thought that these would improve productivity.

Charles Babbage, known as the father of the computer, invented the mechanical calculator. He wrote a book titled, On the Economy of Machinery and Manufacturers which was published in 1832. He was more interested in the economics of division of labour and developed scientific principles regarding this. Another important personality was Henry Varnum Poor, who as

the

editor of the American Railroad Journal, emphasised the need for a managerial system and a clear organizational structure.

It was only with the advent of Frederick W. Taylor and his work, The Principles of Scientific Management published in 1911 that greater attention was paid to scientific management as a separate discipline. Industrial problems increased due to the advent

of large-scale factory systems, mass production and mechanisation. People needed some specific principles and methods for solving the problems that they faced. The initial impetus in the scientific management movement was given by Taylor. He was more concerned with the engineering aspect and the problems of workers and productivity-oriented wages. Then came Henry Fayol, who is known as the father of Modern Operation Management Theory. Fayol, a Frenchman, developed the management theory and its principles and published his book in French which was later translated into English later. Taylor and Fayol both realized that working towards the problems of personnel and its management at all levels is the key to industrial success. Both applied scientific methods to the problems they faced while dealing with personnel and management. Taylor worked primarily on the operative level moving upwards in the industrial hierarchy, while Fayol concentrated on the managing director level and worked downwards. This shows the difference in the working of Taylor and Fayol. Both gave France a unified management body more than twenty years before the same ideology began to be realized in Great Britain.

There were some important figures among the followers of Taylor. One of them was Carl George Barth who developed mathematical techniques. Other was Henry L. Gantt who is best known for developing graphic methods for depicting plans and making possible better managerial control. Frank and Lillian Gilbreth concentrated on reducing the motions involved in doing a particular task. Finally, there was Edward A. Filene who hired Gilbreth to help him apply scientific management methods to his family's Boston department store.

Major Schools

of Management Thought

The various approaches to the study of management as propounded by specialists from different disciplines have come to be called the Schools of Management Thought. The major schools of management theory are: 1. Management process schools 2. Empirical school 3. Human Behaviours or Human Relations school 4. Social school 5. Decisions Theory school 6. Mathematical or Quantitative Management school

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Systems Management school 8. Contingency school. 3.4.1 Management Process School or

the Operational Approach This school regards management as a process of getting things done with people operating in organized groups. Henry Fayol is known as the father of this school.

According to this, school management can best be studied in terms of the process that it involves. Those subscribing to this school are of the view that

management principles

are of universal application. This approach is also designated as the traditional approach, the universal approach or the

classical

approach. The contributors and thinkers who belong to this

school are William Newman, Summers, McFarland, Henry, J.D. Mooney, A.C. Railey, Lyndall Urwick and Harold Koontz.

3.4.2 The Empirical School or the Management by Customs

School This approach to management is taken by scholars who identify management

as the

study of experience, followed by efforts to learn from the experience and

then transfer the

knowledge to practitioners and students.

Typically, this is done through a

case study

approach or through the study of decision making. This school of thought believes that by analysing the experience of successful managers or the mistakes of

poor managers, we somehow can

learn about applying the most effective management techniques. The main contributors of this approach are Earnest Dale, Mooney and Raliev, Urwick

and many other management practitioners and associations like the American Management Association.

The main features of this approach are 1. Management is the study of managerial experiences. 2. Managerial experiences can be passed over to the practitioners and students. 3. The techniques used in successful cases can be used by future managers

for further references. 4.

Theoretical research can be combined with practical experiences for better management. 3.4.3

The Human Relations Approach or the Human Behaviours School

This school takes note of

the psychological factors causing a change in the human behaviours

in organized groups under a given situation. It is based upon the fact

that management involves getting

things done through people and

therefore management must be

centred on

inter-personal

relations. This approach has been called the human relations, leadership or behavioural science approach. Exponents of this school of thought seek to apply existing and newly-developed

theories, methods and techniques

of the

relevant social science to the study of intra and inter personal relations,

which varies from personality dynamics to relations of cultures. This school stresses on the people part of management and the understanding aspects. The

motivation of the individual and adherents of this school is heavily oriented towards psychology and sociology. The

range of thought in this school are (a) the study of human relations and how managers can understand and use these relations (b)

the

role of

the

manager as a leader and how he should lead others (c)

the study

of group dynamics and inter-personal relationships. From the early 1930s and the Hawthorne experiments, a great interest has been generated in the human behaviours school. Human behaviour must be recognised as a

key and it is one of the most important factors in the development of employees.

There is agreement on the point that human beings have goals and value for certain needs. We do find people exercising their material instincts such as valuing job security, striving for organizational and social acceptance and working for

monetary rewards, which of course, can be used to

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satisfy several needs. The human behaviour school of thought sometimes goes too far in insisting that

the employees of an organization need to be happy for the organization to

function effectively. Managers have to take a middle position in their approach to the human behaviour aspects of

management. If employees are doing a poor job,

managers should ensure that the employees are demoted or disciplined in some manner. Without recognition and reward,

employees lack motivation to do a job. 3.4.4

The Social Systems School This school of thought is closely related to the human behaviour or the human relations school of thought. It looks upon management as a social system, which refers to a system of cultural inter-relationships. These can be formal organizational relationships or any kind of human relationships. This approach to management being heavily sociological in nature does what the study of sociology does. It identifies the nature of the cultural relationships of various social groups and attempts to show them as an integrated system. The spiritual father of this school was the late Chester Barnard who developed the theory of co-operation. The focus of this school of thought is on the study of the organization as a co-operative or collaborative system. A social system is a unit or entity consisting of various social subsystems called groups. 3.4.5

The Decision Theory School

The decision theory approach concentrates on the rational decisions theory, which refers to the selection of a suitable course of action from various possible alternatives. This approach may deal with the decisions themselves, with the person or organizational group who makes the decision or with

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an analysis of the decision process. By expanding the viewpoint well beyond the process of evaluating alternatives, many people use the theory to examine the nature of organizational structure, the psychological and social reactions of individuals and groups and analysis of value considerations with respect to goals, communication networks and incentives. The scientific approach to decision- making involves some of the following factors: 1. Defining the problem 2. Collecting all relevant information 3. Developing alternatives 4. Examining all the alternatives and the solutions 5. Testing the solutions, (if possible) 6. Selecting a course of action 7. Implementing the action 8. Evaluating the results of the action 3.4.6 The Mathematical School In this group, we have those theorists who see management as a system

of mathematical models and processes. According to the approach of the Mathematical

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school, decision- making is a logical process that can be expressed in terms of mathematical symbols and relationships. This approach forces the analyst to define a problem and allows for the insertion of symbols through logical methodology, which provides a powerful tool for solving complex phenomena. 36

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Modern managers may normally face some of the following problems. 1. Increase in the size and complexity of organizational structures 2. Increase in paperwork, which stifles the ability to produce 3. Communication problems 4. The need for instantaneous management response in the decision-making areas, which requires up-to-date, accurate and comprehensive information 5. Increase in demands on management with fewer budgets 6. Increase in the number of people to be dealt with by

the

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government and business structures, particularly in India. In the United States, executives have turned increasingly to using computer applications to solving these problems. Some of these computer applications include airline reservation systems, census reports, compiling technical information into data banks, banking operations, machine processed accounting organization and issuance of payroll checks to large numbers of employees etc. Computer applications can make the work more manageable in fields where a large volume of paper reports or data is involved.

3.4.7 The Systems Approach School This school is of recent origin having been developed in the late 1960s. It is an integrated approach, which considers management in its totality based on empirical data. According to this approach, attention must be paid to the overall effectiveness of a subsystem in isolation from the other subsystems. The main emphasis is on the interdependence and interrelatedness of the various subsystems, from the point of view of the effectiveness of a large system. Its essential features are as follows: ? A system has a number of subsystems, parts and subparts. ? All the subsystems, parts and subparts are mutually related to each other. A change in one part will affect the other parts. ? The systems approach emphasises the study of the various parts in their inter relationships rather than in isolation from each other. ? The systems approach to management brings out the complexity of a real life management problem much more sharply than any of the other approaches. ? It can be utilised by any other school of management thought. The boundary of a system may be classified into two parts: 1. Closed system that has no environment. This part implies that no outside systems are to be considered. 2. Open system that has an environment. This part implies that it possesses systems with which it relates, exchanges and communicates. The main contributors to this school of thought are Kenneth, Boulding, Johnson, Cast, Rosen Zweig and C.W. Churchman. Another important contributor is Martin particularly in the area of management audit system.

3.4.8 The Contingency Approach School The contingency approach to management emphasises that management is a highly practice-oriented and action-packed discipline. Managerial decisions and action initiatives are matters of pragmatism and not of principles. The environment of organizations and managers is very complex, uncertain, ever changing and diverse. It is the basic function of managers to analyze and understand

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the environment in which they function before adopting their techniques, processes and practices. The choice of approaches and also their effectiveness is contingent on the behaviour and dynamics of situational variables. But, there is no universally valid one best way of doing things. Management theory and principles tend to be deterministic, while the pace, pattern and behaviour of events defy the deterministic or dogmatic approaches. What is valid and good in a particular situation need not be so in some other situation. Contingent thinking helps managers in several ways while performing their functions of planning, organizing, direction and control. It widens their horizons beyond the theory of management and its concepts, principles, techniques and methods. It helps them to broaden their approach from mere technique orientation to problem-situation orientation. It leads them to be sensitive, alert and adaptive to situation behavioural variables, while tailoring their approaches and styles. It guides them to adopt open system viewpoints and to look at things and situations in an integrated and multi-dimensional manner. Moreover, moving away from contingency thinking enlarges the art of freedom of operation of managers. They do not have to apply

the

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same methods, practices and processes to diverse situations. They can think of innovating new approaches or blending known approaches on the basis of their compatibility and context. For example, different structural designs are valid for different strategic and tactical needs of organizations on one hand and realities of the situations on the other. This was demonstrated by Joan Woodward in her research studies. 3.5

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CONTRIBUTION BY F.W. TAYLOR SCIENTIFIC MANAGEMENT Frederic Winslow Taylor started his career as a machinist in 1875. He studied engineering in an evening college and rose to the position of chief engineer in his organization. He invented high-speed steel cutting tools and spent most of his life as a consulting engineer. Taylor is called the father of scientific management. His experience from the bottom-most level in the organization gave him an opportunity to know first-hand the problems of the workers. Taylor's principal concern was that of increasing efficiency in production, not only to lower costs and raise profits but also to make possible increased pay for workers through their higher productivity. Taylor saw productivity as the answer to both higher wages and higher profits. He believed that the application of scientific method, instead of custom and rule of thumb could yield this productivity without the expenditure of more human energy or effort. Principles of F.W. Taylor Taylor published a book titled, The Principles of Scientific Management, in 1911. But his ideas about scientific management are best expressed in his testimony that was placed before a committee of the House of Representatives in 1912. He said as follows: "Scientific management is not any efficiency device, not a device of any kind for securing efficiency; nor is it a bunch or group of efficiency devices. It is not a new system of figuring costs; it is not a new scheme of paying men; it is not a piece work system; it is not a bonus system; it is not a premium system; it is not a scheme for paying men; it is not holding a stop watch on a man and writing things down about him; it is not time study; it is not motion study, not an analysis of the movements of men; it is not the printing and loading and unloading of a ton or two of blanks on a set of men and saying 'Here's your system; go and use it'. It is not divided foremanship or functional foremanship; it is not any of the devices which the average man calls to mind when scientific management is spoken of..."

CHECK YOUR PROGRESS 1. Discuss the classical approach along with its advantages and limitations. 2. Explain the stage of Scientific Management. 3. What do you mean by Contingency approach?

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Now, in its essence, scientific management involves a complete mental revolution of the part of the working man engaged in any particular establishment or industry. This complete mental revolution focuses on the duties of the organization toward their work, toward their fellowmen and toward their employees and it involves an equally complete mental revolution on the part of those on the management's side, which involve the foreman, superintendent, owner of the business, board of directors and so on. The great mental revolution that takes place in the mental attitude of the two parties under scientific management is that both sides take their eyes off the division of the surplus as an important matter and together turn their attention toward increasing the size of the surplus, which becomes so large that it is unnecessary to quarrel over how it should be divided. They come to see that when they stop pulling against one another and instead both turn and push shoulder to shoulder in the same direction, the size of the surplus created by their joint efforts is truly appreciable. When friendly cooperation and mutual helpfulness of antagonism and strife are substituted, it becomes possible for both the parties to make the surplus so enormous than it was in the past that there is ample room for a large increase in wages for the workmen and an equally great increase in profits for the manufacturer. The underlying principles of scientific approach to management as seen by Taylor may be summarised as follows: ? Replacing rules of thumb with science ? Obtaining harmony in group action, rather than discord ? Achieving cooperation of human beings, rather than chaotic individualism ? Working for maximum output, rather than restricted output ? Developing all workers to the fullest extent possible for their own as well as company's highest prosperity Taylor concentrated more on productivity and productivity-based wages. He stressed on time and motion study and other techniques for measuring work. Apart from this, in Taylor's work, there also runs a strongly humanistic theme. He had an idealist's notion that the interests of workers, managers and owners should be harmonised. 3.6 CONTRIBUTION BY HENRY FAYOL –

PRINCIPLES OF MANAGEMENT

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Henry Fayol, a Frenchman, is claimed to be the real father of modern management. He was born in 1841 and worked as an engineer with a mining company. He improved the condition of the company from virtual bankruptcy and took it to high success. From his practical experience, he developed some techniques and basic principles, which he felt, could be used in all management situations, irrespective of the organizational framework. This book titled, General and Industrial Management, in French was later translated into English. It is now considered as one of the classics of management literature. The book mainly covers the aspects of the immutable and repetitive character of the management process and the concept that management can be taught in the classroom or the workplace. He also laid down the principles of management, which he deemed important for any organization. The principles are as follows:

3.6.1 Division of Work This is the principle of specialisation, which is very well expressed by economists as being a necessary factor to efficiency in the utilization of labour.

Self-Instructional Material 39 Evolution of Management Thought NOTES 3.6.2

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Authority and Responsibility In this principle, Fayol conceives authority as a combination of official authority deriving from a manager's official position and personal authority, which is compounded of intelligence, experience, moral worth, past services etc. 3.6.3 Discipline Holding the notion that discipline is 'respect for agreements which are directed as achieving obedience, application, energy and the outward marks of respect', Fayol declares that discipline requires good superiors at all levels, clear and fair agreements and judicious application of penalties. 3.6.4 Unit of Command This states that an employee should receive orders from one superior only. 3.6.5 Unity of Direction According to Fayol, the unity of direction principle implies that each group of activities having the same objectives must have one head and one plan. As distinguished from the principle of unity of command, Fayol perceives unity of direction as related to the functioning of personnel. 3.6.6 Subordination of Individual Interest to General Interest In any group, the interest of the group should supersede that of the individual. When the interests differ, it is the function of the management to bring about a reconciliation. 3.6.7 Remuneration of Personnel Fayol perceives that remuneration and methods of payment should be fair and should also afford the maximum satisfaction to the employees and the employer. 3.6.8 Centralization Although Fayol does not use the term, Centralization of Authority, his principle definitely refers to the extent to which authority is concentrated or dispersed in an enterprise. Individual circumstances determine the degree of centralization that gives the best overall yields. 3.6.9 Scalar Chain Fayol sees the scalar chain as a line of authority, a chain of superiors from the highest to the lowest ranks. Since it is an error on the part of a subordinate to depart needlessly from the lines of authority, the chain should be short-circuited. 3.6.10 Order Breaking this principle into material order and social order, Fayol thinks of it as a simple edge for everything and in its (his/her) place. This organization is the principle, which refers to arrangement of things and persons in an organization. 3.6.11 Equity Fayol perceives this principle as one of eliciting loyalty and devotion from personnel with a combination of kindness and justice in managers while dealing with subordinates. 3.6.12 Stability of Tenure of Personnel Finding that instability is both the cause and effect of bad management, Fayol points out the dangers and costs of unnecessary turnover. 40

Self-Instructional Material Evolution of Management Thought NOTES 3.6.13

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Initiative Initiative is conceived as the process of thinking out and executing a plan. Since it gives the greatest satisfaction to an intelligent man, Fayol exhorts managers to sacrifice personal vanity in order to permit subordinates to exercise it. 3.6.14 Esprit de corps This principle implies that union is strength and

is

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an extension of the principle of unity of command. Fayol here emphasises on the need for teamwork and the importance of communication in obtaining it. Henry L. Gantt (1861-1919) Henry Gantt worked with Taylor and was responsible for introducing 'Task and Bonus Plan' and the Gantt chart. The 'Task and Bonus Plan' was aimed at providing extra wages for extra work in addition to a guaranteed minimum wage. Bonuses were also awarded to supervisors who were successful in getting their workers to meet the output goal. The Gantt chart, which was a forerunner of today's PERT (Programme Evaluation and Review Technique) was a chart on which the process of work could be recorded. Managerial operations were Fayol's primary concern and he defined

them on the basis of five

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functions. These function are: (a) Planning (b) Organizing (c) Command (d) Coordination (e) Control Bureaucratic Organization Weber looked for rules to eliminate managerial inconsistencies

so as to

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contribute to effectiveness. He felt that every deviation from the formal structure interfered with efficient management. He believed in strict adherence to rules which would make bureaucracy a very efficient form of organization founded on principles of logic, order and legitimate authority. Weber described it as follows. The purely bureaucratic type of administrative organization... is, from a purely technical point of view, capable of attaining the highest degree of efficiency ... It is superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability. It thus makes possible a particularly high degree of calculability of results for the heads of the organization and for those acting in relation to it. It is finally superior both in intensive efficiency and in the scope of its operations and is formally capable of application to all kinds of administrative tasks. The Behavioural Approach The behavioural approach or the human relations approach is based upon the premise of increase in production and managerial efficiency through an understanding of the people. The growth and popularity of this approach is attributed to Elton Mayo (1880–1949) and his Hawthorne experiments. Hawthorne studies (1924–1932) were conducted to determine the effect of better physical facilities on workers output. These studies showed that better physical environment or increased economic benefits in itself were not sufficient motivators in increasing productivity. In effect the emphasis shifted to psychological and social forces, in addition to economic forces. Mayo discovered that when workers are given special attention by management, the productivity is likely to increase irrespective of actual changes in the working conditions.

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Even though Mayo's conclusions are not necessarily accepted today, the Hawthorne studies were primarily responsible for consideration of non-financial incentives in improving productivity. Central to this approach was an increased understanding of the individual worker with emphasis on motivation, needs, interpersonal relationships and group dynamics. These experiments suggested that an office or a factory is not only a workplace but also a social environment in which the employees interact with each other. This gave rise to the concept of the 'social man' whose interaction with others would determine the quality and quantity of the work produced. It must be understood, however, that in spite of the fact that this social environment is an important factor in improving the quality and output, it does not replace economic benefits for low-level salaries and it may increase turnover of employees, even if the working conditions are satisfactory. In support of Mayo's contention and findings, Abraham Maslow presented a theory of individual needs. The basic aim of this approach was to increase the organizational effectiveness of its human resources, which could be achieved by properly taking care of human needs. The human needs could be physiological or psychological. According to Maslow, these needs fall into a hierarchy. At the bottom of the hierarchy are the lower level needs such as physiological and safety needs. At the top are higher level needs such as need for respect and self-fulfilment. In general, the lower level needs must be satisfied before the higher level needs arise. Being aware of these needs enables a manager to use different methods to motivate workers. This is important and significant because of the complexity of man's nature. Different people will react differently to the same situation. Or, their reaction may be similar to different situations. Hence, the management must be aware of these differences and react accordingly. The behavioural approach had a major impact on management thinkers right through the 1970s and indeed changed the structure of the organization from bureaucratic to participative in which the workers have more freedom to participate in the affairs of the organization. However, recently, some serious questions have been asked,

such as

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whether man is entirely a 'social man' and not an 'economic man'. Not all employees seek self-actualization as their ultimate goal. Some professionals may be motivated by recognition and a feeling of self-fulfilment. This may not be generally true for blue collar workers for whom the increased economic benefits are the only motivators and who may not seek additional challenges or higher responsibility. Additionally, the research results generally do not support the contention of behavioural scientists that an increase in job satisfaction alone leads to higher productivity. Since the human behaviour is highly complex, a number of factors may affect the workers productivity and indeed the feeling of belonging, recognition and participation is an important one. 3.7 CONTRIBUTION BY PETER F. DRUCKER – MBO Drucker is a highly respected management thinker. He is a prolific writer and has published several books and articles on management practices. He is so versatile that there is hardly an area in management which is not touched by him. He has drawn heavily from his consultancy experience spread over the last four to five decades. Drucker perhaps is the only Western management thinker who is admired by even the socialist block countries. His views on management may be summarised as follows: 42

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Management as a Practice According to Drucker, management has two important functions: innovation and marketing. He has treated management as a discipline as well as a profession. For him, management is more of a practice and is always goal-oriented. His study on the purpose of business as the creation of customer if understood in the right manner will help any organization to achieve success. Drucker's view on innovation is equally important during the development of a new product. He argues that new products should drive out the existing products, rather than the other way round. As such, he is against bureaucratic management, as he is of the opinion that it stifles the innovative spirit and the initiative among the people in the organization. He considers that modern organizations are knowledge-based organizations and describes the modern workers as knowledge workers considering their skills and innovative abilities. Functions of Management Drucker points out three basic functions of management. The actions of management should contribute to: The achievement of purpose and mission of the institution. 1. Make the work productive and the worker achieving 2. Effective management of social responsibilities Objective Setting Drucker has attached great importance to objective setting. He has asserted that objectives should be set for all the key result areas of business. To make the objectives and their achievements more meaningful, he has given a new tool, which is popularly known as Management by Objectives (MBO). MBO is regarded as one of his most important contributions to the discipline of management. He has discussed the concept in his book, The Practice of Management (1954). MBO is a process where superiors and subordinates jointly identify the common objective, set the results that should be achieved by subordinates and assess the contribution of each individual. It is viewed more as a philosophy than as a tool or technique to achieve the objectives. Orientation towards Justice Drucker, a great visionary and futurologist could visualize the future trends that would affect society. He visualised the concept of modern organization and foresaw its impact on society several years ago. His views on the many facets of the modern corporations have come into practical use now. He describes the present age as the age of discontinuity. Federalism Drucker advocated the concept of federalism. Federalism, according to him, involves centralized control in a decentralized structure. Federalism has certain positive values over other methods of organizing. These are as follows: 1. It sets the top management free to devote itself to major policy formulations and strategy developments 2. It defines the functions and responsibilities of the employees 3. It creates yardsticks to measure their success and effectiveness in operating jobs 4. It helps to resolve the problem of continuity by educating the managers of various units while in an operating position.

CHECK YOUR PROGRESS 4.

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What is contribution made by Peter F. Drucker towards the development of management thought? Discuss. 5. Explain the principles of Henry Fayol. 6.

Discuss the contributions

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made by F. W. Taylor. Self-Instructional Material 43 Evolution of Management Thought NOTES

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Drucker's realistic way of looking at the organizations and society has earned him the status of a management guru. His contributions have had a tremendous impact on the management practices all over the world. He is one of the few contemporary management thinkers who are highly admired in Japan. Similarly, Peters and Waterman, who extensively studied a few American companies are known for their excellence in modern management practices. Mckingsly consultancy firm's contribution of the '7S' model for management and Edward Deming's thoughts on quality control have had a tremendous impact on modern management all over the world. Michael Porter's work on competitive strategy was pathbreaking in the strategic management area. In his book on competitive strategy he suggests the ways and means that help organizations and nations to gain a competitive edge. 3.8

SUMMARY ?

Kren though

the ancient civilizations of the world showed

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marvellous results of good management practices, the study of management in a systematic way as a distinct body of knowledge is of recent origin. ?

The classical approach in the development

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of management thought is also known as 'functional approach'; 'empirical approach' and 'management process approach'. ?

Max Weber, a German social scientist analyzed the formation and administration of enterprises. ?

The

first stage of management identified in the US was scientific management which was started by Taylor.

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The major schools of management thought include management process schools; empirical school; human behaviours or human relations schools; social school; decisions theory school; mathematical or quantitative management school;

the systems approach school and the contingency approach school. ?

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Henry Fayol, a Frenchman, is claimed to be the real father of modern management. He

laid down the principles of management which he deemed important for any organization. ?

Peter F. Drucker, a highly respected management thinker, believed that management had two functions: Innovation and Marketing. 3.9

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ANSWERS TO 'CHECK YOUR PROGRESS' 1. The classical approach is also known as

the

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functional approach, empirical approach and management process approach. The main features of this approach are as follows: A. Management is viewed as a systematic network of various functions like planning, organizing, directing, staffing and controlling. B. On the basis of experiences of practicing managers, management principles are developed and used as guidelines for the practising managers and form the basis for management training. C. Functions, principles and skills of management are universal. They can be applied in any situation. D. Formal education and training are emphasised for developing managerial skills in upcoming managers.

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E. Emphasis is placed on economic efficiency and the formal organization structure. 44

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F. People are motivated by economic gains. Therefore, organization controls economic incentives. 2. The various approaches to the study of management as propounded by specialists from different disciplines have come to be called the Schools of Management Thought. The major schools of management theory are: A. Management Process school B. Empirical school C. Human Behaviours or Human Relations school D. Social school E. Decisions Theory school F. Mathematical or Quantitative Management school G. Systems Management school H. Contingency school 3. The contingency approach to management emphasises the fact that management is a highly practice-oriented and action-packed discipline. Managerial

decision

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and action initiatives are known to be matters of pragmatism and not of principles. The environment of organizations and managers is very complex, uncertain, ever-changing and diverse. It is the basic function of managers to analyze and understand the environment in which they function before adopting their techniques, processes and practices. The choice of approaches and also their effectiveness is contingent on the behaviour and dynamics of situational variables. However, there is no one universally valid best way of doing things. Management theory and principles tend to be deterministic, while the pace, pattern and behaviour of events defy the deterministic or dogmatic approaches. What is valid and good in a particular situation need not be do in some other situation. Contingent thinking helps managers perform their functions of planning, organizing, direction and control. It widens their horizons beyond the theory of management and its concepts, principles, techniques and methods. It helps them to broaden their approach from mere technique-orientation to problem-situation orientation. It leads them to be sensitive, alert and adaptive to situation behavioural variables, while tailoring their approaches and styles. It guides them to adopt open system viewpoints and to look at things and situations in an integrated and multi-dimensional manner. Moreover, moving away from contingency thinking enlarges the art of freedom of operation of managers. They do not have to apply

the

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same methods, practices and processes to diverse situations, as they can think of new approaches or a blend of known approaches on the basis of their compatibility and context. For example, different structural designs are valid for different strategic and tactical needs of organizations on one hand and realities of the situations on the other. This was demonstrated by Joan Woodward in her research studies. 4. Drucker points out three basic functions of management. The actions of management should contribute to:

- A. The achievement of purpose and mission of the institution
- B.

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Make the work productive and the worker achieving C. Effective management of social responsibilities 5. The principles of management by Henry Fayol are as follows: A. Division of Work B. Authority and Responsibility C. Discipline

Self-Instructional Material 45 Evolution of Management Thought NOTES D.

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Unit of command E. Unity of direction F. Subordination of individual interest to general interest G. Remuneration of personnel H. Centralization I. Scalar Chain J. Order K. Equity L. Stability of tenure of personnel M. Initiative N. Esprit de corps 6. The underlying principles

of the

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scientific approach to management as seen by Taylor may be summarised as follows:

- A.
- Replacing rules of thumb with science B.

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Obtaining harmony in group action, rather than discord C. Achieving cooperation of human beings, rather than chaotic individualism D. Working for maximum output, rather than restricted output E. Developing all workers to the fullest extent possible for their own as well as the company's highest prosperity 3.10

EXERCISES

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AND QUESTIONS Short-Answer Questions 1. Analyze the contributions of F.W. Taylor. 2. State the principles propounded by Henry Fayol vis-à-vis Modern Management Thought. 3. Discuss how F.W. Taylor and Henry Fayol differ in their approach to management thought. 4. Give a brief account of

the

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evolution of management thought from the early pioneers to the modern times. Long-Answer Questions 1. Assess the role of Peter F. Drucker in the development of management thought. 2. Discuss the classical approach of management in detail thereby explaining its advantages and limitations. 3. Compare the classical approach on management with the modern approaches of scientific management. 3.11

FURTHER READING 1. Lewis Pamela, Stephen Goodman and Patricia Fandt, Management; Thomson Publishing, 2004. 2. Robbins Stephen and David Deenzo, Fundamentals of Management; Prentice Hall, 2001. 46 Self-Instructional Material Evolution of Management Thought NOTES 3. Dessler Gray, Management; Prentice Hall, 2001. 4. Hunsaker Phillip, Training in Management Skills, Prentice Hall. 5. Schermerhorn John, Management and Organizational Behaviour Essentials; John Wiley 1996.

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Self-Instructional Material 47 Planning and Decision-Making NOTES UNIT 4 PLANNING AND DECISION-MAKING Structure 4.0 Introduction 4.1 Unit Objectives 4.2

Planning : An Overview 4.3 Advantages and Potential Disadvantages of Planning 4.4 Principles of Effective Planning 4.5 Plan Types 4.6 Levels of Planning 4.7 Managerial Decision-Making 4.8 Defining a Problem 4.9 Structure of Problems 4.10 Factors Affecting Decision-Making 4.11 Steps in Decision-Making 4.12 Rational Decision-Making 4.13 Summary 4.14 Answers to 'Check Your Progress' 4.15 Exercises and Questions 4.16 Further Reading 4.0 INTRODUCTION Planning is the first of the four primary management functions and sets a direction for the organization. It is undertaken after the mission of the organization is defined and its goals and objectives established. It involves a set of decisions that are required to initiate a set of activities embarked upon to achieve the goals and objectives of the organization, consistent with its mission. The successful implementation of policies, procedures and rules, as prescribed during the planning process, ensure the success of the organization. Planning is required at all levels of management relative to what managers at these levels do. Strategic planning, undertaken by top management focuses on where the organization will be in the distant future; tactical planning emphasizes on how it will be done.

Operational plans are short-range plans and specify the operational aspects of the activities. Of course, all such plans should have contingency plans to modify the existing plans and change them, if necessary. 4.1

UNIT

OBJECTIVES ?

Understanding

the concept of planning ? Learning the importance of planning ? Understanding the benefits of formal planning ?

Describing the principles of effective planning ? Understanding planning at various levels of management ?

Understanding why contingency planning is necessary in today's environment

48

Self-Instructional Material Planning and Decision-Making NOTES ? Defining

a problem which requires a decision to be made ? Classifying problems into various structural categories according to the characteristics of the problem ? Determining how a problem can be identified in a given situation ? Identifying the factors and personal characteristics that have an impact on the decision

maker ?

Identifying and explaining the ten sequential steps in the process of decision-making ? Explaining strategic, tactical and operational planning and

decision-making 4.2

PLANNING : AN OVERVIEW

Planning is a critical managerial activity. It is the process of determining how the organization can get where it wants to go. It is a primary function of management because all other functions depend upon how the organization plans to achieve its objectives. Planning

is a decision-making activity involving the process of ascertaining objectives and deciding activities that are needed

to attain these objectives.

In planning, managers assess the future, determine the goals of the organization and develop the overall strategies to achieve these goals. The extent and complexity of planning would depend upon the complexity and multiplicity of objectives.

Consider, for example, the planning undertaken by the Atlanta Committee for the Olympic Games (ACOG) held in Atlanta, Georgia in 1996. While the planning process started more than five years before the due date of the games, consider the challenging task faced by ACOG in 1993, as reported by Business Week. 'With three years and three months left, facilities costing more than \$500 million dollars including the Olympic Stadium—are still mere blueprints. Raising the estimated \$1.57 billion needed to stage the fourth summer Olympiad on US soil will require big bucks from corporate sponsors, licensing agreements, tickets and most important, broadcast rights.' Similarly, staging the Asian Games in New Delhi in 1982 required extensive planning that started for years before the games, in building the stadium, new roadways, flyovers and a residential Asiad Village for participating athletes from all over the world. Without proper and detailed planning, success for such colossal events cannot be assured. Planning is particularly important because of scarce resources and an

uncertain environment with a fierce competition for these resources. The basic purpose of planning is to reduce the risk of uncertainties and to initiate a coordinated effort within the organization for the purpose of organizational success. It also involves the process of preparing for change and the dynamics of the environment. As such the planning function has three characteristics. First, planning is anticipatory in nature.

This means that a decision has to be made now as to what to do and how

to do it before it is actually done. Second,

planning is a system of decisions. It involves a process of making decisions which

will define what is to be achieved in the future and the formation of action plans for achievement of goals.

Third, planning is focussed on desired future results. It is a means of ensuring that

the important organizational objectives are accomplished as and when desired. 4.2.1

Importance

of Planning While planning

does not guarantee success in organizational objectives, there is evidence that companies that engaged in formal planning, consistently performed better than those with none or limited formal planning and improved their own performance over

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NOTES

a period of time. It is very rare for an organization to succeed solely by luck or circumstances. Some of the reasons as to why planning is considered a vital managerial function are given below:

4.2.1.1 Planning is Essential in Modern Business The growing complexity of the

modern business with rapid technological changes, dynamic changes in consumer preferences and growing tough competition necessitates orderly operations, not only in the current environment but also in the future environment.

Since planning takes a future outlook, it takes into account possible future developments.

4.2.1.2 Planning Affects Performance A number of empirical studies provide evidence of organizational success being a function of formal planning, the success being measured by such factors as returns on investment, sales volume, growth in earnings per share and so on.

An investigation of thirty-six firms in various industrial products like machinery, steel, oil, chemicals and drugs revealed that companies that engaged in formal planning consistently performed better than those with no formal planning.

4.2.1.3 Planning puts Focus on Objectives The effectiveness of formal planning is primarily based upon clarity and specificity

of objectives. Objectives provide a direction and all planning decisions are directed towards achievement of these objectives.

Plans continuously reinforce the importance of these objectives by focusing on them.

This ensures maximum utility of managerial time and efforts.

4.2.1.4 Planning Anticipates Problems and

Uncertainties A significant aspect of any formal planning process is

the

collection of relevant information for the purpose of forecasting the future as accurately as possible. This would minimize the chances of making

haphazard decisions. Since the future

needs of the organization are anticipated, the proper acquisition and allocation of resources can be planned, thus minimizing wastage

and

ensuring optimal utility of these resources.

4.2.1.5 Planning is Necessary to Facilitate Control

Controlling involves the continual analysis and measurement of actual operations against the established standards.

These standards are set in the light of objectives to be achieved.

Periodic reviews of operations can determine whether the plans are being implemented correctly or not.

Well developed plans can aid the process of control in

two ways. First, the planning process establishes a system of warning about possible deviations from the expected performance.

The deviations in production, sales, profits

and so on may come to light during periodic investigations and hence remedial action can be taken before any harm is done.

Second, contribution of planning to the control process is that it provides quantitative data which

would make it easier to compare the actual performance in quantitative terms, not only with the expectations of the organization but also with the industry statistics or market forecasts. 4.2.1.6 Planning Helps in the Process of Decision-Making Since planning specifies the actions and steps to be taken in order to accomplish organizational objectives, it serves as a basis for decision-making about future activities. It also helps managers to make routine decisions about current activities since the objectives, plans, policies, schedules etc. are clearly laid down.

CHECK YOUR PROGRESS 1. Planning is a bridge from the present to the future. Comment.
50

Self-Instructional Material Planning and Decision-Making NOTES 4.3
ADVANTAGES AND POTENTIAL DISADVANTAGES

OF PLANNING The importance of formal planning has already been discussed.

A vigorous and detailed planning programme helps managers to be future-oriented. It gives the managers some purpose and direction.

A sound blueprint for plans with specific objectives,

and action statements has numerous advantages for the organization.

First, it creates a unity of purpose for the organization since

the objectives are formally expressed and the methods and procedures to obtain these objectives are clearly defined.

Second,

proper planning helps in the process of motivation. If plans are properly communicated to all members of the organization, then everyone can feel involved in carrying them out.

When people get involved, their sense of belonging increases and thus they become highly motivated.

Third,

it reduces the elements of risk and uncertainty, since accurate forecast of future is an integral part of effective planning.

Also, since planning is done in advance of actions, it prevents hasty judgements and results in disciplined thinking.

Fourth, proper planning results in effective utilization of organizational resources. This will reduce unproductive work, idle time for workers, downtime for machines, thus resulting in minimum cost of operations. Fifth,

it improves the competitive strength of the company. Since the operations are planned in advance, the company has the time to shop for the

best and most competitive rates

for

raw materials, equipment

and parts and for human resources. Also proper planning gives the company an advantageous edge

in case

it decides to make changes in its line of products or expansion in plant capacity or changes in methodology. Finally,

formal planning forces managers to

understand and evaluate all variables that influence events. Hence, it would

be

unlikely that the managers may ignore or overlook a critical variable due to time pressures or other factors which could adversely affect the organizational operations or the outcomes. If

the planning function is not well executed within the organization, there can be several disadvantages. First,

planning is expensive and time consuming. A good deal of time, energy and capital is involved in setting up the planning machinery for the purpose of gathering and analyzing data and testing various alternatives in order to select the one which is most appropriate. Accordingly, the cost of planning and the benefit derived from it must be adequately balanced. Sometimes, proper planning takes up so much time that some useful opportunities can be lost if they require immediate action and such immediate action cannot be taken without proper planning.

Second,

planning itself can be a hindrance to innovation. In a planned setup, every operation is pre-planned. This means simply proceeding according to plans and following the rules mechanically. This does not leave any provision for

a manager's innovation and creativity. This problem can be overcome, however, by making the plans more flexible in order to accommodate changes generated by new ideas. Finally, planning can sometimes be very frustrating because it requires an extremely detailed, careful and analytical thought process. Accordingly, it is more of an intellectual exercise. It requires a high level of imagination, and analytical ability in addition to total commitment. The talents required and the maintenance of high quality planning together are difficult to achieve.

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Why is planning so important for the success of any organization? Explain.

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Pointwise,

the advantages and disadvantages are as follows: Advantages 1. Planning gives managers some purpose and direction.

Since planning is future-oriented, it forces managers to look beyond the present. Also,

it creates a unity of purpose,

since

the objectives are formally expressed and the methods and procedures to obtain these objectives are clearly defined. 2.

Proper planning helps in the process of motivation. If plans are properly communicated to all levels of the organization, then everyone can feel involved in carrying them out.

When people get involved, their sense of belonging increases and thus they are highly motivated. 3.

Planning provides a framework for decision making. Knowing the organizational objectives and the methods to achieve them eliminates ambiguity in the decision-making process. Furthermore, planning provides for feedback, periodic evaluation of programmes and indication for any deviation so that corrective action can be taken,

and

hence making

the decision-making process a little easier. Also, systematic planning requires an understanding and evaluation of many variables which influence events, hence it is highly unlikely that an important variable will be overlooked which could adversely affect either the decision process or the operation. 4.

Proper planning results in effective utilization of organizational resources. Since planning involves the identification of such resources for optimal utility, there is no minimum waste of these resources.

This will also reduce unproductive work, idle time of workers, downtime for machines, and would logically result in minimum cost of operations. 5.

Since accurate forecast of future events is an integral part of effective planning,

it reduces the elements of risks and uncertainty.

Also, since planning is done in advance of actions, it prevents hasty judgments and haphazard decisions and results in disciplined thinking. 6.

It improves the competitive strength of the company in two ways. First, since the operations are planned in advance, the company

has the time to shop around for the best and the most

competitive rates of

raw materials, equipments and parts and for human resources. Second, proper planning gives the company an advantageous edge if it decides to make changes in its line of products or expansion in its plant capacity or changes in methodology. 7. Formal planning forces managers to examine all areas of the organization from all angles and efficiently coordinate the activities of all these areas. Without this process, these managers may ignore or overlook some critical aspect due to time pressures or other factors thus affecting the outcome in a negative way.

Disadvantages 1. Planning is expensive and time consuming. A good deal of time, energy and capital is involved in setting up the planning machinery for the purposes of gathering and analyzing data and testing various alternatives in order to select the one which is most appropriate.

Accordingly, the cost of planning and the benefits derived from it must be adequately balanced. Sometimes, proper planning takes up so much time that some useful opportunities can be lost if they require immediate action and such immediate action cannot be taken without proper planning. 2. Planning itself can be a hindrance to innovation. In a planned setup, every operation is pre-planned. This means simply proceeding according to plans and following the rules mechanically. It does not leave any provision for manager's innovation and creativity. (This problem can be overcome to some degree,

by making the plans more flexible in order to accommodate any changes generated by new ideas).

52 Self-Instructional Material Planning and Decision-Making NOTES 3.

Planning can sometimes be very frustrating because it requires a detailed, careful and analytical thought process. Accordingly, it is more of an intellectual exercise. It requires a high level of imagination and analytical ability in addition to total commitment. The talents required and the maintenance of high quality planning together, are difficult to achieve. 4.4

PRINCIPLES OF

EFFECTIVE PLANNING These

principles of effective planning are primarily based upon Gary Dessler. They are as follows: 4.4.1

Keep Aims

Crystallized The aims and objectives must be clear, unambiguous, solid, reasonable and attainable. Badly defined objectives do not lend to accurate and effective planning. 4.4.2 Develop Accurate Forecasts Accurate events and trends in the future are the most important inputs

of

planning process. Accordingly, the managers making the forecasts must be highly skilled and must use quantitative methods wherever applicable in addition to intuitional judgments to improve the accuracy of the forecasts. 4.4.3 Involve Subordinates in the Planning Process This will ensure the acceptance of the plans by those who are going to implement them. Studies have indicated that people who put the plans into operation, do so much better when they participate in the formulation of the plans than when such plans are simply assigned to them. 4.4.4

The Plan must be

a Sound One In order for a plan to be effective, it must be based on sound assumptions and correct information. Mitroff and

Emshoff suggest a 'devil's advocate' approach, in which someone deliberately criticizes the plan in order to eliminate any inconsistencies in the plan and thus refine it further. 4.4.5 Don't

be Over-optimistic Objectivity is an essential ingredient of effective planning. Over-optimism is based on feelings, emotions and intuition.

Don't see what you want to see, but see what is there. 4.4.6

Decide in Advance the Criteria for Abandoning a Project There is no need to continue to stick to the plan if it is not working as expected. However, the criteria for abandoning a particular project should be established in the beginning. For example, 'if a particular commercial does not increase sales by ten per cent in six months then such a commercial will be replaced.' 4.4.7

Keep Your Plan Flexible Keep the progress of your plan under constant review so that it can be revised and modified as the situation demands. The future trends should also be assessed by continuously monitoring economic, social, political, technological and competitive trends. Any changes in these variables may require changes in the original plans. 4.4.8

Review Long-range Plans on a Short-range Basis Long-range plans are risky due to dynamic environment. Accordingly, long-range strategic plans should be split into manageable periods and the basic assumptions underlying the strategic plan as well as its progress should be measured and reviewed at such set intervals

CHECK YOUR PROGRESS 3. What do you mean by effective planning? Is there any ineffective planning? What are the various principles of effective planning?

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as planned so that any reasons for under-performance or over-performance can be identified and new decisions made relative to the plan. 4.4.9 Fit the Plan to the Environment Assess the current as well as future environment. If the environment is comparatively stable, a plan can be more rigid.

However, if the environment is volatile, the plan must be highly flexible to accommodate necessary changes. 4.5 PLAN TYPES

Organization plans are usually divided into two types, namely standing plans and single-use plans. Standing plans are those which remain roughly the same for long periods of time and are used in organizational situations that occur repeatedly. The most common kinds of standing plans are policies, procedures and rules. Single-use plans focus on relatively unique situations within the organization and may be required to be used only once. These plans can be subdivided into programmes and budgets.

These plans are illustrated

in Figure 4.1.

Organizational Plans Standing Plans Single-Use Plans Policies Procedures Rules Programmes Budgets

Figure 4.1: Types of Organizational

Plans 4.5.1 Standing Plans ?

Policies:

A Policy is a statement and a pre-determined guideline that provides direction for decision-making and action taking. Policies are usually general enough to give the manager sufficient freedom to make judgments, while at the same time they are specific enough to establish constraining boundaries. For example regarding employment, a company policy may be to employ personnel on merit alone without regard to race, sex or age and within the bounds of this policy, a manager can make decisions. Policies must be based upon a thorough analysis of objectives and should be consistent with the company's mission and philosophy.

Policies, being formal statements, serve as ready guides for answering numerous questions and making many day-to-day routine decisions, especially about recurring problems, thus freeing management's time for more important and unique decisions. This helps improve the efficiency of operations. If the policies are clearly understood and adhered to by all, then there will be fewer problems and fewer complaints to start with. There may be separate policies for separate functions but they must be coordinated.

Appropriate policy guideline enables managers to anticipate and take action for a given set of situational variables. There are organizational policies formulated for all types of situations and functions. There may be sales policies, production policies, personnel policies and so on.

For example, personnel policies would specify decisions regarding selection, training, remuneration, labour relations, promotion of

personnel and so on. According to Newman, Summer and Warren, a policy may:

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be specific or broad in nature. (

b)

deal with one or many aspects of a problems or a situation (c) place wider or narrow limits within which action is to be taken (

d)

specify the steps to be taken when a decision is to be made

Policies are useful indicators of the conduct and the

philosophy of the company and about what the company stands for. These policies, being formal statements, can easily be communicated to the organizational members as well as to the outside public. ?

Procedures. While

policies cover a broad area of action, procedures prescribe the

exact manner in which an activity is to be completed. It is a series of steps established to accomplish a specific project. They generally indicate how a policy is to be implemented and carried out. They are more precise guidelines permitting little or no individual discretion. Procedures can be defined as a series of related tasks that make up the chronological sequence and the established way of performing the work to be accomplished.

For example, some companies have a policy of reimbursing employees for their educational expenses. To claim such expenses, the employee must follow a set procedure, such as filling a form, attaching a copy of courses taken and grades received, taking it to the personnel office for processing and then wait for the reimbursement check. ?

Rules. Whereas procedures

specify a chronological sequence of steps to be performed, a

rule is very specific and a narrow guide to action. These are plans that describe exactly how one particular situation is to be handled.

For example, a company may prescribe a number of safety rules, such as 'No smoking on company premises'. 'No eating in the classroom' is a rule in all schools and colleges.

A rule is meant to be strictly followed and is generally enforced by invoking penalties.

For example, if it is a rule to report on duty at 9

A.M.

then any person who consistently breaks this rule can be fired. A recent New York State law requires that all car drivers not wearing safety belts while driving are subject to fine. 4.5.2

Single-Use Plans ? Programmes. A Programme is a single-use plan designed to carry out a special project, to solve

a problem or achieve a group of related goals. This project or problem is not intended to be in existence over the entire life of the organization like the standing plans. The programme exists to achieve some purpose identified by the organization and this achievement is expected to benefit the organization. For example, an organization may have instituted a management development programme to build special managerial skills such as handling international competition or meeting the management challenges of the next century.

Similarly, a

college may have a programme to build a new laboratory or add new class rooms. A business may have a programme to automate its systems. All these programmes are one-time programmes, no matter how long it takes to complete a given programme or a project. Once the programme's goals are achieved, that programme is discontinued. ?

Budgets. A budget is another single-use programme which is a financial plan

that covers a specified period of time. This plan identifies as to how funds will be raised and how these funds will be utilized for procuring resources such as labour, raw materials, information systems and other business functions such as marketing, research and development and so on. Every organization prepares a budget for its various activities. These budgets are usually for a one year period. When a specific budget period ends, the value of that budget as a planning device is finished, even though it may form the basis for the budget for the following period. In that respect, it is a single-use plan.

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CHECK YOUR PROGRESS 4. Differentiate between standing plans and single-use plans. Under what circumstances would you use standing plans?

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LEVELS OF PLANNING There are basically three levels of planning associated with the different managerial levels. These are: 1. Strategic Planning.

Strategic planning is the process of determining overall objectives of the organization and the policies and strategies adopted to achieve those objectives. It is

a process by which an organization makes decisions and takes actions that affect its long-term performance.

The

top management of the organization is involved in strategic planning, which is long range and has a major impact on the organization.

A strategic plan usually covers a time period of

up to

ten years and involves a major commitment of resources.

It deals with the total assessment of the organization's capabilities, its strengths and weaknesses and an objective and analytical evaluation of the dynamic environment. The planning also determines the direction

that

the company will be taking from where it is and where it wants to be.

For example, strategic planning formed the basis of Motorola's decision to move away from the consumer market and concentrate on industrial products. Similarly, Levi Strauss company, which was primarily involved in the production of blue denim jeans expanded to include women's and children's clothing, fashion-oriented clothing and shoes. 2.

Tactical Planning. While strategic planning

focuses on where the organization will be in the future, tactical planning,

also known as 'intermediate planning' emphasizes on how it will be done. Such planning generally covers a shorter period of time, usually between one and two years and involves middle management such as functional managers, department heads and product line managers. They also have the task of improving the top management's strategic plans. The middle management will have a critical look at the resources available and will

then

determine the most effective and efficient mix of human, financial and material

factors in order to achieve the organizational objectives in the most efficient manner. They refine the broad strategic plans into more workable and realistic plans. 3. Operational Planning. Operational plans are the responsibility of lower level management and involve unit supervisors, foremen and so on. These are short-range plans covering a time span of about one week to one year. These plans are more specific and determine how a specific job is to be completed in the best possible way. Most operational plans are divided into functional areas such as production, finance, marketing and personnel. For example, production plans would require an analysis and decisions covering inventory levels of raw materials as well as finished product, flexibility of current production facilities and plans for coping with changing production technologies. These plans are relatively stable and are linked with the planning objectives of the middle management and top management. 4.6.1

Contingency Planning Contingency planning is an approach that has become necessary in today's rapidly changing environment.

It is the determination of alternative courses of action to be taken if the original plans are disrupted or become inappropriate due to changed circumstances.

Contingency planning is proactive in nature and the management tries to anticipate changes in the environment and prepares to cope with future events.

Contingency planning is necessary at each level of management and for strategic, tactical and operational planning.

For example, the manager of the production department probably has a contingency plan for any machinery breakdown. Similarly, if an organization uses computers for data storage, it must have contingency plans if the system fails such as a back-up system and making copies of the files which are placed in a secure location.

CHECK YOUR PROGRESS 5. What are the various levels of planning? Is strategic planning limited to central management? If so, why? 6. Under what circumstances would you use contingency plans? Explain.

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Self-Instructional Material Planning and Decision-Making NOTES Briggs-Weaver, an industrial distribution firm based in Dallas, Texas, develops formal contingency plans for most situations. According to the president of the company, 'if our sales drop by more than 10 per cent, a contingency plan automatically goes into effect.' 4.7 MANAGERIAL DECISION-MAKING

Decision-making and problem solving are a core functions of management because they are an integral part of all other managerial functions such as planning, organizing, directing and controlling. They are also an integral part of life because life cannot be managed without making decisions. We are always faced with situations where we have to make choices almost every day of our lives and making a choice out of many constitutes a decision. This decision may be

a simple one such as choosing clothes to wear, selecting food from a menu or deciding general activities for the day or it may be a major decision

such as

changing a job or purchasing a house.

Rational decision-making and problem solving may be used interchangeably since a problem has to exist and a decision is made to solve such a problem. While most decisions indeed involve a problem, some decisions are comparatively routine and may not involve a problem. For example, decisions as to what to wear or which movie to see or whether to stay or go swimming are routine decisions and simple choices among available alternatives requiring common sense and simple qualitative judgment. Problem solving, on the other hand, is a much more vigorous process which

requires rational inquiry based

on unemotional reasoning. It requires

identifying the problem, generating feasible solutions for it, choosing the best solution from utility point of view and then applying this solution to see if it works efficiently and effectively. In general, while decision making results in a choice from many alternative courses of action, problem solving results in resolving the disparities between the desired performance and the performance that is actually obtained.

Decision-making

really

is a complex mental exercise. Some of the decisions we make are highly significant with highly important consequences. The more significant ones very often need the exercise of considerable analytical judgment and the quality of such judgment is the backbone of successful decisions. These judgments must eliminate the root causes of the problems that have necessitated such decisions. Ineffective decisions attack only the symptoms and are only cosmetic in nature. They may solve the problem on the surface or on a short run basis, but in order to find a lasting solution, the problem must be attacked at its roots.

The unpredictability of

the future brings to us certain situations which are problematic in nature. As we grow older, we develop certain characteristics and some intuitional senses

which

help us solve some of these problems and we also learn some techniques and methodologies through the acquisition of knowledge and skills which assist us in solving certain types of problems. These problems which require decisions exist at the personal, organizational and at societal

levels. Individuals must make major decisions regarding their careers, marriage and family and other decisions which have far-reaching personal implications. The organizational decisions involve problems relating to investments, products, marketing, location of production or service facilities, dealing with personnel problems, contributions towards community welfare and so on. Societies, in general, have many problems that affect their very survival such as crime, energy shortages, depletion of finite resources, health services, employment, political conflicts among nations and so on. All these problems have to be faced and solved. No person can avoid problems and ignoring a problem is never a solution.

As Thomas J. Watson Jr. puts it:

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never varied from the managerial rule that the worst possible thing we could do would be to lie dead in the water with any problem. Solve it, solve it quickly, solve it right or wrong. If you solved it wrong, it would come back and slap you on the face and then you could solve it right. Doing nothing is a comfortable alternative because it is without immediate risk, but it is an absolutely fatal way to manage

a business.' From

the

organizational

point of view, the decision-making process is such an integral and important part of management that some management thinkers propose that management is simply a decision-making process. They call it the 'decision theory school of management.' The basic emphasis of this school is not on people or environmental variables influencing the management behaviour but on the process of decision-making and the theory that all management thought can be built around it.

According to Simon: 'A theory of administration should be concerned with the process of decision as well as with the process of action. Even if the decision making is not the only skill required for effective management, it cannot be denied that in fact it is an essential and highly important skill. This skill is actively utilized in all other functions of management such as planning, organizing, directing and controlling.

Hence, decision-making is widely acknowledged as the centre of executive activity in business and industry and is considered as the major criterion for the evaluation of an executive's administrative performance.' 4.8

DEFINING A PROBLEM Since a problem must exist in order to make a decision

in

solving it, we must know what the problem is so that we can identify it when it shows up. Being aware of the problem is the first prerequisite for finding a solution. The Webster's Dictionary defines a problem as, 'a question raised for inquiry, consideration or solution.' While this definition is not complete or self-explanatory in itself, a problem seems to exist when the symptoms of the outcome of an activity do not seem to be conforming with the expected outcome of the same activity as planned. For example, if you are going to your office in

the

car and on the way you get a flat tire, then you have a problem since you did not expect this to happen. Similarly, if someone falls ill, then this is a deviation from the norm of healthy living and would constitute a problem. The sick person would seek

a

solution to the problem by going to the doctor. 4.9 STRUCTURE

OF PROBLEMS

According to Harvey G. Brightman, problems may be of the following types: 1. Ill-structured versus well-structured problems. Ill-structured problems are unique, unpredicted and unprecedented situations. These problems are ambiguous and poorly understood and defy any cut-and-dry solution. These are generally 'one-shot' occurrences for which standard responses are not available and hence require a creative process of problem solving which is specifically tailored to meet the requirements of the situation at hand. Such problems may involve closing of a plant, buying or merging

a

new company, starting a new business and so on.

Because the

ill-structured problems do not have well-structured solutions, such solutions generally rely upon skill, intuition, creativity, experience and considered judgment and carry with them consequences of diverse ramifications.

These problems are generally faced by

top-level management because their environment is complex and involves making high level policy decisions. Well-structured problems, on the other hand, are clearly defined, routine, repetitive and respond to standardized responses.

They are familiar, complete and

can be easily defined

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and analyzed. These problems are generally faced by lower-level and middle-level managers who have, at their disposal a set of rules, policies and procedures that can be used to solve these problems so that such problems do not have to be referred to superiors for solutions. For example, if a professor

absents himself from

too many classes, the chairperson of the department can use the prescribed rules to discipline him. The issue does not have to be referred to the president of the college. Similarly, if you buy merchandise

which

turns out to be defective, you can take it back for a refund.

For the management of the company,

it making refunds for defective merchandise is a well structured procedure because

has already established a set of rules and procedures to deal with such a situation. 2.

Operating level versus strategic level problems. Operating-level problems are generally well-structured problems encountered by the organization on a routine basis. For example, a newspaper shop owner has

to reorder

the newspapers and magazines everyday and he knows when to order and how much to order. Similarly, daily or weekly production levels, inventory levels or sales levels are set and known and standard solutions exist to solve any problems that may arise

in these areas. These situations are not new or unique and do not involve any change in organizational policies or procedures. On the other hand, strategic level problems are unique and demand high level

management

attention. These problems may involve changes in policies and are important in terms of actions taken or resources committed. While operating level problems do not affect the survival of the organization, strategic level problems do.

Sometimes, if the operating level problems are left unattended, they may become strategic-level problems. For example, if no action is taken against a professor who habitually misses classes,

it

may affect other professors thus making it a morale problem for the college, which then would be considered a strategic-level problem. 3. Crisis versus opportunity problems. Crisis problems develop suddenly and are totally unexpected. These may develop within the general framework of expectations so that the management has some idea

how to handle these situations. For example, a forest fire will create a crisis problem but the government and the community is generally prepared to fight the forest fire. Similarly, a major strike at the plant may not have been expected, but the management generally has made provisions to handle the situation. Solving crisis problems is reactive in nature and requires

quick and aggressive action

to solve the problem. It may be achieved through task forces

which may try to mould

the

crisis situations into well known problems for which the

solutions are known to exist. Opportunity problems are more of challenges which must be exploited for the betterment of the

organization,

rather than actual problems as per their strict definition. For example, if an opportunity to merge with another company arises which could be highly beneficial to a given organization, then such organization may not recognize the potential and may miss the opportunity, thus making the decision of not merging, a wrong one.

Similarly, a slightly increased rate of employee absenteeism may mean some deeper organizational internal environmental

problem and if the management does not recognize this opportunity to deal with the problem, this missed opportunity may blow up into a crisis. Both crisis problems as well as opportunity problems are handled by the central management.

4.9.1 The Problem Pointers First of all, how do we determine that there is a problem? Even if we know that there is a problem, how do we determine the extent and the seriousness of it? According to Miller and Starr, there are certain attributes of problems. One of the major characteristics of a problem is the existence of deviation between what was expected under a given set of conditions and what actually happened.

CHECK YOUR PROGRESS 7. How do you define a problem? How do you recognize a problem? Someone said, 'there is no such thing as a problem, it is always a challenge'. Do you agree with this view? If so, why?

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Before solutions can be found, the problems must be thoroughly and correctly diagnosed and the decisions concerning solutions to the problems must deal with underlying factors rather than surface symptoms. For example, a doctor prescribing a medicine for a headache as a symptom without looking into its root cause, will only provide temporary relief and not really 'solve' the problem. Accordingly, in properly defining a problem, we must ask some critical questions relating to it. Some of these critical questions may be: — What type of problem is it? — How large is the deviation from the norm? — How quickly has this deviation been observed? — What are the critical factors relating to the problem? — Why do we want to solve this problem and when? — Would the cost of solving the problem be justified? — Who should solve the problem and what particular method should be

chosen to solve the problem? These initial questions would indicate the extent of the problem so that one can become fully aware of it and grasp its significance. It is very important that the problem be diagnosed as early and correctly as possible. For example, cancer when detected in earlier stages may be cured, but in advanced stages it can be fatal. The early awareness of the problem is the first prerequisite for dealing with it. However, sometimes we may not even know that there is a problem until it is too late.

For example, colon cancer, when does not have obvious symptoms for early detection so that patient finds out that he has it is in

the

advanced stage. At other times, we may be aware of the problem but may not consider it serious enough to find a solution until it becomes a crisis. Some problems may hit us when their severity can no longer be ignored. For example, too many lives lost in car collisions may require

a legislation about using seat-belts in cars in order to solve the problem of death and injury in car accidents. Similarly, the destruction brought about by typhoons and hurricanes may indicate the problem of inadequate early warning systems. Another problem pointer is a built-in signal in the process of operations so that whenever there is a deviation from an expected outcome, it gives a signal. For example, the Internal Revenue Service computer will create and send a signal to alert an administrator if some tax deductions are excessive in a given tax form so that some action can be taken. Similarly, our organizational accounting system can be set up in such a manner that any changes in the cash flow or demand, increase in the cost per unit produced, excessive and delayed state of accounts receivables, excessive inventories at hand and so on will attract the manager's attention for appropriate action. Some problems are pointed out by third parties such as a user of a product or a consumer representative group. The problem of toxic wastes almost became a crisis when various consumer groups started pointing out the problem of the community health to the government agencies. Poloroid instant camera came into existence because of a 'consumer complaint,' when the consumer happened to be the daughter of the instant camera inventor, who wanted to look at the pictures taken right away. Thus, if a product is faulty, it can be brought to the attention of the manufacturer. The Federal Safety Commission and Food and Drug Administration in America test products to see if they conform to prescribed standards. If they do not, then there is a problem for which

a

solution must be found. There are some problems that come to the

surface due to sheer curiosity. The problem may not be a real one but may be considered a problem if solving it leads to better outcomes. Such a problem is not really

a

deviation between what is happening and what is expected, but a deviation between what is actually happening and what is actually achievable. For

CHECK YOUR PROGRESS 8. Can some problems turn into opportunities? Name some that you know of.

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Self-Instructional Material Planning and Decision-Making NOTES example, when Fredrick

Taylor applied scientific methods to production, productivity improved tremendously so that there was really no problem in production except that the situation was made into a problem by asking, "Can we do it better?" Based upon this premise, some organizations are continuously involved in finding problems with existing methods in order to improve upon them.

In general, a problem exists whenever there is a difference between an actual situation and the desired situation. For example, if the total number of incoming students into a college suddenly goes down

it

would pose a problem requiring administrative attention and solution. 4.10

FACTORS AFFECTING

DECISION-MAKING

Some

of the factors and personal characteristics that have an impact on the decision maker are described below.

Some factors are more important at higher levels of management and others are more important at lower levels. 4.10.1

Programmed versus Non-programmed Decisions As discussed earlier in the types of problems that managers face, programmed decisions are made in predictable circumstances and managers have clear parameters and criteria.

Problems are well-structured and alternatives are well defined. The problems are solved and decision implemented through established policy directives, rules and procedures. Non-programmed decisions are made in unique circumstances and the results of such decisions are often unpredictable. Managers face ill-structured problems. These problems require a custom-made response and are usually handled by the top management. To start a new business, to merge with another business or to close a plant are all examples of non-programmed decisions. For example, when Steven Jobs and Stephen Wozniak introduced the first Apple microcomputer in 1978, they were not certain about the market for it. Today, Apple Macintosh computer is a major competitor to IBM computers. 4.10.2

Information Inputs It is very important to have adequate and accurate information about the situation for decision making, otherwise the quality of the decision will suffer. It must be recognized, however that an individual has certain mental constraints which limit the amount of information that he can adequately handle. Less information is as dangerous as too much information. Some

risk takers and

highly authoritative individuals do make decisions on the basis of comparatively less information than more conservative decision makers. 4.10.3 Prejudice Prejudice and bias is introduced in our decisions by our perceptual processes and may cause us to make ineffective decisions. First

of all,

perception is highly selective, which means that we only accept what we want to accept and hence our senses filter only such type of information. Secondly, perception is highly subjective, which means that information gets distorted in order to be consistent with our pre-established beliefs, attitudes and values. For example, a preconceived idea that a given person or an organization is honest or deceptive, good or poor source of information, late or prompt on delivery, can have a considerable effect on the objective ability of the decision maker and the quality of the decision. 4.10.4 Cognitive Constraints The human brain, which is the source of

all thinking, creativity and thus

decision-making, is limited in capacity in a number of ways. For example, except in unique circumstances,

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our memory is short-term with the capacity of only a few ideas, words and symbols. Secondly, we cannot perform more than limited number of calculations in our heads

which are not enough to compare all the possible alternatives in order to make an intelligent choice. Finally psychologically, we are always uncomfortable with making decisions. We are never really sure if our choice of the alternative was correct and optimal until the impact of the implication of the decision has been felt. This makes us feel very insecure. 4.10.5 Attitudes about Risk and Uncertainty These attitudes are developed in a person, partly due to certain personal characteristics and partly due to organizational characteristics. If the organizational policy is such that it penalizes losses more than it rewards gains, then the decision maker would tend to avoid such

alternatives that have some chances of failure. Thus a manager may avoid a potentially good opportunity if there is a slight chance of a loss. The personal characteristics of a decision maker regarding his attitudes towards risk-taking affects the success of the decision. The risk-taking attitude is influenced by the following variables. (

a) Intelligence of the decision maker. Higher intelligence generally results in highly conservative attitudes and highly conservative decision makers are low-risk takers.

There are others who are more willing to take calculated risks if the potential rewards are large and there is some chance of success. (b) Expectations of the decision maker. People with high expectations are generally highly optimistic in nature and are willing to make decisions even with less information. The decision makers with low expectations of success will require more and more information to decide upon a course of action. (c) Time constraints. As the complexity of the personal habits of the decision maker and the complexity of the decision variables increase, so does the time required to make a rational decision. Even though there are certain individuals who work best under time pressures and may outperform others under severe time constraints, most people, require time to gather all the available information for evaluation purposes. However, most people under time constraints rely an 'heuristic approach', which relies on satisfactory decisions

rather than optimal decisions, thus limiting the search for additional information, considering few alternatives and few characteristics of alternatives and focusing on reasons to reject some alternatives. This approach may also be in use when the cost of gathering information and evaluating all such information is too high. 4.10.6

Personal Habits Personal habits of the decision maker, formed through social environmental influences and personal perceptual processes must be studied in order to predict his/her decision-making style. Some people stick to their decisions even when these decisions are not optimal. For example, Hitler found himself bound by his own decisions. Once he decided to attack Russia, there was no going back even when it was

realized that the decision was not the right one. Some people cannot admit that they are

wrong and they continue with their decisions, ignoring evidence which indicates that a change is necessary. Some decision makers shift the blame for failure on outside factors rather than their own mistakes. These personal habits have great impact on organizational operations and effectiveness. 4.10.7 Social and Cultural Influences The social and group norms exert considerable influence on the style of the decision maker. Ebert and Mitchell define a social norm to be 'an evaluating scale designating an acceptable

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latitude and an objectionable latitude for behaviour activity, events, beliefs or any object of concern to members of a social unit. In other words social norm is the standard and accepted way of making judgments.' Similarly, cultural upbringing and various cultural dimensions have a profound impact on the decision-making style of an individual. For example, in Japanese organizational system, a decision maker arrives at a decision in consensus with others. This style is culturally oriented and makes implementation of the decision much easier since everybody participates in the decision-making process. In America, on the contrary the decision-making style is generally individualistic with the help of decision models and quantitative techniques. 4.11

STEPS

IN

DECISION-MAKING

All decisions involve a series of sequential steps that lead to a particular result. These steps are generally followed to make systematic, objective, analytical and unemotional decisions and some management scholars have called this process a "rational decision-making process".

The steps in this process are illustrated in Figure 4.2. STEPS Perception and diagnosis of the problem Generation of alternate solutions Evaluation of alternatives and selecting a course of action Implementing the decision Monitoring and feedback Figure 4.2: Steps in

Rational Decision-Making These steps are explained below: 4.11.1 Perception and Diagnosis of the Problem Problems are defined in terms of discrepancy or deviation

between the desired and actual state of affairs. The greater this deviation the more serious the problem.

This discrepancy must be perceived as it is and correctly, since any solution to a wrong problem would be

a wrong solution. This deviation could develop either because the performance slips when the goals remain constant or because the goals change and the performance remains constant.

A problem once isolated, must be defined and formulated. A written problem statement should be developed, describing as specifically as possible the nature and the extent of the symptoms of the problem and when and where they occurred and what the underlying causes are thought to be.

A written problem statement is easier to work on and more people can work on the problem at the same time.

Furthermore, a written form provides an excellent form of communication to all parties concerned. 4.11.2

Generation of Alternate Solutions

The next step in the decision-making process is to

generate possible solutions and their consequences to the organization. All possible solutions should be considered because the

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most obvious one may not be the optimal solution. However, creativity should be encouraged so that the focus can be shifted to

unique solutions.

The degree and depth of creativity would generally influence the quality of the decisions and consequently the results of actions that are based on such decisions.

Creativity must not be locked by personal values or perceptions about the problem. It must be objective and removed from emotions and cultural taboos that might affect the outcome of the decision.

While developing alternate courses of action, the decision maker should take into consideration possible changes in the organizational environment as a result of the decision made and that might pose either a threat or an opportunity in a given period of time.

In searching for alternatives, some of the resources that can be drawn upon are: the past experience of the decision maker to look for similarities with the problems and solutions in the past, drawing on the experience of other experts both within and outside the organization and the responses of the people who would be affected by the decision. 4.11.3

Evaluation of Alternatives and Selecting a Course of Action

The evaluation of alternatives and selecting the best alternative with the most advantages is the most critical part of the decision-making process. A wrong choice would negate the effects of all

the

efforts put in the preparation of the process. Finding the optimal choice requires the consideration of the possible impact of all alternatives in such a manner so that the chosen course of action will not only meet the requirements of the objectives but also eliminate the root cause of the problem. Some of the criteria against which the alternatives are to be measured are quantitative in nature such as return on investment, market share or net profits. Some other criteria are qualitative in nature such as consumer attitude, employee morale, ethics of the organizational mission and so on. The bottom line in any decision criterion is the benefit derived from it in financial terms. This may be in the form of cost effectiveness which means that for a given cost, the alternative with a greater degree of achievement of objective will be selected. Similarly, for a set level of achievement, the alternative with a lower cost will be accepted.

No matter how tangible the methodology of the decision-making process may be, the effect of the personal judgment of the decision maker in choosing the best alternative is always dominant. This judgment will be a reflection of current management values, ethics, social commitment and the organizational politics. This judgment cannot be quantified and hence must be based upon strong intuition and past experience. 4.11.4

Implementation of the Decision Implementation means putting the selected

alternative into action and seeing it through to its completion. The process of implementation starts with assigning responsibilities

to persons

who will be involved in carrying out the decision. The possibility of any resistance to change should be examined, specially if it affects or conflicts with personal values and personalities and group norms or group objectives, if the decision has to be carried out by a group. The implementation, of course, becomes easier if the persons implementing it and persons affected by it

are

also involved in the decision-making process and if they have some stake, financial or otherwise in the success of the solution.

It is essential to communicate the details of the decision and procedures for implementation to all the employees clearly, in detail and in a manner that would invite commitment and dedication.

This commitment can be improved if the implementation plan has provisions for any necessary modifications that may be required and the members of the organization should be empowered to modify the solution during implementation based upon their experience with it.

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Self-Instructional Material Planning and Decision-Making NOTES 4.11.5

Monitoring Feedback Feedback provides the means of determining the effectiveness of the implemented decision. If possible, a mechanism should be built into the process which would give periodic reports on the success of the implementation. In addition, the mechanism should also serve as an instrument of 'preventive maintenance' so that the problems can be prevented before they occur.

In many situations, computers are very successfully used in monitoring since the information retrieval process is very fast and accurate and in some instances, self-correcting is instantaneous. Monitoring the decision is necessary and useful irrespective of whether the feedback is positive or negative. Positive feedback reaffirms the correctness of the decision and the process. Negative feedback indicates either that the implementation requires more time, resources, efforts or planning than originally thought or that the decision was a poor one and needs to be re-examined. 4.12

RATIONAL DECISION-MAKING

Rational decision-making simply involves following the steps mentioned earlier without any biases introduced into the process at any step.

The rational approach to decision-making was devised to assist managers in making objective decisions rather than decisions based on intuition and experience alone. A rational decision maker must establish the reliability of the information received and must be free from perceptual biases. Perceptual biases are introduced when a decision maker has the tendency to filter out information that might be considered threatening to his self-image or his security. An intuitive decision maker may also have motivational biases that would affect the quality of the decision. While some decisions made by managers on the basis of past experiences have turned out to be excellent decisions, the tendency is towards rational decision-making due to

fewer chances of making mistakes in the process. The rational decision maker goes through the five steps mentioned earlier very carefully and makes certain that all relevant aspects of the problem as well as the solution have been looked into. This is important because as human beings we have limited capacity to absorb information and have ability to deal with no more than five or six variables at a time. This concept is known as bounded rationality. The attempt to be rational is bounded by the enormous complexity of many problems. In today's environment decisions must be sometimes made very quickly. They may have limited time, limited information and may have to deal with multidimensional complex issues. The bounded rationality perspective is often associated with intuitive judgments. It does not mean that the intuitive decisions are not rational, but it does mean

that the manager may not have the resources of time to look at all aspects of the problem or all possible alternatives. He may not look for optimal decisions but satisfactory decisions. For example, a decision concerning a new plant location in the United States could involve the analysis of literally hundreds of possible sites. The manager may decide to look at three or four feasible locations rather than trying to find an optimal location. Selection of one of these locations may be satisfactory to him. A decision maker's choices are subject to many constraints, both internal as well as external. The internal constraints include the decision maker's intelligence, personality, training and experience, attitudes and motivation. The external constraints include the pressures put on by other members of the organization as well as groups outside it. Accordingly a decision
CHECK YOUR PROGRESS 9.

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How does rational decision- making differ from intuitional decision-making? Do we always need to be rational? Explain. 10. Differentiate between facts, inferences, speculations and assumptions. Give some facteral examples. Self-Instructional Material 65 Planning and Decision-Making NOTES

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maker might have to balance the quality of the decision with time and money needed as well as his personal characteristics. 4.13

SUMMARY ?

Planning

is the first of the form primary management functions and sets a direction for the

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organization. It is a decision-making activity involving the process of ascertaining objectives and deciding the activities needed to attain these objectives. ? Planning has both advantages and disadvantages. ? Organization plans are usually divided into two types, namely standing plans and single-use plans. ? There are three levels of planning associated with different managerial levels—strategic, tactical and operational. ? Decision-making and problem solving are core functions of management. ? Decision-making process is a rational one and involves ten sequential steps. It is necessary to know these steps starting from the correct diagnosis of the problem. The idea is to look at the root cause of the problem, rather than the symptoms, in order to arrive at the operational decisions. 4.14 ANSWERS TO 'CHECK YOUR PROGRESS' 1.

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Planning indeed is a bridge between the present and the future. Once the mission of the organization has been defined and the goals and objectives established, plans have to be made to accomplish such goals and objectives. It is the process of determining how an organization can get where it wants to reach. The destination of the organization is in the future. How it goes to the future involves the process to be undertaken, and the way must be found and all hurdles on the way must be overcome. Planning for the future and the means to reach the future are done at the present time. Hence, planning can be considered a bridge between the present and the future. 2. Planning is important because neither life nor an organization can work in a vacuum or in a haphazard way. Only planning can take all the variables that affect the life of the organization into consideration, analyze their values, and determine their effects in achieving the goals of the organization. It is important for the following reasons: (a) It creates a unity of purpose for the organization. (b) Proper planning gets the people involved in carrying them out and this gives the employees a sense of purpose. (c) It reduces the elements of risk and uncertainty since accurate forecasting of future influences on the organization is an important part of planning. (d) Proper planning results in more effective utilization of organizational resources. (e) It improves the competitive strength of the company. 3.

Effectiveness is defined as doing right things in a right way at the right time. Any decision that is ineffective is a waste of resources. All plans must be effective and efficiently executed. Ineffective plans never result in optimal utilization of resources. Some of the principles of effective planning are: (a) Keep all aims crystallized (b) Develop accurate forecasts 66 Self-Instructional Material Planning and Decision-Making NOTES (c) Involve subordinates in the planning process (d) Make plans based on sound assumptions (e) Be realistic in making plans (f) Keep your plans flexible (g) Keep monitoring the progress of all plans 4.

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Standing plans roughly remain the same over a long period of time. Such plans involve policies, procedures and rules. These policies, procedures and rules are used to solve some recurrent problems and issues that develop within the organizational framework of operations. For example, there is a standing plan

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for getting admission into IIM, Ahmedabad. Sequential procedures have to be followed to get the admission. Single use plans are meant to be carried out as special one-time projects. They focus on relatively unique situations within the organizations. For example, a plan to build a specific building would be a single use plan. Similarly, making a movie would involve a single use plan. 5.

There are basically three levels of planning, namely, strategic, tactical and operational.

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Strategic planning is the process of determining overall objectives and the policies and strategies to achieve these objectives. Such planning is

done at the top level of management. Tactical planning is done at the middle level management, and the managers look at the resources and strategies to achieve the objectives established by the top management. Operational plans are the responsibility of lower-level managers and determine as to how a specific job is to be completed in a best possible way. 6. Contingency plans are put into action

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if original plans are disrupted or become inappropriate due to changed circumstances.

Each type of original plan should have a contingency plan. A contingency plan is necessary at each level of management. For example, data must be stored at more than one place in case something goes wrong at any given place. Similarly, if a wedding is planned outdoors, there must be a contingency plan in case of rain. 7. A problem is defined as the distance between our resources and our ambitions. The greater this distance, the bigger is the problem. A problem is said

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exist when the symptoms of the outcome of an activity do not conform to the expected outcome of the same activity as planned.

A problem is determined when things do not go the way as planned or as expected. To get a flat tyre on the road poses a problem since it was not expected. A problem taken as a problem is very negative, and not being able to solve the problem is taken as failure. In the minds of sociologists, that is not a desirable characteristic. A failure is only a function of our own perception. Taken as a challenge, it can result in greater success. History is full of episodes where from a point of failure a person rose to the greatest success of his life. 8. Some problems do become opportunities. A case in point is the development of polaroid instant camera. When the young daughter of the inventor complained as to why she could not see the pictures taken of her on a swing (jhoola) immediately, it became an opportunity to develop a camera where one could see pictures instantly. 9.

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Rational decision-making is different from intuitional decision making. Rational decision- making requires sequential steps of defining and diagnosing the problem, critically looking at all the variables affecting the decision, looking at all the alternatives available, using analytical and quantitative tools in reaching a decision to solve a problem and then monitoring the implementation of the decision. Intuitional decisions are based on hunch, sixth sense, experience, feelings and courage to take risks. Intuitional decisions are faster to make and many a time much more effective than rational decisions. 10. Facts are those part of information that can be sensed by us and can be related to objective reality as we know. They are considered as totally accurate information.

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Inference is a deduction of a situation based on circumstantial evidence. (b) Speculation is subjective in nature and can be only constructed on the basis of some clues. These may not be necessarily verifiable. (c) Assumptions are least reliable and are entirely subjective in nature. 4.15

EXERCISES AND QUESTIONS Short-Answer Questions 1.

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Planning is a bridge between the present and the future. Explain. 2. Why is planning so important for the success of an organization? Explain. 3.

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Differentiate between standing plans and single use plans. Under what circumstances would we use standing plans? 4. Is

strategic planning limited to central management? If so, explain. 5. Do some problems become opportunities? Name some that you know of. Long-

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Answer Questions 1. What are some of the problems encountered during the process of planning? Which of these problems are most likely to lead failure of some plans? 2.

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Classify problems into relevant categories and give examples of problems that fit into each category. 3. Explain some of the factors and personal characteristics that have an impact on the decision maker. 4. Why is

it necessary to have contingency plans? 4.16 FURTHER READING 1. Plunkett Warren and Raymond Attner, Introduction to Management; Wadsworth Publishing Company, 1994. 2. Boone Louis and David Kurtz, Management; McGraw Hill, 1992. 3. Asthana S.C. and C.P. Misra, An Introduction to Business Management; Vikas Publishing House, 1983. 4. Certo Samuel C., Allyn and Bacon, Modern Management; 1992. 5. Brightman Harvey J., Problem Solving: A Logical and Creative Approach; Georgia State University, 1980. 6. Holt David, Management: Principles and Practices; Prentice Hall, 1995. 7. Kepner C.H., and B.B. Tragoe, The Rational Manager; McGraw Hill, 1965. 8. Higgins James M., The Management Challenge; MacMillan Publishing Company, 1994. 9. Chandan J.S., Management: Concepts and Strategies; Vikas Publishing House, 2004.

MODULE - 2

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Self-Instructional Material 71 Organizing–I NOTES UNIT 5 ORGANIZING–I Structure 5.0 Introduction 5.1 Unit Objectives 5.2 What is an Organization? 5.3 Importance of Organizing 5.4 Guidelines for Effective Organization 5.5

Organizational Objectives 5.6 The Organization Process 5.7 Summary 5.8

Answers to 'Check Your Progress' 5.9 Exercises and Questions 5.10 Further Reading 5.0

INTRODUCTION Organizing is the second function of management and involves primarily creating of activities and assigning suitable workers to complete these activities successfully, efficiently and effectively. Organizational objectives are well defined and the activities are primarily undertaken to achieve these objectives. Activities that are well organized and coordinated, result in

making

optimal use of resources and reduce or eliminate waste and idle times of both the machines and the workers. There is a well-structured chain of command and authority that either flows from top to bottom or is properly delegated to the lower levels of the managerial hierarchy. The organizational structure also determines the levels of management and

the tendency today is towards fewer levels of management and such organizations are known as lean organizations. 5.1

UNIT OBJECTIVES ?

Understanding the process of organizing in terms of five steps ? Defining the concept of the organization with four key elements associated with the definition ? Describing some of the guidelines for making organizations more effective ? Explaining the differences between mission, goals and objectives ? Describing the characteristics of sound and stable organizational objectives ? Explaining the differences between formal and informal organizations ? Understanding what we mean by span of management, and how a span is determined 5.2

WHAT IS AN ORGANIZATION?

The word organization is used and understood widely in our daily lives. It has been defined in a number of ways by psychologists, sociologists, management theorists as well as practitioners.

A definition of organization suggested by

Chester Barnard, a well-known management practitioner, nearly sixty years ago still remains popular among organization and management theorists. According to him, an

organization is, “

a system of consciously coordinated activities or efforts of two or more persons”.

In

other words,

a formal organization is a cooperative system in which people gather together and formally agree to combine their efforts for a common purpose. It is important to note that the key element in

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Self-Instructional Material Organizing—I NOTES

this rather simplistic definition is ‘conscious coordination’ and it implies a degree of formal planning, division of labour, leadership etc. For example, if two individuals agree to push a car out of a ditch, as a one time effort, then these individuals would not be considered as an organization. However, if these two individuals start a business of pushing cars out of ditches, then an organization would be created. More recently, Bedeian and Zamnuto have defined organizations as ‘social entities that are goal directed, deliberately structured activity systems with a permeable boundary.’ There are four key elements in this definition. 5.2.1 Social Entities

5.2.1 Social Entities

The word ‘social’ as a derivative of society, basically means gathering of people as against plants, machines, buildings, even though plants, machines and buildings are necessary contributors to the existence of the organization.

Organizations will cease to exist if there were no people to run them, even if other things remain. For example, if everybody resigns from a

company and no one is replaced, then it is no longer an organization even though all material assets of the company remain until disposed off. On the other hand, there are organizations such as neighbourhood associations which have only people in it and without any physical assets. Accordingly, it is the people and their roles that are the building blocks of an organization. 5.2.2 Goal Directed All efforts of an organization are directed towards a common goal. A common goal or purpose gives organization members a rallying point.

For example, Ross Perot, Chief Executive Officer (CEO) of Electronic Data Systems (EDS), recommended when he joined General Motors, that ‘GM should strive to become the finest car manufacturer in the world. This became the common goal of all GM employees. While the primary goal of any commercial organization is to generate financial gains for its owners, this goal is interrelated with many other goals, including the goals of individual members. For example, General Motors may have the commercial goal of producing and selling more cars every year, community goal of reducing air pollution created by its products and the employee goals of earning and success achievement.’ 5.2.3

Deliberately Structured Activity Systems By systematically dividing complex tasks into specialized jobs and categories of activities into separate departments, an organization can use its resources more efficiently. Subdivision of activities achieves efficiencies in the workplace. The organizations are deliberately structured in such a manner so as to coordinate the activities of separate groups and departments for the achievement of common purpose. 5.2.4 Permeable Boundary All organizations have boundaries that separate them from other organizations. These boundaries determine as to who and what is inside or outside the organization. Sometimes, these boundaries are vigorously protected. However, the dynamics of the changing world has made them less rigid and more permeable in terms of sharing information and technology for mutual benefit.

For example, IBM joined with both Motorola and Apple Computers in 1993 to bring out a new Power PC chip in the market. 5.3

IMPORTANCE OF ORGANIZING

Organizing is the second major function of management. If planning involves the determination and achievement of objectives, then organizing is the process of selecting and structuring the means by which those objectives are to be achieved. The organizing process deals with how the work is to be divided and how coordination of different aspects is to be achieved and so on. We are truly a society of organizations. All work has to be organized efficiently in order to use the resources available to us in the most efficient manner.

CHECK YOUR PROGRESS 1. What differentiates an organization from a group of people being together at one place?

Does a kitty party constitute an organization? Explain.

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One reason for organizing is to establish lines of authority. This creates order within the organization. Absence of authority almost always creates chaotic situations and chaotic situations are seldom productive. Hence, the importance of organizing well. Effective organizations include coordination of efforts and such coordination results in synergy.

Synergy occurs when

individual

or separate units work together to produce a whole greater than the sum of the parts. This means that $2 + 2 = 5$.

Furthermore, organizing is important to improve communication among the members. A good organizational structure clearly defines channels of communication among the members of the organization. Proper and correct communication is one of the keys to success. Most people believe that organizations are social entities and that

social forces such as politics, economics, and religion shape organizations. Some organizational theorists suggest the opposite. They say that it is the large organizations which influence politics and economics. Social class is determined by rank and position within the organization. Organization is the life of living. An organized family is more productive than a disorganized family. All families depend on business organizations for their livelihood.

Organizations shape our lives, and better managers can shape effective organizations. However, it is not just the presence of organizations that is important but the knowledge of organizing. Consider how Olympic Games are organized or how large airports are built. Without proper organization of people and resources the project could not be successful.

Consider the organization of forces and resources during the Gulf War of 1991. All air assets reported to a single army General. This enabled the extraordinary coordination of up to three thousand flights a day. A new problem arose somewhere in the Gulf every minute but efficient organization of resources could solve all these problems. 5.4

GUIDELINES FOR EFFECTIVE ORGANIZATION

There are some established guidelines that are common to all organizations that are structured in a classical form. The classical form means a bureaucratic structure where there is a hierarchy of power and responsibility and the directions primarily flow from the top management to the lower levels of workers through its hierarchical ranks. These guidelines are: 5.4.1 The Lines of Authority should be Clearly Stated and should Run from Top to Bottom of the Organization This principle is known as the scalar principle and the line of authority is referred to as chain of command. The major decisions are made and policies are formulated at the top management level and they filter down through the various management levels to the workers. The line of authority should be clearly established so that each person in this chain of command knows his authority and its boundaries. 5.4.2 Each Person in the Organization should Report to Only One Boss This is known as the principle of 'unity of command' and each person knows who he has to report to and who reports to him. This process eliminates ambiguity and confusion that can result when a person has to report to more than one superior. 5.4.3 The Responsibility and Authority of each Supervisor should be Established Clearly and in Writing This will clarify the exact role of the supervisor as to the limits

to

his authority. Authority is defined as 'the formal right to require action from others', and responsibility is the accountability of that authority. With clearly defined authority and responsibility, it will be easier for the supervisor to trace and handle problems and make quick decisions when necessary.

CHECK YOUR PROGRESS 2. What is an effective organization? What are the guidelines that make for such an organization?

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Self-Instructional Material Organizing–I NOTES 5.4.4

Managers are Responsible for the Acts of their Subordinates The manager or the supervisor cannot dissociate himself from the acts of his subordinates. Hence, he must be accountable for the acts of his subordinates. 5.4.5 Authority and Responsibility should be Delegated as Far down the Hierarchical Line as Possible This will place the decision making power near the actual operations. This would give the top management more free time to devote to strategic planning and overall policy making. This is specially necessary in large complex organizations. This principle is known as 'decentralization of power' as against centralized power where all decisions are made at the top. 5.4.6 The Number of Levels of Authority should be as Few as Possible This would make the communication easier and clear and the decision making faster. A longer chain of command generally results in 'run-arounds', because the responsibilities are not clearly assigned and hence become ambiguous. According to Gilmore, most organizations do not need more than six levels of supervision including the level of the president. 5.4.7 The Principle of Specialization should be Applied wherever Possible Precise division of work facilitates specialization. Every person should be assigned a single function wherever possible. This rule applies to individuals as well as departments. The specialized operations will lead to efficiency and quality. However, each area of specialization must be interrelated to the total integrated system by means of coordination of all activities of all departments. 5.4.8 The Line Function and the Staff Function should be Kept Separate The overlapping of these functions will result in ambiguity. Line functions are those that are directly involved with the operations that result in the achievement of the company objectives. Staff functions are auxiliary to the line function and offer assistance and advice. For example, legal, public relations and promotional functions are all staff functions. The activities of line managers and staff managers should be coordinated so as to achieve synergetic results. 5.4.9 The Span of Control should be Reasonable and Well Established The 'span of control' determines the number of positions that can be coordinated by a single executive. It could be narrow where there are relatively few individuals who report to the same manager or it could be wide where many individuals are under the supervision of the same manager. However, such a span of control would depend upon the similarity or dissimilarity of the subordinate positions and how interdependent these positions are. The more interdependent, the more difficult is the coordination. In such interlocking positions, it is advisable to have no more than five or six subordinates working under any one executive'. 5.4.10

The

Organization should be Simple and Flexible It should be simple because it is easier to manage and it should be flexible because it can quickly adopt to changing conditions. It should be such that it can easily be expanded or reduced as the times demand. Furthermore, simplicity would make

the

communication much easier, faster and more accurate, which is necessary for successful organizations. While these principles, in general, apply to classical organizations as proposed by Frederick Taylor and Henry Fayol, and have been adopted to facilitate administration, some more recent principles have evolved which have become an integral part of most modern organizations. These new principles of participative decision making, challenging work assignments, management by objectives, decentralization of authority

and so on

have been integrated with the traditional ones. The idea is to stimulate creativity, encourage growth and optimize the utility of all resources in reaching the goals of the organization.

Self-Instructional Material 75 Organizing–I NOTES 5.5 ORGANIZATIONAL OBJECTIVES The

planning process for all organizations is built on the framework of the statement of formal mission, specific objectives that are established on the basis of the mission statement and the plans that can be developed to achieve these objectives, as shown below: Objectives Mission

Plans The need for planning exists at all levels of organizational hierarchy, but is extremely important at higher levels where the potential for impact on organizational success is greater. Once the upper level strategies are well defined and understood, then the lower level managers can plan to accomplish the objectives of their units. 5.5.1

The Mission The mission of an organization is the very reason for its existence. It sets out why the organization exists and what it should be doing. For example, the mission of a national airline might be defined as 'satisfying the needs of individual and business travellers for high-speed transportation at a reasonable price to all the major domestic population centres.' The purpose of the mission statement is to guide managers, work units and individual employees throughout the organization. A clear mission statement is concise, focused, worthy, imaginative and realistic. In addition to the mission statement, managers today are increasingly recognizing the need to have 'vision' of what the organization is to become. Most leaders are expected to be 'visionary', who can 'see' beyond the obvious. Vision is general directional and motivational guidance for the entire organization. It should have an emotional element in it. For example, Steven Job's vision for Apple Computer was 'to make a contribution to the world by making tools for the mind that advance mankind.' This was a compelling statement of direction which was emotionally charged. The mission of the organization adds specificity to vision. The goals of an organization are refinements of its mission. They are open-ended statements of purpose which help describe an organization's philosophy. Goals are more specific than mission but address, in general, such key issues as market share, productivity, profitability, efficiency, growth, physical and financial resources and so on. Objectives are specific statements about anticipated end-results of any activity. They further define the organizational goals.

For example, the goal of a college may be to increase the number of students. The objective would be to increase the number of incoming students

by 5 per cent

per year. Similarly, if the goal is to increase sales, then the specific objective might be to increase sales by 10 per cent in the first year.

5.5.2 Characteristics of Sound Objectives Sound objectives should have five basic characteristics. These are: 1. In writing 2. Time bound 3. Measurable 4. Attainable 5. Mutually supportive In writing Time bound Measurable Attainable Mutually supportive Organizational Sound Objectives Figure 5.1: Characteristics of Sound Objectives

76 Self-Instructional Material Organizing—I NOTES Organizational objectives should be stated in writing. They should be specific and communicated clearly to all so that all members of the organization are aware of what is expected of them. This eliminates ambiguity and confusion. Placing objectives in a written form increases people's understanding of them and thus leads to commitment. Objectives should be time bound. A time limit must be set for achievement of given objectives. They cannot be open-ended. Employees need to know the time frame in which an objective should be accomplished. Also, putting deadlines gives workers a sense of challenge and they take pride in meeting these challenges. However, this time frame must be realistically established. Objectives should be specific and measurable. General objectives are difficult to interpret and difficult to measure. For example, 'improving employee safety' is more difficult to define and measure than the objective of 'reducing work accidents by 20 per cent.' Similarly, an objective of increasing the market share of the company by 5 per cent during the year allows a manager to measure the progress as the time passes. Objectives should be realistic and attainable. Overly optimistic but unrealistic objectives serve as moral deflators and hence are ineffective. On the other hand, they should not be too easily achievable, for this would provide little challenge to workers. They should be attainable but challenging. Multi-objectives should be mutually supportive. One objective should not be achieved at the cost of the other. Objectives should be prioritized so that those that with top priority are achieved first. However all objectives should be set in a manner so that no objective is to be given up in order to achieve another. For objectives to be realistic and attainable, they should be established with the following considerations. (a)

Environmental conditions. These conditions include the availability of raw materials, skilled labour, energy and other resources. Long-range objectives must ensure that these resources will not become scarce. Additionally, objectives must be revised, if necessary, in the light of

new technological developments. (b) Economic conditions. The current economic conditions and economic trends must be seriously considered while setting objectives.

For example, the objective of expanding during a period of

recession may not be advisable. The economic fluctuations must be assessed and predicted accurately. (c) Internal resources. There is no point in establishing an objective if we do

not have

the means to achieve it. Accordingly, objectives should be set relative

to the

company's resources of capital, skilled personnel, physical equipment and so on. (

d) Anticipation of future events.

Future events, being most unpredictable, have a major impact on the realization of objectives. Future opportunities and threats must be identified as far as possible and these must be incorporated in organizational

objectives and plans. 5.5.3 Hierarchy of Objectives While the central management is primarily concerned with the organizational mission and establishing general goals and strategies, establishment of objectives exist at all levels of organizational

hierarchy. The broader aims of the company are broken down into hierarchical segments of divisional objectives, departmental objectives, work group objectives and individual employee objectives. Each higher level objective is supported by one or more lower level objectives. This identification enables each member of the organization to relate his contribution to the overall objectives. This helps

in the proper alignment of objectives at all levels of the organization with the central aim of the organization.

CHECK YOUR PROGRESS 3. A mission is defined as 'the reason for existence'. Do you agree with it? Is this definition consistent with your mission in life? 4. One of the characteristics of sound objectives is that it should be realistic. Does that mean that our dreams and ambitions cannot be unrealistic, knowing fully well that some of the unrealistic dreams have been realized?

Self-Instructional Material 77 Organizing-I NOTES 5.6

THE ORGANIZATION PROCESS

The organizing function is extremely important, because once the objectives of the organization and the plans have been established, they become the primary mechanisms with which managers activate such plans. 'Organizing' is the function of gathering resources, establishing orderly uses for such resources and structuring tasks to fulfill organizational plans. It includes the determination of

what tasks are to be done, how they are to be grouped, who is going to be responsible to do these tasks and who will make decisions about them.

The process of organizing consists of the following five steps. Reviewing plans and objectives

Determining activities Classifying and grouping activities Assigning work and resources Evaluating results

Feedback 1 2 3 4 5 Figure 5.2: Five Steps

in the Organizing Process 1.

Reviewing plans and objectives. The first step for the management is to reflect on the organizational goals and objectives and its plans to achieve them so that proper activities can be determined. For example, if a high class restaurant is to be opened in an elite area, then the management must establish objectives and review them so that these are consistent with the location of the restaurant and the type of customers to be served. 2. Determining activities. In the second step, managers prepare and analyze the activities needed to accomplish the objectives. In addition to general activities such as hiring, training, keeping records and so on, there are specific activities which are unique to the type of business that an organization is in. For example, in the case of the

restaurant, the two major activities or tasks are cooking food and serving customers. 3. Classifying and grouping activities. Once the tasks have been determined, these tasks must be classified into manageable work units. This is usually done on the basis of similarity of activities. For example, in a manufacturing organization, the activities may be classified into production, marketing, finance, research and development and so on. These major categories of tasks can be subdivided into smaller units to facilitate operations and supervision. For example, in the area of serving customers in the restaurant, there may be different persons for taking cocktail orders, for food orders and for clearing the tables. For cooking food, there may be different cooks for different varieties of food. 4. Assigning work and resources. This step is critical to organizing because the right person must be matched with the right job and the person must

be provided with the resources to accomplish the tasks assigned. The management of the restaurant must determine as to who will take the orders and who will set as well as clear the tables and what the relationship between these individuals will be. Management must also make sure that adequate resources of food items, utensils and cutlery are provided as necessary. 5. Evaluating results. In this final step, feedback about the outcomes would

determine as to how well the implemented organizational strategy is working. This feedback would also determine if any changes are necessary or desirable in the organizational set-up.

For example, in the case of the restaurant, complaints and suggestions from customers would assist the manager in making any necessary changes in the preparation of food, internal decor of the restaurant or efficiency in service.

CHECK YOUR PROGRESS 5. Differentiate between formal and informal organizations. What purpose does the informal organization serve?

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Self-Instructional Material Organizing–I NOTES 5.6.1

Formal and Informal Organizations A formal organization typically consists of a classical mechanistic hierarchical structure. In such a type of structure, the position, responsibility, authority, accountability and the lines of command are clearly defined and established. It is a system of well-defined jobs with a prescribed pattern of communication, coordination and delegation of authority. The informal organization, similar to informal groups, on the other hand, comes into existence due to social interactions and interpersonal relationships and exists outside the formal authority system without any set rigid rules. Though unrecognised, it exists in the shadow of formal structure as a network of personal and social relations which must be understood and respected by the management. The informal work groups, constituting the informal organization as a whole

is a loosely structured organization of interpersonal relationships which affect decisions within the formal organization but either are omitted from the formal scheme or are not consistent with it. These interpersonal relationships create a bond of friendship among the members of such an informal organization and these bonds are very strong so that there is a sense of belonging and togetherness. This togetherness can have a powerful influence on productivity and job satisfaction.

The members help and motivate each other. For example, during a busy period, one employee may turn to another for help instead of going through the supervisor. Similarly, an employee in the sales department may ask another employee in the production department, who also belongs to the informal organization, for information about product availability and receive this information faster than through the formal reporting system.

The informal organization is a powerful instrument in all organizations and sometimes it can mean the difference between success and failure of the organization.

When the group members want to do a job, it is always done better than when they have to do it because of instructions from

supervisors. A cooperative group makes the supervision easier thus lengthening the effective span of management. Informal groups also make sure that the basic principles of the formal organization are not violated. For example, if a manager misuses his authority and promotes an unqualified person, the informal group may use its influence in making sure that this does not happen. The informal group also serves as an additional channel of communication to the management about conditions at work, which may not be available through official channels. 5.6.2

Span of Management

In a classical type of organizational structure, which is the most common form, the effectiveness and efficiency of operations is determined by the number of people under direct supervision of a manager. For most effective operations, it is necessary to have the optimum number of subordinates to supervise. As discussed above, the informal groups have

a significant impact on the span of management.

If the supervisor has cordial relations with his subordinates and the subordinates are dedicated to their work for professional as well as social reasons, then more subordinates can be assigned to each supervisor and less managerial time will be needed to deal with the subordinates.

Span of management, also known as 'span of control', refers to the

number of people a manager directly manages. In a wider span of control, a manager has many subordinates

who report to him. In a narrow span of control, a manager has fewer subordinates under him. Obviously, the number of subordinates that can effectively be managed for supervision and delegation of authority would be finite

and depend upon a number of factors. Some of these factors are:

Similarity of functions:

If the subordinates are involved in the same or similar activities, then it is possible for the manager to supervise more subordinates. Since the problems that may arise would be similar in nature, these would be easier to handle. Conversely, if these subordinates are involved in diversified operations, the situation would be more complex and hence the span of control would

be narrow. Complexity of functions: If the operations that the employees are performing are complex and sophisticated and require constant supervision, then it would be more difficult for the manager to manage too many employees and hence a narrow span of control would be desirable. Geographical closeness of employees: The closer the subordinates are to each other

in a physical location, the easier it will be for the manager to manage more employees. Direction and coordination: The span of control would also be determined by the degree of coordination required, both within the units and with units in other departments.

If the units need continuous directions and extra time of managers in coordinating these activities, then fewer subordinates would be better supervised. Capacity of subordinates: Subordinates who are well trained, professionally developed

and experienced, need little supervision in discharging their duties. In such situations, more subordinates can be effectively supervised. These subordinates can further be assisted by providing them with 'standing plans' which are applicable in repetitive operations and routine recurring problems, thus requiring less supervisory assistance. The working staff of the manager: If the manager has a supporting staff that is equally skilled in handling situations, then it would be possible to manage a wider span of control because the responsibilities of supervision would be shared.

The

optimum number of subordinates under any one manager would vary and directly depend upon the type of relationship between the manager and subordinates, not only on a one-to-one basis but also with subordinates as groups, taking into consideration the cross-relationships among the employees themselves. Based upon the intricacies of these relationships, Lyndall F. Urwick concluded, 'No executive should attempt to supervise directly the work of more than five or at the most six direct subordinates whose work interlocks.' This is considered as ideal because too wide a span would put a

heavy burden on management in effective guidance and control and too narrow a span would mean underutilisation of managerial capacity, ability and resources. 5.7

SUMMARY ?

Organizing is the second function of management and involves primarily creating of activities and assigning suitable workers to complete these activities successfully, efficiently and effectively. ?

There are ten guidelines that are common to all organizations that are structured in a classical form. The classical form means a bureaucratic structure where there is a hierarchy of power and responsibility and directions primarily flow from the top management to the lower levels of workers through its hierarchical ranks. ?

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planning process of all organizations is built on the framework of the

mission, objectives and plans. ? The organizations process consists of sequential steps of reviewing plans and objectives, determining relevant activities, grouping these activities, assigning personnel to these activities and evaluating the results of the efforts. Feedback would determine as to how well activities have been performed. ? Informal organizations after develop within the formal organization. These assist in implementing the policies, procedures and rules established by the formal organizational structure. CHECK YOUR PROGRESS 6. Is a shorter span of management necessarily better than a longer one? Does it also mean that lean organizations are more effective? Give reasons.

80 Self-Instructional Material Organizing-I NOTES ? For any formal organization to be effective, these should be no more than five or six subordinates under any supervisor, known as span of management. 5.8 ANSWERS TO 'CHECK YOUR PROGRESS' 1.

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An organization is a system of consciously coordinated activities or efforts of two or more persons.

These activities have to result in the achievement of a common organizational goal. They are goal-directed social entities and involve some

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degree of formal planning, division of labour, leadership and so on.

A group of people simply being together does not constitute an organization. For example, a group of friends going together for shopping would not constitute an organization even if the goal of this group is the same, which is shopping but is not the common goal. Similarly, a busload of people going for a picnic would not be an organization, because they only have the individual goals of enjoying themselves. A kitty party is not an organization, but simply a group of members known to each other, getting together to play games and enjoy themselves. 2. An effective organization is one which arranges its activities in such a manner that the resources at its disposal are optimally utilized. The waste is reduced and the idle times for machines and people are minimized. To make organizations more effective, the following guidelines may be adopted. (a)

Lines of authority should be clearly stated and should run from top to bottom. (

b) Each person in the organization should report only to one boss. (c) The responsibility and authority of each person should be defined and communicated very clearly. (d)

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The authority and responsibility should be delegated as far down the hierarchy as possible. (

e) The organization should be as flat or lean as possible. (f) The line and staff functions should not be mixed. (g) The principle of specialization should be applied as far as possible. 3. A mission is the reason for an organization to exist. It defines the organization in terms of what it is and what it does. The mission of a pharmaceutical company would be to provide medicines for health purposes. The mission of a university would be to provide education to students. Some people have a specific mission in life. Mother Teresa's mission in life was to help the sick and the poor. Your mission in life may be to serve your country. 4. In an organizational sense all objectives should be sound and achievable. For example, a college cannot have one of its objectives as increasing the number of incoming students each year by 50 per cent. Such an objective is neither sound nor achievable. At a personal level, day-dreaming is quite common among people. People dream of bigger things in life and sometimes make their objectives much higher than their resources. Even though some people have achieved the unachievable, most often such objectives do not come to fruition. 5.

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A formal organization typically consists of a classical hierarchical structure where the position, responsibility, authority accountability and the lines of command are clearly defined and established. It is a system of well-defined jobs with a prescribed pattern of communication, coordination and delegation of authority. The informal organization comes into existence due to social interactions and interpersonal relationships and exists outside the formal authority system without any

Self-Instructional Material 81 Organizing–I NOTES set rigid rules. These interpersonal relationships create

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a bond of friendship and this togetherness can have a powerful influence on productivity and job satisfaction. Members help each other

and protect each others' interests. 6. A shorter span of management means fewer people to supervise, which means better supervision. However, a shorter span of management is more suitable when: (a) The functions and jobs being performed by subordinates are similar in nature and not complex. (b) The employees are close to each other geographically. (c) The units are well-trained, self-directed and do not need much supervision and guidance. (d) The manager does not have enough of working staff who can share his supervisory duties. Lean organizations are more effective because there are fewer layers of management and the management is more skilled in handling the organizational affairs. The process is also cost effective and communication is faster and less diluted during transference of information. There is greater bond of respect and understanding when there are fewer layers of management. 5.9 EXERCISES AND QUESTIONS Short-Answer Questions 1. How would you define an organization? 2. How do you define an effective organization? 3. A mission is defined as 'the reason for existence'. Do you agree with it? Is this definition consistent with your own mission in life? 4. What do you understand by hierarchy of objectives? Explain. Long-Answer Questions 1. What are the various guidelines for making the organizations more effective? 2. What are the various characteristics of sound objectives? 3. Differentiate between formal and informal organizations. What purpose do the informal organizations serve? 4. What factors are taken into consideration when establishing the span of management? 5.10 FURTHER READING 1. Robbins Stephen P., Management; Prentice Hall, 1991. 2. Kreitner Robert, Management; Houghton Mifflin Company, 1995. 3. Bedeian Arthur and Raymond Zamnuto, Organization: Theory and Design; Dryden Press, 1991. 4. Daft Richard L., Organization Theory and Design; West Publishing Company, 1995. 5. Griffin Ricky W., Management; Houghton Mifflin Company, 1993.

Self-Instructional Material 83 Organizing–II NOTES UNIT 6 ORGANIZING–II Structure 6.0 Introduction 6.1 Unit Objectives 6.2

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Organizational Structure : Design 6.3 Steps in the Organizational Structure 6.4 Benefits of a Good Organizational Structure 6.5 Mechanistic versus Organic Structure 6.6 Determinants of Organizational Structure 6.7 Types of Organizational Structures 6.8 Departmentation 6.9

Management by Objectives (MBO) 6.10

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Delegation of Authority 6.11 Process of Delegation 6.12 Advantages of Delegation 6.13 Problems with Delegation 6.14 Overcoming Obstacles 6.15 Centralization versus Decentralization 6.16

Advantages of Centralization 6.17 Advantages of Decentralization 6.18 Summary 6.19 Answers to 'Check Your Progress'
6.20 Exercises and Questions 6.21 Further Reading 6.0

INTRODUCTION In order to ensure orderly operations, it is necessary to have an adequate structure of the organization where each person knows his role, his duties and his responsibilities. There are various types of organizational structures, and each structure will depend upon the type of organization. A structure can be simple where the owner of the company is also the manager with few workers under him such as in a retail store. The structure can also be elaborate with many layers of management such as in large corporations. An organizational structure determines the positions of the individuals and groups in the organization with respect to the tasks they execute and their reporting relationships.

Organizational design refers to the process of coordinating the elements in the structure effectively. A

good organizational design is

a function of a number of factors including the environment, technology, size of the company and the philosophy of the central management. 6.1

UNIT OBJECTIVES ? Understanding organizational structure ? Explaining the benefits of good organizational structures ? Understanding the differences between mechanistic and organic structures ? Describing the determinants of organizational structures ? Understanding the various types of organizational charts ? Explaining organizational structure by function, territory, product and customer groups

84 Self-Instructional Material Organizing—II NOTES ? Understanding the concepts of Management by Objectives (MBO) ? Explaining the need for

delegation of authority ? Differentiating between centralization and decentralization 6.2

ORGANIZATIONAL STRUCTURE : DESIGN Organizational structure

involves arrangement of activities and assignment of personnel to these activities in order to achieve the organizational goals in an efficient manner. It is a way by which various parts of an organization are tied together in a coordinated manner and it illustrates the various relationships among various levels of hierarchy within the organization as well as horizontal relationships among various functions of the organizational operations. A well planned organizational structure results in better utilization of resources. In general, 'organizational structure' refers to the way individuals and groups are arranged with respect to the tasks they perform, and 'organizational design' refers to the process of coordinating these structural elements in the most effective manner.

A good organizational structure is needed so that: (

a)

Each individual in the organization is assigned a role, responsibility and necessary authority. Each person who is assigned to an activity must know his position, his role and his relationship with others. He is further responsible for an

efficient execution of his role and his duties and is given the authority to do so. (b) The activities of all individuals are coordinated and integrated into a common pattern in order to achieve the organizational objectives. Organization is needed for the purpose of integration of diverse activities in a cohesive manner. (c) The optimum use of human skill and efforts is achieved. It is said that half the work is done when you know what you have to do and how you have to do it. A good organization does that. A good organization assigns the right person to the right job and this avoids misapplication of human resources, thus resulting in optimum utilization of employee efforts. 6.3

STEPS IN

THE

ORGANIZATIONAL STRUCTURE Once

the mission of the organization is specified and goals and objectives established

and identified, the organization needs to be structured in such a manner that human and physical resources are brought to action to achieve these goals and objectives. The following steps are taken to build the structure of the organization.

6.3.1 Determination, Identification and Enumeration of Activities Once the objectives

have been established, the activities required to achieve them are identified. These activities are broken down into sub-activities as far down the hierarchy as possible so that each individual knows what part of the activity he is responsible for. Care must be taken so that all necessary activities are taken into account and streamlined. This process applies to both managerial

as well as

operational activities. 6.3.2 Grouping and Assigning of Activities All similar activities are grouped together

and assigned on the basis of divisions or departments. These sets of activities may further be sub-divided into sections or units. These groupings may be done on the basis of primary functions such as production, finance, and sales, personnel, or these

may be

done on

a derivative basis such as types of customers, and geographical area. These groups of activities are then assigned to personnel as heads,

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marketing managers, personnel directors and so on. They, in turn, delegate and distribute jobs to their subordinates down the line. Care should be taken that the personnel and their jobs are well matched. 6.3.3 Delegation of Authority

Since the persons who are assigned

particular activities are responsible for performing these duties in an optimal manner,

they must

be

given corresponding authority to execute their obligations. Responsibility and authority are tied together. Responsibility is really the accountability of authority. Authority without responsibility is a dangerous element. For example, if a marketing manager has the responsibility to increase sales but does not have the authority to hire and maintain a competent sales force, then the responsibility in itself has little meaning. 6.4 BENEFITS OF

A GOOD ORGANIZATIONAL STRUCTURE While there are many different structures that organizations can adopt, depending upon the type of organization including whether it is a service organization or a manufacturing organization, a well structured organization has many benefits. Some of the beneficial outcomes of optimally designed organizational structures are: 6.4.1 A Good Organizational Structure Facilitates Attainment of Objectives through Proper Coordination of all Activities It has a built-in system of 'checks and balances' so that the progress towards the attainment of objectives is evaluated along the way and adjustments can be made. If necessary, new decisions can be taken. 6.4.2 In a Good Organizational Structure, Conflicts between Individuals over Jurisdiction are kept to a Minimum Since each person is assigned a particular job to perform, the responsibility of performing that job rests solely with him. It results in traceability

of outcomes and the work interdependency of that particular task is reduced to a minimum. 6.4.3

It Eliminates

Overlapping and Duplication of Work Duplication exists when work distribution is not clearly identified and the work is performed in a haphazard and disorganized way. Since a good organizational structure requires that the duties be clearly defined and assigned, such duplication of work is eliminated. 6.4.4

It Decreases Likelihood of '

Runarounds' The runarounds occur when we do not know who is responsible for what and we are not sent to the right people in the first instance for getting some work done. However, in a well organized company where the responsibilities are clearly established, this does not occur. 6.4.5

It Facilitates

Promotions of Personnel Since the organizational chart clearly pinpoints the positions of individuals relative to one another, it is easier to know as to which level a person has reached at any given time in the organizational hierarchy. Furthermore, since each job is well described in terms of qualifications and duties, the promotional stages can be more clearly established. 6.4.6

It Aids in

Wage and Salary Administration A fair and equitable wage and salary schedule is based upon the premise that the jobs with similar requirements should have similar benefits. If these requirements are clearly established and the yearly increments or the cost of living increments for each type of job are properly and clearly understood, then compensation administration policies are easier to implement.

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Self-Instructional Material Organizing–II NOTES 6.4.7 Communication is Easier

at all Levels of Organizational Hierarchy Since the lines of communication and flow of authority are clearly identified on the organizational chart, the intercommunication is both clearer and easier and eliminates ambiguity. 6.4.8 A Well-structured Organization Provides a Sound basis for Effective Planning Since the goals are clearly established and resources clearly identified, both short term as well as strategic planning becomes more focused and realistic and such planning contains the provision to permit changes to be made in the right direction, including expansion and contraction of facilities, operations and activities when it becomes necessary. 6.4.9 It Results in Increased Cooperation and a Sense of Pride Among Members of the Organization An employee is given sufficient freedom within the domain of his responsibility and his authority. Since the authority and the extent of exercise of such authority is known, it develops a sense of independence among employees which in turn is highly morale boosting. 6.4.10

It Encourages

Creativity Because of a sense of belonging and high morale, that a well-structured organization develops among employees, and also because of clear-cut accountability, recognition of skills and appreciation for their contribution towards organizational growth, the employees develop their own initiative and a spirit of innovation and creativity. 6.5 MECHANISTIC VERSUS ORGANIC STRUCTURE The organizational structure is designed both from mechanistic as well as humanistic points of view and the structure depends upon the extent to which it is rigid or flexible. Flexible structures are also labelled as 'organic'. The mechanistic organizational structure is similar to Max Weber's bureaucratic organization. Max Weber, a German sociologist, and his associates examined different organizations to empirically determine the common structural elements and emphasized those basic aspects that characterized an ideal type of organization. Weber looked for rules and regulations, which when followed, would eliminate managerial inconsistencies that contribute to inefficiency.

He believed in

a

strict adherence to rules which would make bureaucracy a very efficient form of organization founded on the principles of logic, order and legitimate authority.

He strongly believed that every deviation, from the formal structure interferes with efficient management.

According to him: '

The purely bureaucratic type of administrative organization... is from a purely technical point of view, capable of attaining the highest degree of efficiency... It is superior to any other form in precision, in stability, in the stringency of its discipline and in its reliability. It thus makes possible a particularly high degree of calculability of results for the heads of the organizations and for those acting in relation to it. It is finally superior both in intensive efficiency and the scope of operations and is formally capable of application to all kinds of administrative tasks.'

The basic characteristics of an organization, based on mechanistic structure are: 6.5.1 Division of Labour by Functional Specialization A maximum possible division of labour makes it possible to utilize, in all links of the organization, experts who are fully responsible for the effective fulfillment of their duties.

CHECK YOUR PROGRESS 1. What do you understand by a good organizational structure? Some small organizations do not have any formal structure. Are they necessarily at a disadvantage? Explain.

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A Well-defined Hierarchy of Authority Each lower official is under the control and supervision of a higher one. Every subordinate is accountable to his superior for his own decisions and in turn, the actions of his subordinates. 6.5.3 A

System of Rules Covering the Duties and Rights of all Employees These rules should be clear-cut and the responsibility of every member in the organization must be clearly defined and

assigned and strictly adhered to. 6.5.4 A system of Procedures for Dealing with Work Situations These procedures must

be time tested and applicable under similar situations at work. 6.5.5 Impersonal Relations Among People Rewards are based upon efficiency rather than nepotism or personal preferences. The functioning of the organization based upon rational and objective standards excludes the intervention of personal considerations, emotions and prejudices. The unbiased approach leads to optimal efficiency. 6.5.6 Selection and Promotion of Personnel

based upon Technical Competence and Excellence

Employees are selected on the basis of a match between the job requirements and employee capabilities. The system of promotions corresponds to seniority or merit or both. Because of the rules and policies governing the organization, employees are protected against arbitrary dismissal or demotion. Organic structures also known as 'adhocracies', on the other hand, are sufficiently flexible in order to cope with rapidly changing environments. These structures are more effective if the environment is dynamic, requiring frequent changes within the organization in order to adjust to the new changed environment. It is also considered to be a better form of organization if the employees seek autonomy, openness, change, support for creativity and innovation and opportunities to try new approaches. These organizational structures are characterized by the following (5) :

- 1.

- Tasks and roles are less rigidly defined. There is little emphasis on formal job descriptions and specializations. The authority to solve problems is given to those who are capable of solving such problems irrespective of their position or status.
2. Decision-making is more decentralized. The decisions are made at the scene of operations so that there is no assumption that people in higher positions are more knowledgeable than people in lower positions.
3. The atmosphere is more collegial. The employees are more friendly and respectful to each other so that there is more information and suggestions rather than instructions, directions and decisions that are passed down.
- 4.

Departmental boundaries are flexible. This flexibility results in cordial horizontal relationships across departments which are equally important as compared to vertical or chain of command relationships.

6.6 DETERMINANTS OF ORGANIZATIONAL STRUCTURE

Since organizations have different characteristics and requirements, it is

not possible to identify an ideal organizational structure that would fulfill all these diversified needs.

CHECK YOUR PROGRESS 2. The tendency in America is towards organic structures which have been successful. In India the structures are still largely mechanistic which too are successful. Do you see any irony here? Give reasons.

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Accordingly, each organizational structure must suit the situation and be optimally useful in meeting the organizational objectives. Good organizational structure is a function of a number of factors including the environment, technology, size of the organization and its life cycle. These four factors determine the philosophy and strategy of the

central management which forms the foundation for the organizational structure.

This is illustrated in Figure 6.1.

The four factors are:

- 6.6.1 Environment Organizations are open systems which continuously interact with the outside environment. The macro-environment of business today has considerable impact on the internal operations of the organization, specially if the organization is a large one. These external factors include the customers, socio-cultural and economic conditions as well as the

- international environment. The organizational structure would depend upon whether such an external environment is stable or whether there are dynamic and rapid changes in it.

Environment Technology Size Lifestyle Philosophy and Strategy Organizational Structure Figure 6.1: Determinants of Organizational Structure

Lawrence and Lorsch have found that successful organizational structures vary with the type of environment. A more uncertain environment will have fewer predictable elements requiring the use of more specialized experts who are trained to deal with the problems created by an ever-changing situation. A stable environment can go for a more mechanistic structure.

- 6.6.2 Technology Technology is a combination of tools, techniques and know-how and has a major influence on the organizational structure. If

the technology is simple and routine requiring a few repetitive tasks, a mechanistic structure would be more desirable. However, when the technology is advanced, intensive and complex requiring high interdependence among members of the work force, then the organic structure would be operationally more effective.

Joan Woodward studied the relationship between technology and organizational structure in the early 1960s in some British manufacturing firms. She observed and calculated that technology is a major influence on organizational structure. She concluded that, in general, wherever the items are mass produced and where the work units depend upon each other in sequential manner, and wherever the production system is automated with use of robotics and cybernetics, the organic organizational structure brings out the optimal results.

Woodward and her associates identified three forms of technology that seemed to affect organization design. These are described

below in the order of their complexity.

Self-Instructional Material 89 Organizing—II NOTES (i)

Unit or small-batch technology. This involves specialized custom made products which require special equipment and individual craftsmanship. It is not an assembly line production and requires individual attention. Examples would be a tailor shop making customized suits or a company making large stained glass windows. (

ii)

Large-batch or mass production. This is an assembly line type of production in which a standardized item is produced in large numbers with reasonably sophisticated equipment

and the work units depend upon each other in a sequential manner.

Basically, the component parts are combined to create finished goods. An example would be the manufacture of cars or air conditioners. (iii) Continuous process technology. This production system is highly sophisticated and automated and requires the use of complex technology as in the case of automated chemical plants. In such situations, the use of robotics and cybernetics is very common with continuous feeding of raw materials and provision for controlling and self-correcting. These studies concluded that different configurations of organizational design were associated with each technology. In small-batch as well as continuous process, the organic structure was considered to bring about better results. In mass production which is procedurally set and routinely operative, a classical structure is more appropriate.

6.6.3

Size Size is another factor that affects organizational design. Size of the organization, as measured by the number of people working in it would determine as to which type of structure would be more effective. As the organization grows in size, it increases the number of functional departments, the number of managerial levels, extent of specialization, number of employees with diversified responsibilities resulting in increase in the degree of coordination required among members of the organization, and this results in an increase in related problems. These elements require a high degree of discipline and

a formally structured chain of command so that a mechanistic structure would be more desirable. 6.6.4 Life Cycle An organization's life cycle is related to its size. Some small businesses are formed but soon disappear. Some organizations try to expand too fast without the necessary resources and declare bankruptcy. Others downsize through layoffs or divestiture. Generally speaking, organizations progress through a four-stage organizational life cycle. The first stage is the stage of 'birth' when a company is formed. The second stage, 'youth' is characterized by growth and the expansion of all organizational resources. The third stage, 'midlife' is a period of gradual growth evolving eventually into stability. Finally, the fourth stage of 'maturity' is a period of stability after which, sometimes, a company evolves into decline. As the organization goes through these stages, the organizational structure changes with the stage of the organization. Thus the organization size and its life cycle and its design are clearly linked and this link is dynamic.

These four factors have a considerable impact on managerial philosophy and strategy that are of an

the foundations organizational structure. Alfred D. Chandler, who is considered to be a pioneer in analyzing the strategy-structure relationships, concluded that strategy has a definite influence on structure. The strategy may be that of stability thus maintaining the status quo or it may be one of growth. The stability strategy involves a predicted environment with limited dynamics while

the growth strategy involves expansion thus introducing the element of uncertainty and complexity. According to Schermerhorn: 'Stability strategies will be more successful when supported by mechanistic structures;

growth strategies will be more successful when supported by organic structures.'

CHECK YOUR PROGRESS 3. What factors are taken into consideration when designing an effective organizational structure and why?

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Self-Instructional Material Organizing—II NOTES 6.7 TYPES OF ORGANIZATIONAL STRUCTURES According to George and Jones, an organizational structure '

is the formal system of task and reporting relationships that controls, coordinates, and motivates employees so that they cooperate and work together to achieve an organization's goals'. Such a system is primarily influenced by certain contingency factors such as technology used or the organization's size, as discussed earlier. Depending upon the type of the organization and the philosophy of operations, managers can select any one of the various structured designs available.

Some of these designs are explained as follows: 6.7.1 The

Line Structure

The line structure

is the simplest form of organization and is most common among small companies. Authority is embedded in the hierarchical structure and it flows in a direct line from the top of the managerial hierarchy down to different levels of managers and subordinates and further down to the operative level of workers. It clearly identifies authority, responsibility and accountability at each level. These relationships in the hierarchy connect the position and tasks at each level with those above and below it. There is clear unity of command so that the person at each level is reasonably independent

of any other person at the same level and is responsible only to the person above him. All line personnel are directly involved in achieving the objectives of the company.

A typical line structure is illustrated

in Figure 6.2. President Plant Manager Foreman B Workers Foreman C Workers Foreman A Workers Figure 6.2:

A Typical Line Structure

Because of the small size of the company the line structure is simple and the authority and responsibilities are clear-cut, easily assignable and traceable. It is easy to develop a sense of belonging to the organization; communication is fast and easy; and feedback from the employees can be acted upon faster. Discipline among employees can be maintained easily and effective control can be easily exercised. If the president

of

the company and other superiors are benevolent in nature, then the employees will consider the organization as a family and tend to be closer to and respect each other which is highly beneficial to the organization. On the other hand, if it is a rigid form of

the organization and there is a tendency for the

line authority to become dictatorial, it may be resented by the employees. Furthermore, there is no provision for specialists and specialization which is essential for growth and optimization and hence for rowing companies, pure line type of structure becomes ineffective. 6.7.2

Line

and Staff Structure In this type of organization, the functional specialists are added to the line, thus giving the line advantages of specialists. This type of organizational structure is most common in our

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business economy and especially among large enterprises. Staff is basically advisory in nature and usually does not possess and command authority over line managers. There are two types of staff. (

a)

General staff. This group has a

general background which is usually

similar to

the background of executives and serves as assistants to top management in one capacity or another.

They are not specialists and generally have no direct authority or responsibility of their own. They may be known as special assistants, assistant managers or in a college setting as deputy chairpersons. (b) Special Staff. Unlike the general staff who generally assists only one line executive, the specialized staff

provides expert advice and service to all on a company wide basis. This group has a specialized background in some functional area and it could serve in any of the following capacities. —

Advisory capacity. The primary purpose of this group is to render specialized advice and assistance to management when needed. Some typical areas covered by advisory staff are legal, economic and public relations. — Service capacity. This groups provides a service which is useful to the organization

as a whole and not to any specific division or function. An example would be the personnel department which serves the organization by procuring personnel for all departments. Other areas of service include research and development, purchasing, statistical analysis, and insurance problems. — Control capacity. This group includes quality control staff who may have

the authority to control the quality and enforce standards. The line and staff type of organization uses the expertise of specialists without diluting the unity of command. With the advice of these specialists, the line managers also become more scientific and tend to develop a sense of objective analysis of business problems.

A simple line and staff structure is shown in Figure 6.3. President Legal Council (Staff) Public Relations Advisor (Staff) Vice President (Line) Engineering (Staff) Personnel (Staff) Plant Manager (Line) Supervisor Machine shop (Line) Supervisor Assembly (Line) Workers Workers

Figure 6.3: A Typical Line and Staff Structure

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The line and staff type of organization

is widely used and is advantageous to the extent that the specialized

advice improves the quality of the decisions resulting in operational economies. Also, since line managers are generally occupied with their day-to-day current operations, they do not have the time or the background for future planning and policy formulation. Staff specialists are conceptually oriented towards looking ahead and have the time and training to assist in

strategic planning and analyzing the possible effects of expected future events.

Its main disadvantages are the confusion and conflict that arise between line and staff; the high cost that is associated with it; and the tendency of

staff personnel to build their own image and worth, which sometimes undermines the authority and responsibility of line executives.

Reasons for Conflict between Line and Staff Since the staff generally advises and the line decides and acts, the staff often feels powerless. Staff employees may be resented because of their specialized knowledge and expertise.

Occasionally, staff employees are impatient with the conservative and slow manner in which the line managers put their ideas to work. Also, line managers may resist an idea because they did not think of it first and this may hurt their ego. Generally, staff has an easier access to top management, which may be resented by the line management. There is a conflict about the degree of importance between line and staff as far as the contribution towards the growth of the company is concerned. The line staff usually complains that if things go right then the staff takes the credit and if things go wrong, then the line gets the blame for it. For an organization to operate and progress, it is essential that the line and staff work in harmony. They should both be accountable for decisions and results. Their efforts must be coordinated and both must make extra efforts to accommodate each other. 6.8

DEPARTMENTATION

Departmentation is the process of grouping related work activities into manageable work units with some logical arrangement. The purpose of departmentation is to make a more efficient and effective use of organizational resources. These work units may be related on the basis of work functions, product customer, geography, technique or time.

As

the

organizations grow, supervising employees becomes more and more difficult for one manager or supervisor. Consequently, new managerial positions are created to supervise the work of others. The jobs are grouped according to some logical plan and the logic embodied in such a plan forms the basis of departmentation. Departmentation is practised not only for division of labour but also to improve control and communications. Departmentation fits into

two general categories, namely, functional and divisional and the divisional structures are based on groupings of different activities.

6.8.1 The Functional Structure The functional design is also known as

a

U-form organization (U stands for unity) and it groups positions into departments according to their main functional areas. Some of the main functions of most organizations are those of production, marketing, finance, human resources, legal, research and development. The type and the number of functions would depend upon the type of organization. For example,

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some functions in a service organization will be different from these in a manufacturing organization. The chain of command in each function leads to a functional head who in turn reports to the top manager.

A typical chart for functional organization for a college is shown in Figure 6.4.

President Dean, School of Education Dean, School of Business Dean, School of Science Department of Business Administration Department of Economics Department of Computers

Figure 6.4: A Typical Functional Structure of a College

The functional design enhances operational efficiency as well as improvement in the quality of the product because of specialists being involved in each functional area and also because resources are allocated by function and do not get

duplicated or diffused throughout the organization. Another advantage of functional design is that it facilitates ease in communication and coordination within the departments, since the activities are all related, in one way or another, to the same specialized area. One of the main disadvantages of the functional design is that it encourages narrow specialization rather than general management skills so that the functional managers are not well prepared for top executive positions. Also, functional units may be so concerned with their own areas that they may be less responsive to the

overall organizational needs. Another disadvantage of functional design is that coordination across functions is more difficult to achieve and it may seriously delay responses to the dynamics of environment affecting the entire organization because such responses must go through the chain of command.

6.8.2 Divisional Structure An alternative to the functional structure is the divisional structure which allows an organization to coordinate intergroup relationships more effectively. It involves grouping of people or activities with similar characteristics into a single department or unit.

Also known as self-contained structures, organizations operate as if they were small organizations under a large organizational umbrella. The decisions are generally decentralized so that the departments guide their own activities. This facilitates communications, coordination and control, thus contributing to the organizational success. Also, because the units are independent and semi-autonomous, it provides satisfaction to the managers and this in turn improves efficiency and effectiveness.

There are basically three major forms of divisional structures that companies can choose from.

These are: product, customer and geography.

Product Structure. In this type of structure, the units are formed according to

the type

of product and is more useful in multi-line corporations where product expansion and diversification and

manufacturing and marketing characteristics of the production are of primary concern.

For example, Pepsico owns and controls three product units, namely, Kentucky Fried Chicken (KFC), Taco Bell and Pepsi. Each of these products has special

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production and marketing demands. Similarly, General Motors has six divisions which are autonomous and decentralized. These are: Buick, Pontiac, Oldsmobile, Cadillac, Chevrolet and GMC trucks. While the general policies are decided upon by the top management within the philosophical guidelines of the organization, each division is autonomous and strives to improve and expand its own product line and each divisional general manager is responsible for its costs, profits, failures and successes.

The product structure in the case of General Motors is shown in Figure 6.5. President Vice-President Buick Division Vice-President Cadillac Division Vice-President Pontiac Division Vice-President Oldsmobile Division Vice-President Chevrolet Division Vice-President GMC Trucks Figure 6.5: Product Structure of General Motors

In this type of organizational structure, the responsibility as well as accountability is traceable thus making the division heads sensitive to product improvements in response to changing customer tastes.

Furthermore, product structure facilitates the measurement of managerial as well as operative results and the contribution of each product line to the total profit of the organization can be evaluated. The major disadvantage of this type of structure is that it promotes fierce internal competition which may or may not be healthy. Furthermore, there may be lack of cooperation among different divisions and this tendency can be detrimental to the broader goals of the organization.

Customer Structure. This type of structure is used by those organizations which deal differently with different types of customers.

Thus the customers are the key to the way the activities are grouped. Many banks have priority service for customers who deposit and maintain a prescribed amount of money with the bank for a given period of time. Similarly, business customers get better attention in the banks than other.

First class passengers get better service from the airlines than economy class passengers. An organization may be divided into

such areas as industrial product buyers and consumer product buyers.

A structure, based upon the priority customers and regular customers in a bank is shown in Figure 6.6. Vice President Manager Priority Customers Manager Regular Customers Figure 6.6: A Customer-based Bank Structure

Geographic Structure. If an organization serves different geographical areas, the divisional structure may be based upon geographical basis. Such divisional structures are specially useful for large scale enterprises which are geographically spread out such as banks, insurance companies, chain department stores. Such a structure groups the activities of the organization along geographic lines.

For example, there may be separate vice-presidents

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of marketing who are responsible for promotion of the product in Eastern Region, in North- Western Region, in Southern Region and so on. In the case of multinational organizations, the geographic division may be European Division, Middle-East Division, Far-East Division and so on, with central control office in the home country such as United States.

This type of structure for a multinational organization is shown in Figure 6.7. President Vice-President Domestic Division Vice-President European Division Vice-President Middle-East Division Vice-President Far-East Division Vice-President South America Division Figure 6.7: Organization Structure of a MNC

In these cases, the local population is served by the divisional personnel while the general policies are formulated at the headquarters. The local management is in close contact with the people in the area taking advantage of such local factors as customs, cultures, styles and social preferences. The main problem may be some difficulty in communication with the head office which can delay important decisions and create problems with coordination of interrelated activities. This problem is specially acute for multinational companies with operations in such underdeveloped countries where telecommunication networks are not sufficiently developed. 6.8.3

Organizational Chart

The following organizational chart is typical for a computer manufacturing company which manufactures hardware as well as develops software.

This company uses each of the more common basis for departmentalization. These are function, product, customers and geography.

President Manufacturing Finance Marketing

Hardware Software Marketing Design Finance Chicago New York Detroit Boston Industrial sales Consumer sales US Canada Europe

Figure 6.8: Organization Structure of a Computer Manufacturing Co.

CHECK YOUR PROGRESS 5. Under what circumstances would the following divisional structures be more effective? (a)

Product (b) Customer (c) Geography

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Self-Instructional Material Organizing—II NOTES 6.9

MANAGEMENT BY OBJECTIVES (MBO) The ideas behind MBO were advocated and popularized by Peter Drucker, who stressed that 'business performance requires that each job be directed towards the objective of the whole business.'

Even though it is comparatively a new area, a lot of attention has been paid to it, notably by John Humble in England and George Odiorne in America. MBO

is a process

by which

managers and subordinates work together, in identifying goals

and setting up objectives and make plans together in order

to achieve these objectives. These objectives

and goals are consistent with the organizational goals. George Odiorne has explained the concept as follows: '

The system of

management by objectives can be described as

a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each

individual's

major areas of responsibility in terms of results expected

of him and use these measures as guides for operating the unit and assessing the contribution of each of its members.'

MBO then can also be referred

as Management by Results or Goal Management, and

is based on the assumption that involvement leads to commitment and if an employee participates

in goal setting as well as setting standards for measurement of performance towards that goal, that employee

will be motivated to perform better and in a manner that directly contributes to the achievement of organizational objectives.

John Humble seems to be highly excited about this new and challenging concept and defines

MBO as '

A dynamic system which integrates the company's need to achieve its goals for

profit and growth with the manager's need to contribute and develop himself.

It is a demanding and

a rewarding style of managing a business.' MBO by definition is a goal-oriented process and not a work-oriented

process. Just being busy and doing work is futile, if it does not effectively lead to achievement.

MBO

is both an aid to planning as well as a motivating factor for employees. By its proper use, some

of the

planning errors can be eliminated or minimized. It is a comprehensive system based upon set objectives

in which

all members participate. These objectives are common for all participants and the extent

or

rewards for each member would be determined by the degree

of achievement.

This leads to a fair appraisal system. Additionally, a good MBO plan involves regular and face-to-face superior-subordinate communication and hence improves the communication network. 6.9.1 The MBO Process

Some of the elements in the MBO process can be described as follows: 6.9.1.1 Central goal setting The first basic phase in the MBO process is the defining and clarification of the organizational objectives. These are set by the central management and usually in consultation with the other managers. These objectives should be specific and realistic. This process gets the group managers and the top managers to be jointly involved. Once these goals are clearly established, they should be made known to all the members of the organization and be clearly understood by them. 6.9.1.2 Manager-subordinate involvement After the organizational goals have been set and defined, the subordinates work with the manager in setting their individual goals. Such joint consultation is important because people are much more motivated in achieving objectives that were set by them. The goals of the subordinates are specific and short range and primarily indicate what the subordinate's unit

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is capable of achieving in a specified period of time. The subordinates must set goals in consultation with the individuals who comprise their unit. In this manner, everyone gets involved in the goal setting. 6.9.1.3 Matching goals and resources The objectives in themselves do not mean anything unless we have the

resources and means to achieve them. Accordingly, management must make sure that the subordinates are provided with necessary tools and materials to effectively achieve these goals. If the goals are precise then the resource requirements can also be precisely measured thus making the resource allocation easier. However, just like goal setting, the allocation of resources should also be done in consultation with the subordinates. 6.9.1.4 Freedom of implementation The manager-subordinate task force should have adequate freedom in deciding on the utilization of resources and the means of achieving them. As long as these means are within the larger framework of organizational policies, there should be minimum interference by the

superiors. 6.9.1.5 Review and appraisal

of performance There should be periodic reviews of progress between the

manager and the subordinates. These reviews would determine if the individual was making satisfactory progress. They will also reveal any unanticipated problems. They help the subordinate understand the process of MBO better. They also improve the morale of subordinates since the manager shows active interest in his work and progress.

However, the performance appraisal at these intermediate reviews should be based on fair and measurable standards. These reviews will also

assist the manager and the subordinates to modify either the objectives or the methods, if necessary.

This increases the chances of success in meeting the goals and makes sure that there are no surprises at the final appraisal. 6.9.2 Advantages of MBO Henri Tosi and Stephen Carroll have done extensive work in this area and listed the pros and cons of MBO. Some of the

advantages of MBO are: 1. Since MBO is a result-oriented process and focuses on setting and controlling goals, it encourages managers to do detailed planning. As the

planning process is improved, it helps in a better overall management system. 2.

Both the

manager and the subordinates know what is expected of them and hence there is no role ambiguity or confusion. 3. Managers are required to establish measurable targets and standards of performance and priorities for these targets. Since these measurable targets are tailored to the particular abilities of the subordinates, it obtains maximum contribution from them thus providing optimum utility of human resources. In addition the responsibilities and authority of the personnel is clearly established. 4. It makes individuals more aware of the company goals. Most often the subordinates are concerned with their own objectives and the environment surrounding them. But with MBO, the subordinates feel proud of being involved in the organizational goals. This improves their morale and commitment. 5. MBO often highlights the area in which the employees need training. By taking a keen interest in the development of skills and abilities of subordinates, the management provides an opportunity for strengthening those areas needing refinement thus leading to career development. 6. The system of periodic evaluation lets the subordinates know how well they are doing. Since MBO puts strong emphasis on quantifiable objectives, the measurement and appraisal can be more objective, specific and equitable. These appraisal methods are

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superior to trait evaluation which is based upon factors such as cooperation, likeability, self-discipline, loyalty, etc., since they focus on results and not on subjective intangible characteristics. Being more objective the MBO evaluation system can be highly morale-boosting. 7. It improves communication between management and subordinates. This continued feedback rids ambiguities and helps in the process of control so that any deviations can be easily and quickly corrected. 6.9.3 Disadvantages of MBO 1. In a classical established structure of our organizations, the authority flows from top to bottom. This creates discipline and better performance. Hence the top management is usually reluctant to support the process of MBO in which their subordinates would take equal part. Accordingly MBO can only succeed if it has the complete support of the top management. 2. MBO may be resented by subordinates. They may be under pressure to get along with the management when setting goals and objectives and these goals may be unrealistically high. This may lower their morale and they may become suspicious about the philosophy behind MBO. They may seriously believe that MBO is just another of the management's ploy to make the subordinates work harder and become more dedicated and involved. 3. The emphasis in the MBO system is on quantifying the goals and objectives. It does not leave any ground for subjective goals. Some areas are difficult to quantify and even more difficult to evaluate. 4. There is considerable paperwork involved and it takes too much of the manager's time. Too many meetings and too many reports add to the manager's responsibilities and burden. Some managers may resist the programme because of this increased paperwork. 5. The emphasis is more on short-term goals. Since the

goals are mostly quantitative in nature, it is difficult to do long-range planning because all the variables affecting the process of planning cannot be accurately forecast due to constantly changing socio- economic and technological environment which affects the stability of goals. 6. Most managers may not be sufficiently skilled in inter-personal interaction such as coaching and counselling which is extensively required. 7. The integration of MBO system with other systems such as forecasting and budgeting, is very poor. This makes the overall functioning of all systems more difficult. 8. Group goal achievement is more difficult. When the goals of one department depend on the goals of another department, cohesion is more difficult to obtain. For example, the production department cannot produce a set quota if it is not sufficiently supplied with raw materials and personnel. 6.9.4 Suggestions for Improving the Effectiveness of MBO 1.

It is important to secure top management support and commitment. Without this commitment, MBO can never really be a success. The top managers and their subordinates should all consider themselves as players of the same team. This means that the

superiors must be willing to relinquish and share the necessary authority with subordinates. 2. The objectives should be clearly formulated, should be realistic and achievable. For example, it is not realistic for the R&D department of an organization to set a goal of, say, 10 inventions per year. These goals should be set with the participation of the subordinates. They must be properly communicated, clearly understood and accepted by all. MBO works best when goals are accepted.

CHECK YOUR PROGRESS 6. Management by Objectives (MBO) was heralded as the best way of managing an organization when it was proposed by Peter Drucker in the 1950s. Is that view still valid? If so, why? 7. If MBO is indeed the best way to manage, what improvements would you suggest to make it more effective?

Self-Instructional Material 99 Organizing–II NOTES 3.

MBO should be an overall

philosophy of management and the entire organization, rather than simply a divisional process or a performance appraisal technique MBO is a major undertaking and should replace old systems rather than just being added to them.

Felix M. Lopex has observed, ‘

When an organization is managed by objectives, it becomes performance oriented. It grows and develops and becomes socially useful’. 4. The goals must be continuously reviewed and modified as the changed conditions require. The review technique should be such that any deviations are caught early and corrected. 5. All personnel involved should be given formal training in understanding the basics as well as the contents of the programme. Such education should include as to how to set goals, the methods to achieve them, methods of reviews and evaluation of performance and provisions to include any feedback that may be given. 6.

The

MBO system is based upon sound organizational and psychological principles. Hence it should be totally accepted as a style of managing and should be totally synthesized with the organizational climate. All personnel involved must have a clear understanding of their role, authority and expectations. The system should be absorbed totally by all members of the organization. 6.10

DELEGATION OF AUTHORITY

Delegation is the downward transfer of formal authority from one person to another. Superiors delegate authority to subordinates to facilitate the accomplishment of the assigned work. Delegation of authority becomes necessary as the organization grows. The chief executive cannot perform all the tasks of the organization himself and needs to share some of his duties with his immediate subordinates. This process continues until all activities are assigned to persons who are made responsible for performing them. 6.10.1 Principles for Delegation Delegation of authority should be effective and result-oriented. Some of the principles that serve as guidelines for effective delegation of authority are as follows: 1. Functional clarity. The functions to be performed, the methods of operations and the results expected must be clearly defined. The authority delegated must be adequate to ensure that these functions are well performed. 2.

Matching authority with responsibility. Authority and responsibility are highly

interconnected. For example, if a marketing manager is given the responsibility of increasing sales, he must have control over advertising budgets and the authority to

more capable sales people. Authority should be adequate and should not only match the duties to be performed but also the personal capabilities of the subordinate. 3. Unity of command. A subordinate should be responsible to only one superior who is delegating the authority to him in the first place. In this manner, the responsibility for mistakes or accomplishments is traceable and the chances of conflict or confusion are minimal. 4. Principle of communications. A misunderstood responsibility can be very dangerous. A general authority can be easily misused. Accordingly, both the responsibility and authority must be clearly specified, openly communicated and properly understood. The lines of communication must be continuously kept open for issuing directions as well as for receiving feedback. 5. Principle of management by exception. Management should

delegate the

authority and responsibility for routine operations and decision making to subordinates, but must retain such tasks for themselves for which they alone are uniquely qualified. On the other hand, the subordinates must make decisions and take actions wherever they can

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and should only refer matters of such nature to their superiors which are unique and outside their domain of authority. This practice saves valuable time of top management which can be utilized for more important policy matters. Also, by trying to solve most of the problems themselves, they get prepared for higher challenges and responsibilities. 6.11

PROCESS

OF

DELEGATION When

managers delegate, they set a four-step sequence of events in motion. These steps include: 6.11.1 Assignment of Tasks The first step in this process is to determine clearly what the subordinates are supposed to do. Then the capabilities of each

subordinate

should be considered to match them with the assigned duties. The tasks should be distributed in such a manner that the subordinates are not unnecessarily overburdened and that each one is capable of efficiently completing the assigned task. The total task can be divided into identifiable parts so that the manager can handle some parts himself and other parts can be given to skilled subordinates.

In

this way the coordination and supervision would become easier. 6.11.2 Delegation of Decision-making Authority The second step is to give authority to subordinates to make and implement decisions regarding procurement of resources and supervision of activities that are relevant to the duties assigned to them. This authority must be clearly stated, and if possible in writing, so that there is no ambiguity regarding making necessary decisions. The authority should also be related to tasks so that if the tasks change, so would the authority. Any matters or decisions that do not fall within the domain of delegated authority must be referred to the superiors. 6.11.3 Creation of Obligation The third step is the creation of obligation on the part of the subordinates to perform their duties satisfactorily. The person assigned the task is morally responsible to do his best since

be

has willingly accepted these tasks. Obligation is a personal concern for the task. Even if the subordinate gets part of the task done through other people, he must accept responsibility for timely completion of the task as well as the quality of the output. 6.11.4 Creation of Accountability Being answerable for your actions creates accountability, an obligation to accept the consequences, good or bad. According to Newman, Summer and Warren, 'by accepting an assignment, a subordinate in effect gives his superiors a promise to do his best in carrying out his duties. Having taken a job, he is morally bound to complete it. He can be held accountable for results.' 6.12

ADVANTAGES

OF DELEGATION When used properly, delegation of authority to subordinates offers several important advantages. Some of these are: 6.12.1 It Results in Quick Decisions Since the power to make decisions is delegated, decisions can be made right away at or near the centre of operations as soon as a deviation occurs or the situation demands. This saves a lot of time

as

the matters do not have to be referred

to higher-ups,

briefed about the situation and waiting for their decisions. 6.12.2 It Gives Executives more Time for Strategic Planning and Policy Making Since the central management is not involved in day-to-day decisions, it can concentrate on meeting broad and unique challenges and opportunities. Also, since the higher level

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management may not have the necessary technical skills to make lower level technical decisions, such decisions are more productive if taken at the lower level. The higher level management has better skills in strategic planning and hence they will have more time on their hands to utilize their skills more effectively. 6.12.3 It is a Motivational Factor Subordinates usually respond to delegated authority with

a

favourable attitude. They become more responsible and more dedicated to their work and feel proud of being given such authority and responsibility. This in turn boosts their morale. On the other hand, if the lower level managers do not have the authority to act and make decisions even when they are competent to do so, it might give them a feeling of insecurity and incompetence. 6.12.4 It can be a Training Ground for Executive Ability Subordinates, when given control over the problems they face, are able to analyze the situation and make decisions accordingly. This continuous involvement prepares them for problem solving when they reach a higher executive level. This process will also screen out those from the executive level who have proved to be less successful in handling problems at the lower level. 6.13

PROBLEMS WITH DELEGATION One of the major problems with delegation of authority is that the central management is far removed from the actual operations where the decisions are made so that it becomes difficult to identify major problems when they occur because decisions are made by many subordinates. The second problem may lie in the area of coordination. If coordination among these subordinates is not

good, it would lead to confusion

and it may become difficult to exercise control over procedures and policies. Finally, it may be difficult to perfectly match the task with the capability of the subordinate. 6.13.1 Personal Factors as Barriers to Delegation Even though delegation of authority has some definite advantages and may even

be necessary for optimal organizational operations, some managers are very reluctant to delegate authority and many subordinates avoid taking on the authority and the responsibility that goes with it. The general causes for such reluctance are based upon certain beliefs and attitudes which are personal and behavioural in nature. 6.13.2 Reluctance of Executives Eugene Raudsepp has listed several reasons as to why managers are sometimes unwilling to delegate. Some of these reasons are: 1. An executive may believe that

he can do his work better than his subordinates or that his subordinates are not capable enough. Delegation may require a lot of time in explaining the task and the responsibility to the subordinate and the manager may not have the patience to explain, supervise and correct any mistakes. For example, many professors type their own technical papers and exams rather than give

it

to the secretary who may not be technically oriented and thus explaining it to her would be time consuming. 2. A manager may lack confidence and trust in his subordinates. Since the manager is responsible for the actions of his subordinates, he may not be willing to take chances with the subordinates, in case the job is not done right. 3. Some managers lack the ability to direct their subordinates. They may not be good in organizing their thoughts as well as their activities and thus may not know what to do after delegation in order to help the subordinates to complete the task. 4. Some managers feel very insecure in delegating authority, especially when the subordinate is capable of doing the job better. The manager, in such a situation, may fear

competition from his subordinate and even a loss of power.

CHECK YOUR PROGRESS 8. Is delegation of authority down to the lowest levels, a good idea? If it is a good idea, then why has it not been extensively adopted by Indian organizations? 9. What are the possible problems with delegation in the Indian context?

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Self-Instructional Material Organizing–II NOTES 5.

A manager may fear being labelled as 'lazy', if he delegates most of his tasks. Everybody wants to at least 'look busy', which is not possible if they have delegated most of their work. Accordingly, they may be reluctant to do 'less' themselves so that they create the impression of 'hard working executives'. 6.

An executive may be reluctant to delegate if he believes that the control system is not adequate in providing early warning of problems and difficulties that may arise in the delegated duties, thus delaying the corrective decisions and actions. 6.13.3 Reluctance of Subordinates While delegation of authority can be a highly motivating factor for some subordinates, others may be reluctant to accept it for the following reasons. 1. Many subordinates are reluctant to accept authority and make decisions for fear that they would be criticized or dismissed for making wrong decisions. This is specially true in situations where a subordinate had made a mistake earlier. 2. The subordinates may not be given sufficient incentives for assuming extra responsibility which could mean working harder under pressure. Accordingly, in the absence of adequate compensation in the form of higher salary or promotional opportunities, a subordinate may avoid additional responsibility and authority. 3. A subordinate may lack self-confidence in doing

a
job and may fear that the supervisor will not be available for guidance once the delegation is accepted and this may make him feel uncomfortable with additional tasks. 4. Some subordinates hesitate to accept new and added assignments when there is a lack of necessary information and when the available resources are not adequate or proper. 6.14 OVERCOMING OBSTACLES Since delegation results in several organizational benefits, it becomes necessary for the management to remove any barriers to effective delegation. In addition to taking some specific actions, Koontz and O'Donnell believe that management should possess such characteristics as willingness to seriously consider the ideas of others; trust in the ability of the subordinates; and giving them the freedom to make decisions. They should encourage subordinates to take calculated risks, make acceptable mistakes and learn from them. Accordingly, management may initiate some of the following steps: 6.14.1 Delegation to be Complete and Clearly Understood The subordinate must know precisely what he has to know and do. It should preferably be in writing with specific instructions so that the subordinate does not repeatedly refer problems to the manager for his opinion or decision. 6.14.2 Proper Selection and Training The management must make

a
proper assessment of subordinates in terms of their abilities and limitations before delegating the proper authority. Additionally, management must work closely with the subordinates in training them in how to improve their job performance. This constant communication will build the self-confidence of the subordinates. 6.14.3 Motivation of Subordinates Management must remain sensitive to the needs and goals of subordinates. The challenge of added responsibility in itself may not be a sufficient motivator. Accordingly, adequate incentives in the form of promotion, status, better working conditions or additional bonuses must be provided for additional responsibilities well performed. Self-Instructional Material 103 Organizing—II NOTES 6.14.4 Tolerance with Subordinate's Mistakes The subordinates may not be as experienced as the managers in making objective judgments so that it is quite possible that they will make mistakes in the process. Unless these mistakes are serious in nature or occur repeatedly, management should not severely penalize subordinates but should encourage them to learn from their mistakes. They should be allowed to develop their own solutions and be given sufficient freedom in accomplishing delegated tasks. 6.14.5 Establishment of Adequate Controls If there are adequate check points and controls built in the system, such as weekly reports, then managers will not be continuously spending time in checking the performance and progress of subordinates and concerns about their performance will be reduced. 6.15

CENTRALIZATION VERSUS DECENTRALIZATION 'Centralization' means that the authority for most decisions is concentrated at the top of the managerial hierarchy and 'decentralization' requires such authority to be dispersed by extension and delegation through all levels of management. There are advantages as well as disadvantages of both types of structures and the organizational structure would determine the degree of centralization or decentralization. A pure form of centralization is not practical, except in small companies, and pure form of decentralization almost never exists. As organizations grow bigger by expansion, mergers or acquisitions, decentralization becomes both necessary as well as practical. If an automobiles manufacturing company acquires a company which makes refrigerators, then decentralization would be the natural outcome since policies and decisions in these two areas may not be similar. The important question is not whether there should be decentralization, but decentralization to what degree? In addition to decentralization being logistically superior in most situations, it is also advocated by many behavioural scientists as being more democratic. Secondly, if all decisions are made at the top, then the lower organizational members end up only as workers and not as innovators or thinkers and it inhibits their growth and development. On the other hand, decentralization tends to create a climate whereby by taking additional responsibilities and challenges, the organizational members receive executive training for growth and development.

Whether centralization or decentralization would be more effective would depend upon the organizational structure and situational factors. Studies have isolated certain variables as being primary in determining the need for a centralized or a decentralized structure. Some of these variables are:

6.15.1 Mission, Goals and Objectives of the Organization Certain types of organizations such as universities and hospitals have a democratic power sharing structure and hence a decentralized form. On the other hand, the goals and purposes of small businesses such as a restaurant and small scale industries would require a more centralized structure.

6.15.2 Size and Complexity of the Organization Large organizations with diverse product lines and conglomerates with companies involved in different fields would find decentralization to be more effective due to limitations in managerial expertise as well as increased executive workload in centralized large organizations.

6.15.3 Locations of Target Market If the customers of an organization are located far apart, then decentralization would be more applicable since, the appropriate management resources would be placed close to the customers allowing quicker decisions and faster customer service.

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Self-Instructional Material Organizing–II NOTES 6.15.4

6.15.4 Competency of Top Level Management If the top level managers are more knowledgeable and highly experienced as compared to lower level subordinates, then the tendency of the organizations would be towards consolidation of decision making power at the central management level.

6.15.5 Competency of Subordinates The prerequisite of effective decentralization is the availability of trained, experienced and knowledgeable subordinates who can be entrusted to evaluate the situation objectively and make necessary decisions. If subordinates are not sufficiently trained in this area, then decentralization would not

be

advisable.

6.15.6

6.15.6 Desirability of Creativity in the Organization Donald Harper suggests decentralization if creativity within the organization is desirable and necessary. It gives the subordinates freedom to be innovative and find better ways of doing things. This freedom is a highly motivational factor which encourages creativity.

6.15.7 Time Frame of Decisions The time frame for making decisions is different in different situations. For example, an airline pilot has to make decisions in a much shorter time frame than a committee establishing long range planning policies. Wherever

quick

on-the-spot decisions have to be made, the authority to make them must be delegated, thus encouraging decentralization. It is understood that such subordinates are properly trained to make such decisions before the authority is delegated. In addition, the significance of the decisions is an equally important consideration. Major policy decisions may have to be referred to the central management even if the time frame is very short. For example, allowing a hostile airplane

to make an

emergency landing may or may not be within the authority of the air controllers.

6.15.8 Adequacy of Communication System

If the communication system provides for speedy and accurate transfer of information for decision-making then centralization could be more effective. Fast computers, tele-communication systems and data processing systems have made it possible to make quick

decisions and hence the argument for centralization.

6.15.9 Types of Tasks Certain tasks require so much coordination and precise integration of activities that it is more effective if it is done from the central point, such as in production control or central purchasing. Other tasks tend to be more independent, such as sales and these can be decentralized.

6.15.10 Existence of Standing Plans If a description of clear-cut goals and objectives and precise structured procedures and plans for solving routine problems and making certain situational and operational decisions exists, then the outcomes of the subordinate's decisions can be easily predicted and hence decentralization would be

more effective.

6.15.11 External Factors Certain policies and activities that deal with the external environment must remain the prerogative of central management. These policies relate to dealing with labour unions, community officials, lobbying with the government and legislature, and matters relating to national defence contracts and so on. These factors necessitate centralization.

Self-Instructional Material 105 Organizing–II NOTES 6.16

ADVANTAGES OF CENTRALIZATION The following advantages are claimed for centralization. 1. It is a means for adopting and enforcing uniform policies and it achieves coordination and conformity since all decisions are made at one central point. 2. The quality of the decisions is expected to be higher since the top management, which makes such decisions is

much more experienced and knowledgeable about organizational problems and situations than the subordinates who are still 'going through the mill.' Also, decisions made by subordinates in decentralization may not be optimal for the entire organization since the subordinates lack the wider perspective of the needs and issues of the organization as a whole and tend to concentrate on the optimality of their own units. 3. Centralization makes it easier to achieve balance among the activities of different departments and functional areas. If the departments of production, marketing and finance, each went its own way, then each would try to make decisions that would be beneficial to its own department, even at the cost of other departments. This would be harmful to the organization as a whole. The centralized system looks at these different sub-units as parts of the whole and relates these sub-units to each other so as to maximize the total benefits. 4. Centralization results in the optimal utilization of human and physical resources. One of the disadvantages of divisionalization and decentralization is the duplication of efforts and resources for similar activities being conducted by different sectors of the organization. For example, General Motors has five divisions with each division having its own executives and separate research facilities which would be combined under centralization. 5. Central management is better equipped to handle any emergencies that might affect all the units of the organization. This emergency may be related to policy matters or operational matters. This may be a breakthrough in technology or a sudden change in the tactics of competitors. For example, if one airline suddenly and drastically reduces the air fares,

other airlines must follow immediately to keep their market share. This can only be effectively done through central management. 6. Centralization provides for the services of staff specialists in those areas where they are needed. Different units of the same organization independently would not have the resources to provide for specialized services. 7. Centralization can be highly motivating and morale boosting for executives. It is better to be an important executive of the whole organization than only of one unit. It provides prestige and power which strengthens the self-confidence which in turn would be useful in decision-making at time of a crisis.

6.17 ADVANTAGES OF DECENTRALIZATION The following advantages are claimed for decentralization. 1. It relieves the top executive from excessive work load, since in decentralization, most of the routine managerial responsibilities are delegated to subordinates. This gives the central management more time to concentrate on

such tasks as planning, coordination and policy making, control. 2. It provides the foundation for the development of future executives. The more responsibility is given to subordinates, the more experience they will gain thus preparing them for higher positions. This makes promotions from within more desirable because these newly promoted managers would be much more familiar with the organizational problems and aspects.

CHECK YOUR PROGRESS 10. Under what circumstances is centralization better than decentralization? Explain.

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Self-Instructional Material Organizing–II NOTES 3.

Decentralization is highly motivational for subordinates because it gives them the freedom to act and to make decisions. It gives them a feeling of status and recognition which results in a feeling of dedication, commitment and belonging. The behavioural scientists argue that such commitment leads to higher productivity. 4. Decentralization leads to prompt actions and quick decisions, since the matters do not have to be referred to the higher-ups and spending time for their guidance, approvals or decisions. Also, the supervisors are much closer to the points of operations and are in a position to know the problems more accurately and are more likely to make the right decisions. 5. Decentralization results in effective control over operations and processes. In decentralization, the responsibility is much more specific and any mistakes are easily traceable. This makes accountability much more clear-cut and hence controls much more effective. It makes

the managers of the units much more conscious of their duties resulting in higher productivity. It can be seen that decentralization is advantageous in most situations and unavoidable in large diversified organizations. To make decentralization more effective, its concept that it does not mean total autonomy but only operational independence and that

the unit managers are responsible to the central management for their actions and results must be understood.

Perhaps, the best form of decentralization would be 'centralized control with decentralized responsibilities.' 6.18 SUMMARY ?

In order to ensure orderly operations, it is necessary to have an adequate structure of the organization where each person knows his role, his duties and his responsibilities. ?

A good organizational structure is needed so that activities of all individuals are coordinated and

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the optimum use of human skill and efforts is achieved. ?

The organizational structure is designed both from mechanistic as well as humanistic points of view and the structure depends on the extent to which it is rigid or flexible. ?

Good organizational structure is a function of a number of factors including the environment, technology, size of the organization and its life cycle. ?

There are various types of organizational structures and

depending upon the type of the organization and the philosophy of operations, managers can select any one of the various structured designs available. These include the line structure

and the line and staff structure. ?

Departmentation is the

process of grouping related work activities into manageable work units with some logical arrangement. ?

Management by objectives (MBO) is an idea advocated by Peter Drucker.

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It is a process by which manager and subordinates work together, in identifying goals and setting up objectives and make plans together in order to achieve

the objectives. ?

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Delegation is the downward transfer of formal authority from one person to another.

Decision-making is confined to those who are most familiar with the situation and are capable of handling such situations. This process is known as decentralization where the power to make decisions is concentrated in the hands of the top management, it is known as centralization. 6.19 ANSWERS TO 'CHECK YOUR PROGRESS' 1. A good

organizational structure is one where all duties are clearly defined, the reporting relationships are clearly established and each person in the organization knows his role

Self-Instructional Material 107 Organizing—II NOTES and his position in the hierarchy.

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The activities of all individuals are coordinated and integrated into a common pattern in order to achieve the organizational objectives.

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W

A good organization assigns the right person to the right job and this avoids misapplication of human resources, resulting in optimal utilization of human efforts.

A small organization does not need an elaborate structure. An organization with only line functions may operate more informally without any formal structure. All small businesses such as restaurants, retail stores, travel agencies etc. do not have organizational structures which are necessary in comparatively larger organizations. 2. The tendency in America is towards organic organizational structures where participative management style is practised. These are successful organizations because the workers are better educated and it has been established that behavioral style of management is better for productivity. The manager uses Theory Y assumptions that workers are eager to work and are knowledgeable enough to need little supervision. They consider themselves as part of the work family and integrate their personal goals with the organizational goals. They are given sufficient financial benefits as well as participation in joint decision making. The authority is delegated down to the operative level and workers feel good about their increased responsibility. India is a different kind of case. The workers are still working for their basic needs and they work under strict directions. They are not well educated and the managers operate under Theory X assumptions. Their motivation is limited to making a living and there is no concern for higher level needs in Maslow model of hierarchical needs. Since their livelihood depends on the quality of work and firing of workers is not uncommon, they work to the best of their ability. This is true even at the middle management level. That is one reason why, Indian organizations, which work in autocratic style of leadership are equally successful. 3. When designing effective organizational structures, the following factors are to be considered. (a) Environment. Organizations are open systems, which continuously interact with outside environment. The structure must be strong enough to handle volatility in the environment and must take into consideration the global nature of businesses. (b) Technology. Technology is changing at a very fast pace. When the technology required is complex, that needs high interdependence among members of the workforce, an organic type of structure will be more effective. (c) Size. The size of the organization has to be considered when designing an effective organizational structure. As an organization grows in size, it increases the number of functional departments, number of managerial levels, number of employees with diversified responsibilities resulting in increase in the degree of coordination required among members, and this would necessitate the structure along mechanistic lines. (d) Life cycle. An organization does not expand before acquiring the necessary resources and the infrastructure for such an expansion. The life cycle for an organization is similar to a product life cycle, in terms of birth, growth, maturity and decline. An effective organization makes necessary changes in its structure as per the life cycle of the organization. 4.

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W

Line structure is the simplest form of an organization and is most common among small companies.

The authority flows from top to bottom and

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W

the owner of the company may also be the manager of the company. The structure is simple and the authority and responsibilities are clear cut.

There is no provision for specialists and growth and expansion is limited. Take the case of a restaurant, which is a small business. The owner may be the manager himself. Even when a manager is hired, he does what he is told to do. Under the manager are the cooks and the waitresses. They must do what is required of them, and they do it day in and day out. The line and staff organization on the other hand, is a line structure with the addition of specialists. This

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type of structure uses the expertise of specialists without diluting the unity of command. The

staff is primarily in an advisory capacity and does not directly get involved in the line functions. As the companies grow larger, pure line structure becomes inadequate. A larger organization might need legal staff or public relations officer and both of these are staff functions. An example would be a restaurant expanding into a chain of restaurants. 5. (a) Departmentation by-product is more useful when the organization is multi-line and each line is fairly autonomous. For example, Ford Motor Company has two major divisions by-product. One is Lincoln-Mercury and the other is Ford itself. All Ford models are under a different vice-president and so are Lincoln-Mercury models. These types of structures are considered most suitable where an organization has many product lines and product managers assume responsibility for production and distribution of the product. (b) A customer divisional structure is designed on the basis of the types of customers served. Each customer-based unit focuses on meeting the needs of a specific group

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of customers. Thus the customers are the key to the way the activities are grouped. For example, many banks have

special sections to serve priority customers who deposit large sums of money. Similarly, stock brokerage houses assign different service specialists to different types of customers. (c) A geographic structure is more useful when an organization serves different geographical areas. Each geographic division is responsible for distributing products or services within a specific geographic region.

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Such divisional structures are especially useful for large-scale enterprises which are geographically spread out.

This is especially true about multinational companies. The organization focuses on meeting the specific needs of the customers of the given geographical region. 6. Management by Objectives (MBO) was heralded as a major breakthrough in creating successful organizations. Peter Drucker who coined this word believed that if the goals were jointly set by superiors and subordinates then everyone would try hard to meet those goals, as compared to goals thrust upon subordinates by superiors. Both the managers and the subordinates know what they are supposed to do and hence there is no role ambiguity or confusion. There is a sense of togetherness and the subordinates feel highly motivated since they become a part of the decision making process. However, soon it was realized that not all subordinates are capable of making overall decisions. Furthermore, the managers felt that while they had gone through the mill to learn all the ropes, the subordinates were getting the same attention without undergoing the training and this proved to be de-motivating. The process has been modified so that joint goal setting is done at different levels. In this way only one level of superiors and subordinates sets goals for its operations. 7. The following suggestions can be made for improving the effectiveness of MBO process. (a) Secure the top management support and commitment to the cause of introducing MBO. (b) The goals should continue to be set jointly, but these should be realistic and achievable with the resources available. (c) MBO should be the overall philosophy of management rather than restricted to certain managerial levels. (d) There must be sufficient flexibility to make changes as the environment changes occur.

Self-Instructional Material 109 Organizing–II NOTES (e) All personnel involved must be given proper understanding and an appreciation of the process. 8. Delegation of authority to the lowest levels is considered to be a good idea. For one, those at the actual theatre of operations know much more about the type of problems occurring there and can make fast decisions to correct such problems. Waiting to get permission from the chain of command could easily convert a problem into a catastrophe. Some of the other advantages of delegation are: (a) It gives executives more time for strategic planning. (b) When subordinates at the lower level are given the decision making authority, they are highly motivated by the fact that they are trusted with such authority. (c) It can be a training ground for executive ability. In the present Indian industrial environment, delegation of authority would not work. This has to do with culture. The work force is not well educated. Managers work under Theory X assumptions. Top positions are still controlled by family members of the founder. Sharing of power means dilution of power at the top and this would not be acceptable to the top management. Top managers usually sit in ivory towers and issue directions. There is not much tolerance for wrong decisions at the lower level. Power is so concentrated at the top that many a time to transfer a policeman to a different location might need the permission of central management. In the 1980s, some officers were transferred to distant locations by ministers of the central government. 9. The possible problems with delegation within Indian context are more generic in nature. In addition to the above explanation, some other problems could be: (a) An executive may believe that he can do the work better than his subordinates. (b)

A manager may lack confidence and trust in his subordinates. (

c) Some managers do not know how to direct the efforts of the subordinates effectively. (d) The manager would feel insecure and jealous if his subordinate was more capable than him. (e) Since the ultimate accountability lies with the manager, he might not feel comfortable with the control system in place in case of mistakes made by subordinates. (f) The social differences between the managers and subordinates are such that the managers do not feel comfortable in socializing with subordinates even in work settings. 10. Centralization is better under the following circumstances. (a) When the organization is small and decisions must be made by the owner/ manager. (b) When the top level management is much more competent than the subordinates. (c) When the environment is stable and decisions do not have to be made fast (d) When the communication system is speedy so that any decisions made at the top are acted upon soon enough (e) When dealing with external constituencies such as government, community officials, labour unions or political lobbying (f) When a balance is required among the activities of different departments and different functional areas. Otherwise each department would only protect its own interests.

110 Self-Instructional Material Organizing–II NOTES 6.20 EXERCISES AND QUESTIONS Short-Answer Questions 1. Why is a good organizational structure necessary? Explain. 2. Differentiate between line structure and line and staff structure. What benefit is gained by adding staff to line? 3. Describe briefly what you understand by Management by Objectives (MBO). Is it applicable in the Indian organizational environment? 4. Under what circumstances should authority be delegated? 5. What are the possible problems with delegation of authority in the Indian context? Long-Answer Questions

1. What are the benefits of a good organizational structure? 2. Is delegation of authority desirable? What advantages accrue from delegation of authority? 3. What are the various benefits of a good organizational structure? 4. Differentiate between centralization and decentralization. Discuss the advantages of each. 5. Differentiate between mechanistic and organic structures. Which one is more suitable for a medium type organization in India? 6. What are the various problems with delegation of authority? What steps would you take to address these problems? 7. What suggestions would you give for improving the effectiveness of MBO concept? 6.21 FURTHER READING 1. Robbins Stephen P., Management; Prentice Hall, 1991. 2. Kreitner Robert, Management; Houghton Mifflin Company, 1995. 3. Bedeian Arthur and Raymond Zamnuto, Organization: Theory and Design; Dryden Press, 1991. 4. Daft Richard L., Organization Theory and Design; West Publishing Company, 1995. 5. Griffin Ricky W., Management; Houghton Mifflin Company, 1993.

Self-Instructional Material 111 Staffing NOTES UNIT 7 STAFFING Structure 7.0 Introduction 7.1 Unit Objectives 7.2 The Staffing Function 7.3 Forecasting 7.4 The Staffing Process 7.5 Selection 7.6 Performance Appraisal 7.7 Performance Appraisal Methods 7.8 Summary 7.9 Answers to 'Check Your Progress' 7.10 Exercises and Questions 7.11 Further Reading 7.0

INTRODUCTION The staffing function, which is the process of providing qualified personnel to the various activities of the organization, is handled by the personnel department. It is a process through which managers recruit, select, train and develop organization members at all levels of the hierarchy.

Several trends, such as global competition, technological dynamics, increasingly knowledgeable and sophisticated customers and more educated workforce have led companies to organize their manpower more responsively. To keep the organization well-staffed with suitable personnel, it is necessary to forecast the needs of the organization. It is equally necessary to forecast the supply of manpower to fulfill such needs. In order to recruit the right people, the jobs must be fully described and the persons suitable for such jobs can be recruited either internally or from external sources. In order to make sure that the workers continue to adapt to changing environments, especially in technology, their performance has to be routinely appraised and evaluated. There are various methods for such performance evaluation, both traditional as well as modern. Management by Objectives requires that performance appraisal methods is mutually agreed upon by superiors and subordinates so that such methods become acceptable to all. 7.1

UNIT OBJECTIVES ? Describing some of

the factors that have an impact on personnel decisions and policies. ? Understanding the need for forecasting demand and potential supply of human resources in the staffing planning process. ? Explaining the steps in the function of staffing. ? Listing the sources, both internal as well as external, from where the staff can be recruited. ? Describing the processes by which organizations select and match candidates with the jobs and select the right personnel.

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Self-Instructional Material Staffing NOTES ? Understanding

how fair performance appraisal methods can be used to monitor the development of human resources. 7.2

THE STAFFING FUNCTION

A number of factors contribute towards the success of an enterprise. These factors include capital, equipment, and

manpower. While these factors are important, the human factor is the most significant one, since it is the people who have to use all other resources. Without the productive efforts of its workers, the materials and resources would be of no use. Also if the people who are in charge of these resources are not sufficiently qualified, then the utilization of these resources would not be optimum. Accordingly, the staffing function of management is a very significant one, specially in light of continuous and dynamic developments in the field of technology, increase in the size of organizations due to expansion, acquisitions, and mergers and due to changes in the social structure which makes the group behaviour of the workers more complicated.

Staffing

is the traditional management function of attraction and selection of the best

people

and putting them on jobs where their talents and skills can be best utilized, and retention of these people through incentives, job training and job enrichment programmes, in order to achieve both individual and organizational objectives. This emphasizes managing human and not material or financial resources. This function is becoming extremely specialized due to

the unique importance and complexity of human nature and its ever-changing psychology, behaviour and attitudes.

The staffing function is generally handled by the

Personnel

Department where the Personnel Management is concerned with 'planning, organizing, directing, and controlling of the procurement, development, compensation and integration of people into the system for the purpose of contributing to organizational, individual and social goals.'

The Personnel Management is a continuous phenomenon and requires a constant alertness and awareness of the organizational needs and the personnel policies should be such that there is a continuous monitoring of the system, since the unanticipated shortages or excess of qualified people in any organization signal a defect in the planning system. Also, personnel policies and decisions are constantly changing due to following considerations. 1.

The social and legal pressure is high to increase the proportion of minority workers. This may sometimes result in less than optimal compatibility of job and the worker. 2.

Affirmative action. Some organizations are obliged to give special considerations to minorities including women workers in order to compensate for past discriminations against them. This has been a result of special upheaval against a male-dominated society and businesses where women and minorities were not treated equally. This affirmative action may require more pre-assigned jobs for minorities and women, faster promotions and lowering of performance appraisal standards for them. In India, for example, persons of the scheduled caste have reserved seats in most medical colleges and other professional universities and in many government jobs to compensate for the discrimination that they have suffered over many years. 3. There is a change in the workers' perception of success. Where success always meant a job with good pay, now it is more and more measured by the degree of challenge that it offers, new opportunities and job enrichment and self-fulfilment. 4. The number of people who prefer to work only part-time is increasing. Even the full-time workers are trying to get shorter work week hours so that they can have more leisure time. 5. Education level of the work force is rising. This also applies to blue collar workers due to compulsory education to a certain age as well as social awareness about the benefits of a good education.

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There is a shift towards more skilled jobs. Due to

the advent of mechanization and specialization and technological innovations, the number of unskilled jobs have steadily decreased giving rise to more skilled jobs that require training and adaptation. 7.

Labour unions are becoming stronger and highly protective of the work force. The objectives of the unions are to protect their workers from discriminatory treatment; increase their pay and fringe benefits; improve their working conditions; and help all employees in general.

Accordingly, Personnel Management policies are affected by the union's objectives and goals. 8. Social and technological changes are taking place all the time.

Social values are constantly changing due to amalgamation of many cultures and ideologies and emphasis on rationalization and objective thinking rather than adherence to traditional social values. Similarly, automation and computerization in industries have changed the requirements of jobs and employees.

This has led to a continuous monitoring of job descriptions and policies about personnel requirements. Since a number of factors affect the formulation and execution of personnel policies, it is important that these policies be based upon sound principles which would ensure that equality and justice are accorded to all employees, 'a fair day's pay for a fair day's work' is adopted and opportunities are offered to all employees for job satisfaction and job enrichment.

Characteristics of a Sound Personnel Policy Programme 1. The policy statement should be clear and easily understood so that what it proposes to achieve is evident. 2.

It should be formulated after careful consideration, discussion and review and preserved in writing in order to provide a definitive meaning to policies and procedures. 3. It should be reasonably stable, continuously monitored and periodically reviewed and revised so as to adjust to the changing social, legal and technical environment and the changing constitution of the work force. 4. It must be consistent with the missions and general goals of the organization without violating the individual goals and objectives so that due regard is given to all concerned parties—the employers, the employees, the government and the community. 5. The policies should have the full support of all employees and be preferably evolved after full consultations with the trade unions so that the interests of the union members are inherently protected. 6. It should provide for a two-way communication so that the employees are informed of any developments in the organization and the management gets the necessary feedback. 7. It must make a measurable impact on the process of recruitment, retention and retirement which can be evaluated and qualified. 7.3

FORECASTING

Human resource planning involves objective and systematic assessment of present staffing needs of an organization, identifying the available personnel to satisfy the current needs, forecasting the future demand and supply of employees, formulating staffing strategies with a view to both short range as well as long range strategic plans and continuously monitoring, evaluating and updating these needs and resources of supply. In today's complex organizational structure, operating in highly involved and complex economic, political, socio-cultural and technical environment, the most suitable employees are becoming more and more crucial and indispensable assets for effective performance.

CHECK YOUR PROGRESS 1. Is the staffing function any different today than it was, say, 40 years ago? If so, what changes have been brought about in this function?

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As a result the price of poor staffing will be very high requiring improved manpower planning as an economic necessity. Human resource planning is important in providing the following direct benefits to the organizations. 1. It improves the utilization of human resources by helping the management forecast the recruitment needs in terms of both numbers as well as the types of skills required and develop ways to avoid or correct problems before they become serious and disrupt operations. 2. It helps focus the recruitment efforts on the most likely sources of supply. This will cut down the total costs of hiring and training personnel and reduce costs associated with hiring mistakes. 3. It makes provisions for replacement or back-up staff from either inside or outside the organization whenever the need arises either on a temporary or permanent basis. These available sources of supply are important to identify specially in the case of emergencies. 4. It helps achieve an integration of personnel plans with other operating as well as strategic plans by making available the personnel management information base to other organizational activities. 7.3.1

Forecasting Manpower Needs Manpower forecasting is defined as, 'the process of collecting and analyzing information to determine the future supply of, and demand for, any given skill or job category.' The primary purpose for manpower forecasting is to prepare for employment, training and development and proper use of human resources. Forecasting has become very important due to complexity of organizations requiring more skilled personnel which are in short supply. In addition to assessing the current situation relevant to personnel, in the organization, an effective human resource planning programme takes into consideration the future needs and trends in both job and personnel availability. This would require reliable forecasting of both demand and supply. The key to any forecasting procedure is to determine what causes things to happen the way they do. If we could know what

determines the supply and demand for people, we can predict the needs, making the planning for changes in personnel easier. Methods of Forecasting 1. Opinion of expert forecasters. The expert forecasters are those who are knowledgeable to estimate future human resource needs. These may be the personnel managers or the outside consultants who are asked to assess the future needs. These forecasts can be further sophisticated by using the 'Delphi Technique', where the experts are anonymously surveyed, their opinions refined, and these opinions sent back to experts for further evaluation. The process is repeated until a consensus is reached. 2. Trend projection forecasts. The past trends in the employee needs can be projected into the future. One method used is known as extrapolation where, if the past trend is linear in nature, it can simply be extended into the future. For example, if in the past the company has been consistently growing, requiring on the average 10 additional workers per month, then by extrapolation, our future needs will be 120 workers per year. Another method of trend projection is known as "Indexation." This method relies upon matching employment growth with some index. For example, the growth in the number of employees in the production area may be tied in with the volume of sales, so that for a certain increase in sales, there is a corresponding increase in the number of employees in production.

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Both these methods of extrapolation and indexation are simple and appropriate. However, in long range human resources projection, more sophisticated statistical analysis techniques are available and employed, taking into consideration external, organizational and work force factors, which may not remain constant from time to time. 3.

Other forecasting

techniques. Some of the other forecasting methods include: (a) Budget and planning analysis. The short term human resource needs can be estimated by looking into the departmental budgets and financial allocations for more employees as well as any anticipated changes in the workforce like terminations, resignations, promotions, transfers, etc. (b) New venture analysis. The human resources needs for new ventures or organizational expansion can be calculated by comparison with similar operating functions. The growth of the new venture can also be established by past trends of similar operating companies. (c) Computer models. These are most sophisticated approaches involving solutions of mathematical formulae and equations, taking into consideration the relationship and effect of all relevant variables and simultaneously using extrapolation, indexation, survey results and other estimates. The factors to be considered for forecasting demand and supply are as follows: 7.3.2 Forecasting Demand (a)

Anticipated growth of the organization. This growth rate can be calculated from the past trends on the assumption that all variables affecting this growth will remain constant. (

b)

Budget constraints and allocations. The budget allocation specifically for the purpose of new employees will determine the number of new workers that can be hired, thus putting a ceiling on the maximum number. (

c)

Anticipated turnover in personnel due to retirement, death, transfers, termination of service, promotions, etc. Some of these can be anticipated or calculated to some extent accurately in advance by taking information about individuals, specially the loss due to retirement and promotion can be calculated quite accurately by preparing a retirement and promotion or transfer profile. This makes the projection of future demand easier and more accurate. (d) Introduction of new technology. With continuous technological developments, innovation and automation, the personnel needs are constantly changing. At many places, computers are either replacing workers or reducing their numbers. The type of new technology introduced would determine the number as well as qualifications of the people that may be hired or transferred. (

e)
Minority hiring goals. The goals established by the organization about hiring minorities or the handicapped, as a part of the affirmative action policies may affect the demand for the total number of employees, specially when it is difficult to match the skilled, semi-skilled or unskilled minority workers to the specific job requirements. 7.3.3 Forecasting Supply (

a)
Promotions of employees from within the organization. Promotions are a good and a reliable source of supply of experienced and skilled personnel, who do not need to be extensively trained and who are also familiar with the organizational goals, policies, and philosophy. (b) Availability of required talent in the external labour market. This may be assessed by unemployment figures, a survey of private and public employment agencies and other sources.

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Competition for talent within the industry. If the competition is very tough then it will be more difficult to tap the supply and the cost of additional workers will become very high. Conversely, if the need for a particular talent is not very high in the competitive industry, then the supply will remain flexible. (d) Population movement trends. The demographical changes will also affect the sources of supply. For example, if there is a tendency for people to move from rural areas to urban areas then the supply in the rural areas will dry up. Similarly, most new immigrants from outside have a tendency to settle in cities, thus increasing the supply in the urban areas. (e) Enrolment trends in vocational schools and colleges and universities. If there is a marked increase in the number of students in training programmes as well as in colleges, it will improve the supply of skilled personnel and personnel with specialized educational backgrounds. On the other hand, due to high cost of education, there may be a decline in college enrolment, signifying a trend in scarcity of educated people. This forecasting of supply and demand of human resources should result in the preparation of a detailed file on future staffing needs. 7.4 THE

STAFFING PROCESS

The staffing function consists of the following sequential steps: Step 1. Analyze the job by preparing

a
job description, job specification and job analysis. Step 2. Actual recruitment. This would explore all the internal and external sources from where the required personnel can be recruited. Step 3. Employee selection. This crucial step involves using such techniques as would identify and isolate suitable people who would eventually be selected. Step 4. Retention. When the right people have been hired, they must be retained so that they stay with the organization for a long time. This step discusses such factors that are influential in maintaining the work force. Step 5. Training and development. This consists of all such programmes that assist in continuous growth and development of employees. Step 6. Performance appraisal and career development. This step involves devising methods that would judge an employee's performance over a period of time and providing opportunities to employees to develop their careers and managerial talents.

All these steps are discussed below. 7.4.1

Job Analysis Job analysis is

an orderly study of job requirements and involves systematic investigation relating to the operations and responsibilities including knowledge, skills and abilities required for the successful performance of a job.

The process of job analysis provides the following information. (

a)

Work activities. Exactly what is being done and achieved including processes and procedures used. (b) Job context. This specifies the working conditions, including physical setting, supervision, work schedule, incentives and motivations, social environment of work place, job hazards or any other discomforts. (c) What equipment, tools or machines are used. Is it dealing with plastics, metals etc.? Is it using milling machines, punch presses etc.?

CHECK YOUR PROGRESS 2. One of the more difficult jobs of the personnel manager is to know the demand and supply of future manpower. What suggestions would you give to make this job a little easier?

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Performance expected. This may be the expected output in quantity or quality. The performance may also be measured in terms of error analysis, as to the percentage of errors (as in typing, for example), work standards, time required to complete each unit of the job, knowledge used or services performed. (e) Required personal attributes. This refers to the educational background, skills, training, experience, physical strength coordination or dexterity, aptitude and any other attributes required for the job. (f) Job analysis. It is the process for obtaining all pertinent facts about the job and is a basis for creating job description and job specification. 7.4.2 Job Description Job description is a systematic, organized and written statement of 'who does what, when, where, how and why,' and is a tangible outcome of job analysis. It describes the work to be performed, the responsibilities and duties involved, conditions under which the work is performed, the relationship of one job with other similar or dissimilar jobs and the skill, education, and experience required. A job description is used for a variety of purposes such as recruitment and selection, and job evaluation.

A job description generally contains the following data: (

a)

Job identification. It includes job title, code number of the job if any, the department or division to which the job belongs, etc. (b)

Job

summary. It is a brief summary, in a sentence or two, explaining the contents of the job, its hazards or any other specific aspects. (c) Duties performed. It is a comprehensive listing of the duties together with the importance of each duty and the percentage of time devoted to each major duty. Included are any other additional responsibilities like custody of money, and training of subordinates. (d) Supervision. If supervision is required, then it gives the number of persons to be supervised along with their job titles and the extent of supervision involved and whether it is general supervision or close supervision. (e) Machines, tools and equipment used. This includes the type of machinery handled and the type of raw materials used. (f) Working conditions. It refers to the working environment in which the job holder must work. Any special working conditions in terms of cold, heat, noise levels, dust, fumes and any other hazards that might pose a risk to life and the probability of such a hazard occurring are listed. Job

descriptions are freely used in educating the new employees about their duties and responsibilities. According to Burack and Smith: — Job descriptions reduce confusions and misunderstandings. They communicate to workers in clear terms as to what they are required to do. — Since it gives a clear picture of duties and responsibilities, it gives a greater job satisfaction as the worker knows what is expected of him. — Good job descriptions are effectively used in recruiting, training and placement of right workers to the right jobs. — They reduce discrimination and assist in objective performance appraisal. 7.4.3 Job Description Guidelines Although there is no set way of writing a job description or any specific principles for developing a job description, some general guidelines are proposed by Cascio. These are:

118 Self-Instructional Material Staffing NOTES (a) Give a clear, concise and readily understandable picture of the whole job with clearly defined duties to be performed. (b) Brevity is usually considered to be important depending upon the type of job being analyzed, specifying simplicity and accuracy. (c) Select the most specific words to show, (1) the kind of work; (2) degree of complexity; (3) degree of skill required; (4) specific assigned responsibility to a particular worker and its accountability. Use action words like 'types letters' or 'collecting, sorting out, routing and distributing mail', etc. (d) When job descriptions are written for supervisory jobs, the main factors should be identified and listed. Included is a description as to whether the supervisor delegates any of his responsibilities or not and to what extent. The job description should be such that even a new employee would clearly understand the job and his duties and responsibilities by reading the

job description. 7.4.4

Job Specification Job specification cites personality requirements and lists qualifications both physical and mental, necessary to perform the job properly. It is used to inform the prospective employees about minimum acceptable qualities required to get the job and perform it well. It may be a specific period of experience, educational degree or physical requirements such as height, weight, etc.

These specifications relate to: (a) Physical characteristics. These include general health, height, endurance level, vision, hearing, motor coordination, reflexes, etc. (

b)

Psychological characteristics. These include mental dexterity, analytical ability, intuitive judgment, alertness and ability to concentrate. (c) Personal characteristics. These include personal appearance, emotional stability, maturity, patience, aggressiveness, outgoing nature, poise, initiative and drive, leadership qualities, cooperative spirit, conversational abilities.

(

d)

Responsibilities. These include such responsibilities as supervision of others, and safety of others. (e) Other characteristics. These may include age, sex, education, experience, training required, fluency in languages and other sensory demands such as sense of sight, smell or hearing. 7.4.5

Recruitment After manpower needs have been determined, the next step in the staffing function is recruitment of candidates for the jobs to be filled, Recruitment is the process of attracting qualified personnel, matching them with specific and suitable jobs, and assigning them to these jobs. Its aim is to develop and maintain adequate manpower resources upon which an organization can depend, when it needs additional employees. There are basically two sources of supply from where the potential employees can be drawn, both at managerial as well as operative levels. These are: I.

Internal sources II. External sources

To what extent the internal sources or the external sources would be used would depend upon the specific environment of the organization as well as its philosophy of operations. Some companies prefer to promote from within for key positions because these personnel

CHECK YOUR PROGRESS 3. What do you understand by job analysis, job description and job specification? How do they differ? What purposes do they serve?

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know the company well. Others prefer to hire from outside, because they can bring some new and fresh ideas into the company.

Both these sources are explained below. 7.4.6 Internal Sources Internal sources are the most obvious sources and are primarily within the organization itself, and include its present working force. Most organizations have procedures for announcing vacancies through bulletin boards, newsletters or word of mouth or personal recommendations. Some promotions may be built in the hierarchical structure and take place automatically on the basis of seniority or when a position at the upper level becomes available. Whenever a vacancy occurs, someone from within the organization is upgraded, promoted or transferred to another department or location. Occasionally, a person may be demoted to fill a job. The internal recruitment process can be very encouraging and motivating to employees, since they are assured that they will be preferred over outsiders when the opportunities occur. This reinforces a sense of loyalty among employees, for it provides them with an opportunity for advancement. This also helps the management to be assured of the quality of performance of employees since the organization generally keeps a record of their performance and progress. Also internal recruitment is economical in terms of time and money, since all the energies expended in the process of hiring new candidates from outside are avoided. Additionally, the new employees from outside always have to go through a period of indoctrination during which the contribution of the employee to the organization is limited. This problem can be avoided through internal recruitment. One of the drawbacks of the internal source of recruitment is that the promotions may be biased in nature and may be based on seniority rather than merit, resulting in unqualified personnel sometimes occupying responsible jobs. Also it discourages new blood from entering the organization which may be more innovative and creative. 7.4.7 External Sources External sources are varied and many. Most organizations cannot fill their manpower needs from sources within and hence they must look for outside sources, specially for lower entry jobs, for expansion and for positions whose specific requirements cannot be met by people within the organization. This outside pool of potential candidates includes: (a) New entrants to the work force. These may be college students who have just finished studies and are entering the job market. (b) The unemployed. These are the people who may be temporarily out of job. They may be people with skills and abilities or those who are currently in jobs that are unsuitable to them and who may be looking for better opportunities. (c) Retired experienced persons. These may be accountants, mechanics, or security guards. They have the necessary experience and may be hired as consultants or supervisors. Some of the sources of external recruitment include: 1. Active files of potential candidates kept in the organization. These are the resumes of the candidates who had earlier applied but did not get selected. Similarly unsolicited applications may constitute a much used source of personnel. Such records can prove to be a good source if they are kept up to date. 2. Walk-ins and gate hiring. These are potential candidates. generally for lower level jobs who simply walk into the office and ask for a job. This method is specially useful for mass hiring of unskilled and semi-skilled workers. 3. Employment agencies. Employment agencies may be public or private. The public employment agencies are subsidized by the local governments and may provide a variety of services. These services include:

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Placement services. (ii) Employment counselling on occupational choices. (iii) Services to special groups, such as war veterans, handicapped personnel, or released criminals in order to rehabilitate them.

These agencies are a major source of paid blue collar workers. The major reason for this is that the unemployed workers are generally required to register with these agencies and be available for work, in order to collect the unemployment insurance. Private employment agencies have a pool of applicants, who specialize in different areas and supply them to the organizations for a fee that is charged either to the applicant or to the organization. Some agencies specialize in temporary help, others in executive recruitment. They supply general office help, secretaries, sales people, technical workers, accountants, computer personnel, or engineers. They generally interview and screen the candidates and match their skills with the job requirements on file, before sending them to the organizations. This makes it easier and time saving device for the organizations who would otherwise be spending a lot of energy in the recruitment and selection process. 4.

Advertising. Advertising is a powerful technique to reach a wide audience and generally a potential target market. It is a most frequently used method and consists of a brief statement of the nature of the job and its requirements and the compensation paid. Want ads in the newspapers may be for ordinary jobs or for highly skilled and executive positions. More highly specialized recruiting ads that are not immediate in nature, are placed in technical and professional journals which reach a targeted market. One of the disadvantages of this method of recruitment is that there may be a large number of applicants for a few jobs, making the screening process very costly. 5. Colleges, universities, and other educational institutions. These include the technical and trade schools as well as alumni placement offices at colleges and universities. Some colleges have work-study programmes which provide an opportunity for students to work part-time while they finish college, after which, these students are normally absorbed by the companies. These sources are specially useful for recruiting into middle management positions, technical personnel, scientists, engineers and professional business positions like accountants, financial analysts, systems analysts, etc. Many colleges have career day forums at least once every semester where representatives of recruiting companies visit the campus to discuss matters of employment with potential graduates. College recruitment is one of the least expensive techniques for attracting white collar employees into junior-level managerial and executive positions and other technical and career-oriented jobs, because a lot of potential candidates can be interviewed in a short period of time. Colleges are also a target market where it is possible to narrow in on the potential candidates, thus saving time that would otherwise be spent in screening out the unsuitable candidates. 6. Professional associations. Professional associations keep their members informed about job opportunities through technical newsletters and professional journals. Some of them have their own placement services. They also publish placement bulletins from time to time and specially at the time of their annual meetings, conventions and conferences. 7. Labour unions. Labour and trade unions are a useful source of information, specially for manual workers, including unskilled, semi-skilled and skilled workers. These workers may be plumbers or electricians. In the construction industry, many contractors get their labour force from the local labour unions. 8. Military processing centres. This is an excellent source for highly disciplined veterans who have been trained as mechanics, welders, pilots, etc. These veterans may be retired

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officers or personnel who want to leave the army for civilian jobs. Many of the technicians and pilots for commercial jetliners were initially trained in the armed forces. 9. Employee referrals. These are friends and relatives of the present employees of the company. It is a useful source of recruitment, since the employees, for the sake of their own reputation, would only recommend people who they believe to be adequately qualified. If the current employees are highly satisfied in their jobs with an organization, they generally convey their feelings to others in the community, which will make it easier to attract employees from the community when the need arises. One drawback of the referral technique is that it encourages nepotism which may be at the cost of quality. 10. Billboards at social and community centres. These are primarily for non-professional lower level jobs, sometimes of temporary nature. These may be for babysitters, typists, waitresses, etc. 11. Scouting. Some company representatives are continuously in search for talent. Some recruiting firms have head hunters who specialize in pirating executives from one organization to another. 12. Foreign consulates. Many multinational companies, which are starting to operate in another country, advertise in that country's consulate to recruit native personnel who could be trained and sent to their own country. For example, a company in India which is looking for an American trained executive may advertise through the Indian Embassy, in America, either through a bulletin board at the Embassy or through the Embassy newsletter. 13. Open house. It is relatively a new technique of recruitment, where a company has an open house and it invites the members of the community to see the company facilities in an informal and social manner. This helps create a positive image of the company for any future personnel needs. 7.4.8

Pros and Cons of Various Recruiting Sources Which of these sources, discussed above, provide the best candidates? While some sources are identifiably more suitable for certain types of jobs, for example, walk-ins for hourly paid workers, other sources must be studied for their contribution as economically and technically the 'best' sources. It has been found that employee referrals are perhaps the best source of employees while newspaper ads and employment agencies are among the worst. A study conducted by James A. Breugh, focusing on research scientists showed that on the basis of quality and dependability factors, the applicants recruited through college placement offices and newspaper ads were inferior in performance to those recruited directly or through professional journals. Accordingly, it is very important that companies study all the different sources for the purpose of optimising the recruitment process and getting the best candidates with minimum costs. 7.5

SELECTION Selection is

a process of choosing the right candidate from a pool of applicants. This process is established to achieve a good match between the job requirements and the candidate's skills and motives. A good match results in increased productivity and quality performance. A bad match is extremely costly to the company due to the cost of training the candidates, the cost of mistakes made by them and the cost of replacement. McMurray has listed some comprehensive steps that can be taken in the selection process.

CHECK YOUR PROGRESS 4. Is recruitment from internal sources preferable to external sources? If so, why? Under what circumstances would external sources be better than internal sources? Explain.

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The first step for the management is to be thoroughly familiar with the requirements of the job as well as the qualifications and expectations of the candidate. This would include any leadership qualities or decision making authority inherent in the job. After looking at the resumes of the candidates, those candidates whose qualifications do not adequately match the requirements of the job are rejected outright. This leaves a pool of more suitable candidates. The second step is to conduct a screening interview before a more comprehensive interview is conducted, to have an initial assessment of the candidate's abilities and motives. This interview would generally establish a candidate's goals and aspirations and general attitudes towards the organization and what the candidate can contribute to the company. The third step is the completion of a formal application form which summarily lists a person's background, education, experience and any special abilities. The data submitted in the application form determines the suitability of the candidate, as well as predicting his chances of success at the job. The information asked for and provided should be relevant to the selection, factual, legal and not unduly sensitive or personal. The fourth step is to check the candidate's references and seek opinion from his previous employers or instructors if he is fresh out of college. This should be done prior to the comprehensive interview so as to have a better idea about the candidate, specially in the area of those characteristics that do not show up on application forms. These characteristics include leadership qualities, ability to act assertively and decisively, ability to communicate well and attitude towards subordinates as well as superiors. The fifth step is to give tests to the candidate, in order, to make judgments about specific aspects about him. These tests may be classified in many ways and the type of test would depend upon the type of situation required to be filled. For example, 'intelligence tests' are given to measure the mental ability, mental capacity, and general intelligence of the candidate. The test usually includes verbal comprehension, memory, inductive reasoning, perception, etc. Most of these tests are framed by psychologists. Similarly, aptitude tests are meant to measure an individual's capacity to learn a given job, if the candidate is given proper training. IQ tests are one kind of an aptitude test. 'Performance tests' are given to evaluate the candidate's ability to do a job. A typist may be asked to type a letter, for example. Similarly, the classroom examinations at the end of the semester are kind of performance tests. 'Personality tests' are used to measure fundamental aspects of a candidate's personality such as self-confidence, emotional stability and behaviour under stress. 'Ink blot tests' are a kind of personality tests. The sixth step is the in-depth interview which is conducted to evaluate the applicant's acceptability in terms of his ability to fit into the company's culture and his 'motives', in joining the company. An interview can be structured in which well designed questions are asked that are pertinent to the job and their answers analyzed, or it could be unstructured which is a free thought flowing two-way communication. In order to make the best of an interview, it is essential that both the candidate and the interviewer be fully prepared. The candidate must be poised and confident of himself. Good grooming, a choice of clothing, a firm handshake, the manner of sitting and general enthusiasm will give a good initial impression. It is also important for the candidate to know about the company as much as possible and be prepared to answer questions thoroughly and precisely. The seventh step is to establish the applicant's physical health. This can be checked from his medical records as well as thorough physical examination conducted by the company physician. This will ensure that the candidate is physically fit and capable to exercise his responsibilities. The final step is the process of hiring itself. In some responsible executive positions, the management may want to get socially acquainted before the final decision is made.

CHECK YOUR PROGRESS 5.

There are eight steps in the process of hiring. How would you prioritize them? Which is the most important step taken into consideration during the hiring process?

Self-Instructional Material 123 Staffing NOTES 7.6 PERFORMANCE APPRAISAL

The evaluation of the performance of employees is a key function of staffing.

It serves as a basis for judging the contributions and weaknesses of employees so that continuing efforts can be made to build a stronger and more effective organization. Performance appraisal is a systematic way of evaluating a worker's performance and his potential for development. This continuous monitoring of the performance and periodic evaluation helps in promotional and retraining policies. Performances can be appraised against some set standards. According to McGregor, the formal performance appraisal plans are designed to meet three needs, one of the organization and two of the individual. These are: 1. They provide systematic judgments to back-up promotions, transfers, salary increments, etc. 2. They let the subordinate know where he stands and whether any changes are required in his behaviour, attitudes, skills or job knowledge. 3. They are used as a base for coaching and counselling of the subordinates. A sound performance appraisal system can be useful in: — Improving employee job performance by pinpointing the areas or aspects that need improvement. — Encouraging employees to express their views or to seek clarification on job duties. — Predicting future responsibilities. — Serving as a key input for administering a formal organizational reward and punishment system. — Preventing grievances, since the employees will know where they stand relative to their achievements. — Increasing the analytical ability of the supervisors, since they will be directly involved in making judgments about their worker's performance level.

7.6.1 Performance Appraisal System Characteristics

The most effective performance appraisal systems have the following characteristics: (a) The system must be bias-free. The evaluator must be objective and the methods of appraisal must be fair and equitable. The atmosphere must be that of confidence and trust. (b) It must be relevant. It should only measure behaviours that are relevant to the successful job performance and not any other personal traits. (c) It should be acceptable to all. The performance standards as well as the appraisal methods should be developed by joint participation and joint collaboration. (d) It should be reliable, dependable, stable and consistent. High reliability is essential for correct decision making and validation studies. It should be sufficiently scientific, so that if an employee is evaluated by two different evaluators, then the result should be similar. (e) It must be able to objectively differentiate between a good employee and an ineffective one. Rating an employee 'average' does not adequately indicate the degree of effectiveness. Hence the technique must be sufficiently sensitive to pick up the differences between an effective and an ineffective employee.

124 Self-Instructional Material Staffing NOTES (f) It must be practical, sound, clear and unambiguous so that all parties concerned understand all of its implications. 7.6.2 Problems in the System There are a number of obstacles and problems which hinder the success of formal performance appraisal programmes. These could be in the area of perceptions of the evaluator or in the attitudes of higher officials. These problems are divided into two categories. The first category deals with problems created by the rater and the second deals with the management support and the appraisal format. (A) Problems in Rater Appraisal. Since performance appraisal is conducted by human beings, it is subjected to a number of errors, biases, weaknesses and pitfalls. Some of these are examined below: 1. The halo effect. The halo effect is introduced when an overall impression of an individual is judged on the basis of a single trait. It is said that, 'the first impression is the last impression.' In other words, a high rating on one trait automatically leads to high ratings on all other traits. Also, a very high rating may be given to protect an employee for whom there may be personal sympathy. For example, a professor in a college might get his promotion faster on a single highlighted trait of getting along well with the chairperson of his division. 2. Constant error. This error is a reflection of the trait of the rater. Some raters are too liberal, others too strict and some tend towards rating most people in the middle. Many raters find it easier to be lenient for the following reasons. (a) The rater may feel that anyone under his jurisdiction who is rated poorly will reflect on the quality of his own supervision. (b) The rater may feel that any person rated poorly should not have been with the organization in the first place. (c) He may feel that if he rates somebody unfavourably, it may leak out and create a personal enmity with him which may go beyond the work environment. (d) He may want his subordinates to have good feelings about him as a rater and as a leader, giving him a feeling of power and control. (e) The rater may feel that the social and cultural response to approval is much more positive and favourable than to disapproval. 3. Recency of events. There is a tendency of many evaluators to give much more weight to the recent behaviour of the candidate than to past behaviour. This is based on the reflection that the future trend is established by the more recent behaviour. 4. The central tendency. It is the most commonly found error. It is the tendency of most raters to give average ratings to all—or in the centre of the scale. This may be due to the fact that a very high rating or a very low rating could invite questions, criticisms or explanations. Accordingly, an average rating is safer. It could also be due to the fact that the rater lacks sufficient knowledge about the applicant and hence does not want to commit himself one way or another. 5. Errors of variable standards. It is quite possible that different units in an organization may have different standards of performance. Some divisional heads may require much higher quality of performance than others, just as the same course in two different colleges may have different grading systems. Similarly, the ratings may vary for the same subordinates in order to meet a specific purpose, such as a salary increase. 6. Other miscellaneous biases. There may be some built-in biases in the minds of a rater based upon his own perception of things, people and performances. A person may be

Self-Instructional Material 125 Staffing NOTES rated higher, because he is a 'nice' person or because of his seniority. A German subordinate may be rated higher because of the rater's belief that all Germans are quality-oriented people. Many professors give better grades to students whom they like as persons. Many students got higher grades from their professors during the Vietnam War era to save them from being drafted into the army, since those who received low grades often lost their student draft deferments. Other biases may be based on race, sex, age, appearance, social status, religion, country of origin, etc. (B) Other Problems. Since performance appraisal is a very sensitive issue, as it involves subjective judgments along with objective and quantitatively measurable factors, it has to be handled very carefully. It must have full support of the top management as well as the employees. These programmes require close attention and a lot of the supervisor's time, since they have to supervise and appraise 20 or 30 employees, in addition to their regular activities, and this puts a lot of pressure on them. Additionally, very few managers are rewarded for their expertise in performance appraisals. According to Elizabeth M. Fowler, 'The compensation systems tend not to reward managers for effective development and effective performance of their subordinates.' This makes them less than enthusiastic about the system. Most employees believe that they are doing a good job so a negative appraisal can be a setback, and can cause them to perform poorly. Few employees are motivated to perform better in the face of criticism, even when it is constructive. Another form of error may be the performance appraisal format itself. Such performance factors as communication and cooperation may not be well defined. Some factors may be beyond the control of the employee. For example, one factor for rating a professor at a college may be community service in addition to teaching ability and research and publications, so that he may not have the time and the opportunity to perform public service. Additionally, a large number of rating factors makes it difficult to differentiate among them and it dilutes the effectiveness of each.

7.6.3 Types of Evaluation

These are primarily oriented towards evaluating the performances of managers and executives and are mainly of five types. These are:

1. Results evaluation. This refers to the evaluation of manager's performance on the basis of actual and measurable results achieved. These results may be in the form of units produced, cost of production and waste reduced, employee absenteeism and turnover reduced. Results can be evaluated periodically in order to record the rate of progress and are easier to evaluate than simply the amount of effort put in. It is the quality of the output that would determine a manager's capabilities. For example, a student may spend a lot of time in writing a term paper, but he will still be graded upon the quality of the paper, rather than the time and effort put in. However, the process of evaluation by results must take into consideration factors that may be beyond the manager's control, such as goals too high to be achieved with reasonable effort, effect of external conditions which may be unfavourable, such as strikes or economic recession, and any changes in the internal environment, favourable, and unfavourable such as new incentive programmes that are favourable or lack of coordination among divisions that are interdependent, such as marketing department not keeping pace with production department, which would be unfavourable.
2. Trait evaluation. Known as attribute evaluation it makes a judgment about the personal traits of the manager such as dedication, loyalty, ambition, decisiveness, ability to handle stress, etc.

CHECK YOUR PROGRESS 6. Most people are very nervous about their performance evaluation. What advice would you give to make the evaluation process more comfortable, especially for students taking exams?

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Self-Instructional Material Staffing NOTES These are highly subjective traits and can generally fit in four categories of 'excellent', 'good', 'fair', and 'poor.' While it is simpler to use, it is highly subjective since one person is making an assessment about the non-quantifiable traits of another. Also, no two individuals would have the same concept of words like initiative, cooperation, etc. However, it does make it possible to generally identify the extreme cases on both ends of the scale. It should be possible to identify and differentiate between a highly cooperative person and a totally uncooperative one.

3. Behaviour evaluation. It is a major refinement over trait evaluation since it measures behaviour — and not personality — and hence it is more objective in nature. Also, a focus on traits does not clearly specify the areas where the performance can be improved since it deals with personal characteristics rather than job behaviour. According to William J. Kearney, 'behaviourally based performance appraisal is an important supplement to MBO because it attempts to get at the 'how' of performance. It identifies effective behaviors known to produce consistently superior performances leading to results against which actual behavior may be compared. Hence, it is an especially powerful developmental tool.' Behavioural evaluation indicates which specific areas need specific training or guidance for further optimum development, since it concentrates on performance that is within the manager's control and is directly related to his efforts and does not take into consideration the effects of such factors which are not within the manager's control such as economic forces. However, care should be taken so that only those explicit behaviours are pinpointed and identified which are critical and directly related to effective job performance.

4. Evaluation based upon functional performances. This evaluating system evaluates the manager's ability to perform the basic management functions of planning, organizing, directing, staffing, controlling, etc. These functions can be broken down into specific duties within each function and effectiveness of each duty is evaluated. For example, the function of organizing can be broken into, 'assigning work', 'delegating authority' and 'dividing work into various specialized activities'. This approach is basically simple in nature and has wide applicability. As Koontz and O'Donnel have advocated, 'The best approach the authors have found is to utilize the basic concepts and principles of management as standards. If they are basic, as they have been found to be in a wide variety of managerial positions and cultures, they should serve as reasonably good standards.' This system also reveals the functions in which the managerial performance is poor so that corrective action, retraining or coaching can be initiated to strengthen that area.

5. Informal evaluation. This is a highly subjective evaluation of managerial performance and is based upon judgment and opinion and employs no structure or design. It is highly useful for management where formal appraisal and measurement techniques are not useful or applicable due to many intangible and unassessable factors. For example, it is very difficult to formally measure and evaluate qualities like leadership, insight, acumen, intuition, etc. This system requires close cooperation and supervision between the manager and the subordinates resulting in better communication and guidance.

7.7 PERFORMANCE APPRAISAL METHODS There are a number of performance appraisal methods available and care must be taken to choose a method which is most suitable and objective for a given candidate. Some of these

CHECK YOUR PROGRESS 7. Is subjective evaluation necessarily less accurate than objective and quantitative evaluation?

Self-Instructional Material 127 Staffing NOTES methods are more suitable for blue collar workers, others for white collar workers and still others for executives. In addition, the raters must be competent in administering these tests and techniques, because some tests measure productivity while others measure traits and behavioural qualities. Rating methods can be classified into two distinct categories. One is the category of traditional methods while the other is the category of modern methods.

7.7.1 The Traditional Methods

The traditional or conventional methods of performance appraisal are still widely used and generally consist of written peer evaluation of the subordinates and sometimes even a self- evaluation by the subordinate himself. Some of the traditional methods in practice are:

1. Essay appraisal. In this method, the rater simply writes a page or so about the strengths and weaknesses of the candidate and his personal recommendations. These are similar to recommendations from a previous employer of the candidate seeking a new job, or a recommendation from a previous professor for a student who has applied for admission to a graduate programme and these recommendations carry significant weight.
2. Ranking methods. The ranking methods are of two types: (i) Straight ranking method. This method simply ranks the person from the 'most valuable' to the 'least valuable'. This is the simplest method of separating the most efficient from the least efficient worker. However, this is a highly subjective method and can be highly prejudiced. (ii) Paired comparison ranking. By this technique each employee is compared with all the other persons in a group one at a time. For example, in a group of four people, A, B, C, D, A is compared with B, C and D, B is compared with C and D, and C is compared with D resulting in six comparisons and decisions. The results of these comparisons are tabulated and a rank is assigned to each individual.
3. The factor comparison method. In this method certain key factors are selected, such as leadership, hard work, dependability, and each factor is ranked on a scale according to its importance to the job. Based on the ranks of these individual characteristics a 'key man' is created. Then each worker to be rated is compared with the key man, factor by factor and a ranking of the worker is established relative to the 'key man.'
4. Graphic rating scales. Graphic rating scale is still the most commonly used method. Typically, it assesses a person on the quality and quantity of his work divided into a number of factors. These factors can be categorized as employee characteristics and employee contributions. The employee characteristics include qualities such as initiative, leadership, dependability, cooperativeness, enthusiasm, loyalty, decisiveness, emotional stability, maturity, analytical ability, coordination and cooperation. The employee contributions include quantity and quality of work, responsibilities undertaken, results achieved, devotion to the organization, attitudes toward superiors as well as subordinates, versatility in communication, etc. These traits are then evaluated on a 'continuous' scale from unsatisfactory to outstanding, wherein the rater puts his mark somewhere along this scale based on his judgment of that particular trait. Even though this method gives the maximum control to the rater and the rating can be highly subjective, they are still more objective than the essay appraisal and are generally standardized forcing the rater to consider several dimensions of the performance as objectively as possible.
5. The field review method. The field review method is generally a review process where a member of the personnel department or from the central management staff meets with the line supervisor or raters in small groups and goes over each employee's rating

128 Self-Instructional Material Staffing NOTES with them to ensure that any personal bias that may have been introduced when rating the employee is eliminated and that all raters understand the standards fairly and uniformly. The technique is more fair and also permits the central staff to evaluate the rater as far as fairness or prejudice is concerned.

6. Group appraisal method. This is simply the appraisal of a worker by a group of people (generally 3), rather than a single rater and a general consensus or a majority decision is accepted. Even though this technique is highly time-consuming, it is more comprehensive and free of bias since it involves multiple judges.

7. Forced choice method. This is another method designed to reduce bias and establish objective standards of comparison between individuals. In this method, the rating elements are several descriptive statements including those that best fit the individual being rated and those that fit the least. The rater is forced to choose among these statements, leaving no grounds to make his own. These statements are then weighted and scored by judges other than the rater and the workers are ranked according to these scores.

8. Checklist and weighted checklist method. It is similar to the forced choice method and lists a number of questions relating to the job and the worker which require answers in the form of yes or no. The rater is more of a reporter. The rater indicates whether the answer to a given question is positive or negative about the given worker. The questions may be: — Is the worker regular on the job? — Does he have a cool temperament? — Does he follow instructions properly? Unlike the conventional checklist, a weighted checklist has a scale value — generally from 1 to 9 — where 9 is the most favourable — for each question, and the workers are compared with each other based on the scores of these scales.

9. Critical incident method. The critical incident method is based on the principle that, 'there are certain acts or incidents as a result of the employee's behaviour or performance which make the difference between success and failure. These critical incidents both good and bad are recorded so that the supervisor has some factual basis for discussion during evaluation. For example, if an employee has missed important deadlines then this could form a basis for 'unreliability.' These collected incidents are then ranked in order of frequency and importance. One drawback of the system is that unfavourable incidents draw much quicker and closer attention than favourable incidents. Also critical incidents usually have a subjective evaluation and are difficult to quantify, hence they do not lend themselves to comparison or statistical analysis.

7.7.2 Modern Methods Some of the modern methods of performance appraisal, that are gaining ground over the traditional methods, are described below:

1. Assessment centres. The assessment centre technique is primarily designed to identify the managerial potential for future performance. Typically, the potential executive candidates from different departments are brought together into a common assessment centre for 2-3 days where they are given similar assignments to what they would be expected to handle at the higher position if they were promoted. The judgment of these activities is pooled and ranked. This continuous observation of candidates gives a much better and comprehensive idea about their potential.

2. Behaviourally anchored rating scales. (BARS) It is comparatively recent technique in which the rating scale method and the critical incident approach are integrated. In this

CHECK YOUR PROGRESS 8. How do you differentiate between the traditional and the modern methods of performance evaluation? Is one necessarily better than the other?

Self-Instructional Material 129 Staffing NOTES technique, the requirements for effective performance as well as the requirement for ineffective performance are identified as judged by specialists and these requirements are 'anchored' at each end of a vertical bar. The bar consists of a series of vertical scales — each scale identifying each important dimension of job performance. Each bar is scaled, generally from 1 to 9, where 1 is the lowest rating for most ineffective performance and 9 is for the highest rating for the most effective performance. This rating is on a continuous basis and identifies specific examples of job behaviours or critical incidents. The rater then scores the performance of each behaviour on the appraisal form. In this type of performance appraisal, usually, the evaluators are also involved in developing the rating process and the procedure is highly job-oriented rather than trait-oriented. This makes the method more quantifiable and hence it possesses a high degree of validity. Also, the method is designed to reduce the impact of errors that are caused by subjective judgments and personal prejudice.

3. MBO—the result-oriented method. MBO—Management by Objectives—is a result-oriented process rather than activity-oriented, and is based on the premise that performance can best be measured by comparison of actual results to plans or expected results. This method basically consists of the following phases. First, the superior and the subordinate get together and jointly discuss the objectives to be accomplished during a predetermined appraisal period and the performance standards needed to reach those objectives. Secondly, during this appraisal period, continuous communication occurs between the supervisor and the subordinate for frequent discussions about problems and progress and if any updating or modifications are needed either in the goals or the performance standards. Finally, at the end of the period, the actual results are compared with the pre-determined objectives to see if these have been met or not. If these have not been met, then the causes for the deviation are traced and established. These causes are analyzed to see if they were due to any uncontrollable factors such as labour strike or market shifts. Based on this analysis, the goals and the objectives for the next appraisal period are discussed, mutually agreed upon and set. Because the objectives are set in advance and related to the job, the appraisal is also fundamentally job-related, which can be more objective. Also the method enhances feedback, since there is a periodic review of problems, resources and methods to improve the utilization of resources.

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SUMMARY ? The staffing function, which is the process of providing qualified personnel to the various activities of the organization, is handled by the personnel department. ? Human resource planning involves objective and systematic assessment of present staffing needs of an organization, identifying the available personnel to satisfy the current needs, forecasting the future demand and supply of employees, formulating staffing strategies with a view to both short range as well as long range strategic plans and continuously monitoring, evaluating and updating these needs and resources of supply. ? The staffing function consists of five sequential steps. ?

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In order to obtain a good fit between the job and the worker, the job must be fully described and the qualifications and skills of the worker must be fully consistent with such descriptions. The worker can be recruited from within by promotion or transfer 130

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or he can be recruited from various external sources. Some employment agencies provide the right workers. ? The evaluation of the performance of employees is a key function of staffing. There are a number of performance appraisal methods and the most suitable and objective for a given candidate must be chosen. 7.9 ANSWERS TO 'CHECK YOUR PROGRESS' 1. The staffing function was placed within the management functional processes as one of the five functions of management directly related to the operations of the organization. Four decades ago, the organizations were growing but the hiring function was still in- house. Whenever a production department needed an employee the production manager would find one. Similarly, if a marketing department needed a salesman, the marketing manager would find one. That is one reason why all the management textbooks of the era contained staffing function as a part of the general management book.

As the organizations grew in size it became cost effective to have a separate field of human resource management where a separate department would be responsible to undertake all responsibilities of recruiting and hiring the right person for all the departments of the organization. Most universities have human resource management departments. On the basis of need assessment in any of the academic departments, the human resource department would select the channels of advertisement, collect all the resumes received, screen the resumes to include only those which very closely fit in with the requirements of the job. The staffing function of management has now become a separate area of study. 2.

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Indeed it is hard to accurately forecast the future manpower needs of the organization as well as the sources of supply. Some factors taken into consideration may be: (

a)

92%

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An accurate record of statistical data on when some people will be retiring so that their position can be filled. (b) A reasonable probabilistic calculation of the number of people who might be changing jobs. (c) Anticipated growth of the organization. (

d)

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Introduction of new technology, which would require new employees who are technical experts. (

e) Budget constraints on hiring of new employees. (f)

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Assessment of new graduates from universities in the given field as a source of supply. (g) Promotions of employees within the organization as a source of supply for higher positions. (h) Population movement trends. More talented people will move to areas where the organizations requiring their talents would be concentrated. You could advise the management of the organization to look towards colleges and universities and other vocational schools where the students get special training and education for such areas as required. 3. Job analysis, job description and job specification are all necessary and important in defining the job as accurately as possible. A detailed analysis of these characteristics would enable personnel managers and functional managers to achieve a better fit between the job and the employee.

Self-Instructional Material 131 Staffing NOTES (a)

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Job analysis. It is an orderly study of job requirements and involves systematic investigation relating to the operations and responsibilities including knowledge, skills and abilities required for the successful performance of the job. (

b)

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W

Job description. It is a written statement of 'who does what, when, where and how'. It describes the work to be performed, responsibilities and duties involved, conditions under which the work is performed and the relationship of one job with other similar or dissimilar jobs, and the skill, education and experience required. (c) Job specification. It refers to physical and mental capacities necessary to perform the job properly. It specifies the minimum acceptable qualities required for a person to get the job and perform it well. 4.

The

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recruitment from internal sources is preferable under certain situations. Persons recruited internally know the corporation very well depending upon how long they have been with the company. It is especially advisable for promotions within because the specific experience of subordinates regarding the operations of the company. It is also cost effective for responsible positions because it takes an extensive investigation when fulfilling a position of high authority. Hiring a wrong person from outside could be a costly mistake to the organization.

Hiring from external sources has its own advantages. First, the pool of applicants can be very large giving a wide range of selection. Second, some universities have a good reputation for educating students for specific jobs such as accounting and finance. External sources are especially useful for hiring for lower level jobs including those who simply walk-in and ask for a job. Some employment agencies screen applicants to suit specific needs and requirements. Sometimes referrals from the current employees become a good source since an employee would be reluctant to recommend someone who is not qualified or less qualified. 5.

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All the eight steps in the hiring process are important. They are sequential in nature and some steps can be by-passed. To get the best fit between the job and the employee, the job must be specified in as much detail as possible. It should be advertised through proper channels. The initial resume of the candidate would determine the desirability of inviting the candidate for the interview. If in the initial interview, the applicant shows excellence, it may not be necessary to check references or give any aptitude tests. However, an in-depth interview would be necessary for higher-level jobs and the physical and mental health of the applicant must be verified. 6.

People are always nervous about performance evaluation and taking exams because of the unknown factor. All performance evaluations, except for those, which are purely quantitative, require subjective judgments and such judgments are often biased. However, a sense of confidence during performance evaluation helps in doing well. Of course, confidence alone is no substitute for knowledge and skills but it helps focus on the issues involved. A student should not only be aware of possible questions to be asked, because these are generally going to be from the book and the notes, but also know the subject matter well enough. He should be familiar with performance appraisal techniques and the nature of the professor marking the papers. Above all, he should be confident about answering the questions accurately and sometimes it helps to do the questions, which are comparatively easy. This will boost the student's confidence. 7. Yes. Subjective methods of evaluation are less accurate and less reliable simply because subjective evaluations are based more on the attitude of the evaluator rather than the work itself. For example, a mathematical question can either have a right answer or a wrong one, and the evaluator does not have much discretion in the evaluation process.

132 Self-Instructional Material Staffing NOTES A narrative question where opinions count can be subject to a wide variety of interpretations and hence is subject to whether the explanation is consistent with the evaluator's own views or not. Hence, in instances of subjective evaluations, good rapport with the evaluator may be desirable. 8. Traditional methods are more subjective in nature

and consist of written peer evaluation of the subordinates and sometimes even a self-evaluation by the subordinate himself.

Peer evaluation includes the opinions of the peers of the subordinates, rather than just superiors. The appraisal can be in the form of narrative essays describing the performance and its outcomes. They can also be in the form of ranks where a higher rank would mean better performance. The graphic rating scale method is still widely used which is based on such factors

as employee characteristics and employee contributions. The employee characteristics would include initiative, leadership, dependability, cooperation, enthusiasm, loyalty, emotional stability and confidence. The employee contributions include

the quality and the quantity of work. More modern methods of performance appraisal include assessment centres where managers are brought together and judged for their potentials for promotion. Similarly, the process of MBO can be used in making judgments about a person's ability in realistic goal setting, methods of achieving such goals and leadership quality in guiding others for the achievement of such goals. No one method can be considered better than another because the method would depend upon the type of job and the type of person and the situation involved. 7.10

EXERCISES

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AND QUESTIONS Short-Answer Questions 1. How good are colleges and universities as sources of recruitment? Give reasons. 2. What would you like to know about the candidate at an interview in addition to what is in his/her resume? 3. Is subjective evaluation written less accurate than objective evaluation? Why? 4.

Class examinations are a form of performance evaluation. What advice would you give to a student who is going to take an exam? 5.

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What are the various biases that can be introduced in a subjective appraisal of an employee? Long-Answer Questions 1.

What are some of the considerations which are continuously impacting the personnel policies and decisions? 2. What

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methods would you use in forecasting the supply of workers in order to fulfill the future personnel needs? 3. Describe the

various steps involved in the staffing process. 4. Define job analysis, job description and job specification. How does job description assist in employing adequately qualified people for the particular job? 5.

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Discuss the pros and cons of various recruiting sources. 6. What do you mean by performance appraisal? Does it have any negative effect on the workers being watched and appraised?

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Which methods of performance appraisal are most appropriate for: – Unskilled workers – Skilled technical workers – Junior level management personnel – Senior executives 7.11

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Self-Instructional Material 135 Motivation NOTES UNIT 8 MOTIVATION Structure 8.0 Introduction 8.1 Unit Objectives 8.2 Motivation

and Behaviour 8.3 Theories of Motivation 8.4 Summary 8.5 Answers to 'Check Your Progress' 8.6 Exercises and Questions 8.7 Further Reading 8.0

INTRODUCTION The subject of motivation is one of the most important and widely studied topics in the field of management and organizational behaviour. The quality of performance is often tied with the level of motivation. Hence, the area of motivation has been receiving a lot of attention both by behavioural scientists as well as by industrial psychologists. How does motivation affect individual behaviour? How is it related to performance? Is motivation learned or inherited? Is it an inborn quality or is it based on the environment? Can motivation be affected by financial incentives? Do all the people become equally motivated under similar situations? The responses to these questions are constantly being explored. Work performance is a function of a person's ability and his motivation. Motivation and ability interact in a multiplicative manner to yield performance, so that: $Performance = Ability \times Motivation$

8.1 UNIT OBJECTIVES ? Understanding motivation ? Understanding the relationship between motivation and performance ? Explaining the content theories of work motivation ? Understanding the various characteristics of motivation ? Understanding the concept of Theory X and Theory Y ? Explaining Maslow's hierarchy of Needs Theory ? Understanding the order of needs.

8.2 MOTIVATION AND BEHAVIOUR

People differ by nature, not only in their ability to perform a specific task but also in their will to do so. People with less ability but

stronger will

are able to perform better than people with superior ability and lack of will. Hard work is crucial to success and achievement. This belief

was underscored by Albert Einstein when he said that 'genius is 10 per cent inspiration and 90 per cent perspiration.' This 'will'

to do is known as motivation.

Motivation is a dynamic force setting a person into motion or action. The

word motivation is derived from motive that

is defined as an active form of desire, craving or need

that

must be satisfied. All motives are directed towards goals. New needs and desires affect or change one's

behaviour that then

becomes goal oriented. For example, if you ordinarily do not want to work overtime, it is likely that at a particular time, you may need more money (desire) so

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you may change your behaviour, work overtime (goal oriented behaviour) and satisfy your needs.

Viteles defines motivation as

follows: '

Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need.'

Motivated people are

in a

constant state of tension. This tension is relieved by drives towards an activity and outcome that is meant to reduce or relieve such tension. The greater the tension, the more activity will be needed to bring about relief and hence higher the motivation. The basic motivation process

is depicted in Figure 8.1. Figure 8.1:

The Basic Motivation Process The concept of motivation has 3 basic characteristics. These are:

Effort The amount of effort put into the activity identifies the strength of the person's work-related behaviour. Hard work usually reflects high motivation.

A student who works very hard to get top grades can be referred to as highly motivated. A professor who is engaged in research and publishes many high quality articles is putting extensive effort

into

his job.

Persistence Motivation is a permanent and an integral part of a human being. Its second characteristic is persistence in the efforts. Motivation is continuously goal-directed so that once a goal is achieved, a higher goal is selected and efforts are exercised towards this higher goal.

For example, a professor who published simply to get a promotion and then stops or reduces research efforts would not be considered as highly motivated.

Accordingly, high motivation requires persistent efforts. Direction Persistent hard work determines the quantity of effort while direction determines the quality of the anticipated output. All efforts are to be directed towards the organizational goal. This would ensure that the persistent effort is actually resulting into accepted organizational outcomes.

For example, a quality control inspector is consistently expected to direct his efforts in discovering defects in the produced items so that the organizational goal of high quality output is met.

As an example, let us assume that a professor has established a goal for himself to get a promotion and monetary raise in order to improve upon his standard of living. Thus the professor will shape his behaviour to achieve that goal. He will choose a course of action designed to obtain promotion. This course of action may comprise five published articles or one published book. He will be highly motivated and will put in persistent efforts in research and publish the desired number of articles or the book.

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Once the promotion has been obtained, the professor will re-evaluate his achievement relative to his initially established objective. If the pay raise is not adequate and there are grounds for further promotion and pay raise, the professor will establish a higher goal and strive towards it. This example fits the basic motivational process as shown in

Figure 8.2

In the above example, if the motivator (publishing) does not serve the required purpose then the professor will look at other alternatives as motivators such as service to the college and community, student guidance and curriculum development and good interactive relations with peers and superiors. Thus the motivation process involves the following steps. 1. Analysis of situation The situation that needs motivational inducement must be sized up so as to ascertain the

motivational needs. From organizational behaviour point of view, it must be recognized that since the needs of different employees differ both in nature

and

intensity, a composite view of the collective needs of the group is established with appropriate recognition of differences in individual needs. 2. Selecting and applying appropriate motivators A list of all devices of motivation is drawn and a selection made of such motivators that motivate different types of people under different circumstances. Proper timing and the extent of motivation is also to be considered. The individual goals should be given adequate attention within the framework of group goals and the organizational goals. 3. Follow-up It is important to know that the motivators selected are indeed providing the desired motivation. This can be accomplished by getting and evaluating the feedback. If these motivators are not showing the optimum effect, then alternative motivators should be selected and applied. 8.2.1

Sources of Motivation Experts in the organizational behaviour field have a divided opinion as to whether workers are motivated by factors in the

external environment such as rewards or fear or whether motivation is self-generated without the application of external factors. It is quite well understood that

under the same set of external factors, all workers are not equally motivated. Some of these motivational sources are:

Positive motivation Positive motivation involves proper recognition of employee efforts and appreciation of employee contribution towards the organizational goal achievement. Such

motivation improves

the standards of performance, leads to good

team spirit and pride, a sense of cooperation and a feeling of belonging and happiness. Some of the positive motivators

are: ? Praise and credit for

work done. ? A sincere interest in the welfare

of subordinates. ? Delegation of authority and responsibility to subordinates. ? Participation of subordinates in the

decision-making process. Negative or fear motivation

This motivation is based upon the use of force, power, fear and threats. The fear of punishment or unfavourable consequences affects the behavioural changes. Some examples of negative motivation include the fear of failing in the examination, or of being fired or demoted. Fear of failure in the examination induces motivation in many Unsatisfied need (High standard of living) Tension of disequilibrium (Need for promotion) Action, movement of

behaviour (Effort, publication) Goal, equilibrium (Promotion & salary increase) Feedback (Re-evaluation of goals)

Figure 8.2: Example of Basic Motivational Process

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students to work harder and pass the course. Similarly, fear of being fired keeps the workers in line with the organizational rules and regulations as well as

to

do a satisfactory job. While the fear of punishment and actual punishment has resulted in controlling individual misbehaviour and has contributed towards positive performance in diverse situations and is necessary and useful in many other situations such as disciplining a child or handling a riot,

it is not recommended or considered as a viable alternative in the current business and industrial environment. This is based upon the changing trends in the work force including higher level of employee education and extensive employee unionization. However, punishment or fear of it is still the most common technique of behaviour modification or control in today's life. When a child misbehaves, he is still spanked. If a worker does not behave according to the way the organization wants him to behave, he is fired. If a person does not behave as the society and law wants him to behave, he is

arrested and sentenced to a prison term. 8.3

THEORIES OF MOTIVATION There are basically two theories that relate to and define the motivational processes. These are the 'content theories' that attempt to determine and specify drives and needs that motivate people to work and 'process theories' that attempt to identify the variables that go into motivation and their relationship with each other. 8.3.1

Hierarchy of Needs Theory

Maslow's 'needs hierarchy theory' is probably

the most widely used theory of motivation in organizations. Abraham Maslow suggested that people have a complex set of exceptionally strong needs and their behaviour at a particular moment is usually determined by their strongest need. He developed his model of human motivation in 1943, based upon his own clinical experience and formulated his theory of hierarchical needs by asking the same question, 'What is it that makes people behave the way they do?'

and made a list of answers from which he developed a pattern. His theory is based upon two assumptions. First, that human beings have many needs that

are different in nature ranging

from the biological needs at the lower level that is the level of survival, to psychological needs at the upper extreme that is the level of growth. Second,

that these needs occur in an order of hierarchy so that

lower level needs must be satisfied before higher level needs arise

or become motivators. Mahatma Gandhi, the Indian leader, once remarked

that '

even God cannot talk to a hungry man except in terms of food.' Similarly, there is a quotation from the Holy Guru Granth Sahib, the holy scripture of Sikhs in India that quotes a holy man saying to God, 'Take your rosary away. I cannot worship and meditate on you when I am hungry.' This means that if the people's basic needs

that are biological in nature are unsatisfied, than their

total attention

Growth needs Deficiency needs 5 Self- actualization needs Esteem needs Social needs Security needs Physiological needs 4 3 2 1

CHECK YOUR PROGRESS 1. 'Motivation represents an unsatisfied need.' Do you agree with this statement? Why do some people leave everything and go into spiritual 'ashrams'? What do you think is their motivation? 2. Behavioural scientists suggest that fear or punishment should not be used as a motivational factor. Why do they suggest that? Does punishing children for their misbehaviour change their behaviour? Explain.

Figure 8.3: Maslow's Needs Hierarchy Theory

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will be focused upon these needs and it will not be possible to communicate with them about other matters. This model of hierarchical needs explains human behaviour in a more dynamic and realistic manner and is primarily based upon people's inner states as a basis for motivation and the environmental conditions do not play any significant role. Maslow postulates five basic needs arranged in successive levels

as shown in Figure 8.3.

These needs continue to change resulting in change in goals and activities.

The first three levels of needs at the bottom are known as 'deficiency' needs and they must be satisfied in order to ensure the

individual's very existence and security and make him fundamentally comfortable. The top two sets of needs are termed 'growth' needs because they are concerned with personal growth, development and realization of one's potential.

These needs are explained in detail as follows. 8.3.2 Physiological Needs

The physiological needs form the foundation of the hierarchy and tend to have the highest strength in terms of motivation.

These are primarily the needs arising out of physiological or biological tension and

they are there to sustain life itself and include the basic needs for food, water, shelter and sex.

Sexual need and desire is not to be confused with that

which is at the third level. Once these basic needs are satisfied to the degree needed for the sufficient and comfortable existence of the body, then the other levels of needs become important and start acting as motivators. 8.3.3

Security and Safety Needs Once the physiological needs are gratified, the safety and security

needs become predominant. These are the needs for self-preservation as against physiological needs that

are for survival. These needs include those of security, stability, freedom from anxiety and a structured and ordered environment. These safety and security needs are really provisions

against deprivation of satisfaction of physiological needs in the future. It also involves a sense of protection against threats and danger of losing

the job in the future. In a civilized society such as ours, a person is usually protected from threats of violence or extremes in climate or fear of material safety, so that the safety and security needs dwell upon economic and job security, life and medical insurance and other protective measures to safeguard the satisfaction of physiological needs in the future that may be unpredictable. 8.3.4

Love and Social Needs After the needs of the body and security are satisfied, a sense of belonging and acceptance becomes prominent

in

motivating behaviour. These needs include the needs for love, friendship, affection, and social interaction. We

look for an environment where we are understood, respected

and

wanted. That is one reason for 'polarization' where people of similar

backgrounds and beliefs tend to group together. 'Love

they

neighbour' has perhaps a profound meaning. 8.3.5

Esteem Needs The need for esteem is to attain recognition from others that

would induce a feeling of self-worth and self-confidence in the individual. It is an urge for achievement, prestige, status and power. Self-respect is the internal recognition. Respect from others is

the

external recognition and an appreciation of one's individuality as well as his

contribution. This would result in self-confidence, independence, status, reputation and prestige. People then would

begin to feel that they are useful and have some positive effect on their surrounding environment.

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Instructional Material Motivation NOTES 8.3.6

Self-actualization Needs This last need is the need to develop fully and to realize one's capacities and potentialities to the fullest extent possible, whatever these capacities and potentialities may be.

This is the highest level of need in Maslow's hierarchy and becomes a motivator when all other needs have been reasonably fulfilled. At this level,

the person seeks challenging work assignments that allow for creativity and opportunities for personal growth and advancement. This need is for soul searching and is inner-oriented. A self-actualized person is

creative, independent, content, and spontaneous and has a good perception of reality. He is constantly striving to realize his full potential. Thus, 'what a man 'can' be, 'must' be'.

Maslow's model is general in which all needs interact with each other to some degree. Needs are not necessarily linear, nor is the order of needs so rigid. The relative dominance of many needs is variable and is continuously shifting. For example, a self-actualized person may shift his priority to social needs and love needs instead of

prestige and status, if there

is a sudden

loss of a loved one. Similarly, a person may not go to the higher need, even when his lower needs are satisfied. It is also likely that a well prepared elite person may decide to enter a commune where there is overwhelming emphasis on love and affection rather than

to

climb the corporate ladder. Maslow's theory made management aware that people are motivated by a wide variety of needs and that management must provide an opportunity for the employees to satisfy these needs by creating a physical and conceptual work environment, so that people

are

motivated to do their best to achieve organizational goals. The first level needs in the hierarchy — the physiological needs — can be satisfied through such organizational efforts and incentives as adequate wages and salary, acceptable working conditions in order to improve comfort, and avoid

once of

fatigue, more leisure time and acceptable work environment in terms of lighting, ventilation, rest rooms, working space, heat and noise level. Bonuses and fringe benefits will be highly motivational. The second level needs of safety and security can be satisfied through

the

management's initiative to provide life insurance, medical insurance, job security, cost of living increments, pension plans, freedom to unionize, and employee protection against automation.

The economic security to some degree is provided by

law in the form of minimum wages, unemployment benefits, and welfare benefits. Similarly, unions protect employees against discrimination and indiscriminate firing. Since

the first level physiological needs and the

second level security needs are primarily met by business, industrial, societal and legal environment, management must take steps to satisfy higher level needs and also establish as to which of these needs are the stronger sources of

motivation. When the third level needs of love and affiliation become motivators, then people find an opportunity in their work environment for establishing friendly interpersonal relationships. The management can satisfy these needs by: ?

Providing

opportunities for employees to interact socially with each other through coffee breaks, lunch facilities and recreational activities such as organized sports programmes, company picnics and other social get-togethers. ? Creating team spirit

by

keeping work groups informal

wherever possible with friendly and supportive supervision. ? Conducting periodic meetings with all subordinates to discuss matters pertaining to personal achievements and contributions as well as organizational developments. The

fourth level needs of self-esteem involve a feeling of satisfaction and achievement and recognition for such an achievement.

The management can take the following steps to satisfy these needs:

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Design

more challenging tasks and provide positive feedback on performance of employees. ? Give recognition and encouragement for performance and contribution and delegate additional authority to subordinates. ? Involve subordinates in goal-setting and decision-making processes. ? Provide

adequate training and executive development programmes to help employees successfully accomplish their goals and increase their competency on their jobs. ?

Provide some of the symbols for status and respect, such as executive level job title, private secretary, privileged parking, promotion, company car,

stock options and write-ups about achievements in the company newsletters.

The fifth and top-level needs of self-actualization

demand growth and

creativity and the management can take

the following steps to satisfy these needs. ? The employees should be given an opportunity to shape their own jobs. ?

Give employees the freedom of expression. This will open the channels of communications further and give the employees an opportunity to get involved. ? Encourage and develop creativity among employees. Creativity is linked to

freedom

of expression and freedom of movement. Maslow believed that from the point of organizational behaviour, the management should strive to create an organizational hierarchy. Research has established that top managers generally are more able to satisfy their higher level needs than lower level managers who

do routine jobs. Blue collar workers who have very little freedom over job operations may not even experience the higher level

need. 8.3.7

McGregor's Theory X and Theory Y

Douglas McGregor (1906–64) was a professor of industrial management at Massachusetts Institute of Technology (MIT) for most part of his career. His contribution to management thought lies in his proposal that a manager's assumptions about the role of employees determines his behaviour towards them. According to him, the classical organization — with its highly specialized jobs, centralized decision-making and communication from top downwards through the chain of command was not just a product of the need for productivity and efficiency, instead it was a reflection of certain basic managerial assumptions about human nature. These assumptions, that McGregor somewhat arbitrarily classified were designated as Theory X. Theory X identified the classical approach to management based upon ideas generated in the late 1800s and early 1900s. It was primarily based upon the idea of

economic rationality of all employees. This evolved around the classical assumption of Adam Smith that people are motivated by economic incentives and they will rationally consider opportunities that provide for them the greatest economic gain. To the classical thinkers, an efficiently designed job, efficiency-centred organization and proper monetary incentives to workers were the proper tools of motivation. This approach was effective because it was a product of its times. In the late nineteenth century and early twentieth century, technology change was relatively slow and predictable, labour was abundant, competitors were known and productivity was the main focus. 8.3.8

Assumptions of Theory X Following are the assumptions on which theory X is based: 1.

Most people dislike work and avoid it whenever possible. 2. They need to be directed, controlled and threatened with punishment in order to make them work and achieve organizational goals.

CHECK YOUR PROGRESS 3. Does Maslow's model of hierarchical needs represent the rule levels of motivation? Why would some people specially those who are spiritually inclined strive for self-actualization before satisfying the other needs? Explain. 4. What can the management do to satisfy the self-esteem needs of the workers?

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Self-Instructional Material Motivation NOTES 3.

An average person is lazy, shuns responsibility, prefers to be directed, has little ambition and is only concerned with his own security. 4. Most people avoid leading and want to be led and supervised. They are unwilling to accept responsibility. McGregor believed that managers who believe in

Theory X assumptions are likely to treat workers accordingly. These managers practice an autocratic management style and may use the threat of punishment to induce employee productivity. Communication is primarily directed downwards and the environment is characterized by minimal manager—employee interaction. In contrast, Theory Y emphasizes the role of employee input and delegation of authority. 8.3.9 Assumptions of Theory Y Following are the assumptions on which Theory Y is based: 1.

Work is natural to most people and they enjoy the physical and mental effort involved in it, as they do in

rest or play. 2. Commitment to goals and objectives of the organization is also a natural state of behaviour for most individuals. 3. They will exercise self-direction and self-control in pursuit and achievement of organizational goals. 4. Commitment to goals and objectives is a function of potential rewards, especially rewards of appreciation and recognition. 5.

Most people

can innovate and can be creativity in

solving organizational problems. 6. Many individuals seek leadership roles in preference to the security of being led.

Managers who hold Theory Y assumptions treat their workers as responsible persons and give them more latitude in performing their tasks. Communication is

multi-dimensional

and managers interact frequently with employees. These managers encourage innovation and creativity; minimize the use of supervision and control; and redesign the work to make it more interesting and satisfying with regard to higher level needs of workers, such as self- esteem and self-actualization. They integrate individual goals and organizational goals so that with commitment and dedication, both goals are achieved at the same time. Compared to Theory X, Theory Y has the greater potential to develop positive job relationships and motivate employee performance. It must be understood, however, that in some situations where workers do require close supervision and greater control, Theory X assumptions are more effective in achieving organizational goals. 8.4

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SUMMARY ? People’s work performance depends upon their ability to do their assigned work as well as their ‘will’ to do so. Stronger ‘will’ reflects stronger motivation to achieve a goal. The word motivation is derived from motive, which is a need or a desire requiring movement towards the goal of achievement of such needs and desires. It is an action, movement or behaviour

that must fulfill the unsatisfied need. ? Motivation can be positive when employee’s efforts are appreciated which leads to better performance or it can be negative when it

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induces fear and punishment for less efforts. Motivation can also be induced by external factors such as financial rewards for better performance or it could be intrinsic in nature which is self-generated

and is independent of financial benefits. CHECK YOUR PROGRESS 5. Under what circumstances are Theories X and Y applicable? Justify.

Self-Instructional Material 143 Motivation NOTES ? Abraham Maslow studied the motivation phenomenon and came to

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the conclusion that people have certain fundamental needs, both physiological and psychological and that they are motivated to engage in activities that would satisfy these needs.

He built a model of these

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needs into an hierarchy in order of priority, starting from the most fundamental physiological needs such as food, clothing, shelter,

up to the highest and the ultimate fulfillment of the need for self-actualization, which is all a person can be. ? Douglas McGregor proposed a theory that motivation is a function of how a manager perceives his subordinates. Theory X assumes that people are basically lazy and dislike work. Theory Y, on the other hand, assumes that people are excited to work and that they are creative and innovative. Motivation will depend upon the manager's assumptions about his workers. 8.5 ANSWERS TO 'CHECK YOUR PROGRESS' 1. Indeed ! Motivation represents an unsatisfied need. Anything that satisfies that need becomes a motivator. According to Maslow's model, the need to make a living is the first motivator because food and shelter are the basic needs of man. In the five hierarchical levels of needs, the second level of seeking security becomes a motivator, once the first level needs are satisfied. A question has been raised by social psychologists whether the financial incentives are indeed motivators or they simply move you to work in order to get the pay. They further argue that motivation is intrinsic in nature and claim that people are not motivated equally by the same motivating factors. A case in point is a college classroom. A professor teaches all students equally and helps them all equally. Yet, some students will be more motivated and get higher grades than others. Why as the same set of motivators not motivate everyone equally? It is because, motivation goes beyond the five levels of Maslow's model. What do you do after you have achieved self-actualization? Maslow himself pondered over it and came to the conclusion that after the fifth need, the aesthetic need comes into play. Aesthetic needs are internal and include appreciation of nature and its beauty in every form. There have been many cases where a very rich person has left everything and joined a commune for meditation and service to God. To such a being the motivators are spiritual curiosity and 'knowing thyself'. 2. Behavioural scientists seem to be correct because there is sufficient evidence that punishment has often failed to change behaviours. Most of the criminals in jails are repeat criminals. In America, the emphasis is more on rehabilitation than incarceration. Out of all the behaviour changing techniques, KITA (kick in the a.....) is the least popular and least practised. Punishment can also lead to resentment and that creates negative consequences. There is a saying that behaviour can be changed either by extreme love or by a crisis in a person's life. The unconditional love of a wife has changed many alcoholics into giving up alcohol. Many have stopped using drugs after they have learnt of a close friend dying because of drug overuse. Punishment seldom changes behaviour. While in America, punishing a child is considered physical abuse subject to criminal charges, it is still quite common in Indian families. Parents believe that physical punishment brings discipline into a child's life. Even in schools, it is a common practice to punish children who misbehave or do not do their homework. It is still a subject of debate whether punishment or love changes behaviours. 3. Maslow' model of hierarchical needs as a motivational model is accepted as a standard in all textbooks. By and large the model is still good and describes accurately the relationship between motivation and needs. However, there are always exceptions to this rule of thumb. While workers generally would climb through the hierarchy and satisfy each level of needs in turn before going to upper level needs, there are those who do not strictly follow this sequence. The lower level workers sometimes do not

144 Self-Instructional Material Motivation NOTES even rise above the third level. There are others who give more importance to upper level needs. For example, a person who has friends in a given place may be reluctant to move to another place even when the job offer there is much better. For such a person the third level needs are more important than the first level needs. Similarly, there are many executives who retire early and then spend their time in helping the poor and the elderly. One case in point is that of Bhagwant Singh Dilawari who resigned from a top position and went to tapovan to help people suffering from leprosy. He has been doing it now for the last 30–35 years without any financial benefits. Accordingly, there are exceptions to the rule. 4. Self-esteem refers to a person's need to develop self-respect and to gain recognition and approval

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from others, which would induce a feeling of self-worth and self- confidence in the individual. It is

the
urge

for achievement, prestige, status and power. Self-respect is internal recognition. Respect from others is external recognition.

The management can take the following steps to satisfy these needs: (

a) Design more challenging tasks (b) Give recognition and encouragement for jobs well done (c) Involve subordinates in goal-

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setting and decision-making (d) Provide some of the symbols of respect and status such as executive level job title, private secretary, private parking, promotion, company car

with driver. 5. Theory X is applicable when: (a) workers are not devoted to work but do it to earn a living (b) they need to be directed and given specific instructions regarding their work (c) they have little ambition and only concerned with their own security (d) they are unwilling to accept responsibility and would rather do what they are told to do. Theory Y is applicable, when: (a) workers enjoy their work and are eager to come to work (b) they are committed to the goals of the organization (c)

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they will exercise self-direction and self-control in pursuit

of achievement of organizational goals (d) they are creative and innovative (e) they seek leadership roles. 8.6 EXERCISES AND QUESTIONS Short-Answer Questions 1. What do you understand by motivation? Give examples. 2. Are financial incentives good motivators? Give reasons for your answer. 3. What do you understand by self-actualization? Can you give an example of a self- actualized person? 4. What can management do to satisfy the self-esteem needs of workers? Self-Instructional Material 145 Motivation NOTES

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Long-Answer Questions 1. Motivation is defined as a drive that seeks to satisfy an unsatisfied need.

In your case,

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is this drive an inherited trait or is it the force of environmental factors?

Explain. 2. McGregor's Theory X and Theory Y, both propose

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that 'a manager's assumptions about the role of employees determine his behaviour towards them.'

How are these assumptions tied to the motivation of employees. 3. Maslow's model of hierarchical needs lists the human needs in order of priority, so that the

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first level needs must be satisfied before the next level needs become motivators. How rigid is

the order of this priority? Explain the circumstances that

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would justify a different order of priority? 4. What can the management do to satisfy the various needs of workers as shown in Maslow's model? 8.7

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MODULE - 3

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Self-Instructional Material 149 Leadership NOTES UNIT 9 LEADERSHIP Structure 9.0 Introduction 9.1 Unit Objectives 9.2

Leadership 9.3 Formal and Informal Leadership 9.4 Leadership Characteristics 9.5 Leadership Styles 9.6 Theories of Leadership 9.7 Summary 9.8 Answers to 'Check Your Progress' 9.9 Exercises and Questions 9.10 Further Reading 9.0 INTRODUCTION

Leadership is the art of motivating and influencing subordinates to perform their duties 'willingly' and effectively to achieve the set organizational goals. It is important that the followers 'willingly' follow their leader. A true leader motivates the followers to follow and induces a belief in them that they will gain by the policies of the leader. A dictatorship under which the subordinates have to perform, would not be considered a true leadership.

Generally speaking, leaders are known to possess energy, intelligence, self-confidence, patience, maturity and a charismatic appearance and outlook. Whether these characteristics are learned or inherited is still a subject of debate. Which of these characteristics are important and necessary for leadership is not explainable. Many of these traits are also exhibited by followers and it is not explained as to why these followers could not become leaders. All leaders are expected to be able to inspire and motivate others. They should possess the skills of problem-solving as well as those of effective communication. President Reagan of America and Netaji Subhash Chander Bose were known to be great communicators. Successful leaders are expected to be emotionally mature and good at understanding human behaviour. They should also be willing to take calculated risks. 9.1 UNIT OBJECTIVES ? Appreciating that all managers are business leaders and that they must exhibit leadership qualities in addition to managerial expertise ? Differentiating between formal and informal leadership ? Explaining the various characteristics of established leaders ? Understanding the trait theory of leadership ? Explaining the concept of managerial grid ? Explaining the various contingency and situational approaches to leadership ? Explaining the various leadership styles

150 Self-Instructional Material Leadership NOTES 9.2 LEADERSHIP

Leadership is an integral part of management and plays a vital role in managerial operations.

If there is any single factor that can differentiate between a successful and an unsuccessful organization, it is the dynamic and effective leadership. Perhaps, it would be a valid assumption to state that the major cause of most business failures is ineffective leadership. All managers, in a way, are business leaders, even though management primarily relies on formal position and power to influence people whereas leadership stems from a social influence process. However, management is an integral component of technical as well as social processes.

Leadership is

not an attribute of business alone. It is a relevant factor in the army, government, universities, hospitals and anywhere else where people work in groups. There must be somebody to guide that group. The group leader may also be an informal leader, one who emerges from the ranks of the group with the consensus of the members. Leadership may be defined as

the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement of group objectives.

Most management writers agree that, ‘

leadership is the process of

influencing the activities of an individual or a group in efforts towards goal achievement in a given situation.’

The element of willingness in the above definition is important. It

differentiates successful and effective leaders from the ‘common run of the managers’. Motivating and influencing people to move towards a common goal are all essential elements of management but the ‘willingness’ of the followers to be led, highlights a special quality that puts a leader high above

the others. Based on these elements of the leadership function, leadership may be defined as: $L = F(f, g, w, s)$ where leadership (L) is a function (F) of f = followers g = goal w = a measure of willingness on the part of subordinates, and s = a given situation 9.3 FORMAL AND INFORMAL LEADERSHIP

Leadership can be formal or informal. Formal leadership occurs when a person is appointed or elected as an authority figure. For example, anyone who is appointed to the job of a manager is also given the authority to exercise formal leadership over his subordinates. Similarly, a formally elected leader of a country or a state acquires the authority of leadership in giving direction to the country or state.

Informal leadership emerges when a person uses interpersonal influence in a group without designated authority or power. These leaders emerge in certain situations because of their charm, intelligence, skills or other traits and to whom other people turn to

for advice, direction and guidance. Religious and civic leaders fit into this category. Successful managers who exercise their given authority in a formal way are also capable of exercising informal leadership relationships with people both within as well as outside the organization. 9.4

LEADERSHIP CHARACTERISTICS

A leader has certain inherent qualities and traits which assist him in directing and wielding

a

commanding influence over others. Some of these traits according to Jago are:

CHECK YOUR PROGRESS 1. Leadership function is defined as $L = F(f, g, w, s)$. How far is the situation element important in determining the quality of leadership? Give reasons.

Self-Instructional Material 151 Leadership NOTES 1.

Energy, drive 2. Appearance, presentability 3. A sense of cooperation 4. Enthusiasm 5. Personality – height and weight 6. Initiative 7. Intelligence 8. Judgment 9. Self-confidence 10. Sociability 11. Tact and diplomacy 12. Moral courage and integrity 13. Will power and flexibility 14. Emotional stability 15. Knowledge of human relations These traits are not universal in nature,

nor do all the leaders have all these traits. Moreover, not all these traits work all the time. While some of these characteristics

help in differentiating

successful managers and leaders from unsuccessful ones, it is the behaviour of the leaders, either as a result of these characteristics or otherwise, which is more tangible and obvious and less abstract

in nature. Leadership behaviour is directly related to

individual and group work activity, loyalty to the group, absenteeism, turnover and employee morale.

These are some of the indicators, which reflect

the effectiveness of leadership behaviour.

Many studies have been conducted to identify and separate such characteristics and personal traits that are unique to

the behaviour of successful leaders. These traits could then be set as standards against which the profiles of leaders could be matched and judged. However, such attempts have not been successful. According to Ralph Stogdill, 3 who studied the subject of leadership extensively, 'a person does not become a leader by virtue of the possession of some combination of traits, but the pattern of personal characteristics of the leader must bear some relevant relationship to the characteristics, activities and goals of the followers.' 9.5

LEADERSHIP

STYLES Leadership styles can be classified according to the philosophy of the leaders. What the leader does determines how well he leads. A style of leadership is a 'relatively enduring set of behaviours which is a characteristic of the individual, regardless of the situation.' Some of the more significant leadership styles are discussed below: 9.5.1

Autocratic or Dictatorial Leadership Autocratic

leaders keep

the decision making authority and control in their own hands and assume full responsibility for all actions.

Also,

they structure the entire work situation in their own way and expect the workers to follow their orders

and

tolerate no deviation from their orders. The subordinates are required to implement instructions of their leaders without question. They are entirely dependent on their leader and the output suffers in the absence of the leader. The autocratic leadership style ranges from tough and highly dictatorial to paternalistic, depending upon whether the leader's motivational approach is threat and punishment or appreciation and rewards. In highly autocratic situations, the subordinates develop a sense of insecurity, frustration, low morale and are induced to avoid responsibility, initiative and innovative behaviour. The autocratic leader believes that his leadership is based upon the authority conferred upon him by some source such as his position, knowledge, strength or the power to punish and reward.

Some of the advantages and disadvantages of autocratic leadership are as follows: Advantages

of Autocratic Leadership Style 1. Autocratic leadership is useful when the subordinates are new on the job and have had no experience either in the managerial decision-making process or performing without active supervision.

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Self-Instructional Material Leadership NOTES 2.

It can increase efficiency and even morale when appropriate and get quicker results, specially in a crisis or emergency when the decision must be taken immediately. 3.

The

paternalistic leadership is useful when the subordinates are not interested in seeking responsibility or when they feel insecure at the job or when they work better under clear and detailed directives. 4. It is useful when the chain of command and the division of work is clear and

understood by all and there is little room for error in the final accomplishment. Disadvantages of Autocratic Leadership Style 1.

One-way communication without feedback leads to misunderstandings and communication-breakdown. 2. An autocratic leader makes his own decisions which can be very dangerous in this age of technological and sociological complexity. 3. Since it inhibits the subordinate's freedom, it

fails to develop his commitment to the goals and objectives of the organization. 4.

Since

the environment at the work place

provides for worker resentment, it

creates problems with their morale resulting in poor productivity in the long run. 5.

It is unsuitable when the workforce is knowledgeable about their jobs and the job calls for teamwork and cooperative spirit. 9.5.2

Participative or Democratic Leadership In this type of leadership, the subordinates are consulted and their feedback is taken into the decision-making process. The leader's job is primarily that

of a moderator, even though he makes the final decision and he alone is responsible for the results. The management recognises that the subordinates are equipped with talents and abilities and that they are capable of bringing new ideas and new methodologies to the work place. Thus, the group members are encouraged to demonstrate initiative and creativity and take interest in setting plans and policies and have participate in decision-making. This ensures better management– labour relations, higher morale and greater job satisfaction. This type of leadership is specially effective when the workforce is experienced and dedicated and is able to work independently with little direction, thereby developing a climate which is conducive to growth and development of the organization as well as the individual.

The feasibility and usefulness of the participative decision-making style is dependent on the following factors: 1. Since participative decision making process is time consuming, there should be no urgency to the decision. 2. The cost of participation of subordinates in the decision making should not be more than the benefits derived from the decision. 3. The input from the subordinates should be free from any fear of repercussions in case such input is in conflict with the views held by the management. 4. The participation of subordinates should not be of such a degree as to be perceived as a threat to the formal authority of management. 5. Subordinates should be sufficiently responsible so that there is no leakage of confidential information to outside elements. Advantages of Participative Leadership Style 1.

Active participation in the managerial operations by labour assures rising productivity and satisfaction. 2. Workers develop a greater sense of self-esteem due to importance given to their ideas and their contributions.

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The employees become more committed to changes that may be brought about by policy changes, since they themselves participated in bringing them about. 4.

The leadership induces confidence, cooperation and loyalty amongst the

workers. 5. It results in higher employee morale. 6. It increases the participants' understanding of each other which results in greater tolerance and patience towards others.

It has been demonstrated by numerous researchers that participation by subordinates improves the

quality of work, enhances an easy acceptance of changes in the organization and improves morale and loyalty.

Notwithstanding numerous advantages and great reliance on participative leadership, it also has several disadvantages. Disadvantages of Participative Leadership Style (a)

The

democratic leadership requires some favourable conditions in that the labour must be literate, informed and organized. This is not always possible. (b) This approach assumes that all workers are genuinely interested in the organization and that their individual goals are successfully fused with the organizational goals. This assumption may not always be valid. (c) There must be total trust on the part of management as well as employees. Some employees may consider this approach simply an attempt to manipulate them. Accordingly, the employees must be fully receptive to this approach to make it meaningful. (d) Some group members may feel alienated if their ideas are not accepted for action. This may create a feeling of frustration and ill-will. (e) This approach is very time consuming and too many viewpoints and ideas may make the

process of reaching a

decision more difficult and

may be a source of frustration to impatient management. (f) Some managers may be uncomfortable with this approach because they may fear an erosion of their power base and their control over labour. (g) This approach relies heavily on incentives and motivation of recognition, appreciation, status and prestige. However, labour may be interested in financial incentives instead of prestige. 9.5.3

Laissez-faire or Free-reign Leadership In this type of leadership, the leader is just a figure-head and does not give any direction. He delegates the authority to subordinates so that they must plan, motivate, control and otherwise be responsible for their own actions. The leader acts principally as a liaison between the group and the outside elements and supplies necessary materials and information to group members. He lets the subordinates develop their own techniques for accomplishing goals within the organizational policies and objectives. The leader participates very little and instead of leading and directing, he becomes just one of the members. He does not attempt to intervene or regulate or control and there is complete group or individual freedom in decision making. This type of leadership is highly effective when the group members are

highly

intelligent and are fully aware of their roles and responsibilities and have the knowledge and skills to accomplish these tasks without direct supervision.

This type of leadership is evident in research laboratories where the scientists are fairly free to conduct their research and make their decisions. Similarly, in a university or a college, the chairperson of a division does not interfere in the professor's teaching method, but only assigns the courses to be taught. From then onwards, the professors are very much their own leaders.

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Self-Instructional Material Leadership NOTES Advantages

of Laissez-faire Leadership Style (

a)

It creates an environment of freedom, individuality as well as team spirit. (b) It is highly creative with a free and informal work environment. (c) This approach is very useful where people are highly motivated and achievement oriented.

Disadvantages

of Laissez-faire Leadership Style (

a)

It may result in disorganized activities which may lead to inefficiency and chaos. (b) Insecurity and frustration may develop due to lack of specific decision making authority and guidance. (c) Team spirit may suffer due to possible presence of some uncooperative members. (d) Some members may put their own interests above the group and team interests. 9.6

THEORIES OF
LEADERSHIP

Over the last 80 years, a number of different theories and approaches to studying leadership have been developed. Prior to 1945, the most common approach to the study of leadership concentrated on leadership traits. It was thought that leaders possessed and exhibited some unique set of qualities that distinguished them from their peers. Because this line of investigation did not produce consistent outcomes, research centered on other theories such as behavioural and situational approaches to leadership identification. These theories are examined as follows: 9.6.1 Trait Theory The trait theory rests on the traditional approach which describes leadership in terms of certain personal and special characteristics which are not acquired by knowledge and training but are considered inherited. This theory emphasizes that leaders are born and not made and that leadership is a function of inborn traits. Some of these inborn traits are considered to be intelligence, understanding, perception, high motivation, socio-economic status, initiative, maturity, need for self-actualization, self-assurance and understanding of interpersonal human relations. In the earlier studies, the existence of these traits became a measure of leadership. It holds that possession of these traits permits certain individuals to gain a position of leadership. Since all individuals do not have these qualities, only those who have them would be considered potential leaders. It was further believed that training individuals to assume leadership roles was not possible and such training would

be helpful

only to those who had these leadership traits to start with. The trait theory of leadership has suffered from lack of conclusiveness and over-simplification. As Eugene E. Jennings concluded, "fifty years of study have failed to produce one personality trait or a set of qualities that can be used to discriminate leaders and nonleaders." The old assumption that 'leaders are born' has never been substantiated in several decades of research. The critics have charged that the theory focuses attention only on the leader and disregards the dynamics of the leadership process. Also the theory ignores the situational characteristics which may result in the emergence of a leader.

Some of the other weaknesses and failures of the trait theory are: 1. All the traits are not identical with regard to the essential characteristics of a leader. 2. Some traits can be acquired by training and may not be inherited. 3. It does not identify the traits that are most important and those that are least important in identifying a successful leader.

CHECK YOUR PROGRESS 2. Is autocratic type of leadership more suitable in the Indian cultural environment as compared to the participative style of leadership? Explain. 3. Under what circumstances would free-reign leadership be suitable in the Indian organizations?

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The traits required to 'attain' leadership may not be the same that are required to 'sustain' leadership. 5. It fails to explain the many leadership failures in spite of the required traits. 6. It has been found that many traits exhibited by leaders are also found among followers without explaining as to why followers could not become leaders. 7. It ignores the environmental factors which may differ from situation to situation. 8. It is difficult to define traits in absolute terms. Each trait can be explained in a variety of terms. For example, intelligence cannot be accurately measured simply by IQ tests. Similarly, maturity is subject to various interpretations. The measurement of these traits is even more difficult. Such psychological attributes as initiative and creativity cannot be observed or measured but can only be inferred from behaviour. 9.

The extent and influence of traits would also depend upon the level of leadership in an organization. A supervisor of production, for example, does not need or use the same traits as the president of the

company. The lower level management requires more technical skills while at the top management level, human and conceptual skills are highly significant. Thus it would be unreasonable to assume that these traits are uniformly distributed at all managerial levels.

The traits

theory approach has been criticised as lacking predictability. There are probably no personality traits that consistently distinguish the leader from his followers. According to B. Solomon: 'History is replete with non-trained, non-academic Fords, Edisons and Carnegies who could not even claim a grammar school education, yet managed to become leaders whose influence was felt around the globe. As for robust health, need we mention more than the delicate Gandhi or George Washington or Carver, the frail, shriveled, insignificant little negro who was one of America's greatest scientists and so many more like them. As for high ideals and fine character act, where would Hitler, Capone or Attila the Hun rate here?' Similarly, if tall people were more inclined to be leaders then how could such short people as Napoleon or

a

respected Prime Minister of India, Lal Bahadur Shastri have risen to a high leadership positions? Accordingly inconsistencies in the theory of traits of leadership give rise to a logical criticism against its validity.

9.6.2 Behaviour Theory This

theory studies leadership by looking at leaders in terms of what they 'do'. This is in contrast to trait theory which seeks to explain leadership in terms of who the leaders 'are'. Thus according to behaviour theory, leadership is shown by a person's acts more than by his traits. The leadership effectiveness is determined in terms of leader—subordinate interaction and outcome. Research studies conducted by Katz, Maccoby and Morse, suggested that leadership behaviour be defined along employee—centered dimension and production—centered dimension complementing each other so that the employee's performance and productivity is enhanced. Further in-depth investigations into this approach have been conducted at Ohio State University. These studies isolate two particular factors affecting the leadership dimension. These are: Consideration It refers to the extent to which there is a rapport between the leader and the group, a mutual warmth and trust, a concern for the needs of the members of the work group, an attitude that encourages participative management, two-way communication and respect for the feedback of the followers. Initiating structure It refers to the extent to which a leader is task-oriented and his ability and concern in utilising resources and personnel at optimum level. It involves creating a work

CHECK YOUR PROGRESS 4. Trait theory of leadership implies that leaders are born with certain traits and because of these traits, they become leaders. How does Mahatma Gandhi fit in that mould?

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environment so that the work of the group is organized, coordinated, sequential and organizationally relevant so that people know exactly

what is to be done and how it is to be done.

The structure involves having the leader to organize and define the role each member is to assume, assign tasks to them and push for the realization of organizational goals.

An important discovery made by the Ohio studies was that the leader does not necessarily have to rate high both on consideration as well as structure element. He could be high on one and low on the other and still lead the group successfully. Because initiating structure dimension includes planning, coordinating, directing, problem solving, criticising poor work and pressuring subordinates to perform better and consideration means friendliness and consultation with subordinates, these two elements may seem to be in conflict with each other. However, according to Weissenberg and Kavanaugh, these two elements are considered to be relatively independent dimensions of a leader's behaviour. This means that a high score on one dimension does not necessarily mean a low score on the other. Thus consideration and initiating structure can be shown in various combinations as in Figure 9.1. Figure 9.1: Consideration and Initiating Structure

Thus a manager with high structure and high consideration rates high in directing and controlling his subordinates and has a high level of concern and warmth towards employees. Such managers have subordinates who are more satisfied, have fewer grievances and stay longer with the organization. There is also evidence that such managers who exhibit high levels of both consideration and initiating structure generate higher levels of subordinate performances.

One advantage of this theory is that these two dimensions of leadership behaviour are tangible and observable and do account for a major part of the leader behaviour. Even though a causal connection of these two dimensions with performance has not been clearly demonstrated, their relationship to leadership effectiveness has been quite obvious.

9.6.3

Managerial Grid Another aspect of behavioural theory of leadership is represented by the managerial grid. It was developed by Robert Blake and Jane Mouton and plays an important part in managerial behaviour in organizational development. In general, behavioural scientists have separated the two primary concerns in organizations, namely, the concern for production and concern for people. They believed that a high concern for production necessarily meant low concern for people and high consideration for workers meant tolerance for low production. However, the managerial grid model emphasised that both concerns should be integrated to achieve the objectives of the organization. It assumes that people and production factors are complementary to each other rather than mutually exclusive. According to Rao and Narayana, the concern for production is not limited to things only, and concern for people cannot be confined to narrow considerations of interpersonal warmth and friendliness. Production can be measured in terms of creative ideas of people that turn into useful products, processes or procedures, efficiency of workers and quality of staff and auxiliary services. Similarly, concern for people includes concern for the degree of personal commitment of complementing the work requirement assigned to each person, accountability based upon trust rather than fear or force, sense of job security and friendship with co-workers leading to a healthy working climate.

CHECK YOUR PROGRESS 5. Leaders are determined by not 'who they are' but 'what they do'. How far do you agree with this statement?

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The management grid is built on two axis, one representing the 'people' and the other the 'task'. Both the horizontal, as well as the vertical axis are treated as a scale from 1 to 9 where 1 represents the least involvement and 9 represents the most involvement, so that the coordinates (1, 1) would indicate minimum standards for worker involvement and task design, and coordinates (9, 9) would indicate maximum dedication of the workers and highly structured operations. Such an involvement would reflect upon the managerial orientation towards tasks and towards workers who are expected to perform such tasks.

Blake and Mouton have identified five coordinates that reflect various styles of leader behaviour. The managerial grid figure and these styles are shown

in Figure 9.2. Figure 9.2: Styles of Leader Behaviour

The managerial grid diagram as shown can be interpreted as follows: ? Coordinates (1, 1) This represents an impoverished management and the manager makes minimum efforts to get the work done. Minimum standards of performance and minimum worker dedication. ? Coordinates (9, 1) Excellent work design. Well established procedures. Minimum worker interference. Orderly performance and efficient operations. ? Coordinates (1, 9) Personal and meaningful relationships with people. Friendly atmosphere and high morale. Loosely structured work design. ? Coordinates (9, 9) Ultimate in managerial efficiency. Thoroughly dedicated people. Trustworthy and respectable atmosphere. Highly organized task performances. Known as team management style, it relies upon interdependence of relationships based upon trust and respect and work accomplishment based upon commitment of employees. ? Coordinates (5, 5) Known as the middle-of-the-road management style, it is concerned with balancing the necessity to get the work done while maintaining worker morale at a satisfactory level. The goal is to achieve adequate organizational performance. This managerial grid provides a reasonable indication of the health of the organization as well as the ability of the managers. The model assumes that there is one best or most effective style of management, which is the style indicated by coordinates (9, 9) also known as team management style. It is the objective of all management to move as close to this style as possible, for managers who emphasise both high concern for people as well as productivity are presumed to be more successful. Accordingly, managers should be carefully selected on the basis of their ability to coordinate people and tasks for optimum benefit.

CHECK YOUR PROGRESS 6. Where, in your judgement, most of the Indian managers fit in the managerial grid? Explain.

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The managerial grid model, however, has become controversial on the basis of lack of empirical evidence supporting whether the team management style is the best management style. Even Blake and Mouton offer conceptual, rather than empirical arguments as to why the team management style should be the best style, when conditions are favourable.

9.6.4

Contingency Theories All the leadership theories discussed so far attribute leadership performance on the basis of certain traits or

in terms of leader's behaviours. The contingency theories state that an analysis of leadership involves not only individual traits and behaviour but also a focus on the situation. The leadership behaviour is used in combination with work groups contingencies to predict performance outcomes.

The

effectiveness of leader behaviour is contingent upon the demands imposed by the situation.

The focus is on the situation in which leadership is exercised and not upon the leader. Different types of situations demand different

characteristics and behaviours because each type of leader faces different situations.

Similarly, a successful leader under one set of circumstances may be a failure under a different set of circumstances. For example, Winston Churchill was considered a successful prime minister and an effective leader of England during World War II. However, he had less success after the war when the situation was changed. The contingency approach, known also as situational

approach defines leadership in terms of a person's ability to handle a given situation and is based on the his skill in that given area. This approach

can best be described by a hypothetical example developed by Robert A. Baron. Imagine the following scene: The top executives of a large corporation are going in their limousine to meet the president of another large company at some distance. On the way their limousine breaks down.

The closest town is

many miles away. Who takes charge of the situation? Who becomes the situational leader? Not the president or the vice-president of the company, but the driver of the car who knows enough about the motor to get the car started again. As he does or oversees the repairs, he gives direct orders to these top echelons of the organization, who comply. But once the car starts and they arrive at the meeting, the driver surrenders his authority and becomes a subordinate again. This example suggests that in a given situation, the person most likely to act as a leader is the one who is most competent for the situation or for a given group as the case may be. Thus, in defiance of the trait theory, some shy and introvert person may take command of leadership if he meets the group's requirements under given circumstances. However, it must be understood that it would require the leaders to change their behaviour in order to fit the changed situation, if necessary, rather than having to change the situation to suit the leadership behaviour style. This means that the leaders must remain flexible and sensitive to the changing needs of the

given group. While this approach emphasises that external pressures and situational characteristics and not the personal traits and personality characteristics determine the emergence of successful leaders in performing a given role, it is probably a combination of both types of characteristics that sustains a leader over a long period of time. A leader is more successful when his personal traits complement the situational characteristics. According to Szilagyi and Wallace, there are four contingency variables that influence a leader's behaviour. First, are the characteristics of the leader himself. These include his personality relative to his ability to respond to situational pressures as well as his previous leadership style in similar situations. The second variable relates to the characteristics of the subordinates. The subordinates are important contributors to a given operational situation. The situation will very much depend upon whether the subordinates prefer a participative style of leadership and decision making and what their motivations in this situation are. Are the subordinates motivated by intrinsic satisfaction of performing the task well or do they expect other types of reinforcements?

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The third factor involves the group characteristics. If the group is highly cohesive, it will create a cordial situation than if the group members do not get along with each other so that the leadership style will vary accordingly. The fourth situational factor relates to the organizational structure. The organizational structure is the formal system of authority, responsibility and communication within the company. Factors such as hierarchy of authority, centralised or decentralised decision making and formal rules and regulations would affect the leader behaviour. All these factors are shown

in Figure 9.3 Contingencies Figure 9.3: Factors Affecting Leader's Behaviour

Contingency theories of leadership attempt to account systematically for any relationship between situational factors and leadership effectiveness. Four such main theories have been proposed.

These are discussed as follows: 9.6.5

Fiedler's Contingency Theory Fred Fiedler was one of the earliest proponents of a leadership model that explicitly accounted for situational factors.

In 1967,

he proposed a theoretical explanation for interaction of three situational variables which affect the group performance. These are (1) leader-member relations, (2) task structure and (3) leader's positional power. These variables determine the extent of the situational control that the leader has. Leader-member relations This relationship reflects the extent to which

the followers

have confidence and trust in their leader and to his leadership ability. A situation in which the leader-member relations are

based on

mutual trust and open communication is much easier to manage than a situation where relations are strained.

Task structure It measures the extent to which the tasks performed by subordinates

are specified and structured. It involves clarity of goals, as well as clearly established and defined number of steps required to complete the task. When the tasks are well structured and the rules, policies and procedures clearly written down and understood, then there is little ambiguity as to how the job is to be accomplished. Position power Position

power refers to the legitimate

power inherent in the leader's organizational position. It refers to the degree to which a leader

can make decisions regarding allocation of resources, rewards and sanctions. Low position power indicates limited authority. A high position power gives the leader the right to take charge and control the situation as it develops. The

most favourable situation for the leader then would be when

the leader-group relations are positive; the task is highly structured; and the leader has substantial power

and authority to exert influence on the subordinates. The leadership model proposed by Fiedler measures the leadership orientation and effectiveness with a differential type of attitude scale.

It

measures the leader's esteem for the 'least preferred co-worker' or LPC as to whether or not the person the leader least likes to work with is viewed in a positive or negative way. For example, if a leader describes his least preferred co-worker in a favourable way with regard to such factors as friendliness, warmth, helpfulness, enthusiasm, then he would be

considered high on

the

LPC scale. In general, a high LPC score leader is more relationship-oriented and a low LPC score leader is more task-oriented.

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A high LPC leader is most effective when the situation is reasonably stable and requires only a moderate degree of control. The effectiveness stems from motivating group members to perform better and be dedicated towards goal achievement. A low LPC leader would exert pressure on the subordinates to work harder and produce more. These pressures would be directed through organizational rules, policies and expectations.

One of the basic conclusions that can be drawn from Fiedler's contingency model is that a particular leadership style may be effective in one situation and totally ineffective in another,

and

since a leadership style is more difficult to change, the situation should be changed to suit the leadership style. The situation can be made more favourable by enhancing relations with subordinates, by changing the task structure or by gaining more formal power

which

can be used to induce a more conducive work setting based upon personal leadership style.

Fiedler and his associates also developed a leadership training programme known as LEADER MATCH, giving the manager some means and authority to change the situation so that it becomes more compatible with the leader's LPC orientation. Studies conducted by Strube Garcia show strong support for Fiedler's approach. 9.6.6

Path–Goal Theory The path–goal theory of leadership, as proposed by House and Mitchell, proposes that the effectiveness of leaders can be measured from their impact on their subordinates’ motivation, their ability to perform effectively and their satisfaction with their tasks. This model emphasises that the leader behaviour be such as to compliment the group work setting and aspirations so that it increases the subordinate goal achievement level and clarifies the paths to these goals. This approach is based upon the expectancy theory of motivation and reflects the worker’s beliefs that effort would lead to successful outcomes.

The leader charts a clear path and clear guidelines for the subordinates to achieve both personal as well as

work- related goals and assists them in achieving these goals. This will make the leader behaviour acceptable and satisfying

since the subordinates

see the behaviour of the leader as an immediate source of satisfaction or as a source of obtaining future satisfaction. This approach is largely derived from the path–goal approach motivation. To motivate workers, the leader should: (

a) Recognise

subordinate needs for outcomes over which the leader has some control (

b)

Arrange for appropriate rewards to his subordinates for goal achievement (c) Help subordinates in clearly establishing their expectations (d) Demolish, as far as possible, the barriers in their path of goal achievement (

e)

Increase opportunities for personal satisfaction which are contingent upon satisfactory performance

The path–goal model takes into consideration the different types of leadership behaviour. There are four such types of leadership styles that would support this approach depending upon the nature of the situation. These are: Directive

Directive leadership is the

style

in which the leader provides guidance and direction to subordinates regarding job requirements as well as methodology for job accomplishment. This style is required when the demands of the task on hand are ambiguous and not clearly defined. But when the task is clear or clarification is available, then a high level of directive leadership is not required and may, in fact impede performance. Supportive

Supportive leadership is

a style in which the leader is concerned with the needs and well-being of his subordinates. The leader is friendly and approachable and treats his subordinates as equals. This approach has the most positive effect, specially on of those

CHECK YOUR PROGRESS 7. How would you explain Friedler’s contingency theory of leadership to non- business students?

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followers who are working on unpleasant, stressful or frustrating tasks that are highly repetitive. Achievement-oriented

This type of support helps the subordinates to strive for higher performance standards and increases their

confidence in their ability to meet challenging goals. This is specially true for followers who have clear cut and non-repetitive assignments. Participative

This leadership approach encourages subordinate’s participation in the decision making process. The leader solicits subordinate’s suggestions and takes the suggestions into consideration before making decisions. 9.6.7

The

Contingency Factors The specific leadership style that is most effective is contingent upon two situational factors. These factors are: Characteristics of subordinates The leadership style selected by

the leader

should be compatible with the ability, experience, needs, motivations and personalities of the followers. Subordinates who perceive their own ability to be high would not appreciate a directive approach and would be highly motivated by a supportive leadership style. People who believe that what happens to them is a result of their own behaviour are more satisfied with a participative leadership style and people who believe that what happens to them is a matter of chance or luck, prefer a directive style of leadership. Environmental factors are those which are beyond the control of the subordinates but are significant in affecting their satisfaction or on their ability to perform effectively. These include the structure of the work tasks, openness of communication, extent of feedback provided, formal authority system of the organization and the nature of interaction within the work group. If the task is of a routine nature and well-structured, the organizational authority system is formal and the group norms are clear and respected, then a directive leadership style will be unnecessary. Additionally, such a leadership will be motivational which helps subordinates cope with the environmental uncertainties, environmental threats and frustration and removes any other barriers to performance and also make sure that subordinates' satisfactory performance is adequately rewarded.

9.6.8 Life-Cycle Theory The life-cycle theory of leadership has been developed by Paul Hersey and Kenneth Blanchard. The model focuses on the 'maturity' of the followers as a contingency variable affecting the style of leadership.

The 'maturity' of the subordinates can be defined as their ability and willingness to take responsibility for directing their own behaviour in relation to a given task.

The level of such maturity would determine the leader's emphasis on task behaviours (giving guidance and direction) and relationship behaviour (providing socio-emotional support). 'Task behaviour' can be defined as the extent to which the leader engages in spelling out the duties and

responsibilities of an individual or group. These behaviours include telling people

what to do, how to do it, when to do it, where to do it and who is to do it.

Task behaviour is characterised by

a one-way communication from the leader to the follower and this communication is meant to direct the subordinate to achieve his goal.

Similarly, 'relationship behaviour' is defined as the extent to which the leader engages in two-way or multi-way communication.

It includes

listening, facilitating and supportive behaviours. Maturity is the crux of the life-cycle theory. It has been defined previously as reflecting the two elements of ability and willingness on the part of the followers. Ability is the knowledge, experience and skill that an individual or a group has in relation to a particular task and willingness refers to the motivation and commitment of the group to successfully accomplish such given tasks.

CHECK YOUR PROGRESS 8. A good leader takes his followers where they want to go. Does it not conflict with the visionary leaders who take their followers where their vision takes them? Give your reasons.

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The style of leadership would depend upon the level of maturity of the followers. The following diagram suggests four different styles of leadership for each stage of maturity and a particular style in relationship to its relative level of maturity is considered to be the best 'match'.

Figure 9.4: Different Style of

Leadership Source: Paul Hersey and Kenneth Blanchard, Management of Organizational Behavior: Utilizing Human Resources, Prentice Hall, 1982, p. 152. These various combinations of leadership styles and levels of maturity are explained in more detail as follows: (S 1) Telling The 'telling' style is best for low follower maturity. The followers feel very insecure about their task and are unable and unwilling to accept responsibility in directing their own behaviour. Thus, they require specific directions as to what, how and when to do various tasks so that a directive leadership behaviour is more effective. (S 2) Selling The 'selling' style is most suitable where followers have low to moderate maturity. The leader offers both task direction and socio-emotional support for people who are unable to take responsibility. The followers are confident but lack skills.

It

involves high task behaviour and high relationship behaviour. (S 3) Participating This leadership approach involves high relationship behaviour and low task behaviour and is suitable for followers with moderate to high maturity where they have the ability but are unwilling to accept responsibility requiring a supportive leadership behaviour to increase their motivation. The leader has an open door policy with open channels of communication and encourages his followers to perform their tasks well. (S 4) Delegating Here the employees have both the high job maturity and high psychological maturity. They are both able and willing to be accountable for their responsibility towards task performance and require little guidance and direction. It involves low relationship and low task leader behaviour.

The life-cycle theory of leadership requires that leaders attend to the demands of the situation as well as the feelings of the followers, and adjust their styles with the changing levels of maturity of the followers so as to remain consistent with the actual levels of maturity.

Self-Instructional Material 163 Leadership NOTES 9.6.9

Vroom–Yetton Model This leadership model is normative in nature for it simply tells leaders how they should behave in decision making. The focus is on the premise that different problems have different characteristics and should therefore be solved by different decision techniques. The effectiveness of the decision is a function of leadership that ranges from the leader making- decisions himself to a totally democratic process

in which the subordinates fully participate in

the contingencies of the situation which describe the attributes of the problem to be dealt with. For a successful leader, it is imperative to know the best approach to solving the problem at hand and to know how to implement each decision making technique well as and when required. The model indicates that the decision reached should be high in quality, should be accepted by the people who have to implement it and should be time-efficient.

While choosing a strategy the leader decides as to which element he will focus on and which element may be neglected to some extent.

Studies performed to test the validity of this theory concluded that the participative and democratic style of leadership was more appropriate and successful at higher levels of organization, whereas directive decision-making style was better utilised at lower levels. There are three variables that affect the performance of the leader, in terms of his capacity as a decision maker. These variables are: the quality of the decision, the degree of acceptance of the decision by the subordinates and the time required to make the decision. The quality of the decision

It refers to not only the importance of the decision to performance of the subordinates relative to organizational objectives but also whether such

a performance is optimal in nature and whether all relative inputs have

been considered during the decision-making process. If such a decision requires inputs from subordinates, then they

should be involved in the decision-making process. Decision acceptance It refers to the degree of subordinate commitment to the decision. Whether the decision is made by the leader himself or with the participation of the subordinates, it must be accepted by those who have to implement it wholeheartedly. The decision itself has no value unless it is efficiently and correctly executed. When subordinates accept a decision as their own, they will be more

committed to implementing it effectively. Time required to make the decision Many situations develop in the form of a crisis where immediate and fast actions have to be taken requiring quick decisions. The subordinates must understand that their participation in decision-making is very time consuming and under certain situations the delay in decision-making could be risky. Accordingly, as long as the decision is complimentary to the subordinates' aspirations and organizational goals, an individualistic decision-making style is more desirable if decisions have to be made under time constraints.

Since high quality of the decision and a high degree of its acceptance by the subordinates are crucial to the successful implementation and outcome of the decision, Rao and Narayana suggest that leaders should select a decision-making style that is appropriate and most effective in a given situation. In this regard they should address the problem by asking seven questions. The first three questions relate to the quality of the decision and the rest relate to the decision acceptance by the subordinates. These questions are: 1. Is there a quality requirement such that one solution is likely to be more rational than another? 2. Do you have sufficient information to make a high quality decision? 3. Is the problem structured? 4. Is acceptance of

decision by subordinates critical to effective implementation? 5. If a decision is made by the leader, is it reasonably certain that it would be accepted by your subordinates?

CHECK YOUR PROGRESS 9. Explain Vroom-Yetton model in your own words.

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Self-Instructional Material Leadership NOTES 6.

Do subordinates share the organizational goals in solving the problem? 7. Is conflict among subordinates likely in preferred solutions? The answers to these questions would determine a particular decision making style to be adopted by the leader. 9.7

SUMMARY ? Leadership

quality is judged by the ability of the person to direct the human efforts towards the achievement of an organizational goal. The success of these directional efforts to determines the quality of efforts and performance within the organization. The leadership function emerges wherever people work in groups, such as in business, army, government, universities, hospitals. Leadership is a function of the followers, the goals to be achieved, the degree of willingness on the part of subordinates and the nature of the given situation. The higher the extent of willingness of his staff to follow, the more successful is the leader. ? Some of the traits attributed to leaders are personality, intelligence, energy, self confidence, understanding of human behaviour, emotional stability, moral courage and integrity. In the past many leaders were tall, charismatic and came from elite economic backgrounds. And so, these characteristics were also added as traits of leadership. However, these traits alone do not constitute a leader. Leadership is also judged not by who the person is but by what he does. ? A leader can be autocratic in nature, which in some situations works well. The leadership can also be democratic in nature where the leader and followers work together. It could also be a laissez-faire type where a leader operates as a facilitator and delegates authority to subordinates. This type of leadership is common in research laboratories and to some degree in academic institutions. ? The Managerial Grid model suggests that a successful leader can have a concern for people as well as for productivity, as for such leaders, these two aspects are mutually inclusive. ? The Contingency Theory suggests that leadership is not described only by traits or behaviour but is also a function of situation. Hitler’s rise to power was not based on merit but on the environment in Germany at the time. ? Fred Fiedler’s contingency theory describes the most favourable situation for the leader as when the leader–group relations are positive, the task is well structured and the leader has substantial positional powers. A person can also be a leader when he takes his followers where they want to go.

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Hersey and Blanchard model focus on the maturity level of the followers as a contingency variable.

Vroom-Yetton model simply defines leadership in terms of making right decisions which are acceptable to all the followers. 9.8 ANSWERS TO 'CHECK YOUR PROGRESS' 1.

Leadership is a function of followers; goal, a measure of willingness on the part of the followers and a given situation. All these elements are important. Without the followers, there would be no leaders. All leaders must have a goal to achieve and this goal must be consistent with the goals of the followers. They should not only be willing to follow but also be enthusiastic about following the leader. M. K. Gandhi became a leader when his goal of achieving independence for India was also the goal of other Indians. However, the situation that makes a leader has a great influence on how good the leader is.

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Winston Churchill was a great leader during World War II. However, he turned out to be much less successful after the

end of the war when the situation changed. Some leaders of trade unions in India had been rather timid before they were put in positions

Self-Instructional Material 165 Leadership NOTES that demanded courage. Dr. Manmohan Singh, the Prime Minister of India was never known as a political leader but the situation changed in May 2004, when he was catapulted into power and he proved to be a successful leader. 2. The autocratic style of leadership is considered to be more suitable in the Indian cultural environment than the participative style of management. This due to our culture and traditions where a child is always told by his father what to do and what to be, no matter how old he may be. The respect for authority is always inculcated in the minds of Indian students. Independence and innovation is not encouraged. The population is large and the jobs are few. Hence doing what you are told to do brings a sense of security to the job. Secondly, the organizations are so satisfied with the status quo and the understanding that the boss knows what is to be done that subordinates are unwilling to take part in the decision making process which would make them equal to their superiors. Since participative style of management is not widely practised in India, it is difficult to judge whether such a style would be better for the overall and long range economic health of the organization. 3. The free-reign style of leadership is hardly practised in India. Even in academic institutions where much more academic freedom is expected for the professors, such style of leadership is not exercised. This style is typically useful and is used in R&D labs where the scientists are well educated and responsible. They are fairly free to conduct research within the general guidelines established by the organization. Another type of situation might exist in the five-year planning centres of the government. The persons involved are all economists or other highly educated individuals and they are given the freedom to develop the progressive plans for the country. 4.

The Trait Theory rests on the traditional approach which describes leadership in terms of certain personal characteristics which

are not acquired by knowledge and training but are considered inherited.

Some of these traits are: energy, drive, appearance, personality, intelligence, socio-economic status, self confidence, sociability, and emotional stability.

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The theory holds that possession of these traits permits certain individuals to gain

the position of leadership.

It was further believed that training individuals to assume leadership roles was only possible for those who had these in- born traits to start with. The Trait Theory suffered from many drawbacks. It does not take the situation into consideration. It does not explain whether a leader should have all these traits or only some of them. It does not explain why many followers with similar traits could not become leaders, and so on. It is interesting to note that practically all the Presidents of the United States have been tall, well educated, presentable and from well-to-do families. Is that a coincidence or does it depend upon the perception of Americans who vote for such a President. The Trait Theory fails to explain how M. K. Gandhi became a beloved leader of all Indians, or how Lal Bahadur Shastri, a frail man from a very poor family turned out to be one of the most successful and courageous Prime Minister of India. 5. Leaders are no leaders if they do not lead. A person could have all the traits as defined by the Trait Theory of leadership, but if he does not do what leaders are supposed to do—making the followers achieve their goals, he would not be considered a leader.

The leadership effectiveness is determined in terms of leader–subordinate interaction and the outcome of such an interaction. Organizational leadership is determined in terms of employee-centred dimension and production-centred dimension. Focus on employee welfare is not necessarily complementary to focus on productivity. A good balance has to be drawn between the

166 Self-Instructional Material Leadership NOTES two so that the employees are happy with the relationship with their leader, and that productivity is also enhanced as a result of it. Accordingly, the success of a leader is determined by what they do and how much they do for the followers. 6. It would be reasonable to believe that most Indian managers are more interested in productivity than their concern for workers. Due to organizational structures and the work culture, these managers are accountable to their superiors for productivity. Secondly, workers work because they need the job to survive and hence being less concerned for workers would not negatively affect their morale. Labour strikes in India are primarily politically motivated and not all workers are happy to join strikes. Since worker welfare cannot be simply ignored due to certain laws and social pressures, it is more likely that an Indian manager fits in at the coordinates 5,5 in the grid. 7. Fiedler's Contingency Theory is a form of situational approach to leadership. He proposed a theoretical explanation of interaction of three situational variables, namely, leader- member relations, task structure and leader's positional power. These variables determine the extent of situational control the leader has. The leader-member relationship reflects the extent to which the followers have confidence and trust in their leader. The task structure measures the extent to which the tasks performed by the subordinates are specified and structured, including clarity of goals and steps to achieve such goals. The

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position power refers to the legitimate power inherent in the leader's organizational position. It refers to the degree to which a leader can make decisions about allocation of resources, rewards and sanctions.

The most favourable position for the leader then would be when the leader-group relations are positive and the task is highly structured, and the leader has substantial power and authority to exert influence on his subordinates. 8.

A good leader always takes his followers where they want to go. No matter how visionary the leader is, he can get nowhere if his followers do not go with him. Does matter to the visionary leaders who have a vision for the country or the organization as to where they would like their country or organization to be in the distant future but do not have followers? To some degree it does. But the bottomline is that a leader must have followers. A leader must make sure that his followers understand his vision and accept it as a part of their own and then follow him. That is a necessary requirement. Many visionary leaders have gone unnoticed not because their vision was questionable but because they were not able to convince their followers about the goodness of their vision. 9. The Vroom-Yetton model is narrative in nature for it simply tells leaders what they should do while making decisions. The focus is on the premise that different problems have different characteristics and should therefore be solved by different decision techniques. The effectiveness of the decision is a function of effective leadership. The decision can be made by the leader himself, in consultation with others or in participation with others. The leader must be aware of the best approach to solve the given problem. The model indicates that the decision reached should be high in quality, should be accepted by the people who have to implement it and who are affected by

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it and should be time-efficient. Studies conducted to test the validity of this approach concluded that the participative and democratic style of leadership was more appropriate and successful at higher levels of

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organization, whereas directive decision making style was better utilized at lower levels.

Self-Instructional Material 167 Leadership NOTES 9.9 EXERCISES AND QUESTIONS Short-Answer Questions 1. Compare the leadership styles of Jawaharlal Nehru and Lal Bahadur Shastri. 2. Do you agree that all the leadership characteristics described in this unit apply to successful leaders? Explain. 3. Under what circumstances would the free-reign leadership be suitable in Indian organizations? 4. Where, in your judgment, do most of Indian managers fit in the managerial grid, and why? 5. Leaders are born and not made. Comment. 6. Leaders are determined by not who they are but what they do. How far do you agree with this statement? Give reasons. Long-Answer Questions 1. What are the various characteristics associated with effective leadership? Which of these characteristics are more important than others and why? 2. Explain in detail the Trait Theory of leadership. What are the various criticisms of this theory? Are these criticisms valid? If so, why? 3. What do you understand by the managerial grid? Is it possible to achieve the coordinates (9, 9) on this grid? If so, is it really necessary? 4. Explain and compare the various contingency theories of leadership. 5. Is Vroom-Yetton model considered as a situational approach to leadership? Support your answers with reasons and examples. 6. Compare the three leadership styles. Under what situations would each style be effective? 7. Explain the personal characteristics of leaders. Are some of these characteristics inherited? If so, identify these characteristics and explain why you consider them to be inherited? 9.10 FURTHER READING 1. Hersey Paul and Kenneth Blanchard, Management of Organizational Behaviour; Prentice Hall, 1988. 2. Jago Arthur G., Leadership Perspectives in Theory and Research; Management Science, March 1982. 3. Blake Robert and Jane Mouton, The New Managerial Grid; Gulf Publishing Company, 1978. 4. Fiedler F.E., The Leadership Game: Matching the Man to the Situation, 5. House Robert and Terence Mitchell, "Path-Goal Theory of Leadership", Journal of Contemporary Business; Autumn, 1974. 6. Chandan J.S., Management Theory and Practice; Vikas Publishing House Pvt. Ltd., 2006.

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Self-Instructional Material 169 Controlling NOTES UNIT 10 CONTROLLING Structure 10.0 Introduction 10.1 Unit Objectives 10.2

Control 10.3 The Controlling Process 10.4 Essentials of Effective Control Systems 10.5 Behavioural Implications of Control 10.6 Behavioural Guidelines for Effective Control 10.7 Challenges Created by IT 10.8 Summary 10.9 Answers to 'Check Your Progress' 10.10 Exercises and Questions 10.11 Further Reading 10.0 INTRODUCTION Control is one of the most important functions of management, second perhaps, only to the function of decision-making. There is more to control than mere measuring and reporting of activities. Control has very broad applications both in the personal as well as in the industrial world. The purpose of controls is to ensure that events turn out the way they are intended to. Control is a powerful force if applied properly. Controlling your emotions sometimes can save your life. Nuclear power is both useful as well as destructive. Its usefulness will depend upon our skill in controlling it. Controlled air and controlled water run machines and industries. Control involves a set of mechanisms for evaluating organizational performance against the set standards and where deviations occur, appropriate steps are taken to correct these deviations to ensure that the organization stays on course.

Some controls are built in the system, so that deviations are automatically corrected. For example, an aeroplane can be put on automatic pilot. Exact information on its route is fed into computers and if there is any deviation from its prescribed path, it is corrected automatically. Similarly, in some of the new models of cars, a photographic sensor automatically puts the car back in the right lane automatically, should it move unexpectedly to a different lane.

10.1 UNIT OBJECTIVES ? Defining what we mean by control and how control is necessary to ensure that the results of operations are consistent with the planned predictions ? Understanding how standards are established and against which the performance is measured ? Describing the various types of performance evaluations ? Explaining some of the devices used in measuring performance ? Explaining some of the characteristics of effective controls ?

Understanding

the behavioural implications of control ?

Describing some guidelines for effective behavioural control

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CONTROL

Control is very important both in organized living as well as 'living' organizations. When things go smoothly as planned, they are considered to be under control. 'Self-control' is a word we are all familiar with and which simply means that we discipline ourselves in such a manner that we strictly adhere to our plans for our lives and generally do not deviate from these plans. Controls are there to ensure that events turn out the way they are intended to. It is a dynamic process, requiring deliberate and purposeful actions in order to ensure compliance with the plans and policies previously developed. This means that the managerial functions of planning and controlling are very closely related. Without proper controls planning itself has little meaning.

According to Robert

L. Dewelt: 'The importance of the planning process is quite obvious. Unless we have a soundly chartered course of action, we will never quite know what actions are necessary to meet our objectives. We need a map to identify the timing and scope of all intended actions. This map is provided through the planning process. But simply making a map is not enough. If we do not follow it or if we make a wrong turn along the way, chances are we will never achieve the desired results. A plan is only as good as our ability to make it happen. We must develop methods of measurement and control to signal when deviations from the plans are occurring so that corrective action can be taken.' The interrelationship between the functions of planning and controlling is clearly evident. Planning involves formulating organizational objectives and developing strategies, while controlling involves establishing standards of performance and comparing actual results with the planned results to determine whether operations are being performed according to plans. 10.3

THE CONTROLLING

PROCESS

According to Robert J. Mockler: 'Management control is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with these pre-determined standards, to determine whether there are any deviations and to measure their significance, and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives.' Mockler's definition divides the process of control into four steps. These steps are: 10.3.1 Establishing Standards The control process begins with the establishment of standards of performance against which organizational activities can be compared. These are levels of activities established by management for evaluating performance. These standards must be clearly specified and understood by all organizational members without ambiguity. They should be defined in measurable terms, wherever possible, such as physical units produced over a period of time, profit to be made per unit and so on. Vaguely worded standards or general goals such as 'better skills' or 'high profits' are difficult to interpret and hence lead to confusion and conflict. For example, the goal of a real estate broker may be to sell four houses per month. He can then plan the month and monitor his performance. Similarly, a vice-president in charge of production may have a goal of keeping the production cost within

the

assigned budget over a period of time. In attaining such a goal, he will be able to monitor the costs and take corrective actions wherever it is necessary.

As

another example, a college professor may have set a goal of covering ten units from a book over a period of one semester. He can plan

CHECK YOUR PROGRESS 1. Have you ever said to someone, "Control yourself"? If so, then under what circumstances would such a charge be justified? Give examples.

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his schedule of teaching accordingly to meet that goal. These precisely-stated standards, goals and objectives facilitate communication with

all persons making the control process easier to monitor. There are situations where it is not possible to quantify standards such as in the case of high morale, community relations, discipline or creativity. In such cases, all efforts should be made to fully understand these qualitative goals and design control mechanisms that would be useful in measuring performance in these situations. Most of these control mechanisms would be subjective in nature and decisions would be made on the basis of experience, analytical observations and intuitive judgments. Some of the quantitative standards against which performance can be measured are:

A.

Time standards. The goal will be set on the basis of time lapse in performing a particular task. It could be units produced per hour, number of pages typed per hour or number of telephone calls made per day. Managers utilize time standards to forecast work flow and employee output. Standard employee output also determines the extent of financial incentive plans. B. Cost standards. These standards indicate the financial expenditure involved per unit of activity. These could be material cost per unit, cost per person, cost of distribution per unit and so on. Budgets are established to reflect these costs and they provide monetary check-points for comparing actual costs with budgeted costs.

C.

Income standards. These relate to financial rewards received for a particular activity. Examples would be sales volumes per month, sales generated by a sales person per year and so on. D. Market share standards. This goal would be oriented towards the percentage of the total market that a company wants to retain or further acquire. For example, a company may want to increase its share of the market by four percentage points per year for the next five years. E. Quality standards. These standards express levels of quality expected of a product or service. There are quality control programs which monitor the level of quality of a product. These may be tolerances within which the quality may be accepted. For example, the space shuttle and aircraft manufacturers have zero-defect production requirement while other products may have less stringent quality standards. F.

Productivity.

Productivity or quantity standards are expressed in numerical terms as the expected number of items produced per man hour or per given activity. These goals are the key to operational efficiency and are set on the basis of past performance, degree of mechanization, employee skills and training required and motivation of employees. G. Return on investment (ROI). Return on investment is comprehensive and useful standard as it involves all facets of the business such as turnover, sales, working capital, invested capital, inventory levels at given times, production costs, marketing costs and so on. It is a ratio of net income to invested capital. It is superior to market share as a standard because a large market share does not necessarily mean higher profits.

H.

Quantitative personnel standards. The worker morale and dedication can be measured to some degree by some quantitative standards. These standards may be the extent of employee turnover, number of work-related accidents, absenteeism, number of grievances, quality of performance and so on. 10.3.2 Measuring Performance Once the standards have been established, the second step in the controlling process is to monitor and measure the actual performance. Monitoring and measuring is a continuous activity and involves collection of relevant data that represents the actual performance of the activity so that a comparison can be made between what is accomplished and what was

CHECK YOUR PROGRESS 2. Controlling function ensures that standards are met as prescribed. What are some of the standards set by the management and how effective are they?

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intended to be accomplished. The measurement of actual performance must be in the units similar to those of predetermined criterion. The unit or the yardstick thus chosen should be clear, well defined and easily identified and should be uniform and homogeneous throughout the measurement process. According to Suchman, there are five types of evaluations. These are: (i) Effort. Effort reveals the extent of input and the idea is to measure such input to see if it is adequate in meeting the set objectives. For example, the number of courses offered in the Business Department at the university would indicate the extent of the business programme. Similarly, the number of patient beds in a hospital would be a measure of input for providing health care. A salesperson's performance may be measured by the number of calls he makes per day. Peter Blau gives an example of an employment agency where effort was evaluated by the number of applicants interviewed and counselled. However, the measurement of input was a poor indicator of results since simply counselling applicants did not mean that they all got jobs. Similarly, the number of beds in a hospital does not necessarily mean quality health care which is the ultimate goal. (ii) Effectiveness. As indicated above, the evaluation of input elements does not adequately convey the degree of effectiveness and results. This problem can be eliminated by measuring outputs such as the number of clients placed in jobs, in the case of the employment agency or the number of patients cured in a given period of time in the case of a hospital. (iii) Adequacy. Adequacy is the ratio of output to need and is a useful measure if the need and the output can be clearly identified and related. If the needs are satisfied then the performance can be considered as adequate. (iv) Efficiency. Efficiency relates output to input. According to Euske, in terms of efficiency, it is better if more can be done with the same amount of input or same output can be generated with less input. Efficiency measures are useful for comparing the same process at two points in time or two different processes with the same output. (

v)

Process. It relates to underlying processes which convert effort into outcome or input into output. It treats output as a function of input so that the focus is on evaluation of mechanisms that convert efforts into results, rather than the effort itself. This understanding of mechanism will assist in predicting the output of the organization for a given input. However, the process must be mechanistic in nature and clearly understood in order to be effective. For example, a sales person

cannot know if his presentation will result in a sale even when such a presentation is done well and is well received.

10.3.3 Measuring Devices One of the most difficult tasks in measuring actual performance is the selection of an appropriate measure. It is very important that all performance measures used in controlling organizational and individual performances be both valid as well as reliable. Validity reflects as to how good the performance measure is and reliability describes as to how consistent such performance measure is in obtaining results. The methods of measurement established would answer the question, 'what, how and when to measure?' The organizational objectives would determine as to '

what' is to be measured. 'How' to measure the outcome of an activity would depend upon the type of activity and whether continuous measurement or only spot checks are required.

The type of activity would also determine as to 'when' measurement would take place. For example, some professors measure the performance of students only by one final examination while other professors give frequent quizzes during the semester of studies.

Self-Instructional Material 173 Controlling NOTES Some of the measuring devices used are as follows: (A) Mechanized

Measuring Devices. This involves a wide variety of technical instruments used for measurement of machine operations, product quality for size and ingredients and for production processes. These instruments may be mechanical, electronic or chemical in nature. Some electronic devices are used to check passengers at the airport for carrying prohibited items, while some are used to detect shoplifting and unchecked books from the library. Polygraph tests are used to check people's explanations for certain acts.

Computers are becoming increasingly important as measuring devices. They can monitor operations as they occur and simultaneously analyze data so collected. Many retail stores use computerized scanning equipment that simultaneously monitors sales and prices of various items and tracks inventory by department, vendor and branch store. (B) Ratio Analysis. Ratio analysis is a powerful management tool for measuring various aspects of business operations. It describes the relationship of one business variable to another.

The following are some of the more important ratios. (i) Net sales to working capital. The working capital must be utilized adequately. If the inventory turnover is rapid, then the same working capital can be re-used. Hence, for perishable goods, this ratio is high. Any change in this ratio will signal a deviation from the norm. (ii) Net sales to inventory. The greater the turnover of inventory, generally, the higher the profit on investment. (iii) Current ratio. This is the ratio of current assets (cash, accounts receivables) to current liabilities and is used to determine a company's ability to pay its short term debts. (iv) Net profit to net sales. This ratio measures the short run profitability of a business. (v) Net profit to tangible net worth. Net worth is the difference between tangible assets and total liabilities. This ratio of net profit to net worth is used to measure profitability over a long period of time. (vi) Net profit to net working capital. The net working capital is the operating capital on hand. This ratio would determine the ability of the business to finance day-to-day operations. (vii) Collection period on credit sales. The collection period should be as short as possible. Any deviation from established collection periods should be promptly investigated. (C)

Comparative Statistical Analysis. The operations of one company can be usefully compared with similar operations of another company or with industry averages. It is a very useful and practical performance measuring methodology. For example, farmers can compare output per acre with farmers at other locations. Any differences can be investigated and the reasons for such differences can be ascertained. Similarly, hospitals at one location can measure their medical costs

against those of other hospitals, and the performance of police departments can be measured by comparing crime rates in their locality with those in other localities. Statistical models can be used for such measurements and such comparisons. (D) Personal Observation. Personal observation, both formal as well as informal can be used in certain situations as a measuring device for performances, especially the performances of personnel. The informal observation is generally day-to-day routine type. A manager may walk through a store to get a general idea about how people are working. An airline officer may fly incognito to evaluate the performance of inflight attendants.

CHECK YOUR PROGRESS 3. How effective is the ratio analysis as a measuring device? Explain.

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Formal observation is properly planned and requires preparation. For example, professors are periodically evaluated by their peers and their students. The inflight performance of commercial airline pilots is regularly measured by representatives of Federal Aviation Agency (FAA).

10.3.4 Comparing Measured Performance

with Performance Standards The next step in the control process is to

compare actual performance to the standards set for such performance. This comparison is less complicated if the measurement units for the standards set and for the performance measured are the same and are quantitative in nature. Such comparison becomes more difficult when they require subjective evaluations. The comparison shows us if anything has gone wrong in the process or operations; if there is any deviation, negative or positive and what must be done as a restorative process for correcting such a deviation. Furthermore, this comparison not only results in the correction of the divergence, but also ensures the application of the preventive steps which could guide the conduct of operations in the future.

Evaluation of deviation. Before a deviation is corrected, a thorough investigation should be undertaken regarding the reasons for such a deviation. The management should look not for symptoms but for the root cause of the problem.

Some of the questions to be looked into are: — Were these deviations due to unrealistic standards? — Could the suppliers have shipped faulty materials? — Are the operators less efficient, dishonest about results or misinformed about applicable standards? — Is the equipment in poor condition? — Is the quality control department doing an adequate job?

There are many instances where projects

have gone over the

budget and have been delayed. In such cases, these projects should be examined in their entirety and from all angles in order to determine the root cause of such a discrepancy. Deviations

can be of two types, namely negative and positive. (

a)

Negative deviations. Negative deviations are those that have negative repercussions and may be in the form of cost overruns or the project being behind schedule or the quality or quantity of the product being below the expected standards.

This under-performance must be evaluated to determine whether goals should be changed or if any other corrective action is needed. For example, if there has been a delay in completing the project, the reason may be low morale of workers which may be evident by excessive absenteeism or inefficient performance or the persons may not have been well trained for the job. A cost overrun could be due to price increases initiated by outside vendors or it could be due to excessive machinery breakdown. These deviations must be detected and properly evaluated. (b)

Positive deviations.

Positive deviations indicate that the performance was better than expected and the goals achieved were either earlier than anticipated or less costly than planned. These

positive deviations should also be fully investigated as to why underestimations were made so that new revised estimates

can be established. 10.3.5

Taking Corrective Action Once the deviations have been detected and presented to the

management for consideration, the decision must be taken as to what corrective actions are needed to remedy the situation. However, these corrective actions must be taken within the constraints of acceptable tolerance levels, outside environmental constraints such as those imposed by organizational culture

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or guidelines, labour unions, political and economic considerations and internal constraint of cost and personnel. Since the actual results do not always conform to the desired results, some deviations may be expected for which no corrective action may be needed. However, when deviations are of a sufficiently serious nature, the following actions may be taken. — Management must deal with the root causes of the problems and not the symptoms. — Any corrective action should be taken promptly in order to make it most effective. — Whenever and wherever possible, the corrective action should be built into the existing operations and these controls should be self-monitoring,

i.e., the

actions should be automatic such as in the case of a thermostat in controlling the heat. (This field is known as 'cybernetics'). — It must be understood that the goal itself is not

a static

phenomenon, but is a function of the dynamics of the environment. Hence a look into the need for altering the target itself caused by shifts in the environment may be necessary. 10.4

ESSENTIALS

OF

EFFECTIVE CONTROL SYSTEMS

Controls at every level focus on inputs, processes and outputs. It is very important to have effective controls at each of these three stages. Effective control systems tend to have certain common characteristics. The importance of these characteristics varies with the situation.

Characteristics of an Effective Control System 10.4.1

Accuracy Effective controls generate accurate data and information. Accurate information is essential for effective managerial decisions. Inaccurate controls would divert management efforts and energies on problems that do not exist or have a low priority and would fail to alert managers to serious problems that do require attention. 10.4.2 Timeliness

There are many problems that require immediate attention. If information about such problems does not reach management in a timely manner, then such information may become useless and cause damages. Accordingly, controls must ensure that information reaches the decision makers when they need it so that a meaningful response can follow.

10.4.3 Flexibility The business and economic environment is highly dynamic in nature. Technological changes occur very fast. A rigid control system would not be suitable for a changing environment. These changes highlight the need for flexibility in planning as well as in control. Strategic planning must allow for adjustments for unanticipated threats and opportunities. Similarly, managers must make modifications in controlling methods, techniques and systems as they become necessary. An effective control system is one that can be updated quickly as the need arises. 10.4.4

Acceptability Controls should be such that all people who are affected by it are able to understand them fully and accept them. A control system that is difficult to understand can cause unnecessary mistakes and frustration and may be resented by workers. Accordingly, employees must agree that such controls are necessary and appropriate and will not have any negative effects on their efforts to achieve their personal as well as organizational goals.

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Self-Instructional Material Controlling NOTES 10.4.5

Integration

When the controls are consistent with corporate values and culture, they work in harmony with organizational policies and hence are easier to enforce. These controls become an integrated part of the organizational environment and thus become effective. 10.4.6 Economic Feasibility The cost of a control system must be balanced against its benefits. The system must be economically feasible and reasonable to operate. For example, a high security system to safeguard nuclear secrets may be justified but the same system to safeguard office supplies in a store would not be warranted.

Accordingly, the benefits received must outweigh the cost of implementing a control system. 10.4.7 Strategic Placement Effective controls should be placed and emphasized at such critical and strategic control points where failures cannot be tolerated and where time and money costs of failures are the

greatest. The objective is to apply controls to the essential aspect of a business where a deviation from the expected standards will do the greatest harm. These control areas include production, sales, finance and customer service. 10.4.8

Corrective Action An effective control system not only checks for and identifies deviation but is also programmed to suggest solutions to correct such a deviation. For example, a computer that keeps

a record of inventories can be programmed to establish "if-then" guidelines. For example, if inventory of a particular item drops below five percent of maximum inventory at hand, then the computer will signal for replenishment for such items.

10.4.9 Emphasis on Exception A good system of control should work on the exception principle, so that only important deviations are brought to the attention of management. In other words, management does not have to bother with activities that are running smoothly. This will ensure that managerial attention is directed towards error and not towards conformity. This would eliminate unnecessary and uneconomic supervision, marginally beneficial reporting and a waste of managerial time. 10.5

BEHAVIOURAL IMPLICATIONS OF CONTROL Managers must recognize several behavioural implications in the process of control and its implementation. Although an effective control system should aid in employee motivation, it can also have negative effects on employee morale and performance. These negative effects can be seen in situations where managers exert excessive control over others and their activities. This can be considered as

a misuse of power by the employees and could in turn negatively affect their morale. Accordingly, control system should be made as fair and as meaningful as possible and must be clearly communicated to all employees. It will be easier for the employees to accept control if they have participated in the formulation of the control system and process of implementation. In addition, timely feedback and objective and realistic appraisal will get positive worker response. The control system and performance evaluation must be consistent with organizational goals, policies and culture. A performance appraisal based only upon departmental variables, such as output or percentage of waste may induce workers to give less importance to such organizational goals as safety and equipment maintenance. Hence, a cohesion of all aspects is necessary for an effective control system.

Self-Instructional Material 177 Controlling NOTES Some Behavioural Implications of Control 1. Control affects individual freedom. Hence, it is common for individuals to resist such controls that

put constraints on their freedom. 2. Control carries certain status and power implications. For example, a quality control inspector may carry more power than a line supervisor and this may be resented. 3. When controls are based upon subjective and personal judgments as against quantified performance, standards and appraisals, these may create interpersonal or intergroup conflicts within the organization. 4. Excessive number of controls may limit flexibility and creativity. This may lead to low levels of employee satisfaction and personal development. 5. Controls may influence the generation of invalid and inaccurate information. For example, if the top management habitually reduces budget requests when reviewing them (a control activity), then the lower management, when proposing a new budget or a new project may overstate the cost of resources needed. Similarly, managers may set objectives lower than what are attainable so that a higher output will look better at performance appraisal time. 6. Controls can be resented by employees if they have no control over the situation. For example, if a professor's performance is appraised over the number of publication of books and research articles, but he is not afforded the freedom of time to do so because of a heavy teaching load and excessive committee work, then it can result in frustration which may be detrimental to the entire control system. Similarly, a manager will become highly frustrated if his performance evaluation is based upon profits achieved by his department but he does not have the authority or control to make operational changes, such as hiring and firing of workers. 7. The control system must be synchronized to create a balance among all affecting and interconnected variables. The standards should compliment and not contradict each other. For example, a control system which emphasizes increased sales as well as reduction in advertising expenditure at the same time may seem contradictory to the marketing manager and thus may be frustrating

to him. 10.6 BEHAVIOURAL GUIDELINES FOR EFFECTIVE CONTROL

Some of the basic guidelines to make the control process more effective and acceptable by employees are: 10.6.1 Set Meaningful and Attainable Standards The standards should be realistically set and the control system would work more effectively if

workers have given an appropriate

inputs as they are expected to meet these standards. Also, the control standards should be relevant to the job and the reasons for a particular control system should appear justifiable to those who must implement and to those who must comply. The workers work harder, for example, to produce a better quality unit (a control process), if such improvement would get future contracts for the company which would mean more profits for all. Furthermore, while administering controls, management should recognize and take into account feelings and attitudes of individual employees. In other words, management should humanize administration of control. 10.6.2 Establish

an Effective, Accurate and Timely Two-way Communication For any control system to be effective, information regarding any deviations

must be communicated to management and workers as quickly as possible. This information and

CHECK YOUR PROGRESS 4. Describe some of the essentials of effective control systems.

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Self-Instructional Material Controlling NOTES

feedback must be accurate because the outcome is dependent upon the accuracy of informational input.

It is equally important that the information about the deviation be gathered quickly because some time elapses between the occurrence of the deviation and taking of a corrective action. This time lapse is because managers have to gather control-related information; make an investigative analysis; develop and prepare necessary reports; choose a course of corrective action and actually employ this corrective decision. This entire time period should be minimized as much as possible. 10.6.3

Reward Attainment of Standards The control system would work much better if the employees directly responsible for attaining the set standards are recognized for their contribution. Such

a recognition would boost their morale and induce them to work more positively towards attainment of higher goals. This recognition could be in the form of financial rewards or in the form

of status improvement. 10.6.4 Get the Workers Involved The best means of effective managerial controls are the development of voluntary cooperation, participation, sense of responsibility, self-control and self-discipline. Self-control adds higher value to a person's self, resulting in higher internal satisfaction and self-actualization which further induces personal involvement in work and the employees take personal pride in effective work performance. 10.7

CHALLENGES CREATED BY IT Two decades ago, organizations would store important data on paper files which were then stowed away in boxes for future use and for the flow of information among different members of the organization. Today, the data storage methods have changed considerably, due to the advent of Information Technology and its application in various fields. However, with the use of Internet and web-based applications in the organizational functions, the amount of data has increased manifold because, huge amounts of information are available for reference and use that can be shared among various employees and branches of an organization. Till two decades ago, the management of data was considered to be the easy part of the organization's functioning but today it has become one of the most complicated and crucial tasks for any organization. Also, the rules and regulations that were applicable two decades ago, are no longer applicable. New rules and regulations have been formulated, keeping in mind the security of data during its access and transfer. Today, data management is not only confined to managing legal and important data, it also includes data pertaining to the information that flows in a working unit, data related to the customers, vendors and business partners. All this data is known as structured data it is less in quantity, is duly approved and continuously monitored. To meet the compliance needs, this structured data needs to be converted into a digitised form and has to be secured to make it readily available along with original documents. Besides this structured data, there is lot of unstructured data in the form of e-mails, graphics, audio and video files that flows freely in an organization. And this unstructured data is hard to manage as it is transferred and received on a daily basis. Without strict monitoring and approval it becomes difficult to keep track of the daily transactions of all the employees. However, the authenticity and security of unstructured data also has to comply with the rules and regulations. Organizations are now working upon improving the business performance while working under strict security compliance requirements. Continuous updating and secured management of data helps the organization to conform to the rigid security compliances and enables them to increase productivity, enhance customer service and improve the return on technology investment. In today's competitive scenario, circumstances have totally changed in terms of technology. Every organization aims at accomplishing its business mission of providing quality goods

CHECK YOUR PROGRESS 5. What are the behavioural implications of control and how do we address these implications?
6. What are the behavioural guidelines for effective control? Explain.

Self-Instructional Material 179 Controlling NOTES to customers at low cost. Every organization also wants a good response from its customers for surviving in this cut-throat competitive economic. With the advent of Information Technology (IT), the management has been characterised as a transaction-oriented and information-intense business function. This is a reason for corporate organizations to invest heavily in the techniques of EDI (Electronic Data Interchange), BCS (Bar Coding System) and ERP (Enterprise Resource Planning). The extensive application of these techniques have created lot of challenges for the organizations, which are as follows: ? To design, implement and develop the database (collection of data) ? To secure the available data in the organization ? To provide best customer services ? To survive in competitive market conditions ? To make monopoly in terms of goods and services in an economy ? To increase the productivity ratio of the organization ? To maintain the logistics cost and enhance supply-chain relationships with vendors, transporters and customers. In other words, information technology creates challenges in productivity, distribution and financial aspects of the organizations. These challenges are emerging due to rapid changes in the field of IT. It is very difficult for a manager to cope up with remarkable innovations in the field of information technology. Due to this, organizations are striving to update the available data. Thus, it becomes necessary for the organization to manage information technology in order to meet the above-mentioned challenges. 10.8

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SUMMARY ? Control is necessary to make sure that actual results of an activity do not deviate from the expected results of the same activity.

Control also includes correction devices, should such deviation takes place.

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The function of control is to accomplish organizational goals by implementing previously determined strategies and policies so that whatever needs to be done is done properly. In other words, control maintains

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equilibrium between means and ends or between efforts and output. ? The process of control involves establishing standards for outcomes of activities, measuring performance of workers in relation to such activities by employing such measuring devices as previously determined to be suitable and relevant to measuring such performance, comparing such measured performance with performance standards previously set, noting any deviations – positive or negative – and taking corrective actions for any negative deviations. Positive deviations should also be investigated to determine as to why underestimations were made so that new revised estimates

can be established. ?

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Controls at every level focus on inputs, processes and outputs. It is very important to have effective controls at each of these three stages. Effective control systems tend to have some common characteristics. ?

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Control can have some behavioural implications. Wherever managers exert excessive control, it can be considered as misuse of power by the employees and this in turn would negatively impact their morale. Accordingly, it

is recommended

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to involve the workers in establishing standards and in determining performance evaluation methods. This would improve affiliation of the workers to the company. 180

Self-Instructional Material Controlling NOTES 10.9 ANSWERS TO 'CHECK YOUR PROGRESS' 1. We ask our friends to control themselves when they behave in a manner unbecoming of them just as mothers tell their children to control themselves when they misbehave. Control comes into play when things happen which are not normal as we define normal in our own and in our societal ways. During a riot, things are out of control. When there is a fire, it may get out of control. Things get out of control when they do not go the way they were planned to go. Accordingly, asking someone to control himself is not so unusual. When someone is overly angry we always say he has gone berserk and is out of control. 2. Some standards are set by the management which are used to measure the activities and operations to make sure that such activities and operations are in accordance with set standards. Some of the standards can be: (a) Time standards. A particular task must be performed and finished in the prescribed time. (b) Cost standards. There should be no over-run on costs. Many projects end up costing more than planned. (c) Income standards. The income earned per unit of time should not deviate from expectation. (d) Market share standards. If market share is reduced, it means that the process is not under control. (e) Quality standards. Output of lesser quality indicates that something is wrong with the production system. (f) Productivity. Items produced per unit of time should not vary. (g) Return on investment (ROI). This return should be as expected. (h) Personnel standards. Things are not under control if there are changes in turnover, there is absenteeism, increase in work-related accidents, etc. 3.

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Ratio analysis is a powerful management tool for measuring various aspects of business operations. It describes a relationship between one business variable and another. For example, net sales to working capital ratio determines whether working capital is being utilized adequately. The current ratio determines the company's ability to pay its short-term debts. Similarly, the ratio of net profit to net working capital determines the company's ability to finance day-to-day operations. There are many other financial ratios which determine various aspects of business viability. 4.

Some of the essentials of effective control systems are: (a) Accuracy. Effective controls generate accurate data and information. (b) Timeliness. Controls must ensure that the information reaches the management in a timely manner so that even the emergency decisions can be made without delay. (c) Flexibility. A rigid control system would not be adequate in the fast changing environment. Accordingly, the system must allow for adjustments for unanticipated threats and opportunities. (d) Acceptability. The control system should be understood and accepted by all. Employees must be fully trained to oversee and monitor control system. (e) Integration. All control systems should become an integral part of the management philosophy so that they are all realistic and within the cultural constraints of the organization. Self-Instructional Material 181 Controlling NOTES (f)

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Economic feasibility. The cost of control system must be balanced against its benefits. For example, a high security system to safeguard

pencils in the office would not be economically justified. (g) Strategic placement. Controls should be applied to strategic points and strategic parts of business. Controls in a nuclear power plant are necessary and strategically placed. Controls should be placed where lack of these could produce the greatest harm. (h) Corrective action. Wherever possible, corrective measures should be incorporated and built in the system. Any deviation would trigger the corrective action. (i) Emphasis on exception. Only deviations of the highest importance should be brought to the attention of the top management. 5. Behavioural control is much more difficult to maintain than machine control. Human beings are very complex entities and their emotions are unpredictable. Some of the implications of behavioural control are: (a) Effective controls should not suppress the freedom of workers which is within the acceptable limits of managerial rules. (b) Persons who have the power to control consider themselves powerful with a position of higher status. A quality control inspector has more control than the line manager on the quality of the product. (c) When controls are based on subjective judgments they can cause more conflict and hostility. Hence behavioural controls should also be as quantitative as possible. (d) Excessive number of controls limit flexibility and creativity. (e) Controls must be fair, otherwise they are prone to misuse. For example, managers may set standards of productivity lower than they can produce because a higher productivity would look better in the eyes of top management. (f) Employees must have a say over control mechanisms, otherwise such controls could be resented by the employees with negative consequences. (g) All control standards should complement each other. 6. The behavioural guidelines for effective control are: (a) Set meaningful and attainable standards. Controls should be realistically set and with the participation of those who would use such control methods. (b) Establish an effective, accurate and timely two-way communication. Information must flow both ways and fast when anything goes out of control. Workers should have easy access to superiors. (c) Reward attainment of standards. Workers expect rewards in cash or kind for any job that is well done. They should be properly rewarded when things are under control. (d) Involve the workers. Nothing is more effective than the workers being a part of the control system. Workers become highly motivated when they perceive that management has put its trust in them, to include them in an important decision-making processes.

182 Self-Instructional Material Controlling NOTES 10.10 EXERCISES AND QUESTIONS Short-Answer Questions 1. Have you ever said to anyone, "Control yourself"? If so, under what circumstances would such a charge be justified? Give examples. 2.

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What is the inter-relationship between the functions of planning and controlling? 3. What are the various behavioural guidelines of control? When would it be necessary to follow these guidelines? 4.

Is "self control" the best form of control? Explain. Long-

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Answer Questions 1. Define the management function of control and explain the necessity

of control. 2.

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Describe some of the quantitative standards against which performance can be measured. Which of these standards would be more appropriate for a medium-size industry. 3. Describe the different methods of comparing the actual results with expected results for the purpose of evaluating the effectiveness of control systems. 4.

Explain some of the characteristics of effective controls. 5.

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What are some of the behavioural implications of control? What type of control would

the

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workers resent the most? What steps can be taken to reduce or eliminate such resentment? 6. What guidelines can the management set and follow for behavioural control? 10.11

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and Questions 11.10 Further Reading 11.0 INTRODUCTION In an organization, a harmonious relationship between the various divisions and departments is vital for its smooth functioning. The concept of coordination is viewed as one of the important functions of management. Coordination helps achieve harmony among individual efforts for the accomplishment of goals. Individual efforts must be integrated and synchronized in order to attain common objectives. It is a dynamic concept, which implies an orderly arrangement of group efforts to ensure unity of action.

According to Henry Fayol. 'To coordinate is to harmonise all the activities of a concern so as to facilitate its functioning on the path of success.' With the increasing growth and complexity of modern organizations, the need for coordination becomes inevitable. Lack of proper coordination results in inefficient operations, delays and waste of time. 11.1 UNIT

OBJECTIVES ?

Understanding the

need for Coordination ? Defining the types of Coordination ? Explaining the principles of Coordination ? Describing the techniques of Coordination 11.2 MEANING AND DEFINITION OF COORDINATION Coordination is a synchronisation of group efforts to achieve a common objective. According to E. F. L. Brech, 'Coordination is balancing and keeping together the team by ensuring suitable allocation of task to the various members and seeing that tasks are performed with due harmony among the members themselves.'

According to Me Farland, '

Coordination is the process whereby an executive develops an orderly pattern of group efforts and secures unity of action in the pursuit of common

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purpose.' This definition views coordination as the

task of integrating the individual needs with organizational goals through proper linking. Coordination is the centre point of managerial tasks. For example, planning is ineffective if departmental plans are not properly integrated and coordinated and it is required in each managerial function.

Figure 11.1 shows that every function of management should be coordinated in order to achieve the objectives.

Figure 11.1:

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<p>Functions of Management 11.3 CHARACTERISTICS OF COORDINATION Following are the characteristics of coordination: ? Coordination is not a distinct function. It represents the core of management. ? The purpose of coordination is to achieve the common objective. ? Coordination is a continuous and an on-going process. ? Coordination does not arise spontaneously or by force. It is the result of concerted action. 11.3.1 Need for Coordination Existence of disintegrating forces emphasises the need for greater coordination among various divisions of an enterprise. The disintegrating forces may act as barriers to effective coordination. The factors that emphasise the need for coordination are: ? Increasing specialisation: Coordination becomes essential when the principle of specialisation has been practised in a work area. The activities of the unit may be divided on the basis of product, function, region or some other form. Every employee is mostly concerned about his/her unit's performance. It results in conflicting interests within the same organization. Good coordination paves the way for effective integration of efforts of all people for the accomplishment of a common goal. ? Empire building motive: Each employee is motivated by his performance in the unit. This kind of attitude may fulfil his personal and professional ego but</p>		

will

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<p>isolate him from others. Organizational goals cannot be accomplished with this approach. Coordination is essential to ease an awkward situation. ? Personal conflicts between employees: Personal rivalries, jealousies and politics among the employees in the work situation are bound to create problems</p>		

for the management. For example, conflicts between any two divisions or Organizing Planning Staffing Coordination Controlling Directing Self-Instructional Material 185 Coordination NOTES

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<p>departments of the organization create problems in the smooth functioning of an organization. Coordination helps in harmonising group efforts within the organization. ? Subordination of individual interests to those of organizational interests: Individual interests are important for developing loyalty, integrity, hard work, initiation and motivation. Organizational interests</p>		

however

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<p>are much more important than individual interests. For achieving organizational</p>		

interests, some- times

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subordination of individual needs becomes necessary as organizational goals come prior to individual goals. The purpose of coordination is to attain the organizational interest. The importance of coordination need not be over emphasised. The primary task of management is to coordinate all the activities effectively. It is a creative force through which employees are encouraged to contribute to group goals voluntarily, willingly and enthusiastically. Coordination allows personal and social satisfaction among employees.

11.4 TYPES OF COORDINATION Depending upon the nature, coverage and flow, coordination may be divided into ? Internal and external coordination ? Vertical and horizontal coordination ? Procedural and substantive coordination

11.4.1 Internal and External Coordination Coordination between units of the same organization is termed as internal coordination. It summarises the activities of different units so as to make coordination in the organization more effective. Organizations are not free from the influence of external environment. External environment includes technology, competition, market forces, customers and government policies. External coordination tries to mesh all these forces to the advantage of an organization.

11.4.2 Vertical and Horizontal Coordination Coordination between different levels of hierarchy down the line is termed as vertical coordination. It ensures that all levels of people, from top to the bottom, work in harmony. It is greatly facilitated by a technique like delegation of authority to the lower levels of hierarchy. Coordination between people of the same cadre and between different departments at the same level is termed as horizontal coordination.

11.4.3 Procedural and Substantive Coordination Procedural coordination implies the generalised description of the behaviour and relationship of the members of the organization. On the other hand, substantive coordination is concerned with the content of organizational activities.

11.5 PRINCIPLES OF COORDINATION Mary Parker Follet has laid down the following four principles for effective coordination. These principles help every manager in discharging his functions. ?

Early Start: The task of coordination becomes relatively easy if it starts at the planning stage. Free exchange of ideas helps in clearing doubts and removing misunderstandings. Hence, plans must be prepared in consultation

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CHECK YOUR PROGRESS 1. What do you understand by the term 'Coordination'? 2. Coordination is the core of management. State whether the statement is True or False? 3. What is the difference between internal and external coordination? 186

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Coordination NOTES with everyone.

Plans become successful if coordination is practised at an initial stage. Securing coordination becomes impossible at later stages like execution of work. ?

Direct

Personal Contact: Coordination stresses the importance of direct contact in removing conflicts and misunderstandings. Effective coordination is best achieved through direct personal contact.

Direct communication is

the most effective way to convey real feelings to facilitate greater coordination. ?

Continuity: Coordination is an unending process. The management has to

continuously strive to maintain a perfect balance between different units/people. Continuous coordination helps the manager to adjust the cooperative activities of employees to minimise wastage, misunderstandings and apathy. ?

Integration: The fourth principle of coordination calls for integration of efforts for achieving a common purpose.

It demands an

integrated relationship among all the concerned people.

11.5.1 Independence and Coordination Coordination influences all functional activities of management. Similarly, all other activities influence coordination. This is termed as interdependence. 'Interdependence' is imperative for the success of any organization. James D Thompson has categorized interdependence of work units under three heads. ?

Pooled Interdependence:

When departments or divisions of an organization are not directly dependent on each other, but indirectly responsible for the overall performance of the enterprise, it is termed as pooled interdependence. It represents a situation where failure of one unit/division leads to the failure of the entire enterprise. Each unit/department makes its own contributions and supports the main system in its own way. ? Sequential Interdependence: It refers to a situation where the output of one department becomes the input for the other. This type of interdependence usually exists in the process industry. ? Reciprocal Interdependence: It refers to

a two-way interdependence. Here, the output of one becomes the input of the other and vice-versa. 11.5.2 Approaches for Achieving Effective Coordination Different organizations adopt different mechanisms for achieving effective coordination. There is no single method of coordinating the managerial activities that can be universally acceptable. J.D. Thomson has identified three important categories of approaches for achieving effective coordination. 1. Integration through standardisation: It involves the development of standard rules and procedures through which the job holders/ departments have to direct their activities in order to ensure consistency in operations. 2. Plans and schedules: Separate plans and schedules may be prepared for each department or unit. At the corporate level, all plans are merged and integrated so as to obtain optimum results. Coordination becomes easy since departmental plans are more flexible than standards. 3. Mutual adjustments: Activities of company are coordinated through mutual adjustments among the sister units/departments on

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contingency basis. Here cooperation is assured between the needy units for the purpose of getting things done. In traditional organizations, coordination is achieved through standardisation and planning. In the usual methods of coordination, complicated system of rules and

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procedure are created for sorting out recurring problems. These rules are followed by the traditional and bureaucratic organizations: Traditional organizations could be advantageous by following the rules of coordination among various units of the organization. But, the traditional approach of coordination is inadequate to meet the requirements of a modern organization under a dynamic environment. More sophisticated methods have been developed by the researchers for the purpose of improving coordination. John Child suggested the following forms of coordination for improved functioning of the organizations. ? For understanding the business problems and offering solutions, direct contact between managers and employees facilitates greater coordination. ? While too much understanding is required between employees and departments, liaison officers can be appointed for better coordination. ? Special committees can be formed to deal with the recurring problems of inter departmental conflicts. ? In an organization, it is difficult to coordinate several divisions and activities in a systematic manner. To ease this problem, a coordinating department may be created within the organization on par with other departments to perform this special function. Matrix type of organization helps in developing effective coordination. In this type of

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organization, functions of some of the personnel may be integrated with the functions of other departments. It helps encourage effective understanding between various divisions or departments within the organization. This facilitates

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higher degree of coordination among the member units of an organization. Van de Ven has proposed three approaches for effective coordination. They are: ?

Impersonal mode: This model predicts designing of rules procedures and

programmes suitable for smooth functioning of the organization. ? Personal mode: Here, people are encouraged to find out how things are going and to decide what to do and what not to do based on effective feed back. Personal involvement definitely contributes to effective coordination. ? Group mode: When operations are large, a single individual

is not able to

coordinate properly. This model suggests the establishment of committees, task forces and meetings. The logic behind this approach is that 'two brains can think better than one brain.'

Coordination depends upon factors like size of the organization, complexity of

work, nature of work force, certainty and uncertainty

of

conditions, and

delegation of authority. The process of coordination becomes useful and meaningful only with the delegation of appropriate authority. In order

to minimise the problems of overriding

the departmental interest for the

accomplishment of

organizational objective, effective coordination is needed. For example, a finance manager may issue

a directive that no overtime allowance is to be

paid to the workers. While the production manager issues another directive for entitling overtime allowance to

employees for completing the production target. This situation results in misunderstanding and conflicts.

Such types of problems can be solved only

with effective coordination among member departments. To sort out all these coordination problems, big organizations

are now creating separate departments for coordination. New rules and procedures may be developed to minimise

problems like red-tapism overriding goals, blind loyalty and friction.

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CHECK YOUR PROGRESS 4. Define the term 'Interdependence'? 5. What are the approaches for achieving effective coordination? 6. What are the techniques of coordination? 188

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TECHNIQUES OF COORDINATION Following are the techniques of effective coordination: 11.6.1 Sound Planning The first important condition for effective coordination is unity of objective. Planning helps in achieving goals with the combined efforts. Sound planning sets clear-cut objectives, synchronised policies and unified procedures ensuring uniformity of action. 11.6.2 Simplified Organization The organization structure should be clearly defined from top authority level to bottom. Clearly defined authority and responsibility reduce conflicts within the organization. 11.6.3 Effective Communication Communication is the key to coordination. Open and regular communication helps in interchange of opinions and resolving differences between the management and employees. Thus, communication develops mutual understanding among the employees. 11.6.4 Effective Supervision Effective supervision helps in achieving coordination at the planning and execution stage. A good supervisor inspires his subordinates to strive for the common objective. Sound supervision persuades subordinates to have a common outlook towards the goal and resolves the differences of opinion. 11.6.5 Associated Departments For effective coordination contact between associated departments is necessary. For example, production, sales and marketing departments are interdependent. Therefore special coordinators should be appointed to officials the activities of different departments within the specified period of time. 11.7

SUMMARY ? The term 'coordination' refers to an

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orderly arrangement of group efforts for the purpose of accomplishment of objectives. It is the basic responsibility of every manager. It is a continuous process. The problem of coordination

arises when the

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management is dealing with group efforts but not with individual efforts. ?

Coordination has four characteristics:

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it represents the core of management; its purpose is to achieve the common objective; it is a continuous process; it does not arise spontaneously but is the result of concerted action. ?

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Depending upon the nature, coverage and flow, coordination may be divided into internal and external coordination; vertical and horizontal coordination; and procedural and substantive coordination. ?

Mary Parker Follet has laid down four principles of effective coordination which help every manager in discharging his duties. ? There are five techniques of coordination which include sound planning, a simplified organizational structure; effective communication; effective super- vision and coordination between associated departments.

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ANSWERS TO 'CHECK YOUR PROGRESS' 1. Coordination is a synchronisation of group efforts to achieve a common objective. According to E. F. L. Brech. 'Coordination is balancing and keeping together the team by ensuring suitable allocation of task to the various members and seeing that tasks are performed with due harmony among the members themselves.' 2. Coordination is the core of management, this statement is true as in all managerial functions, coordination is a must to achieve the common objective. 3. Coordination between units of the same organization is termed as internal coordination. It summarises the activities of different units so as to make the coordination in the organization more effective. External environment includes technology, competition, market forces, customers and government policy. External

coordination tries to harmonize all these forces to the

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advantage of an organization. 4. Coordination influences all functional activities of management. In a similar way, all other activities influence coordination. This is termed as inter- dependence. Interdependence is imperative for the success of any organization. 5. Following are the approaches for effective coordination: A. Integration through standardisation B. Plans and Schedules C. Mutual adjustments 6.

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Following are the techniques for coordination: A. Sound planning B. Simplified organization C. Effective communication D. Effective supervision E. Associated departments 11.9

EXERCISES

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AND QUESTIONS Short-Answer Questions 1. 'Coordination is the essence of management'. Do you agree? Give reasons. 2. Discuss the characteristics of coordination. 3. What are the types of coordination? 4. What should be the approach for effective coordination? Long-Answer Questions 1. Describe the importance of coordination. Discuss the techniques of achieving effective coordination. 2. Write short notes on the following: A. Types of Coordination B. Principles of Coordination C. Approaches to Coordination 190 Self-Instructional Material Coordination NOTES 11.10

FURTHER READING Fulmer Robert M., The New Management; Macmillan, 1983. Harold, Koontz, Cyril O'Donnel and Wehrich Heinz, Management; McGraw Hill International Book Co. Auckland, 1986. McFarland Dalton E., Management Principles and Practice; Macmillan, London, 1985.

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Self-Instructional Material 191 Communication NOTES UNIT 12 COMMUNICATION Structure 12.0 Introduction 12.1 Unit Objectives 12.2

Communication for Management 12.2.1 Organizational Communication 12.2.2 Objectives of Communication 12.2.3 Communication Process Model 12.3 Interpersonal and Intrapersonal Communication 12.4

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Means of Communication 12.4.1 Oral Communication 12.4.2 Written Communication 12.4.3 Non-verbal Communication 12.4.4 Communication Networks 12.4.5 Downward, Upward and Horizontal Communication 12.5 Effective Communication 12.5.1

Skills Pertinent to Communication 12.5.2 Humour in Communication 12.5.3 Understanding Audience Psychology 12.6

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Barriers to Effective Communication 12.6.1 Noise Barriers 12.6.2 Interpersonal Barriers 12.6.3 Cultural Barriers 12.6.4 Sender Credibility 12.6.5 Emotions 12.6.6 Multi-meaning Words 12.6.7 Feedback Barriers 12.6.8 Other Communication Barriers 12.7

Overcoming Communication Barriers 12.7.1 Guidelines for Effective Communication 12.8 Communication in

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Organization 12.6 Summary 12.7 Answers to 'Check Your Progress' 12.8 Questions and Exercises 12.9

Further Reading References 12.0

INTRODUCTION Communication is the interchange of thoughts and information to bring about mutual understanding. It is an exchange of facts, ideas, opinions and emotions. It involves telling, listening and understanding. It ushers in progress, galvanizes action and adds meaning to life. It stems from one's need to emote, interact, relate, reach out and connect. The methods of communication are oral or verbal, written, non-verbal, visual and audio-visual. Silence is also a form of communication, and is more often eloquent than words. Oral communication is the most widely used method, and plays an important part in everyday life, both for individuals and organizations. It takes place through meetings, speeches, discussions, etc. with the help of microphones, telephones, radio and other such media. Written communication is another powerful method of communication. It takes place through letters, memos, notes, circulars, etc. with the use of computers, word processors, telex, fax, etc. Non-verbal communication has a universal appeal and takes place through body

192 Self-Instructional Material Communication NOTES language, gestures and postures, facial expression, etc. Visual communication includes pictures, graphs, charts, etc. and is often used as a supplement to other forms of communication. Demonstrations and presentations are included in this form. Self- development and communication go hand in hand. The greater the effort made at improving communication skills, the more will you develop in reaching out to people socially and professionally. Not all communication that takes place among individuals and groups is effective. Barriers apart, there are several factors affecting communication. These are conceptual clarity of the communicator, language used in the communication, moods and receptivity of the sender and the receiver, and the timing of the communication. 12.1 UNIT OBJECTIVES ? Underscoring

the importance of effective communication at all levels of the organization. ? Understanding the communication process model. ? Making a comparison of oral versus written communication. ? Enumerating various types of communication networks. ? Studying the informal communication network. ? Knowing the various barriers to effective communication. ? learning how to overcome these barriers. ? Setting up some guidelines for effective communication. 12.2

COMMUNICATION

FOR

MANAGEMENT Good communication is not a matter of accident or chance. Especially in any business situation, it calls for planned, organized and coordinated efforts. Several essential ingredients contributing to the success of the communication should be reckoned with. 12.2.1 Organizational Communication

Communication is considered to be the most important and most effective ingredient of the management process. Interpersonal communication is fundamental to all managerial activities. All management functions involve communication in some form of directions and feedback. Effective management is a function of effective communication. Probably the most frequently cited source of interpersonal conflict is poor communication. Many operations have failed because of inadequate communication, misunderstood messages and unclear instructions. Even in life, communication plays a very important role among friends, within the family and in all social circles, since we spend nearly seventy per cent of our waking hours communicating; writing, reading, speaking and listening. 'Failure to communicate' is generally cited as a cause of lost friendships, divorces and distances between parents and children. Accordingly, communication plays an important role in all walks of human life as well as in organizational life. Studies conducted by Gary L. Benson¹ through a survey questionnaire sent to personnel managers of 175 of the largest companies in a western state of America indicated that written and oral communication skills are critical not only in obtaining a job but also in performing effectively while in the job. The questionnaire contained some questions regarding the factors and skills that are most important in helping graduating business students obtain employment. Oral communication was considered the most important skill and the second most important skill was written communication. From organizational point of view, no group can exist without communication that involves transference and understanding of information. It is only through communication and

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Communication NOTES transmitting meaning from one person to another that ideas can be conveyed and discussed. It is a meaningful interaction among people so that the thoughts are transferred from one person to another in such a manner that the meaning and value of such thoughts is same in the mind of both the sender of the communication as well as the receiver of the communication. This is a very important aspect, otherwise an idea, no matter how great, is useless until it is transmitted and fully understood by others. This is one reason why groups are generally formed on the basis of intellectual similarities so that the group members are at a similar level of thinking and communicating. If some members of the group are highly intellectual or highly technical and others are not, there will be problems in communication. Effective communication is very essential for management to successfully perform its functions. It is an essential ingredient in management–employee relations. It seems that there is a direct correlation between employee communication and profitable operations of the organization. As a senior executive noted: 2 "The best business plan is meaningless unless everyone is aware of it and pulling together to achieve its objectives. Good communications are the lifeblood of any enterprise, large or small. Communications are essential to keep our entire organization functioning at maximum levels and to make the most of our greatest management resource—our people."

Essentials of effective communications are (i) clarity of purpose, (ii) understanding of the process, (iii) addressing the right target audience, (iv) requisite communication skills, (v) adequate information, (vi) proper planning, (vii) positive approach, and (viii) sincerity. Effective communication also calls for consistency, timeliness, use of appropriate modes and channels, cost consciousness, avoidance of communication overload or extreme feelings, and finally, concern for feedback.

Communication takes place among human beings. Therefore, the behavioural dimension assumes great significance. Human behaviour gets reflected through perceptions, attitudes, beliefs, values, norms and experiences. That is why it is said, 'Meanings are in people, not in words'. Perception is described as the process of making sense out of events. It is essentially a matter of personal judgement. A good communicator has to realize that perceptions tend to vary from person to person and accordingly factor this realization into the communication. Attitudes exert a strong influence on human relationships and consequently on the process of communication. They can be positive and negative. A good communicator should recognize the importance of positive attitudes. People have their own beliefs regarding various subjects. Such beliefs cover areas like religion, superstition and rebirth. In order to be effective, a good communicator should refrain from passing a judgement on such beliefs and instead accommodate them in his approach. Values and value systems also influence communication, which becomes effective only when values show congruence. Norms and experience too impact communication. People tend to interpret messages in terms of these facets. A good communicator develops a clear insight into human behaviour and uses it to advantage.

According to W.R. Spriegel, 3 'most of the conflicts in business are not basic but are caused by misunderstood motives and ignorance of facts.' Proper communication between interested parties reduces the points of friction and minimizes those that inevitably arise. Accordingly, by proper communication and sharing of information, the management takes the employees into confidence and makes them more knowledgeable about problems and policies of the enterprise. The scope for a two-way means of consulting and exchanging facts, opinions and ideas between management and employees pertains to: ? Knowledge of policies and objectives of an enterprise. ? Knowledge of results and achievements from these policies. ? Knowledge of plans and prospects for the future.

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Self-Instructional Material Communication NOTES ?

Knowledge of conditions of service. ? Knowledge of ways and means for improving efficiency and productivity. ? Knowledge of all aspects of industrial safety, health and welfare. Information and knowledge about all these aspects makes the operations of the organization comparatively trouble-free and it is the management's responsibility to ensure that employees have obtained all the necessary information about these different aspects and get the necessary feedback. According to Peter Drucker, 4 a manager does not handle people; he motivates, guides and organizes people to accomplish their goals. His effectiveness depends upon his ability to communicate well with the employees. Good communication is the foundation of sound management. It is through communication that workers become aware of their own duties and responsibilities as well as the instructions and orders from the upper levels of management hierarchy and also their own suggestions, grievances and feedback.

Proper communication eliminates delays, misunderstandings, confusion, distortions and bottlenecks, and improves coordination and control.

It improves productivity by developing and maintaining good human relations in the organization. It is a basic tool for motivation and improved morale. Supervision and leadership are impossible without it. It was largely the work of Chester Barnard in the late 1930s that highlighted communication as a dynamic force in shaping organizational behaviour. He considered it as one of the three important elements of an organization along with common purposes and willingness to serve. He also linked communication with his concept of authority. The authority, in a classical organization, flows down through the channels of communication. The authority can lose its meaning if the channels of communication are blocked or if the communication is misunderstood or if the strength of communication is diluted. Accordingly, he proposed seven communication guidelines that are a function of objective authority. These are: 5 1. The channels of communication must be clearly set and be known to all. 2. Every member of the organization should be reached by some channel of communication. 3. The line of communication should be as direct as possible. 4. There should be no blockage in the line of communication and the complete formal line should be used. 5. The communicator should be highly skilled in the art of communication. 6. The line of communication should be constantly kept open. 7. Every communication should be authenticated. 12.2.2

Objectives

of Communication

As we have previously discussed, management depends upon communication to achieve organizational objectives. Since managers work with and through other people, all their acts, policies, rules, orders and procedures must pass through some kind of communication channel. Also there must be a channel of communication for feedback.

Accordingly, some of the purposes of communication are: 6 ? To develop information and understanding among all workers and this is necessary for group effort. ? To foster any attitude that is necessary for motivation, cooperation and job

satisfaction.

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To discourage the spread of misinformation, ambiguity and rumours that can cause conflict and tension. ? To prepare workers for a change in methods of environment by giving them necessary information in advance. ? To encourage subordinates to supply ideas and suggestions for improving upon the product or work environment and taking these suggestions seriously. ? To improve labour-management relations by keeping the communication channels open and accessible. ? To encourage social relations among workers by encouraging inter-communication. This would satisfy the basic human need for a sense of belonging and friendship. 12.2.3

Communication Process Model A simple communication model that reflects communication as a dynamic interactive process has been proposed by David

Berlov. 7

His approach is based upon the following idea: 'If we accept the concept of process, we view events and relationships as dynamic ongoing, ever changing, continuous. When we label something as a process, we also mean that it does not have a beginning and end, a fixed sequence of events. It is static, at rest. It is moving. The ingredients within a process interact, each affects all the others.'

Before communication can take place, an idea or a purpose in the form of a message or information is needed for the purpose of conveying it to the intended receiver of such a message. The message is converted into a symbolic form and passed along some channel to the receiver who translates the message into a meaning. Thus the transference of meaning has taken place from one person to another. The communication model, described as a series of steps consists of the following components,

shown in

the following diagram. Figure 12.1: Steps in Communication Model

Source: This is the source of information or the initiator of communication. This source or message sender may want to communicate his ideas, needs, intentions or other pieces of information. Encoding Encoding is the process inside the human mind or brain in the form of motor skills, muscle system or sensory skills that encode the ideas to be conveyed into a series of symbols or gestures or some other format of expression. The message The message is the physical form of the thought that can be experienced and understood by one or more senses of the receiver. It could be in such forms that require either hearing, reading or other forms of physical gestures. Channel of communication It is a vehicle used in the transmission of the message. It is a medium carrier that bridges the gap between the sender and the receiver. It may be a face-to-face conversation, a telephone conversation, in written form or through any other form of physical gestures. Reception of the message The message is received by the person for whom it was meant and he becomes the receiver of the message. Decoding process Decoding is done in the same manner as encoding by motor skills, muscle system and sensory skills, and the receiver decodes the message for the purpose of interpreting and understanding the meaning of the message. The more the sender's intended message matches the receiver's understanding, the more effective the communication is. Action This is the response from the receiver who has received and accepted the communication. This may involve compliance with an instruction and acting upon it, or simply filing of the message for future references. Feedback A feedback determines whether the message was clearly understood and the required action taken. The feedback to the sender completes the process of communication. 12.3

INTERPERSONAL AND INTRAPERSONAL COMMUNICATION In this section, you will study about interpersonal and intrapersonal communication. Interpersonal Communication The features of interpersonal communication have been discussed as follows: Interpersonal communication skills are direct and interactive: Interpersonal communication skills are an important facet of the process of communication, and as such are extremely relevant for achieving personal as well as professional success. Interpersonal communication refers to face-to-face or person-to-person communication. It is often direct and interactive. The message is orally communicated with the help of words as well as through non-verbal communication, encompassing body language, spacing, facial expressions, tone, gestures, and action. Interpersonal communication involves the effective use of verbal messages plus body language. Effective communication calls for insight into human behaviour: Interpersonal communication has come to acquire particular significance in all people-oriented situations. Large organizations which employ people at various levels lay particular emphasis on building interpersonal or people related communication skills. Effective interpersonal communication calls for good insight into human behaviour and a clear understanding of how people are likely to react under different situations. Interpersonal skills are relevant in dealing with people, both within and without, in any service sector organization. They are particularly relevant in dealing with customer grievances and complaints redressal. Good interpersonal skills of the counter staff or the floor supervisor help diffuse heated arguments or flaring up during customer interaction, and, thereby, contain the damage to the business. Training and other hrd efforts focus on developing interpersonal skills: Interpersonal skills have also come to acquire relevance as part of the HRD efforts of large and small organizations. People with good interpersonal communication skills are considered an asset to any organization. Training programs of service oriented organizations like banks include sessions on the development of interpersonal skills. As one goes up the hierarchical ladder in an organization, one's span of control, or the number of people reporting also often gets enlarged. Effective interpersonal skills are a must in dealing with people at various levels.

How you say

it

is what matters: At a higher level, by interpersonal skills, we refer to certain specialized skills in dealing with people under complex situations. In any business organization where a large number of people are working, both pleasant and unpleasant situations might develop. A supervisor or manager might have to convey not only appreciation or praise, but also punishment and unpalatable developments. The job may involve criticism and reprimand of juniors. Under such circumstances, not only what the supervisor says, but also the way in which it is said and what is done through actions assume meaning. Good leaders consciously develop all these verbal and non-verbal skills and use them successfully in dealing with a variety of people and situations. They use their interpersonal communication skills to create the desired impression, both positive and negative as the

Self-Instructional Material 197 Communication NOTES case may be. The words they choose, the way in which they express them, the tone, the gestures, and the action in totality are all impact creating, in any relationship building exercise, consciously or otherwise. The customer makes an impression on the

counter staff as the customer walks in. The counter staff, likewise, make an impression on the customer. In any business, the first impression carries considerable value. If it is right, it results in a positive relationship. Hence, the right skills would cover the way we say hello, the smile, the attentiveness, the firm handshake, the impression we make as we enter and any such act which the party notices and, more importantly, interprets. Some other essential skills relevant for effective interpersonal communication are the ability to win trust, build rapport, ask the right questions, and elicit full details.

Effective interpersonal communication involves creating the right impression and communicating the intended message convincingly. This calls for sincerity in approach and bringing in transparency in communication. It means asking the appropriate questions in an appropriate manner, and making the other party communicate. It means making the other person confide in you. It means breaking a person's reluctance. When we think of counselling, negoti-ation, hearing of appeals, personal interviews etc., extra communication skills would be involved. They have to be developed with conscious efforts. Develop a positive attitude: People in a service industry, as we have noted earlier, should necessarily have one basic skill, the ability to get along with other people. They should develop interpersonal skills such as the ability to communicate effectively and also work as a member of the team. While job-oriented skills and knowledge are important, what is equally relevant, if not more, is the right attitude. The customer may accept a certain lack of knowledge, but will never accept rudeness or indifference. That is why, training programs in service organizations covering marketing and customer relations lay particular emphasis on building the right attitude or mindset. Bad feelings should not hinder communication: People come to work not only with their hands and heads, but also their hearts. They come with not only knowledge, wisdom and intelligence, but also feelings and emotions. Dealing with other people involves control over moods. Any work situations has its mix of positive and negative, good and bad strokes. Good interpersonal skills require underplaying the negative strokes and not letting them spoil one's temperament. A service provider should learn to rise above bad feelings coming from any quarter and not let those show up or hinder dealings with the customers. Use logic to cope with difficult situations: The following quote from Roberta Cava brings out beautifully the strength of rational response in dealing with difficult situations: 'Two forces—logic and emotion are at work throughout our lives. Often they push and pull in opposite directions. The one that prevails at any particular time, will determine how we get along with others and may affect our level of achievement. It is easy to respond to situations with emotions rather than logic, but responding logically helps us deal constructively with difficult situations.'

Harmonious interpersonal relationships are the secret of business development: Harmonious relations with colleagues in the workplace and customers at the counter and at the field level are the secrets of business development. Both are of equal importance and complement each other. Harmonious interpersonal relationships among employees result in well-knit teams that can respond effectively to the customers, and the customer sees one happy family at work. No wonder John Rockfeller said, 'I will pay more for the ability to deal with people than for any other ability under the sun.'

Intrapersonal Communication The word 'intra' means inside or within. In contrast to interpersonal communication, which implies communication with the other person, intrapersonal communication implies with the self. It refers to communication within the self, involving the process of thinking and

198 Self-Instructional Material Communication NOTES feeling. Intrapersonal communication is a method of communication that helps every person to communicate with himself or herself. It helps in clarifying what is known as the self- concept. It is basically an inward looking exercise. Intrapersonal communication is an inward looking exercise: Intrapersonal communication can also be understood as self-talk. Self-talk is recognized as the verbal side of thinking. There is indeed a positive side of self-talk. Self-talk, also recognized as self-dialogue or inner speech is what you say to yourself during your waking hours. It is necessary to create self-awareness about self-talk. Such awareness helps analyze self- concepts, and overcome negative feelings. Self-talk, properly used, can help in overcoming emotional distress. Effective intrapersonal communication relates to the art of thinking, planning, and interpreting ideas and messages in a positive manner. Intrapersonal

communication overcomes negative

feelings: Intrapersonal communication would also relate to the voice of conscience. This voice can play a significant role in the lives of individuals. It emphasizes the values and the ethical dimension in organizations. It brings to the fore the rational or the logical side of the business transaction, and helps exercise the much needed restraint in communication. Through conscious efforts, one learns to talk to oneself so as to bring out positive response. Intrapersonal communication is essential for interpersonal communication: One cannot really communicate effectively with the outside world, unless one masters the art of communicating effectively with oneself. In that sense, intrapersonal communication is a necessary precondition for effective interpersonal communication. Good communication depends upon positive outlook. Self-talk prepares the ground for this. Those who talk to themselves are not necessarily crazy or mad. They are those who make effective use of yet another dimension of communication. Before making an important speech or attending a crucial meeting or responding to a provocative situation, you may take time off to talk to yourself, strengthen your resolve to exercise restraint and eschew anger or sarcasm. To quote Abraham Lincoln, 'When I am getting ready to reason with a man, I spend one-third of my time thinking about myself and what I am going to say and two-thirds about him and what he is going to say.' Intrapersonal communication, used effectively, provides the right balance, orientation and frame of judgement in communicating with the outside world. 12.4

MEANS OF COMMUNICATION There are three primary methods of communicating in organizations. These are written, oral and non-verbal. Very often some of these methods are combined to increase the emphasis or clarity of information. The choice of the method would depend upon such factors as physical presence of the receiver of the message, the nature of the message as to whether it is urgent or secret and the costs involved in the transmission of the message. These various means of communication are explained as follows: 12.4.1 Oral Communication The most prevalent form of organizational communication is oral. It is also known as face- to-face communication and may be in the form of direct talk and conversation between the speakers and the listeners when they are physically present at one place or through telephone or intercom system conversation. Where one-way communication is required, the oral communication may include a public address system. Informal rumour mill or grapevine are also popular forms of oral communication. It is most effective for leaders to address the followers via public address system or audio-visual media. Oral communication is particularly powerful because the receiver not only hears the content of the message but also observes the physical gestures associated with it as well as changes in tone, pitch, speed and volume of the spoken word. The human voice

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can impart the message much more forcefully and effectively than the written words and is an effective way of changing attitudes, beliefs and feelings, since faith, trust and sincerity can be much better judged in a face-to-face conversation rather than in written words. Advantages of Oral Communication 1. It is direct, simple, time saving and the least expensive form of communication. 2. It allows for feedback and spontaneous thinking, so that if the receiver is unsure of the message, rapid feedback allows for early detection so that corrections can be immediately made, if necessary. 3. Because the message is conveyed instantaneously, it helps in avoiding delays, red tape and other formalities. 4. It conveys a personal warmth and friendliness and develops a sense of belonging because of these personalised contacts.

Disadvantages of Oral Communication 1. There is no formal record of communication so that any misunderstood message cannot be referred back to what was actually said. 2. If the verbal message is passed on along the hierarchical chain of command then some distortions can occur during the process. The more people the message must pass through, the greater the potential of distortion. 3. Lengthy and distant communication cannot be effectively conveyed verbally. 4. The receiver may receive the message in his own perception and thus misunderstand the intent of the message. 5. Spontaneous responses may not be carefully thought about. 6. The spirit of authority cannot be transmitted effectively in verbal transactions. 7. More or less or a different meaning might be conveyed by manner of speaking, tone of voice and facial expressions.

12.4.2 Written Communication A written communication is put in writing and is generally in the form of instructions, letters, memos, formal reports, rules and regulations, policy manuals, information bulletins and so on. These areas have to be covered in writing for efficient functioning of the organization. It is most effective when it is required to communicate information that requires action in the future and also in situations where communication is that of general informational nature. It also ensures that everyone has the same information.

Advantages of Written Communication 1. It serves as evidence of events and proceedings. 2. It provides a permanency of record for future references. The message can be stored for an indefinite period of time. If some questions arise concerning the content of the message, particularly when the message is lengthy and complex, it is physically available for later reference. 3. It reduces the likelihood of misunderstanding and misinterpretation. This is because, generally, people are more careful with the written word than with the spoken word. Thus, the written communication is more likely to be well-considered, logical and clear. And the message can be checked for accuracy before it is transmitted. 4. It can save time when many people must be contacted at the same time. 5. It is more reliable for transmitting lengthy statistical data. 6. It appears formal and authoritative for action.

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Disadvantages of Written Communication 1. It can be very time consuming, specially for lengthy reports. 2. There is no immediate feedback to be sure that the receiver has understood the message. 3. Confidential written material may leak out before time, causing disruption in its effectiveness. 4. It leads to excessive formality in personal relations.

12.4.3 Non-verbal Communication Some of the meaningful communication is conveyed through non-verbal ways. Even some of the verbal messages are strengthened or diluted by nonverbal expressions. These non-verbal expressions include facial expressions and physical movement. In addition, some of the environmental elements such as building and office space can convey a message about the authority of the person. According to Tipkins and McCarter, 8 facial expressions can be categorised as (1) interest–excitement, (2) enjoyment–joy, (3) surprise–startle, (4) distress–anguish, (5) fear–terror, (6) shame–humiliation, (7) contempt–disgust, and (8) anger–rage. Physical movements or body language is known as ‘kinesics’. A handshake is probably the most common form of body language and tells a lot about a person’s disposition. Similarly, eyes are the most expressive component of the facial display. A glance, a stare, a smile or a provocative movement are all various forms of communication. Other examples of body language are tilting of head, folding of arms or sitting position in a chair. Our facial expressions can show anger, frustration, arrogance, shyness, fear and other characteristics that can never be adequately communicated through the written word or through oral communication. Some of the other body language symptoms are shrugging of shoulders for indifference, winking for mischief or intimacy, tapping our fingers on the table for impatience and slapping our forehead for forgetfulness. As far as environmental elements are concerned, a large office with plush carpeting and expensive furniture conveys a message of status, power and prestige such as that of a Chief Operating Officer. On the other hand, a small metal desk on a corner communicates the status of a low ranking officer in the organizational setting. Accordingly, nonverbal actions have considerable impact on the quality of communication.

12.4.4 Communication Networks A communication network is simply a diagram showing communication patterns or relationships that are possible within a group or among individuals. The structure of the group itself will determine the ease with which members can transmit information.

There are five different types of communication networks. The studies have been conducted in a laboratory setting so that research conclusions are limited to small groups. Let us assume for the sake of network discussion, that the group consists of five members. One of the objectives of the study was to evaluate the effect of the network's degree of centralization or decentralization in the communication process. Three of the five networks reflected the centralized process in which information must flow through a central or a pivotal person. In contrast, in a decentralised network, each member has an equal opportunity to participate in the communication process. The centralized networks are known as the 'chain', the 'wheel' and the 'Y' types. These networks are shown below in which each circle represents a member of the group and an X within a circle represents the pivotal person.

Self-Instructional Material 201 Communication NOTES Figure 12.2:

Communication Networks (A) The chain is a typical network formation in a classical type of organization where the information flows only up or down in a hierarchical chain of command. No horizontal communication is provided. The figure shown can be considered as five levels in the organizational hierarchy, from the president down to plant supervisor and X in the circle marks the position of the general manager. A 'wheel' network also known as a 'star' network represents a supervisor in the centre with four subordinates. The subordinates do not communicate with each other. All communications are channeled through the supervisor. The 'Y' shape network is a four-level hierarchy, where two subordinates through the hierarchical chain report to the manager X who has two levels above him to whom he reports. The two communication networks that are decentralised are the 'circle' and the 'all channel' network. These are shown below: Figure 12.3: Communication Networks (B) In a 'circle' network, members of the group interact with adjoining members and no others. The group may have a formal leader or the supervisor, the interaction is primarily lateral among members. This type of interaction is typically found in the autonomous work groups. Finally in the 'all channel' or the 'completely connected' network, each of the members can communicate freely with the other four. Typically, there is no leader and the communication can be initiated by anyone, even though one member either formally or informally can become the dominant member, but without any dominating privileges.

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Each one of these networks has some significant effect on the task performance. For example, members of decentralized networks report greater satisfaction than members of centralized networks. The more the centralization of the network, the lower the satisfaction. 9 Thus the 'all channel' networks produce the highest satisfaction rates. Decentralized networks are also relatively advantageous where the tasks are complex requiring sharing of information and objective analysis by groups. When the tasks are comparatively simple and routine and have to be completed in a short time, centralized networks are more effective. In summary, formal communication networks play a significant role in several aspects of organizational behaviour and an understanding is necessary as to which type of network is most useful in the areas of information flow, decision making and satisfaction as well as commitment of group members. The informal communication network, also known as the 'grapevine', exists in every organization and it cuts through the formal lines of communication. While it is necessary to have a formal organization structure for communication channels, since an effective communication network with clear flow of communication may 'regulate behaviour, encourage innovation, integrate or coordinate activities and inform or instruct employees', 10 it is also very beneficial to attend to informal channels of communication, that can communicate important matters to the management that would not be feasible through formal channels. This type of communication is more lateral in nature and is built around the social relationship and social interaction among the members of the group. This informal communication can be considered as a beneficial safety valve capable of carrying important information quickly and accurately. It can also be considered as destructive, focusing on its capacity to spread rumours, destroy morale, misinform and create interpersonal problems. There are some problems with the hierarchical channels of communication that can be minimised through informal channels of communication. According to A.K. Mazumdar, 11 such problems are as follows: 1. The mass of information that is generated everyday, if communicated through formal channels, will create a bottleneck in the speedy flow of information at any level in the hierarchical structure. 2. Due to several levels in the hierarchical process, much of the information is lost or distorted at each step, since each person at each level may perceive the information in a different perspective. According to Ralph G. Nichols, 12 'There is tremendous loss of information—37 per cent between the board of directors and the vice- presidential level. General supervisors get about 56 per cent of the information, plant managers and general foremen receive only 30 per cent of what has been transmitted downward to them. An average of only 20 per cent of the communication sent downwards through the five levels of management finally gets to the worker level.' 3. There can be some distortion in information to be communicated in what is known as 'protective screening.' A subordinate is likely to report to his superior only that portion of the information that is favourable and either ignores or distorts the information that is unfavourable to him. Is the grapevine desirable from the organization's point of view and is the information that flows along the grapevine accurate? Evidence indicates that at least 75 per cent of the non- controversial organization-related information is basically correct. 13 The grapevine can keep employees informed about any important organizational concerns such as job security. It can also provide a test for employee reactions to proposed organizational changes before making formal commitments. Keith Davis 14 has suggested that grapevine channel of communication should complement the formal channel of communication so that they both have a synergetic effect for the benefit of the organization.

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It can also become a real problem when it generates unfounded rumours. A rumour is an unverified belief that is in general circulation. Rumours emerge as a response to a situation that is important to the group members and there is sufficient ambiguity to cause anxiety. A rumour, as it is passed along can either become highly complex so that the entire meaning is changed at the end, or it becomes oversimplified so that some difficult to remember but important details will be omitted before it reaches the final receiver. For example, a rumour that begins with: 'Paul Jones was laid off because of installation of that new automated casting machine. They think he will be back on another job soon' may end up as: 'Word is that automation will cost a lot of jobs around here. Some guys are already gone.' 15 The above rumour may gain significance if the economic climate and unemployment rate are alarming. Perhaps, the distortion through retelling is best documented by the cartoon shown in Figure 12.4. Figure 12.4 Distorted Communication Source: Drawing by Ziegler © 1972 the New Yorker Magazine. 12.4.5

Downward, Upward and Horizontal Communication One of the basic foundations of the organizational operations is the communication between superiors and subordinates in the hierarchical system. Traditionally, the dominant theme in this type of organizational communication has been the 'downward' communication as far as the operational instructions and directions are concerned and 'upward' communication as far as operational reports and other feedback to management is concerned. The downward communication is from the superior to the subordinate or from the top management to workers through the various hierarchical communication centres in between and may include such standard managerial tools as statement of the organizational philosophy and organizational objectives, standard operating procedures, standard quality control procedures, safety regulations and other relevant material. Downward channels are used to give employees work instructions and other information needed to exercise the delegated authority. In order for this communication to be effective, the workers should not only be told what to do but also why they are doing it and why their work is important to the organization. This increases a feeling of acceptance on the part of workers. It is also important that the communication be transmitted to workers in the language that they can understand. For example, a machine operator may not understand much about organizational philosophy or any specialized terminology about strategic planning or technological dynamics. The workers must be communicated in their own words and perceptions. Also most workers are conditioned to accept communication from their immediate superiors and hence the message must be filtered down through normal channels and edited on the way down for the sole purpose of simplification wherever necessary without losing the content or intent of the message. It is important however, that there is no communication breakdown at any

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level or from any source. This breakdown may occur due to the failure of the message to get through, failure to deliver the message at the proper time or improper coding of the message. The message must be coded in the language of the receiver rather than in the language of the sender. 'Upward' communication moves in the opposite direction and is based upon the communication demand system designed by management to receive information from operational levels. This information may consist of standard reporting items such as production reports. The top management that is always concerned with improvements and higher productivity or that wants to know the reactions of employees to certain productivity or that wants to know the reactions of employees to certain policy or procedure changes and the effectiveness of the operational instructions issued will be isolated if there is no or poor upward communication. According to Esther R. Becker 16, upward communication provides a clear channel for funnelling information, opinions and attitudes up through the organization. The organization must provide a climate and an incentive system which is necessary to encourage such upward communication. This climate can be generated by an 'open door' policy where the workers know that their superiors are always available for discussion of problems and concerns. This system must ensure that the superiors have developed listening skills as well as a sincere and sympathetic attitude towards the worker's problems. This opportunity for upward communication encourages employees to contribute valuable ideas for improving organizational efficiency. The participative decision techniques can develop a great deal of upward communication by either informally involving subordinates or formally allowing their participation. Thus the upward informational feedback can be gainfully utilized in decision centres to assess the results of organizational performance and to make necessary adjustments to attain organizational objectives. In addition to upward and downward communication, there is also 'horizontal' or 'lateral' communication among equals. This is more informal in nature and is necessary in promoting a supportive organizational climate. For example, supervisors at the same level but from different departments, having lunch or coffee together can discuss and organize their activities in such a manner that they complement each other and the process is beneficial to the company as a whole. It provides a means by which managers at the same level of organization coordinate their activities without referring all the matters to their superiors. This type of communication is particularly frequent between the line and the staff units. Production and marketing managers communicate with each other often.

Wenburg and Wilmont 17 suggest that instead of communication being 'upward' or 'downward' which is inter-communication, it should be 'transactional' communication which is mutual and reciprocal because, 'all persons are engaged in sending (encoding) and receiving (decoding) messages simultaneously. Each person is constantly sharing in the encoding and decoding process and each person is affecting the other.' In the transactional process, the communication is not simply the flow of information, but it develops a personal linkage between the superior and the subordinate. According to Katz and Kahn, 18 five purposes are served by the superior-subordinate communication process. These are: 1. To give job instructions and directions. 2. To give information about organizational procedures and practices. 3. To educate employees as to why their jobs are important. 4. To give feedback to subordinates about their performance as to how well they are doing and how they can improve. 5. To provide ideological information to facilitate the indoctrination of goals. It has been found that in most classical types of organizations, only the first two of these five purposes are generally accomplished. Attention to the other three purposes has a very positive impact upon the organizational climate. As Katz and Kahn point out, "if the man

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knows the reasons for his assignment, this would often ensure his carrying out the job more effectively; and if he has an understanding of what his job is about in relation to his sub-system, he is more likely to identify with organizational goals." 19 In order to achieve these five communication purposes effectively, it is necessary to have efficient superior-subordinate communication, that require careful attention to the needs and the psychology of the receiver of the communication. The importance of the receiver should not be ignored. Donald Roberts 20 has suggested the following ways in which the downward flow of communication can affect the receiver. 1. People's interpretations of communication coincide with their beliefs and attitudes. 2. People usually resist messages and communications that require sudden changes because most people follow the path of least resistance. 3. Messages that require some kind of change are most easily acceptable if the entire surrounding environment is also changing alongside. 4. Messages that conflict with the values of the receivers will not be acceptable even if they are rational and logically. 5. Messages that fulfill some needs of the receiver will be more easily acceptable. Based upon these observations, it is important that the superior and subordinates work together and have a personal linkage along with professional relationship so that they can discuss the problems more amicably and arrive at solutions. 12.5 EFFECTIVE COMMUNICATION

Mastering effective communication skills involves answering the following pertinent questions: ? What to communicate? ? What is the objective of communication? ? How to communicate? ? Whom to address? ? When to communicate? ? How often to communicate? ? How to get feedback? ? How to evaluate communication? It is very essential that one understands the what, how, when, whom and the why of communication. What to communicate? Communication skills start with a clear understanding of what to communicate. What do we really want to get across and in how detailed a manner? Are they stray thoughts and ideas or well organized and sequenced concepts, events, achievements, developments, and ideas? Are we communicating our own thoughts and feelings or are we encoding and transmitting the message, thoughts, ideas of another party, say that of a chief executive officer (CEO), planning chief, team leader, employer, etc. Good communication skills involve conceptual clarity and being well informed about facts, events, intentions, and expectations. What is the objective? Communication is a goal-oriented process. The objective of any communication is to reach out with a message. Communication skills would also relate to the basic understanding of the purpose of communication. Is it to inform, analyze, reiterate, caution, report or remind?

CHECK YOUR PROGRESS 1. What are the objectives of communication? 2. Differentiate between oral and written communication. 3. What are advantages of oral communication? 4. What are advantages of written communication? 206

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Is it to motivate and win over, influence, inspire and seek response? Information, analysis, persuasion, negotiation, detailing, motivation, counselling and enlisting action, and support constitute varied objectives with different implications, and hence need different types of communication skills. How to communicate? By this, we refer to the numerous methods, types, channels and alternative approaches. Each has its own options and the skill lies in selecting the most appropriate option in any given situation. Will it be oral, written, non-verbal, audio-visual or electronic, or a mix of these? Will the communication be through a formal channel? Will it be direct and face-to-face or indirect? Will it be transmitted through letters or telex or fax or telephone or e-mail? What is the time available and what should be the speed of communication? What are the costs associated with the available alternatives and how much can the communication budget accommodate? Is the message preplanned or extempore? Will a soft copy or a hard copy be provided? Communication skills call for a thorough understanding of choices available and an evaluation of their relative costs, merits and demerits. Whom to address? Communication, to be effective, has to be focussed, otherwise it gets diluted. The communicator should be clear about the target group or audience and how to reach them. Quite often, they are widely dispersed across different functional, hierarchical, and geographical areas. Customers and prospects may be spread across different market segments. Employees may be spread across different units and regions. Our targets may have different motivation levels. Taking into account all the relevant factors, one has to decide how to address—will it be direct or indirect communication, will it be open or confidential, will it be general or personal? Although 'To whomsoever it may concern' type of address has its limited uses, good communication skills involve making messages which are specifically addressed. When to communicate? The sense of timing is also very important in any communication. It has to be on time, at the right moment. It should not be too early or too late. Human memory is short. The notice for a meeting or an announcement about an impending event, therefore, cannot be months or even weeks in advance, and that too without further reminders. Similarly, sharing of information about events, developments, achievements, etc., will have to be soon thereafter, for any delay would dilute the significance of the communication. The other dimension of communication concerns receptivity, i.e., when to allocate time for communication, so that receptivity is ensured. Important meetings should be scheduled in such a way that people are receptive and recognize the seriousness of the agenda. Morning meetings and meetings held at the beginning of the week normally provide adequate time for action. How often to communicate? For communication to be effective, it is necessary to take into account not only the timing, but also the intensity and frequency. Will a one-time message be adequate, or is it necessary to follow it up thereafter? Should the entire message be conveyed in one shot, or is it more appropriate to make it phased? If so, what should be the phasing? Reminding effectively too calls for skills. Too frequent reminders, without appreciating the underlying factors would serve little purpose and undermine the person's authority.

Self-Instructional Material 207 Communication NOTES How to get feedback? Feedback is the final step in any process of communication. It involves carrying back the effect of the communication to its source. Feedback helps to gauge the effectiveness of the communication. Feedback does not come easily. There is considerable skill involved in obtaining feedback. Often people receive the message and act on it, but may not get back to the communicator. Feedback or response is particularly relevant in market surveys and consumer surveys, and studies. Good communicating skill involves understanding what makes people respond to questionnaires, get back to the sender, and provide the desired feedback. How to evaluate communication? Communication is a vast and evolving process. The success rate of each method and each process is often varied. On an ongoing basis there is a need to evaluate the effectiveness of alternative methods and approaches. Based on the feedback, it is necessary to take corrective action. A good communicator will have to develop skills relevant to the evaluation of communication. Communication skills encompass all the areas cited above, and the answers to each one of these questions would be situation specific. While there are some general skills appropriate to the process of communication, there is much learning involved in developing specific skills. General skills relate to the process of communication in general, and the why and what of it. Specific skills, on the other hand, relate to the various methods of communication which are reiterated in the following paragraphs.

12.5.1 Skills Pertinent to Communication

Some of the noteworthy skills relevant to oral communication are the following:

- ? Understanding and use of the appropriate language
- ? Organizing and sequencing of thoughts effectively
- ? Vocabulary and word power
- ? Command over illustrations, examples, anecdotes, and phrases
- ? Proper accent and pronunciation
- ? Voice modulation and reach
- ? Proper use of the sound system and other aids
- ? Listening skills
- ? Adherence to time specifications
- ? Effective telephonic talks

Each one of these skills is relevant in ensuring the effectiveness of spoken and interactive communication. Effective speaking consists of being 'loud and clear.' Yet, too much loudness can be maddening. The psychology department of Dayton University, U.S. reports that loud talk can be 10 times more distracting than the sound of a jackhammer. Loud, incessant chatter can make a listener nervous and even start him or her on the road to insanity. Effective written communication calls for the following skills:

- ? Command over the language
- ? Word power and spelling
- ? Correct grammar
- ? Proper structuring of the written message

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- ? Correct use of phrases, equivalents and quotations
- ? Use of appropriate channels like courier, telex, fax, e-mail, etc.
- ? Attention to handwriting, typing, printing and photocopying
- ? Simplicity, brevity and clarity

Effective use of non-verbal communication through body language, postures and gestures, attire, appearance, handshake, smile, behaviour and example also needs conscious effort. Some skills relevant in this regard are as follows:

- ? Power of observation
- ? Awareness about the body movements and other expressions
- ? Proper interpretation of the non-verbal message
- ? Supplementing with the oral communication
- ? Self observation and practice

Skills appropriate to

Other methods of communication, like audio-visual communication and electronic communication have their own specific skill requirements. Audio-visual communication uses slides, transparencies, projectors, etc., and the communicator should be well informed about their functioning and use. It is also necessary to ensure that the audio and visual parts synchronize and combine well to convey the message. Proper communication through the electronic media like the television calls for personality related skills, and computer related communication involving the internet, e-mail and online transmissions need a computer savvy approach and appropriate learning. Some of the communication skills relevant across all methods of communication are insight into human behaviour, removal of emotional blocks and effective use of personality. It is also necessary to develop rapport building and interpersonal skills. Communication, to be effective, calls for an understanding of and empathizing with people. Establishing a wavelength means understanding the level at which communication should take place. It should not be too high as to constitute 'overhead transmission' and at the same time it should not be too low as to sound 'elementary.'

12.5.2 Humour in Communication

Humour plays an important role in human life and, therefore, can play a significant role in communication. Humour used effectively can provide a winning edge in both personal and organizational communication. In everyday life, there are abundant opportunities to use humour with positive results. Read the following example: An English professor wrote the sentence, 'Woman without her man is nothing' on the blackboard and directed her students to correct it. The boys wrote: 'Woman, without her man, is nothing'. The girls wrote: 'Woman! Without her, man is nothing'.

Internet humour

It is possible to make humour relevant to a business situation. Malcolm Kushner, America's prominent humour consultant, who is considered to be a pioneer in the field of corporate humour consulting, believes that humour is a powerful management tool. It can gain attention, create rapport and make a message more memorable. It can also relieve tension, enhance relationships and motivate people if it is used with proper understanding. It can be used to influence corporate culture. Dr Robert Baron, an eminent psychologist, has concluded from his research studies that confrontations at work often depend on how you say things rather than what you say. A good laugh, it is rightly observed, cuts across organizational boundaries.

Self-Instructional Material 209 Communication NOTES Humour is a powerful management tool Important as it is in strengthening personal and organizational relationships, humour is also a skill that has to be cultivated. Effective speakers are also known for their wit and wisdom. It calls for presence of mind. It calls for recalling related events in a pleasant and appealing manner. Humour should not be confused with comedy, jest or even sarcasm. Using humour does not suggest that one should become a joker. A joke has a time and a place, whereas humour makes even business sense. The wrong kind of humour can cause damage rather than earn goodwill and understanding. Properly cultivated, humor can find expression in oral communication, non-verbal communication and also in written communication. When to use humor, and what type of humour works in which context, are areas that need careful consideration for humour to become effective. Effective speakers are known for their wit and wisdom The value of humour in creating a positive relationship has been confirmed by research findings. According to a study by Dr Robert Baron, confrontation at work often depends on how you say things rather than what you say. Most people cannot simultaneously entertain incompatible feelings such as anger and amusement. Therefore, if an angry person is made to chuckle with the person who induced the anger, then hostile feelings should lessen. Humour, because of its ability to put things in perspective, provides an important frame for creating new meanings in conflict situations. As reported by Malcolm Kushner in 'The Light Touch' 12.5.3 Understanding Audience Psychology Understanding the psychology of the audience or the group of recipients of the communication is an important communication skill. Communicating or initiating the message constitutes a stimulus, for which a response is expected from the audience. For the response to be meaningful, the communicator should ensure that the recipient is receptive. In order to achieve this, the communicator should collect and analyze relevant information relating to the audience beforehand, such as their characteristics, moods, level of responsiveness, expectations, awareness and so on. The skill of the communicator lies in making the message and delivery relevant and timely to the recipients, so that they evince interest and become active listeners. This is particularly important in various kinds of verbal communication— speech, meeting, presentation, counseling, negotiation, etc. In written communication too, especially while sending non-routine letters which are motivational in nature and seek a high degree of participation and action, understanding the profile of the addressee assumes relevance. Verbal and non-verbal messages should be tailored to meet the level of expectations, to the extent desirable. Build your confidence This is yet another essential in developing effective skills. The communicator may have the knowledge, understanding, physical facilities, material support and the like, and yet fail to impress or deliver the message appropriately. This can be eschewed by ensuring that along with learning all other relevant communication and interpersonal skills, a person also builds the required level of confidence in facing, addressing and interacting with the target group. When a person lacks confidence, it becomes evident to the recipient. As a result, the credibility of the communicator suffers. The communicator should not only start on a note of confidence, but should also sustain it till the end. Confidence building is done through conscious efforts—by acquiring conceptual clarity, by knowing the audience profile in advance, by resorting to meaningful intrapersonal communication and, above all, through a positive, sincere approach. Practice too helps. Have faith in yourself, and it translates into effective communication.

210 Self-Instructional Material Communication NOTES Reading skills Good reading is another important prerequisite in making communication effective. In today's business world, knowledge commands a premium. A person who has a good understanding of various subjects, especially those in one's line of activity, operates from a high level of confidence. On the contrary, ignorance or insufficient knowledge leads to diffidence. Good reading habits come convenient in preparing a person to articulate and give expression to thoughts. Varied and the right kind of reading provides the much needed preparedness in dealing with a variety of people and situations. Reading results in learning which, like good listening, helps communication. Speed

reading

While rapid speaking is not necessarily a commendable trait, rapid reading is eminently desirable. Reading rapidly, without missing the essence, is a skill that can be acquired. The speed at which reading takes place varies considerably from person to person. With conscious efforts and regular practice, people can read up to 50

pages an hour. It is said that U.S. president John F Kennedy used to read at an amazing speed of 240 pages an hour. Another U.S. President Woodrow Wilson was known to read even faster. Commenting on such speed-reading skills, Christian Godefroy and John Clark, in their celebrated book, 'The Management System' observe as follows: 'The mind of the poor reader loafs along picking up very small units at a time, while the eyes of the excellent reader race over the lines, gathering an entire meaningful idea at each glance.' Prioritize reading In business and profession, as one goes up the ladder, one will have to necessarily read a whole lot of reports, memos, letters, analytical notes, sales literature, magazines, and books, be they hand written or in print. Each and every piece of writing need not necessarily receive the same level of attention. Some need intensive reading, some need adequate reading, some need browsing and some others need just a casual or fleeting glance. The skillful reader learns to discriminate and allocate just the right share of time for all reading materials put up to him. Unless one is acutely conscious of the relative time allocation, it is very easy to fritter away one's time on detailed reading of unimportant papers. One must make a conscious choice of what to read and what not to. There is so much reading material that everybody comes across in personal and business life. The advent of electronic communication has made it further imperative for all of us to make a conscious choice. Apart from all the hand written, typewritten and printed material put up to us, there is also a vast e-mail communication, vying for our attention all the time. One must learn to discard the irrelevant pieces of writing, whatever form they may take, prioritize the rest, allocate the right share of time to them and equally importantly, develop the skill of speed reading. People with good reading skills develop the trait of reading fast without really missing comprehension or assimilation. Such people train their eyes and mind so well that they absorb the crucial and relevant messages and can even point out mistakes and inconsistencies quite effortlessly. There is a tremendous advantage to a person who has mastered the art of effective speed reading. Develop your own style Communication skills thus cover a vast area and can be developed through conscious effort. For some persons, good communication skills are a God-given gift and the flow is effortless. Others will have to work on them and acquire proficiency through practice and hard work. A good piece of communication—be it a speech or a presentation or a write up—stands out. It has the potential to create a deep impact. Moreover, there is so much diversity and versatility in the styles of communication. Each good speaker or writer can be different from others and yet create a distinct impression and desired impact. An accomplished Self-Instructional Material 211 Communication NOTES communicator can certainly achieve quite a large measure of success in dealing with people and situations. 12.6

BARRIERS TO EFFECTIVE COMMUNICATION The communication must be interpreted and understood in the same manner as it was meant to be by the sender, otherwise it will not achieve the desired result and a communication breakdown will occur. There are external roadblocks to effective communication such as poor timing of communication, poor choice of channel of communication, incomplete, inadequate or unclear information, and network breakdown, that can affect the proper reception of the communication. In addition, a person may interpret the communication not in the same manner as it was intended by the sender but in a way in which he wants to receive, depending upon the stimuli present, emotions or prejudices for or against a concept or ideology or personal conflicts so that instead of interpreting the content of the communication, the intent of the sender may be interpreted. According to Rogers and Roethlisberger, 21 the communication effectiveness is always influenced by 'our very natural tendency to judge, to evaluate, to approve or disapprove the statement of the other person or other group.' This evaluation tendency may alter the meaning of the entire communication. Accordingly, the management should not only attempt to eliminate all external barriers so that the communication is clear and to the point, but also try to understand the perceptions and attitudes of the receiver. Only then can the communication have its maximum effect. Some of the organizational barriers and some of the interpersonal barriers to effective communication are discussed below. 12.6.1 Noise Barriers Noise is any external factor that interferes with the effectiveness of communication. The term is derived from noise or static effects in telephone conversation or radio

wave transmission. It may cause interference in the process of communication by distraction or by blocking a part of the message or by diluting the strength of the communication. Some of the sources contributing towards noise factor are:

Poor timing The manager must know when to communicate. A message that requires action in the distant future may be forgotten by the time action is to be taken. Similarly, a last minute communication with a deadline may put too much pressure on the receiver and may result in resentment. A message must be sent at an appropriate time to avoid these problems.

Inappropriate channel Poor choice of channel of communication can also contribute towards the misunderstanding of the message. The manager must decide whether the communication would be most effective if it is in writing or by a telephone call or a face- to-face conversation or a combination of these modes. If the communication has been initiated through a telephone call, then it may be necessary to confirm the message of the call by putting it in writing. The face-to-face communication emphasizes the strength of the message because it is supported by nonverbal gestures such as eye contact, hand gestures, facial expressions, and tone of voice.

Improper or inadequate information The information must be meaningful to the employee. It must be precise and to the point. Too little or too much information endangers effective communication. Ambiguity or use of words that can lead to different interpretations should be avoided.

Physical distractions The manager must recognize that in the case of face-to-face communication, any distractions can interfere with the process. Telephone interruptions, walk-in visitors or attending to other matters can interfere with the effective communication process. These external disturbances must be avoided.

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Organizational structure The organizational structure should be such that the chain of command and channels of communication are clearly established and the responsibility and authority are clearly assigned and are traceable. Communication may be blocked, chaotic or distorted if the channels are not clear or if the passages are blocked or if there are bottlenecks or deadends.

Information overload As dynamic changes are continuously occurring in our life, in our society and in our organizations, they create a mass of information to be processed for effective decision making. Overload occurs when individuals receive more information than they are capable of processing. The result could be confusion or some important information may be laid aside for the purpose of convenience.

22 Network breakdown Network breakdown may be intentional or due to information overload and time pressures under which a communication has to be acted upon. Some factors contributing to such disruptions are: ? Important negative information may be withheld by the managers. ? The secretary may forget to forward a memo. ? There may be professional jealousy resulting in closed channels.

The

are many interpersonal barriers that disrupt the effectiveness of the communication process and generally involve such characteristics of either the sender or the receiver that cause communication problems. Some of these are:

Filtering Filtering refers to intentionally withholding or deliberately manipulating with the information by the sender, either because the sender believes that the receiver does not need all the information or that the receiver is better off not knowing all aspects of a given situation. It could also be that the receiver is simply told what he wants to hear. The extent of filtering may also depend upon the number of levels in the organizational structure. The more vertical levels there are, the more likely the filtering. Semantic barriers These barriers occur due to differences in individual interpretations of words and symbols. The words and paragraphs must be interpreted with the same meaning as was intended. The choice of a wrong word or a comma at a wrong place in a sentence can sometimes alter the meaning of the intended message. Many times, we have to explain that 'it was not what I meant' or 'you misunderstood my message' and so on, due to poor choice of words. For example, a night club advertisement sign, that reads 'Clean and decent dancing every night except Sunday,' could lead to two interpretations. First that there is no dancing on Sundays and second, that there is dancing on Sundays but it is not clean and decent. 23 Similarly, when discussing a problem employee, a departmental head may tell his assistant 'to get rid of the problem.' He may mean to warn the employee or transfer him to another department. But the assistant may fire the employee believing that this was what was meant in the message. Accordingly, it is advised that if there is any ground for misunderstanding in a message, it be confirmed with the sender. For example, if you are giving your address to someone on the telephone, it is advisable that the receiver repeat this address so that the sender can verify it right away to reassure its accuracy. Perception Perception relates to the process through which we receive and interpret information from our environment and create a meaningful world out of it. Different people may perceive the same situation differently. Hearing what we want to hear and ignoring information that conflicts with what we know can totally distort the intent or the content of the message. Some of the perceptual situations that may distort a manager's assessment of people resulting in reduced effectiveness of the communication are: ? A manager may perceive people to belong to one category or another as stereotypes, rather than unique and distinct individuals. For example, he may perceive women to be less efficient managers or old people less hard working and lacking drive and creativity. Self-Instructional Material 213 Communication NOTES ?

A manager may make his complete assessment of a person based on a single trait. A pleasant smile may make a positive first impression. Punctuality alone or loyalty alone may cause a favourable perception in the mind of the manager. ? A manager may assume that his subordinate's perception about things and situations are similar to his own. For example, a manager who accepts added responsibilities and challenges with enthusiasm may expect the same from his subordinates. This perception limits the manager's ability to effectively respond to and deal with individual differences and differing views of work situations. The management must realize and recognize these differences in perceptions and take steps to understand the environment. A successful manager must be aware of the impact of factors that affect perception by interaction with others and should also possess the ability to influence or change the perceptions of others where necessary

so that events and situations are interpreted as accurately and objectively as possible. For example, an employee may resist a message simply because he has not developed a trust in the manager due to past experiences. If he was promised a bonus or promotion on certain accomplishments and did not receive the promised rewards, he may tend to ignore the communication wherever possible. Accordingly, the manager must take steps to eliminate such negative perceptions among the employees. 12.6.3 Cultural Barriers The cultural differences can adversely affect the communication effectiveness, specially for multinational companies and enterprises with a multi-ethnic workforce. Some examples are as follows: (a) Advertisement about Action Man Soldier toys, where toy soldiers were in tanks holding machine guns, was not permitted in West Germany where they were interpreted as promoting violence. 24 (b) In Austria and France, the

children are not permitted to do television commercials. (c) Most Jewish people will not work on Saturdays and most Muslims will not work on Friday afternoons. (d) Establishing deadlines to accomplish work assignments is considered rude in most Middle East countries. (e) Punctuality in some countries is not considered important. (f) Many important meetings and activities are contemplated after consultations with astrologers in India. (g) 'Coke adds life' may be misinterpreted as a device for long life. Accordingly the management must recognize these barriers as culturally based and identify these cultural differences and attempt to minimize any adverse effects on communication effectiveness due to these differences.

12.6.4 Sender Credibility When the receiver believes the sender of the communication has high credibility the message is taken much more seriously and accepted at face value. If the receiver has confidence, trust and respect for the sender, then the decoding and the interpretation of the message will be closer to the intended meaning of the sender. Conversely, if the sender is not trusted, then the receiver will scrutinise the message closely and deliberately look for hidden meanings or tricks and may end up distorting the entire message. Similarly, if the source is believed to be an expert in a particular field then the listener may pay close attention, and believe the message specially if the message is related to the field of expertise. For example, an expert nuclear engineer may be viewed as a credible source on building a nuclear power plant and may be totally disregarded regarding his views on abortion.

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Emotions The interpretation of a communication also depends upon the state of the receiver at the time when message is received. The same message received when the receiver is angry, frustrated or depressed may be interpreted differently than when he is happy. Extreme emotions are most likely to hinder effective communication because rational judgments are replaced by emotional judgments.

12.6.6 Multi-meaning Words Many words in the English language have different meanings when used in different situations. Accordingly, a manager must not assume that a particular word means the same thing to all people who use it. A study by Lydia Strong 25 concluded that for the 500 most common words in English, there were 4,070 different dictionary definitions. For example, the word "run" can be used in 15 different ways. Some of the examples are: ? Babe Ruth scored a 'run'. ? She has a 'run' in her stocking. ? Did you see him 'run'? ? What headlines do you want to 'run' today? ? There was a 'run' on the bank today. ? Who will 'run' for president this year? ? Please 'run' my bath water. Accordingly, managers must make sure that they use the word in the same manner as the receiver is expected to understand it, otherwise it will create a barrier to proper understanding of the message.

12.6.7 Feedback Barriers The final source of communication process problems lies in the feedback or lack of it. Feedback is the only way to ascertain as to how the message was interpreted. Feedback closes the communication loop and is important for effective communication. It is equally important to pay attention to feedback. The feedback may be for the purpose of communicating the results of an action or it may be for asking questions about communication for further clarifications. A student who misunderstands a question in the exam but does not have the provision to ask for clarification may end up giving the wrong answer. The omission of feedback can cause another problem in that the sender may have another message that depends upon the response to the first message. Thus no feedback or wrong feedback will create problems with the communication of the subsequent message.

12.6.8 Other Communication Barriers

As we have seen earlier, communication is a process that covers six different steps involving, among others, encoding, decoding and transmission. For ensuring effective communication, all the parties and instruments will have to play their part as envisaged. At every stage of the communication process, however, there are barriers, which hinder or dilute the flow of communication. The barriers to communication in an organizational context may arise out of authority structure, status difference, reporting relationships, culture and background of individuals. The barriers to communication may arise out of behavioural differences, differences in skills and understanding as well as physical factors. While some kinds of barriers like behavioural differences and differences in skills may be commonly applicable to all methods of communication, barriers arising out of physical factors may be specific to the method of communication adopted. Some barriers, which are specific to the written communication, are handwriting, spellings and legibility. Similarly, barriers to oral

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communication would include absence of felicity of expression, accent, speed of delivery and appropriateness of the language. Poor expression The power of expression, of the communicator determines the quality of communication. To be effective, the message has to be properly developed from an idea. Barriers relating to expression result in poorly expressed messages. Lack of conceptual skills results in inadequate or incomplete shaping of the idea. Lack of clarity and ambiguity result from limited word power, improper organization of ideas and lack of coherence. If the words and thoughts are not organized properly, the communication would suffer for want of structural balance or a sense of proportion. Obviously, such poor expression of thoughts and ideas leads to incorrect, incomplete and incoherent messages. All this would result in avoidable errors and seeking of further clarifications, adding to costs and delays in communication. Encoding and decoding require skill to ensure clarity and precision. Poor expression is likely to occur under the following circumstances: ? When a person is ill ? When a person is fatigued ? When a person is under severe stress ? When a person is under the influence of alcohol

These are true for both oral and written communication. Faulty Transmissions The process of transmission, essential for any communication, is susceptible to errors of omission and commission. In the organizational context, the person transmitting the message may be different from the person who conceived the idea. The intent and purpose of the message may not remain the same as it moves from the originator to the transmitter. Not only that, the person transmitting the message may bring in his own bias, feelings and perceptions, which the originator of the message would not have intended. Or else, there may be occasions when the originator of the idea expects the transmitter to detail, illustrate and elucidate the idea, which the latter may fail to do. Indifference

and Lack of

Interest This is indeed a very strong barrier in the process of communication. Organizations have to make considerable effort to ensure that indifference to organizational communication is brought down to the minimum. Communication, to be effective, presupposes that the receiver of the message is also attentive or receptive. Attentive listening in oral communication, careful reading in written communication and keen observation in non-verbal communication are a must. Indifference or lack of interest on

the

part of the recipient, in turn, adversely impacts the enthusiasm of the communicator. When the students are not attentive, the teacher is likely to lose interest. On the other hand, when the speaker lacks expertise or credibility, the receptivity of the audience wanes. Indifference and lack of interest creates barriers to communication, as a result of which the quality of communication suffers. The intended message is either not received at all or is incomplete and, worse still, is understood incorrectly.

Physical Factors The process of communication, especially transmission of messages, makes use of numerous channels, instruments and gadgets such as telephone, microphone, projector, printing, photocopying, telex, fax, radio, film, cassette and of late, the floppy. All these are very useful when they function smoothly. At the same time, they act as barriers when they fail to perform their functions efficiently. As a result, communication fails to reach the target

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audience. Snapping of telephone lines, non-availability of meeting rooms, failure of multimedia equipment and disturbances of power supply may lead to delays in transmitting the messages to the intended recipients. People-Related

Factors The process of communication essentially involves human beings. Like democracy, we may describe communication as

of the people, for the people and by the people.

Yet, people do not think, understand and interpret alike. In other words, meanings are in people. In any large organization, especially in multinational ones, there are differences among the employees in terms of language group, cultural background, rural-urban origin, hierarchical levels, etc.

which in turn create psychological, linguistic and cultural barriers. Differences in hierarchical positions have their implications in terms of work structure, authority, status and relationship. In such situations, people may have bias, fear and reticence, which act as barriers to the free flow of communication. All these factors lead to different expectations among people within the organization, as to who should communicate with whom, and in what manner. Apart from this, the organizational climate has its impact on communication. It is conducive when people are encouraged to speak out and there is free flow of communication. On the other hand, when the organizational climate is disturbed, and when dissenting voices are stifled, barriers emerge.

We have seen in the foregoing paragraphs that there are often numerous barriers to the free flow of communication. Such barriers disturb, or dilute or hinder the process of communication. These barriers may be classified as physical, psychological, linguistic, cultural and so on. It is worth emphasizing, however, that most barriers are surmountable. It is possible to anticipate, recognize and foresee the prevalence of barriers, and take appropriate corrective action. With conscious effort, it should be possible to overcome these barriers and ensure free flow of communication on an ongoing basis. This book, in unit ahead, discusses extensively on how to overcome such barriers, whether they relate to oral, written or non-verbal communication, and make communication meaningful and effective. 12.7

OVERCOMING COMMUNICATION BARRIERS It is very important for the management to recognize and overcome barriers to effective communication for operational optimization and this would involve diagnosing and analyzing situations, designing proper messages, selecting appropriate channels for communicating these messages, assisting receivers of messages in correct decoding and interpretation and providing an efficient and effective feedback system. Some of the steps that can be taken in this respect are as follows: Feedback and upward communication

Feedback helps to reduce misunderstandings. Information is transferred more accurately when the receiver is given the opportunity to ask for clarifications about the message. Two-way communication, even though more time consuming, avoids distrust. It leads to trust and openness that builds a healthy relationship contributing to communication effectiveness. Upward communication is strengthened by keeping an open door policy and providing opportunities to workers to give their suggestions which the management should acknowledge and take appropriate action. Improve listening skills

According to Stuart Chase, 26 'listening is the other half of talking'. It is a very important part of the communication process. Listening is an active mental process and goes beyond simply hearing. Good listening habits lead to better understanding and good relationships with each other.

Self-Instructional Material 217 Communication NOTES Guidelines for effective listening The following points can be considered

for effective listening: (a) Listening requires full attention of the speaker. Do not let your mind wander or be preoccupied with something else, otherwise you would not be able to grasp the meaning of the message in its entirety. (b) The language used, tone of the voice and emotions should receive proper attention. Listen for feelings in the message content and respond positively to these feelings. (c) Ask questions to clarify any points that you do not understand. Reflect back to the speaker with your understanding of what has been said. (d) Make sure that there are no outside interruptions and interferences during the course of the conversation. (e) Do not prejudice or value the importance of the message due to your previous dealings and experiences with the sender or your perceptions about him, positive or negative. (f) Don't jump to conclusions before the message is over and is clearly understood. (g) Summarise and restate the message after it is over to doubly make sure about the content and the intent of the message. Develop writing skills Clearly written messages can help avoid semantic and perception barriers. Well-written communication eliminates the possibility of misunderstandings and misinterpretations. When writing messages, it is necessary to be precise thus making the meaning as clear as possible so that it accomplishes the desired purpose. Robert Degise 27 gives the following suggestions for effective written communication: (a) Keep words simple: This will reduce your thoughts to essentials and the message will be easier to understand by the receiver. The message will be lost if the words are complex and do not lend to a single meaning. (b) Do not be bogged down by rules of composition: While the rules of grammar and composition must be respected, they should not take priority over the ultimate purpose of the communication. (c) Write concisely: Use as few words as possible. Do not be brief at the cost of completeness, but express your thoughts, opinions and ideas in the fewest number of words possible. (d) Be specific: Vagueness destroys accuracy that leads to misunderstanding of the meaning or intent of the message. Accordingly, be specific and to the point. Avoid credibility gaps Communication is a continuing process and the goal of communication is complete understanding of the message as well as the creation of trust among all members of the organization. Accordingly, the management must be sincere and should earn the trust of the subordinates. Management should not only be sensitive to the needs and feelings of workers but also its promises should be supported by actions. The word of the management should be as good as a bond. Only then would an atmosphere of congeniality accrue, that would enhance the communication process. According to studies conducted by J. Luft, 28 openness and an atmosphere of trust builds healthy relationship and closes credibility gaps, thus contributing to communication effectiveness and enhancement. 12.7.1

Guidelines for Effective Communication The following guidelines are designed to help management improve their skills in communicating so as to avoid any barriers to effective communication and to strengthen

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the basis for optimum results that depend upon a clear understanding of the desired communication. These guidelines are partially based upon the principles proposed by American Management Association. 29 These are: The ideas and messages should be clear, brief and precise The ideas to be communicated must be well planned and clearly identified. This will eliminate ambiguity so that the message will not be subject to more than one interpretation. The message must be clear, precise and to the point and free from distortions and noise. It should also be brief so that it is just about necessary and sufficient and should avoid loose ends or meaningless and unnecessary words. Sense of timing The message should be timely so that the decisions and actions can be taken in time and when necessary. The timing of the message and the environmental setting in which the message is delivered and received is equally important. An important message delivered at the wrong time or in a non-conducive environment may lose its effectiveness. The environment involves physical setting such as whether the communication is conveyed in private or not, and it also involves social climate that determines the work setting as well as interpersonal relationships. Integrity The communication must pass through the proper channels to reach the intended receiver. The communication flow and its spread must avoid bypassing levels or people. When these concerned levels are omitted or bypassed, it creates bickering, distrust, confusion and conflict. Accordingly, the established channels must be used as required. Consult with others who are involved in planning the communication If people have participated in the planning process, they would be highly motivated to give active support to such communication and would carry it through. Such participation would also widen the scope and the objectivity of communication. The people who are concerned must know exactly what they need to know and when they need it. The purpose of communication must be clearly known as to what is to be achieved and how. Be prepared to help the receiver Take the receiver's interests into account, then the receiver will be more responsive to the communication. The management must

clarify any part of the communication that may be necessary and must encourage comments, questions and feedback. The management must always be helpful in carrying out the intended message of the communication. Mode of delivery Not only are the clarity of intent and content of the message important and necessary, but also the method of delivery. Avoid negative statements like, "I am not sure it will work". Be confident and definitive. The success of the communication also depends upon the tone of the voice if the communication is verbal, expressions and emotions exhibited, attentiveness to the receiver and so on. The written communication should be polite and unambiguous. Use proper follow-up Unless it is a one-way communication that is simply meant to inform, all communications need a follow-up to ensure that these were properly understood and carried out. A verbal communication may need to be followed up by written confirmation. The response and feedback to the communication would determine whether the action to the communication has been prompt, appropriate and accurate. Inappropriate or delayed responses should be immediately investigated and corrective measures instituted. Communication should be comprehensive Communication should be complete so as not only to meet the demands of today but, should also take into consideration future needs of the organization as well as individuals. A reasonable projection of the assessment of future needs and environments – both work and social – should be incorporated when planning and executing communication.

Self-Instructional Material 219 Communication NOTES 12.8 COMMUNICATION IN ORGANIZATION This section throws light on the various communication processes going on in an organization.

Internal

Communication

Internal communication takes place within the organization or group—among people within, among different groups of employees and between employers and employees. It could be oral or written, visual or audio-visual, formal or informal, and upward or downward. Internal communication serves to inform, instruct, educate, develop, motivate, persuade, entertain, direct, control and caution people in the organization. When a personal letter is written at an official address, besides writing the name of the addressee, the envelope is superscribed 'Private' or 'Confidential' to convey the nature of communication. Knowledge, skills, goal orientation, sharing of corporate concerns, review and monitoring, performance appraisal, counselling and training are among the issues that internal communication addresses. External Communication Unlike internal communication, external communication flows outward. It addresses people outside the organization, like the prospective customers, competitors, public, press, media and the government. External communication can take place in various ways and through different channels. Letters, notices, brochures, demonstrations, telephone calls, business meetings, press releases, press conferences, audio-visual presentations, publicity films, product launch events and advertisements are all examples of external communication. It is important to note that the external agency or person targeted through such communication, quite often forms an image or impression based on such communication and it is, therefore, very necessary that adequate care is taken in making it clear, intelligible and appealing. Upward

Communication

Large organizations have different hierarchical levels or tiers. Banks, finance companies, insurance businesses, railways and such other people-oriented organizations have typically a 3-tier or a 4-tier structure. The process of communication to be complete and effective, should encompass all these levels and tiers. Upward communication is one which moves upward, i.e., from bottom to top levels in the hierarchy. Any communication that moves from employees to supervisors, supervisors to managers, managers to executives, regional manager to general manager and so on, may be categorized as upward communication. Similarly, communication from branches to regional offices, regional offices to zonal offices, zonal offices to head office is referred to as upward communication. Employee suggestions, market reports, performance reports, feedback on new products and requests for facilities or instructions are all examples of upward communication in the organizational context.

Supervisor Manager Executive Chief Executive Zonal Office Employee Supervisor Manager Executive Branch

Downward

Communication

Downward communication moves from top to the bottom, i.e. from the CEO downwards. It travels through senior executives to junior level functionaries, from the controlling office to the branch, from the head of the division to the head of the unit. Corporate goals,

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Self-Instructional Material Communication NOTES

business priorities, motivational letters, work-related instructions, newsletters, letters from the CEO/General Manager's desk are all typical examples of downward communication. There may be some communication, which would move both upward and downward. A typical example of this is performance budgeting, which is a two-way process. It is a top to bottom as well as bottom to top exercise.

Chief Executive Executive Manager Supervisor Zonal Office Executive Manager Supervisor Employee Branch
Formal Communication Towards ensuring communication on an on-going basis, organizations develop formal systems. Staff meetings, union-management meetings, branch managers' conferences, periodical sales review meetings and customer meets are examples of forums that facilitate formal communication. Formal communication generally follows a well-defined hierarchical pattern and periodicity. Memos, circulars, instructions, guidelines, clarifications, agreements and reports are some of the channels that facilitate the flow of formal communication in business organizations.

Informal

Communication

This type of communication takes place in an unstructured manner and outside the formal forums. There is an element of spontaneity in this communication. Informal communication works well in smaller, loosely knit organizations. It is used more often in situations where there are no rigid hierarchical tiers. While formal structure of communication is a must in large organizations, it is the informality that helps sustain goal orientation in small well knit units. Informal communication takes place through chats, conversations, informal talks and the like. Lateral Communication Lateral communication generally takes place in an organization and is neither upward nor downward. It proceeds in a horizontal manner and takes place among equals and at peer level.

Supervisor Supervisor Manager Manager Branch Branch

It may also be described as peer level communication. Any communication that takes place, orally or in writing, from one branch head to the other, from one division head to the other, from one group head to the other, may be described as lateral communication. An important point worth noting in any such lateral communication is that there is not much difference in terms of the hierarchical levels or positions of the sender and the receiver. Interactive

Communication

Interactive communication is essentially a two-way process. It takes place through meetings, conferences, teleconferencing, multimedia presentations, group discussions and other such active two-way exchanges. Interactive communication is most appropriate when the message or subject is to be presented at length, e.g., in practical sessions, case study discussions and strategy formulation. When many speakers are involved, there may be a need for a moderator who will facilitate effective flow of communication from different speakers.

We have devoted elsewhere in this book, a separate unit to discuss this topic which is of great

Self-Instructional Material 221 Communication NOTES relevance in organizational and business situations. Read the following example of plain speaking: Once the British Prime Minister and his secretary were travelling through the English countryside. Suddenly they realised that they had lost their way. The Prime Minister told the secretary, 'When we next see a person on the road, stop the car and ask him exactly where we are.' Accordingly, the secretary stopped the car and asked the next passerby, 'Where are we?.' The man replied, 'You are in your car.' On hearing that, the Prime Minister told the secretary, 'This is the perfect example of a British parliamentary reply. It is brief, to the point, truthful and does not tell anything more than what you already know!'

Mass

Communication

Mass communication is distinctive in view of its scale. Essentially, it addresses a large mass of people. Public speaking, newspapers, magazines and journals, radio, television, dotcoms, etc.

are channels of mass communication. Mass communication has developed into a specialized area of study. Each of these areas or channels calls for distinct skills. By its very nature, mass communication addresses a vast, well spread out and heterogeneous group of people and, as such, special efforts will have to be made to sustain their interest and achieve the desired response. At the government level too, there is often a separate ministry or department of mass communication to deal with this functional area. Main branches of study relating to mass communication are public relations, advertising and publicity, journalism and digital media.

Grapevine Grapevine is a kind of informal communication that prevails in organizations and businesses. The source of such communication may not be clear. It spreads by way of gossip and rumors. It travels through informal networks and quite often travels faster than the formal messages. Sometimes, it gets more powerful and becomes more receptive than the formal communication. The prevalence of this type of communication in an organization has to be recognized and accepted. A skilled communicator can derive benefits from such a communication as well. It may not always be possible to control the grapevine, but, nevertheless, an able communicator knows how to influence it. Like any other type of communication, this one too has its merits and demerits. 12.6

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SUMMARY ? Effective and compassionate communication is the backbone of good inter-personal relationships as well as organizational survival and growth. It plays an important role in all walks of human life as well as in organizational life. It is through communication that the workers become aware of their own duties and responsibilities, and their feedback communicated correctly to the management enables the management to make objective assessments about the quality of operations at all levels of the organization. ? The communication model includes the sender of the communication who wants to transmit his ideas or needs to a predetermined receiver, the encoding of the message in the form that can be understood by the receiver, a suitable channel of communication and the assurance that proper action is taken on the intent of the communication by follow-up and feedback. ? The communication can either be oral or written. The oral communication is very convenient and the strength of the message can be judged by facial expressions, even though the message can be misunderstood because there is no written record of it for the purpose of verification. Written communication can seem authoritative and is very

CHECK YOUR PROGRESS 5. What are the various types of barriers to communication? 6. What is downward communication? 7. What is lateral communication?

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useful for long and statistical messages and it provides a permanent record of such communication. ? The pattern of communication would depend upon the type of organizational structure. For example, in a typical bureaucratic structure, the communication is from the top downwards and the feedback is from the bottom upwards. In a

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typical participative style of management, there is two-way communication at all levels of management. In addition to the formal communication networks, there is the informal communication network, also known as the 'grapevine' and is built around social interactions among members. Sometimes, the feelings of the workers are better communicated to the management via these informal channels. ? The communication can be downwards, filtered from the top management down to the workers through various hierarchical communication centres in between or it can be upwards from workers to the management through the same channels and is designed by the management to receive feedback from the operational levels. There is also the horizontal communication among the equals of different departments such as managers of production and marketing departments. In more participative styles of management, transactional communication is encouraged that is mutual and reciprocal so that each person is constantly sharing the necessary information with each other. ? In order for communication to be effective, the receiver must receive the communication as sent, no less, no more. However, communication can be blocked or diluted on the way due to a number of barriers that exist between the sender and the receiver of the communication. These could be noise barriers that include poor timing of communication, inappropriate channel, inadequate information, physical distractions such as telephone calls during face-to-face conversation, organizational structures where the channels of communication are not clearly established, too much information and so on. These barriers could also be interpersonal in nature that include semantic barriers or barriers because of different perceptions and cultural backgrounds, credibility of the sender of the communication, emotional state of the receiver at the time the message is received and so on. These barriers must be eliminated as much as possible so that the receiver clearly understands the content of the message and the intent of the sender. This means that the communication should be clear and unambiguous and the sender of the communication may even assist the receiver to make sure that the receiver understands exactly what is expected of him. 12.7 ANSWERS TO 'CHECK YOUR PROGRESS' 1. The objectives of communication are: ? To develop understanding among all workers and this is necessary for group effort. ? To foster any attitude that is necessary for motivation, cooperation and job satisfaction. ? To discourage the spread of misinformation, ambiguity and rumours that can cause conflict and tension. ? To prepare workers for a change in methods of environment by giving them necessary information in advance. ? To encourage subordinates to supply ideas and suggestions for improving upon the product or work environment and taking these suggestions seriously. ? To improve labour-management relations by keeping the communication channels open and accessible. 2. The most prevalent form of organizational communication is oral. It is also known as face-to-face communication and may be in the form of direct talk and

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conversation between the speakers and the listeners when they are physically present at one place or through telephone or intercom system conversation. Where one-way communication is required, then oral communication may include public address system. Informal rumour mills or grapevines are also popular forms of oral communication. It is most effective for leaders to address the followers via public address system or audio-visual media. However, written communication is put in writing and is generally in the form of instructions, letters, memos, formal reports, rules and regulations, policy manuals, and information bulletins. These areas have to be covered in writing for efficient functioning of the organization. It is most effective when it is required to communicate information that requires action in the future and also in situations where communication is that of general informational nature. 3. (i) It is a direct, simple, time saving and least expensive form of communication. (ii) It allows for feedback and spontaneous thinking, so that if the receiver is unsure of the message, rapid feedback allows for early detection by the sender so that corrections can be immediately made. (iii) Because the message is conveyed instantaneously, it helps in avoiding delays, red tape and other formalities. (iv) It conveys a personal warmth and friendliness and it develops a sense of belonging because of these personalised contacts. 4. (i) It reduces the likelihood of misunderstanding and misinterpretation. This is because, generally, people are more careful with the written word than they are with the spoken word. Thus, the written communication is more likely to be well considered, logical and clear. And the message can be checked for accuracy before it is transmitted. (ii) It can save time when many persons must be contacted at the same time. (iii) It is more reliable for transmitting lengthy statistical data. (iv) It appears formal and authoritative for action. 5. Noise barriers, Interpersonal barriers, Cultural barriers, Feedback barriers. 6.

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Downward communication moves from top to the bottom, i.e. from the CEO downwards. It travels through senior executives to junior level functionaries, from the controlling office to the branch, from the head of the division to the head of the unit. 7.

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Lateral communication generally takes place in an organization and is neither upward nor downward. It proceeds in a horizontal manner and takes place among equals and at peer level. 12.8

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QUESTIONS AND EXERCISES Short-Answer Questions 1. What are the major advantages of oral communication? 2. What are major disadvantages of written communication? 3. How important is non-verbal communication in conveying ideas and instructions? 4.

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What are the various guidelines for effective communication? Long-Answer Questions 1. 'Communication is considered to be the most important and most effective ingredient of the management process.' If you agree with this statement, give reasons and examples to support your belief. 224

Self-Instructional Material Communication NOTES 2.

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Describe in detail the communication process model and explain the steps of encoding and decoding in this process. 3. Explain in detail the various types of communication networks. Which of these is more effective and why? 4. How important is the informal communication network in the efficient and effective operations of the organization? Give examples. 5.

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Differentiate between upwards, downwards and transactional communication. 6. Explain in detail the various noise barriers to effective communication. 7. What

steps can you take to overcome noise and other barriers to effective communication? 12.9

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Summary; 12.7 Answers to 'Check Your Progress'; 12.8 Questions and Exercises; 12.9 Further Reading References INTRODUCTION A number of developments in managerial thinking and processes have taken place in the last few decades. All parts of the world have become closer to each other; the communication networks and Internet resources have made the whole world into a "global village". Organizations have become multinational, transcending national and geographical boundaries. The workforce has become highly diversified. More women are joining the management ranks and ethical conduct of organizations is being emphasized and monitored. There is movement towards total quality in products and services. Customer satisfaction has become a concern of highest priority. Today's business environment is one of global competition, scarce resources, rapid technological changes, increasing demand for social responsibility and downsized organizational structures. The economic and industrial environments have become more volatile and the management is required to do strategic planning for the near and far future of their respective organizations in order to address fast and dynamic changes as well as the continuously evolving competitive environment. Today's managers face a complex web of difficult and exciting challenges. No longer does a manager sit in an ivory tower and issue directives from a distance. The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision-making, lateral relationships, flexible work structures and more. The management is becoming more and more aware that an organization has no life but for the people in it. Accordingly, it is becoming more and more people-oriented as against task-oriented of the previous years. The job of a manager is one of the most rewarding, most exciting and most challenging of professions. Effective managers are effective leaders who can (and do) make significant contributions to society through the output of their industrial or service organizations such as businesses, universities, hospitals, government agencies and so on. This book has been carefully

Summary 11.10 Answers to 'Check Your Progress' 11.11 Questions and Exercises Self-Material 1 Introduction INTRODUCTION A number of developments in managerial thinking and processes has taken place in the last few decades. All parts of the world have become closer to each other; the communication networks and Internet resources have made the whole world into a 'global village'. Organizations have become multinational, transcending national and geographical boundaries. The workforce has become highly diversified. More women are joining the management ranks and ethical conduct of organizations is being emphasized and monitored. There is movement towards total quality in products and services. Customer satisfaction has become a concern of highest priority. Today's business environment is one of global competition, scarce resources, rapid technological changes, increasing demand for social responsibility and downsized organizational structures. The economic and industrial environments have become more volatile and the management is required to do strategic planning for the near and far future of their respective organizations in order to address fast and dynamic changes as well as the continuously evolving competitive environment. Today's managers face a complex web of difficult and exciting challenges. No longer does a manager sit in an ivory tower and issue directives from a distance. The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision-making, lateral relationships, flexible work structures and more. The management is becoming more and more aware that an organization has no life but for the people in it. Accordingly, it is becoming more and more people-oriented as against task-oriented of the previous years. The job of a manager is one of the most rewarding, most exciting and most challenging of professions. Effective managers are effective leaders who can (and do) make significant contributions to society through the output of their industrial or service organizations such as businesses, universities, hospitals, government agencies and so on. This course has been carefully

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<p>planned to prepare the students of distance leaning programs to become successful managers and practitioners.</p>		<p>planned to prepare the students of distance learning programmes to become successful managers and practitioners.</p>		
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<p>Evolution of Management Thought, Various Approaches to Management, Functions of Management. Unit 4 Nature and Purpose of Planning, Objectives, Types and Significance of Planning, Steps in Planning, Decision-Making. Unit 5 Nature and Purpose of Organizing, Organizing Principles, Span of Control, Line and Staff Relationship, Authority, Delegation and</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				
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<p>covers the tools, techniques and strategies used by effective managers in today's dynamic and complex environment. It is well-grounded and authoritative in terms of latest developments in management theory and practice. The material has been presented in simple, clear, unambiguous and structured manner so as to engage the student towards an appreciation of managerial responsibilities and challenges and to arouse their intellectual curiosity. Self-Instructional Material 1</p>		<p>covers the tools, techniques and strategies used by effective managers in today's dynamic and complex environment. It is well grounded and authoritative in terms of latest developments in management theory and practice. The material has been presented in simple, clear, unambiguous and structured manner to engage the students towards an appreciation of managerial responsibilities and challenges and to arouse their intellectual curiosity. Self-Instructional Material 3</p>		
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<p>Introduction 1.1 Unit Objectives 1.2 Management: An Overview 1.3 Management Defined 1.4 Nature of Management 1.5 Scope of Management 1.6 Need for Management 1.7 Management and Administration 1.8 Management – A Science or an Art 1.9 Management Levels 1.10 Summary 1.11 Answers to 'Check Your Progress' 1.12 Exercises and</p>		<p>Introduction 1.1 Unit Objectives 1.2 Significance and Meaning of Management 1.2.1 Management Defined 1.3 Nature of Management 1.4 Scope of Management 1.5 Need for Management 1.6 Functions of Management 1.6.1 Managerial Functions 1.6.2 Organizational Structures 1.7 Managerial Hierarchy 1.8 Management Skills 1.8.1 Managerial Summary 1.10 Answers to 'Check Your Progress' 1.11 Questions and</p>		
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improvements in goals, resources and in the means to attain them. These ingredients, generally, are the basic functions of management. The concept of management is as old as the human race itself. The concept of 'family' required that life be organized and resources of food be apportioned in a manner so as to maximise the utility of such resources. Taking proper steps to safeguard the family from attacks by wild animals, planning out where to go fishing and hunting and whom to go with, organizing these groups into chiefs and hunting and fishing bands where chiefs gave directions and so on, are all subtle ingredients of management and organization. A study of various people around the world shows good examples of organizational structures and organizational evolution over the years. A village open market in a tribe and a large department store in a modern city serve the same needs in a similar fashion, putting things together that people need. While tribal organization was simple in nature, the modern organization is much more sophisticated and complex with many technological innovations. However, the basic form of management and organizational structure seems to have existed since the beginning of organized human activity. Even the recorded history shows the application of some current management techniques as far back as 5000 B.C. when the ancient Sumerians used written records in assisting governmental operations. The Egyptian pyramids, built as early as 3000 B.C., required the organized efforts of over 100,000 workers. It would be natural to assume that all functions of modern management, namely, planning, organizing, directing and controlling played a significant role in the construction of these monuments. Similarly, the early civilisation of India bears witness to organized living.

improvements in goals, resources and in means to attain these goals. These ingredients, generally, are the basic functions of The concept of management is as old as the human race itself. The concept or "family" itself required that life be organized and resources of food be apportioned in: a manner so as to maximize the utility of such resources. Taking proper steps to safeguard the family from attacks by wild animals, planning on where to go fishing and hunting and whom to go with, organizing these groups into "chiefs" and hunting and fishing bands where chiefs gave directions and so on, are all subtle ingredients of management and organization. A study of various people around the world shows good examples of organizational structures and organizational evolution over the years. A village open market in a tribe and a large department store in a modern city serve the same needs in a similar fashion, which is putting things together that people need. While the tribal organization was simple in nature, the modern organization is much more sophisticated and complex with many technological innovations. However, the basic form of management and organizational structure seem to have existed since the beginning of organized human activity. the recorded history shows the application of some current management techniques as far back as 5000 B.C. when the ancient Sumerians used written records in assisting governmental operations. The Egyptian pyramids, built as early as 3000 B.C. required the organized efforts of over 100,000 workers. It would be natural to assume that all functions of modern management, namely, planning, organizing, directing and controlling played a significant role in the construction of these monuments. Similarly, the early civilization of India bears witness to organized living.

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when he said that, the role of management in our society is critical in human progress. It serves to identify a great need of our time: to improve standards of living for all people through effective utilisation of human and material sources. Similarly, Peter F. Drucker, a noted management authority has emphasised the importance of management in social living. He proclaimed nearly 25 years ago that, "effective management was becoming the main resource of developed nations and that it was the most needed resource for developing nations." A manager's job is highly crucial to the success of any organization. The more complex the organization, the more crucial is the manager's role in it. A good manager makes things happen. The importance of management in any organization was emphasised by Professor Leonard R. Sayles in his address to a group of management development specialists, as follows: 'We must find ways of convincing society as a whole, and those who train managers in particular, that the real leadership problems of our institutions — the getting things done, the implementation, the evolving of a consensus, the making of the right decisions at the right time with the right people — is where the action is. Although we as a society haven't learned to give much credit to managers, I hope we can move toward recognising that managerial and leadership jobs are among the most critical tasks of our society. As such, they deserve the professional status that we give to more traditional fields of knowledge.' 1.3 MANAGEMENT DEFINED Many management thinkers have defined management in their own ways. For example, Van Fleet and Peterson define management, 'as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more

when he said that, "the role of management in our society is critical in human progress. It serves to identify a great need of our time: to improve standards of living for all people through effective utilization of human and material sources." Similarly, Peter F. Drucker, a noted management authority has emphasized the importance of management to social living. He proclaimed nearly 25 years ago that, "effective management was becoming the main resource of developed nations and that it was the most needed resource for developing nations." A manager's job is highly crucial to the success of any organization. The more complex the organization, the more crucial is the manager's role in it. A good manager makes things happen. The importance of management in any organization was emphasized by Professor Leonard R. Sayles in his address to a group of management development specialists, as follows. "We must find ways of convincing society as a whole, and those who train managers in particular, that the real leadership problems of our institutions- the getting things done, the implementation, the evolving of a consensus, the making of the right decisions at the right time with the right people- is where the action is. Although we as a society haven't learned to give much credit to managers, I hope we can move toward recognizing that managerial and leadership jobs are among the most critical tasks of our society. As such, they deserve the professional status that we give to more traditional fields of knowledge." Management Defined Many management thinkers have defined management in their own ways. For example, Van Fleet and Peterson define management, "as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more

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Components of Management Megginson, Mosley and Pietri define management as 'working with human, financial and physical resources to achieve organizational objectives by performing the planning, organizing, leading and controlling functions'. Figure 1.2 illustrates the Megginson, Mosley and Pietri definition of management. 8

Components of Management Megginson, Mosley and Pietri define management as 'working with human, financial and physical resources in order to achieve organizational objectives by performing the planning, organizing, leading and controlling functions.' Figure 1.2 the Megginson, Mosley and Pietri definition of management.

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Kreitner considers management a problem-solving process. He defines management as follows: 'Management is a problem-solving process of effectively achieving organizational objectives through the efficient use of scarce resources in a changing environment.' Some of the integral elements of this definition can be separated and briefly explained as follows: 1.3.1 Problem-solving Process One of the most important functions of a manager is to make decisions and solve problems. Some of the major problems that management must continually face include unpredictable economic trends, changing governmental regulations, resource shortages and a severe competition for these resources, employee demands, technical problems, technological developments and so on. There are other problems that are comparatively routine in nature and can be solved by some tried and tested mechanisms. For example, a change in production quality can be easily looked into and the process corrected or modified or changed if necessary. On the other hand, an increase in employee grievances or employee absenteeism or turnover may require carefully studied unique solutions. 1.3.2 Organizational Objectives All organizations have a mission that is the very basic reason for their existence and certain goals and objectives. While the goals are long range and more general in nature, objectives are more specific, tangible and most often quantifiable. For example, the mission of a college may be high-quality education, its goal may be to primarily serve the educational needs of the surrounding community and its objective may be to increase the number of new students entering the college by ten per cent in two years. The primary objective of most organizations is to provide a service for the public. Of course, such service has to be profitable for the organization in monetary terms, for that is the essence of a capitalist economy. Accordingly, management must plan its activities along these lines. Additionally, it is also the management's responsibility to integrate the personal objectives of the employees into organizational objectives. The personal objectives of employees may include higher remuneration, more challenging tasks and responsibilities and participation in the decision-making process. 1.3.3 Efficiency Efficiency, along with effectiveness, is the most common way of measuring organizational performance. Efficiency is the ability to 'get things done correctly.' An efficient manager achieves a higher output with given resources of time, talent and capital so that these resources are fully utilized without waste. Similarly, effectiveness means 'doing the

Kreitner considers as a problem solving process. He defines management as follows: "Management is a problem solving process of effectively achieving organizational objectives through the efficient use of scarce resources in a changing environment." Some of the integral elements of this definition can be separated and briefly explained as follows: Problem solving process. One of the most important functions of a manager is to make decisions and solve problems. Some of the major problems that management must continually face include unpredictable economic trends, changing governmental regulations, resource shortages and a severe competition for these resources, employee demands, technical problems, technological developments and so on. There are other problems that are comparatively routine in nature and can be solved by some tried and tested mechanisms. For example, a change in production quality can be easily looked into and the process corrected or modified or changed if necessary. On the other hand, an increase in employee grievances or employee absenteeism or turnover may require carefully studied unique solutions. Organizational objectives. All organizations have a mission is the very basic reason for their existence and certain goals and objectives. While the goals are long range and more general in nature, objectives are more specific, tangible and most often quantifiable. For example, the mission of a college may be high quality education, its goal may be to primarily serve the educational needs of the surrounding community and its objective may be to increase the number of new students entering the college by ten percent in two years. The primary objective of most organizations is to provide a service for the public. Of course, such service has to be profitable for the organization in monetary terms, for that is the essence of a capitalist economy. Accordingly, management must plan its activities along these lines. Additionally, it is also the management's responsibility to integrate the personal objectives of the employees into organizational objectives. The personal objectives of employees may include higher remuneration, more challenging tasks and responsibilities and participation in the decision making process. c) Efficiency. Efficiency, along with effectiveness, is the most common way of measuring organizational performance. Efficiency is the ability to "get things done correctly". An efficient manager achieves a higher output with given resources of time, talents and capital so that these resources are fully utilized without waste. Similarly, effectiveness means

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Scarce Resources The resources of people, time, capital and raw materials are all finite and limited. They are all scarce in nature and are not expandable. Additionally, there is a fierce competition for acquiring these resources. Management, basically, is a 'trusteeship' of these resources and hence must make conscious efforts to make the most of these resources. 1.3.5 Changing Environment The dynamics of the environment is evidenced by the changes that have taken place in all areas in the last few years. The advent of computers and telecommunications technology has changed the ways in which the assessment of the environment is carried out for decision-making purposes. Accordingly, management must be prepared to predict accurately these changes and formulate ways to meet these new challenges more effectively. 1.4 NATURE OF MANAGEMENT In spite of the growing importance of management as an immensely academic discipline contributing to the quality of human life, the concept is still clouded by certain misconceptions. No doubt, management as an academic body of knowledge has come a long way in the last few years. It has grown and gained acceptance all over the world. Yet, it is a paradox that the term 'Management' continues to be the most misunderstood and misused. A study of the process of management reveals the following points about the nature of management. 1.4.1 Management is a Universal Process Where there is human activity, whether individual or joint, there is management. The process of management can be noticed in all spheres of life. The basic nature of management activity remains same in all arenas, whether the organization to be managed is a family, a club, a trade union,

Scarce resources: The resources of people, time, capital and raw materials are all finite and limited. They are all scarce in nature and are not expandable. Additionally, there is a fierce competition for acquiring these resources. Management, basically, is a 'trusteeship' of these resources and hence must make conscious efforts to make the most of these resources. 5. Changing environment: The dynamics of the environment is evidenced by the changes that have taken place in all areas in the last few years. The advent of computers and telecommunications technology has changed the ways in which the assessment of the environment is carried out for decision-making purposes. Accordingly, management must be prepared to predict accurately these changes and formulate ways to meet these new challenges more effectively. 1.3 NATURE OF MANAGEMENT In spite of the growing importance of management as an academic discipline thereby to the quality of human life, the concept is still clouded by certain No doubt, management as an academic body of knowledge has come a long way in the last few years. It has grown and gained acceptance all over the world. Yet, it is a paradox that the term 'management' continues to be the most misunderstood and misused. A study of the process of management reveals the following points about the nature of management. Management is a universal process Where there is human activity, whether individual or joint, there is management. The process of management can be noticed in all spheres of life. The basic nature of management activity remains the same in all arenas, whether the organization to be managed is a family, club, trade union,

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Management is a System of Authority It is the job of management to bring about a harmonious arrangement and pattern among the different resources employed in an undertaking. In fact,

Management is a system of authority It is the job of management to bring about a harmonious arrangement and pattern among the different resources employed in an undertaking. In fact,

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management's role as a factor of production forces it to be methodical in plans and procedures, and systematic and regular in their implementation. For this, it is necessary that the authority vested in the management is exercised properly and correctly. This calls for well-defined lines of command, delegation of suitable authority and responsibility at all levels of decision making. Unless there is proper balance between authority and responsibility at each level of decision-making, the organization might not succeed in the task of accomplishment of its objective. 1.4.10 Management is a Profession Management makes judicious use of all available means to accomplish certain predetermined ends. To achieve this successfully, managers need to possess managerial knowledge and training. Moreover, they have to conform to a recognised code of conduct and remain conscious of their social and human obligations. Managers are well paid and well provided by the organization for their work. Moreover, they enjoy considerable social prestige too. 1.4.11 Management as a Process Management is an activity consisting of a distinct process, which is known as the management process. This process is primarily concerned with the important task of goal achievement. No business enterprise can achieve its objectives until and unless all the members of the unit make an integrated and planned effort under the directions of central coordination agency. In management terminology, this central co-ordinating agency is technically known as 'MANAGEMENT' and the methodology of getting things done is known as 'Management Process' The process, in general, is defined as a series of actions or operations conducted towards an end. The logic of the management process is that particular functions are performed in a sequence within a given period of time. In other words, the functions that are performed by a manager and the sequence in which they are performed are together called the 'Management process'.

management's role as a factor of production forces itself to be methodical in plans and procedures and on Self-Instructional Material 9 Nature, Scope and Functions NOTES the other hand systematic and regular in their implementation. For this, it is necessary that the authority vested in the management is to be exercised properly and correctly. Therefore, this calls for well-defined lines of command, delegation of suitable authority and responsibility at all levels of decision-making. Unless there is proper balance between authority and responsibility at each level of decision-making, the organization might not succeed in the task of accomplishment of its objective. Management is a profession Management makes judicious use of all available means to accomplish certain predetermined ends. To achieve this successfully, managers need to possess managerial knowledge and training. Moreover, they have to conform to a recognized code of conduct and remain conscious of their social and human obligations. Managers are well-paid and well-provided by the organization for their work. Moreover, they enjoy considerable social prestige too. Management is a process Management is an activity consisting of a distinct process, which is known as the management process. This process is primarily concerned with the important task of goal achievement. No business enterprise can achieve its objectives until and unless all the members of the unit make an integrated and planned effort under the directions of central coordination agency. In management terminology, this central coordinating agency is technically known as 'management' and the methodology of getting things done is known as 'management process'. The process, in general, is defined as a series of actions or operations conducted towards an end. The logic of the management process is that particular functions are performed in a sequence within a given period of time. In other words, the functions that are performed by a manager and the sequence in which they are performed are together called the 'management process.'

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<p>MANAGEMENT AND ADMINISTRATION The terms 'management' and 'administration' are often used synonymously. According to Dalton E. McFarland: 'In business firms, administration refers to</p>		<p>Management and Administration The terms 'management' and 'administration' are often used synonymously. According to Dalton E. McFarland, 'In business firms, administration refers to</p>		
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<p>higher, policy- determining level. One seldom regards the first—line supervisor as an administrator, instead he is a manager. In the health care fields and in many service organizations, problems (such as individual's chronic disease) are managed but programmes (such as flu vaccine distribution) are administered.' Administration may be defined as 'the guidance, leadership and control of the efforts of a group of individuals towards some common goals.' Often the terms administration and management are used together as administrative management. Administrative Management is different from 'operative management', which is concerned with the operational aspects of a business. Some experts like Oliver and Sheldon distinguished administration from management by suggesting definitions of their own. Definition of Administration and Management Administration is defined as a function of an organization that is concerned with policy – determination, coordination of finances, production, distribution and control</p>		<p>higher, policy- determining level. One seldom regards the first-line supervisor as an administrator, instead he is a manager. In the health care fields and in many service organization, problems (such as individual's chronic disease) are managed but programmes (such as flu vaccine distribution) are administered.' Administration may be defined as 'the guidance, leadership and control of the efforts of a group of individuals towards some common goals'. Often the terms administration and management are used together as administrative management. Administrative management is different from 'operative management', which is concerned with the operational aspects of a business. Some experts like Oliver and Sheldon distinguished administration from management by suggesting definitions of their own. Administration is considered as a function of an organization that is concerned with policy determination, coordination of finances, production, distribution and control</p>		
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<p>of the executives that are required for establishing an organization.</p>		<p>of the executives that are required for establishing an organization 10</p>		
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	<p>Management, as a system, is not only an essential element of an organized society but also an integral part of life when we talk about managing our lives. Managing life is not much different from managing an organization and this 'art' of management has been with us from time immemorial. Just as a well-managed life is much better organized, goal oriented and successful 'good' management of an organization makes the difference between the success and the failure of the organization. Perhaps, the importance of management was highlighted by the late President of United States, John F. Kennedy</p>		<p>Management, as a system, is not only an essential element of an organized society but also an integral part of life when we talk about managing our lives. Managing "life" is not much different from managing an organization and this "art" of management has been with us from time immemorial. Just as a well-managed life is much better organized, goal oriented and successful, "good" management of an organization makes the difference between the success and the failure of the organization. Perhaps, the importance of management was highlighted by the late President of United States, John F. Kennedy</p>	
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	<p>Management as a Science Before trying to examine whether management is a science or not, we have to understand the nature of science. Science may be described as a systematised body of knowledge pertaining to an act of study and contains some general truths explaining past events or phenomena. It is systematised in the sense that relationships between variables and their limits have been ascertained and underlying principals have been discovered. Three important characteristics of science are: ? It is a systematized body of knowledge and uses scientific methods for observation. ? Its principles are evolved on the basis of continued observation and experiment. ? Its principles are exact and have universal applicability without any limitation. Examples of scientific principles are that two atoms of hydrogen and one atom of oxygen form one molecule of water or, according to the law of gravitation, if anything is thrown towards the sky, it will come down to earth. Judging from these criteria, it may be observed that management too is a systematised body of knowledge and its principles have evolved on the basis of observation not necessarily through the use of scientific methods. However, if we consider science as a discipline in the sense of our natural science, one is able to experiment by keeping all factors and then varying them one at a time. In natural science, it is possible to repeat the same conditions over and over again, which enables the scientist to experiment and</p>		<p>Management as a science Before trying to examine whether management is a science or not, we have to understand the nature of science. Science may be described as a systematized body of knowledge pertaining to an act of study and contains some general truths explaining past events or phenomena. It is systematized in the sense that relationships between variables and their limits have been ascertained and underlying principles have been discovered. Three important characteristics of science are as follows: • It is a systematized body of knowledge and uses scientific methods for observation. • Its principles are evolved on the basis of continued observation and experiment. • Its principles are exact and have universal applicability without any limitation. Examples of scientific principles are that two atoms of hydrogen and one atom of oxygen form one molecule of water, or according to the law of gravitation if anything is thrown towards the sky it will come down to the earth. Judging from these criteria, it may be observed that management too is a systematized body of knowledge and its principles have evolved on the basis of observation not necessarily through the use of scientific methods. However, if we consider science as a discipline in the sense of our natural science, one is able to experiment by keeping all factors and then varying them one at a time. In natural science, it is possible to repeat the same conditions over and over again, which enables the scientist to experiment and</p>	
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<p>obtain a proof. This kind of experimentation-cannot be accompanied in the art of management since we are dealing with the human element. This puts a limitation on management as a science. It may be designated as an 'inexact' or 'soft science'. Management as an Art Art</p>		<p>obtain a proof. This kind of experimentation cannot be carried in the art of management since we are dealing with the human element. This puts a limitation on management as a science. It may be designated as an 'inexact' or 'soft science'. Management as an art Art</p>		
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<p>the 'know-how to accomplish a desired result'. The focus is on doing things in one way. In keeping with the saying 'Practice makes a man perfect', constant practice of theoretical concepts (knowledge base) contributes towards the formation of skills. The skills can be acquired only through practice. In a way, the attributes of science and art are</p>		<p>the 'know-how to accomplish a desired result'. The focus is on doing things in one way. the saying goes 'practice makes a man perfect', constant practice of the theoretical concepts (knowledge base) contributes to the formation of skills. The skills can be acquired only through practice. In a way, the attributes of science and art are</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
32/234	SUBMITTED TEXT	72 WORDS	73% MATCHING TEXT	72 WORDS
<p>management. 1.8 MANAGEMENT – A SCIENCE OR AN ART Generally, a controversy arises with the question whether the management is a science or an art. It is said that management is the oldest of the arts and the youngest of science. This explains the changing nature of management. But to have an exact answer to the question it is necessary to understand the meaning of the terms 'science' and 'art'. Administration Management</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				
33/234	SUBMITTED TEXT	33 WORDS	100% MATCHING TEXT	33 WORDS
<p>President, Chairman of the Board, Vice-Presidents Department Head, Branch Manager, Dean of a School Supervisor, Foreman, Office Manager Salesmen, Clerical and Technical Employees Top Manage- ment Middle Level Management First Level Management Individual Contributors</p>		<p>President, chairman of the board, vice-presidents Department head, branch manager, dean of a school Supervisor, foreman, office manager Salesmen, clerical and technical employees Top Manage- ment Middle-level management First-level management Individual contributors</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

34/234	SUBMITTED TEXT	150 WORDS	91% MATCHING TEXT	150 WORDS
<p>First-Level Supervisory Managers This level of management consists of supervisors, superintendents, unit heads, foremen, chief clerks, and so on. The primary concern of first-level managers is with the mechanics of the job and they are responsible for coordinating the work of their employees. They must possess technical skills so that they can assist their subordinate workers where necessary. They plan day-to-day operations, assign personnel to specific jobs, oversee their activities, evaluate their performances and become a link between the workers and the middle-level management. Since they represent both the middle-level management as well as the workers on the other side, first-line supervisors often find themselves in the middle of conflicting demands. According to Kerr, Hill and Broedling, their greatest emphasis evolves around dealing with internal human relations rather than operational activities because of the trend towards a more educated work force, team work and group cohesions, as well as</p>	<p>First Level Supervisory Managers This level of management consists of supervisors, superintendents, unit heads, foremen, chief clerks and so on. The primary concern the first level managers is with the mechanics of the job and they are responsible for coordinating the work of their employees. They must possess technical skills so that they can assist their Introduction to Management NOTES Self-Instructional Material 7 subordinate workers where necessary. They plan day-to-day operations, assign personnel to specific jobs, oversee their activities, evaluate their performances and become a link between the workers and the middle level management. Because they represent both the middle level management as well as the workers on the other side, the first line supervisors can easily find themselves in the middle of conflicting demands. According to Kerr, Hill and Broedling, their greatest emphasis is evolving around dealing with internal human relations rather than operational activities because of the trend towards more educated work force, team works and group cohesions as well as</p>	<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		
35/234	SUBMITTED TEXT	29 WORDS	100% MATCHING TEXT	29 WORDS
<p>growing use of computers in tracking and monitoring many activities that were previously regulated by first-line managers. 1.9.4 General Versus Functional Managers Apart from the vertical levels of</p>	<p>growing use of computers in tracking and monitoring many activities that were previously regulated by first-line managers. General versus functional managers Apart from the vertical levels of</p>	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		

36/234	SUBMITTED TEXT	78 WORDS	88% MATCHING TEXT	78 WORDS
	<p>Management is a dynamic function of a collective enterprise, which is constantly engaged in casting and recasting the enterprise in an ever-changing business environment. Besides, it also sometimes initiates moves that reform and alter the business environment. If an enterprise is well-equipped to face the changes in a business environment brought about by economic, social, political, technological or human factors, it can soon adapt itself to a changed environment or innovate to attune itself to it. 2.</p>		<p>Management is a dynamic function of a collective enterprise that is constantly engaged in casting and recasting the enterprise in the world of an ever-changing business environment. Not only this, it also sometimes initiates moves that reform and alter the business environment. If an enterprise is well-equipped to face the changes in business environment brought about by economic, social, political, technological or human factors, it can soon adapt itself to a changed environment or make innovation to attune itself to it.</p>	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

37/234	SUBMITTED TEXT	177 WORDS	96% MATCHING TEXT	177 WORDS
	<p>two sides of a coin. Medicine, engineering, accountancy and the like require skills on the part of the practitioners and can only be acquired through practice. Management is no exception. For example, a university gold medallist in surgery may not necessarily turn out to be a good surgeon; similarly a management graduate from an excellent institute may not be very effective in practice. In both cases, the application of knowledge acquired through formal education, requires ingenuity, correct understanding of the variables in the situation, pragmatism and creativity in finding solutions to problems. Effective practice of any art requires a thorough understanding of the science underlying it. Thus science and art are not mutually exclusive, but complementary. Executives who attempt to manage without the conceptual understanding of the management principles and techniques have to depend on luck and intuition. With organized knowledge and the necessary skill to use such knowledge, they have a better chance to succeed. Therefore, it may be concluded that management is both a science and an art. 1.9 MANAGEMENT</p>			
	<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>			

38/234	SUBMITTED TEXT	65 WORDS	93% MATCHING TEXT	65 WORDS
<p>The total number of personnel at each level decrease as the management level increases up the pyramid. The largest number of people in the organization are at the lower organizational level, at the bottom of the pyramid and these people operate in a non-managerial capacity. This group consists of individual contributors who are simply the employees working under the guidance of their supervisors. 5.</p>		<p>The total number of personnel found at each level decreases as the management level increases up the pyramid. The largest number of people in the organization are at the lower organizational level, at the bottom of the pyramid, and these people operate in a non-managerial capacity. This group consists of individual contributors who are simply the employees who work under the guidance of their supervisors.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
39/234	SUBMITTED TEXT	35 WORDS	95% MATCHING TEXT	35 WORDS
<p>Administration is defined as a function of an organization that is concerned with policy – determination, coordination of finances, production, distribution and control of the executives who are required for establishing an organization. 6.</p>		<p>Administration is defined as a function of an organization that is concerned with policy determination, coordination of finances, production, distribution and control of the executives that are required for establishing an organization.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
40/234	SUBMITTED TEXT	73 WORDS	96% MATCHING TEXT	73 WORDS
<p>Functional managers take responsibility for one type of function or specialized activity and supervise the work of employees who are engaged in such specialized activities as marketing, finance, accounting, quality control and production. General managers, on the other hand, are responsible for the activities of several different groups that perform a variety of functions and have authority over both the specialized as well as generalized activities. 1.12</p>		<p>Functional managers take responsibility for one type of function or specialized activity and supervise the work of employees who are engaged in such specialized activities as marketing, finance, accounting, quality control, production and so on. General managers, on the other hand, are responsible for the activities of several different groups that perform a variety of functions and have authority over both the specialized as well as generalized activities.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
41/234	SUBMITTED TEXT	25 WORDS	57% MATCHING TEXT	25 WORDS
<p>of management. 2. What are the different levels of management? 3. What do you understand by the nature of management? 4. What is the</p>		<p>of management very significant? 2. What are the key elements of organizing? 3. What do you understand by the scalar principle of organizing? 4. What is the</p>		
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42/234	SUBMITTED TEXT	14 WORDS	83% MATCHING TEXT	14 WORDS
<p>FURTHER READING 1. Chandan, J. S., Management Concepts and Strategies; Vikas Publishing House</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>FURTHER READINGS Chandan, J.S. 2007. Management: Concepts and Strategies. Noida: Vikas Publishing House.</p>		
43/234	SUBMITTED TEXT	26 WORDS	78% MATCHING TEXT	26 WORDS
<p>the function of organizing is concerned with: 1. Identifying the tasks that must be performed and grouping them whenever necessary. 2. Assigning these tasks to</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>The function of organizing is primarily concerned with the following: • Identifying the tasks that must be performed and grouping these tasks wherever necessary • Assigning these tasks to</p>		
44/234	SUBMITTED TEXT	26 WORDS	100% MATCHING TEXT	26 WORDS
<p>of a manager's time. These interactions involve the following three major interpersonal roles: ? Figurehead: Managers act as symbolic figureheads performing social or legal obligations.</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>of a manager's time. These interactions involve the following three major interpersonal roles. Figurehead. Managers act as symbolic figureheads performing social or legal obligations.</p>		
45/234	SUBMITTED TEXT	100 WORDS	96% MATCHING TEXT	100 WORDS
<p>duties include greeting visitors, signing legal documents, taking important customers to lunch, attending a subordinate's wedding or speaking at functions in schools and churches. All these, primarily, are duties of a ceremonial nature but are important for the smooth functioning of the organization. ? Leader: The influence of the manager is most clearly seen in his role as a leader of the unit or organization. Since he is responsible for the activities of his subordinates, he must lead and coordinate their activities in meeting task-related goals and he must motivate them to perform better. He must be an exemplary</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>duties include greeting visitors, signing legal documents, taking important customers to lunch, attending a subordinate's wedding or speaking at functions in schools and churches. All these, primarily, are duties of a ceremonial nature but are important for the smooth functioning of the organization. Leader. The influence of the manager is most clearly seen in his role as a leader of the unit or organization. Since he is responsible for the activities of his subordinates, Instructional 10 Material he must lead and coordinate their activities in meeting task-related goals and he must motivate them to perform better. He must be an exemplary</p>		

46/234	SUBMITTED TEXT	16 WORDS	100% MATCHING TEXT	16 WORDS
<p>leader so that his subordinates follow his directions and guidelines with respect and dedication.</p>		<p>leader so that his subordinates follow his directions and guidelines with respect and dedication.</p>		
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47/234	SUBMITTED TEXT	140 WORDS	97% MATCHING TEXT	140 WORDS
<p>Liaison: In addition to their constant contact with their own subordinates, peers and superiors, the managers must maintain a network of outside contacts in order to assess the external environment of competition, social changes or changes in governmental rules, regulations and laws. In this role, the managers build up their own external information system. In addition, they develop networks of mutual obligations with other managers in the organization. They also form alliances to win support for their proposals or decisions. The liaison with external sources of information can be developed by attending meetings and professional conferences, through personal phone calls, trade journals and by informal personal contacts within outside agencies. 2.3.2 Informational Roles By virtue of his interpersonal contacts, a manager emerges as a source of information about a variety of issues concerning the organization. In his capacity</p>		<p>Liaison. In addition to their constant contact with their own subordinates, peers and superiors, the managers must maintain a network of outside contacts in order to assess the external environment of competition, social changes or changes in governmental rules, regulations and laws. In this role, the managers build up their own external information system. In addition, they develop networks of mutual obligations with other managers in the organization. They also form alliances to win support for their proposals or decisions. The liaison with external sources of information can be developed by attending meetings and professional conferences, by personal phone calls, trade journals and by informal personal contacts within outside agencies. Informational Roles By virtue of his interpersonal contacts, a manager emerges as a source of information about a variety of issues concerning the organization. In this capacity</p>		
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48/234	SUBMITTED TEXT	47 WORDS	82% MATCHING TEXT	47 WORDS
<p>constantly monitoring and scanning his environment, both internal and external, collecting and studying information regarding his organization and the outside environment affecting his organization. This can be done by reading reports and periodicals, by asking his liaison contacts and through gossip, hearsay and speculation. ? Disseminator</p>		<p>constantly monitoring and scanning environment, both internal and external, collecting and studying information regarding their organization and the outside environment affecting their organization. This can be done by reading reports and periodicals, by interrogating their liaison contacts and through gossip, hearsay and speculation. Information disseminator</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

49/234**SUBMITTED TEXT**

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as arbitrators in solving differences among the subordinates or the employees, conflicts with the central management. These conflicts may arise due to demands for higher pay or other benefits; or they may involve outside forces such as vendors increasing their prices; a major customer going bankrupt; or unwanted visits by governmental inspectors. Managers must anticipate such problems and take preventive action if possible or take corrective action once the problems have arisen. These problems also include labour disputes, customer complaints, employee grievances, machine breakdowns, cash flow shortages and interpersonal conflicts. ?

Resource allocator: The third decisional role of a manager is that of a resource allocator. The managers establish priorities among various projects or programmes and make budgetary allocations to the different activities of the organization based upon these priorities. They assign personnel to jobs, they allocate their own time to different activities and they allocate funds for new equipment, advertising and pay raises. ?

Negotiator: The managers represent their units or organizations in negotiating deals and agreements within and outside of the organization. They negotiate contracts with the unions. Sale managers may negotiate prices with prime customers. Purchasing managers may negotiate prices with vendors. All these ten roles are important in a manager's job and are interrelated even though some roles may be more influential than others, depending upon the managerial position. For example, sales managers may give more importance to interpersonal roles while production managers may give more importance to decisional roles. Recognising the appropriate role to play in each situation and the flexibility to change roles readily when necessary are characteristics of effective managers. Most often, however, managerial effectiveness is determined by how well the decisional roles are performed. 2.4

as arbitrators in solving differences among the subordinates or the employee's conflicts with the central management. These conflicts may arise due to demands for higher pay or other benefits or these conflicts may involve outside forces such as vendors increasing their prices, a major customer going bankrupt or unwanted visits by governmental inspectors. Managers must anticipate such problems and take preventive action if possible or take corrective action once the problems have arisen. These problems way also involve labour disputes, customer complaints, employee grievances, machine breakdowns, cash flow shortages and interpersonal conflicts. Resource allocator. The third decisional role of a manager is that of a resource allocator. The managers establish priorities among various projects or programs and make budgetary allocations to the different activities of the organization based upon these priorities. They assign personnel to jobs, they allocate their own time to different activities and they allocate funds for new equipment, advertising and pay raises. Negotiator. The managers represent their units or organizations in negotiating deals and agreements within and outside of the organization. They negotiate contracts with the unions. Sale managers may negotiate prices with prime customers. Purchasing managers may negotiate prices with vendors. All these ten roles are important in a manager's job and are interrelated even through some roles may be more influential than others, depending upon the managerial position. For example, sales managers may give more importance to interpersonal roles while the production managers may give more importance to decisional roles. The to recognize the appropriate role to play in each situation and the flexibility to change roles readily when necessary, are characteristics of effective managers. Most often, however, managerial effectiveness is determined by how well the decisional roles are performed.

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MANAGERIAL SKILLS A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of understanding the processes involved and scientifically analyzing problems and opportunities, all other skills deal with people in one form or the other. These human skills are the most important assets of any successful manager. It is the manager's job to achieve the organizational objectives through the proper utilization of its human and material resources. However, since the material resources of equipment, capital, facilities, information and so on can only be used by humans, human 26

Managerial Skills A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of understanding the processes involved and scientifically analyzing problems and opportunities, all other skills deal with people in one form or the other. These "human" skills are the most important assets of any successful manager. It is the manager's job to achieve the organizational objectives ,through the proper utilization of its human and material resources. However, since the material Introduction to Management NOTES Self-Instructional 8 Material resources of equipment, capital, facilities, information and so on can only be used by humans, human

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resources are the most valuable assets of any organization. Accordingly, a manager must be highly skilled in the art of optimally utilising the human resources. This art is universal in nature. In every walk of life, human skills are necessary for success. These various skills are explained as follows: 2.4.1 Technical Skills These skills basically involve the use of knowledge, methods and techniques in performing a job effectively. This is a specialized knowledge and expertise which is utilized in dealing with day-to-day problems and activities. For example, engineers, accountants, computer programmers and systems analysts, have technical skills in their areas which have been acquired through education and training. This skill is highly necessary at the lower level of management and as one moves to higher levels of management, the relative importance of technical skills usually diminishes. This is so because unlike first-level supervisors, managers at higher levels have less direct contact with technical operating problems and activities. 2.4.2 Human Skills Human skill is the ability to work with other people in a cooperative manner. It involves understanding, patience, trust and genuine involvement in interpersonal relationships. These are interpersonal skills and are necessary at all levels of management. People with good human skills build trust and cooperation as they motivate and lead and thus become successful managers. This skill is gaining importance as the work place is becoming more and more ethnically diversified and the manager has to be aware

resources are the most valuable assets of any organization. Accordingly, a manager must be highly skilled in the art of optimally utilizing the human resources. This art is universal in nature. In every walk of life, human skills are necessary for success. These various skills are briefly as follows: Technical Skills: These skills basically involve the use of knowledge, methods and techniques in performing a job effectively. This is a specialized knowledge and expertise which is utilized in dealing with day-to-day problems and activities. For example, engineers, accountants, computer programmers and systems analysts, all have technical skills in their areas these skills are acquired through education and training. This skill is highly necessary at the lower level of management and as one moves to higher levels of management, the relative importance of technical skills usually diminishes. This is so because unlike first- level supervisors, managers at higher levels have less direct contact with technical operating problems and activities. Human skills: Human skill is the ability to work with other people in a cooperative manner. It involves understanding, patience, trust and genuine involvement in interpersonal relationships. These are interpersonal skills and are necessary at all levels of management. People with good interactory human skills build trust and cooperation as they motivate and lead and thus become successful managers. This skill is gaining more importance as the work place is becoming more and more ethnically diversified and the manager has to be aware

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and become adaptive to cultural differences. Furthermore, since businesses are becoming multinational and global, managers are required to learn new ways of dealing with people in different countries with different cultures and value systems. 2.4.3 Conceptual Skills Conceptual skill is the ability to view the organization as a whole and as a total entity as well as a system comprising various parts and subsystems

and become adaptive to cultural differences. Furthermore, since the businesses are more and more becoming multinational and global, managers are required to learn new ways of dealing with people in different countries with different cultures and value systems. Conceptual skills: Conceptual skill is the ability to view the organization as a whole and as a total entity as well as a system comprised of various parts and subsystems

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integrated into a single unit. This skill is specially crucial for top-level executives who must keep the whole system under focus. They must understand the complexities of the overall organization, including how each unit of the organization contributes towards the overall success of the entire organization. This skill generally depends upon an organized thinking process which deals with understanding of various functions of an organization, their interdependence and the relationship of the organization with the outside environment in terms of threats and opportunities.

2.4.4 Diagnostic Skills This skill refers to a manager's analytical abilities wherein he can logically and objectively investigate and analyze a problem or an opportunity and use scientific approaches to arrive at a feasible and optimal solution. It is important however that a manager gets to the root of the problem so that the solution is a permanent one rather than a short-term or a cosmetic one. This skill overlaps with other skills because a manager may need to use technical, human, conceptual or political skills to solve the problem that has been diagnosed.

2.4.5 Communicational Skills Communicational skills are an important component of interpersonal skills and are basic to all other skills. These are necessary at all levels of management. A manager's best ideas will have little impact if they cannot be communicated effectively. Good communication is the foundation of sound management. Proper communication eliminates delays, misunderstandings, confusion, distortions and conflicts and improves

integrated into a single unit. This skill is specially crucial for top level executives who must keep the whole system under focus. They must understand the complexities of the overall organization, including how each unit of the organization contributes towards the overall success of the entire organization. This skill generally depends upon an organized thinking process which deals with understanding of various functions of an organization, their interdependence and the relationship of the organization with the outside environment in terms of threats and opportunities.

Diagnostic skills: This skill refers to a manager's analytical ability where a manager can logically and objectively investigate and analyze a problem or an opportunity and use scientific approaches to arrive at a feasible and optimal solution. It is important however that a manager gets to the root cause of the problem so that the solution is the real and permanent one rather than simply a short-term or a cosmetic one. This skill overlaps with other skills because a manager may need to use technical, human, conceptual or political skills to solve the problem that has been diagnosed.

Introduction to Management NOTES Self-Instructional Material 9 Communicational skills: Communicational skills are an important component of interpersonal skills and are basic to all other skills and these are important and necessary at all levels of management. A manager's best ideas will have little impact if they cannot be communicated effectively. Good communication is the foundation of sound management. Proper communication eliminates delays, misunderstanding, confusion, distortions and conflicts and improves

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54/234	SUBMITTED TEXT	109 WORDS	91% MATCHING TEXT	109 WORDS
<p>coordination and control. All the four communicational skills, namely, writing, reading, listening and non-verbal gestures are important ingredients of successful leadership. 2.4.6 Political Skills Political skill can be described as the ability to get your own way without seeming to be selfish or self-oriented. It is the ability to get your share of power and authority and use it without fear of losing it. It is the most complex of skills in that it is required for establishing the right connections, impressing the right people, and then skillfully using these connections to one's advantage. Political skill is most necessary at the middle management level because middle managers</p>	<p>coordination and control. All the four communicational skills, namely, writing, reading, listening and non-verbal gestures are important ingredients of successful leadership. Political skills: Political skill can be described as the ability to get your own way without seeming to be selfish or self-oriented. It is the ability to get your share of power and authority and use it without fear of losing it. It is the most complex of skills in the that it is required to establish the right connections and impressing the right people and then skillfully using these connections to your own advantage. Political skill is most important at the middle management level because middle managers</p>			
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<p>to reach the top levels of management and right connections help in such aspirations. 2.5</p>	<p>to reach the top levels of management and right connections help in such aspirations.</p>			
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56/234	SUBMITTED TEXT	249 WORDS	94% MATCHING TEXT	249 WORDS
<p>Planning Planning is future-oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves predicting the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Peter Drucker has defined planning as follows: "Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback". An effective planning programme incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trends as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental regulations regarding community interests, unstable international political environments, etc. The internal factors that affect planning are limited growth opportunities due to saturation requiring diversification, changing patterns of work force, complex organizational structures, decentralisation etc. 2.2.2 Organizing Organizing requires a formal structure of authority and the direction and flow of such authority through which work sub-divisions are defined, arranged and coordinated so that each part relates to the other in a united and coherent manner so as to attain the prescribed objectives.</p>	<p>Planning Planning is future-oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves predicting of the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Peter Drucker has defined planning as follows: "Planning is the continuous process of making present entrepreneurial decisions systematically and with best knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback". An effective planning program incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trend as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental regulation regarding community interests, unstable international political environments, etc. The internal factors that affect planning are limited growth opportunities due to saturation requiring diversification, changing patterns of the workforce, more complex organizational structures, etc (2) Organizing Organizing requires a formal structure of authority and the direction and flow of such authority through which work subdivisions are defined, arranged and coordinated so that each part relates to the part in a united and coherent manner so as to attain the prescribed objectives.</p>	<p>W https://www.managementstudyhq.com/what-is-management.html</p>		

57/234	SUBMITTED TEXT	18 WORDS	91% MATCHING TEXT	18 WORDS
<p>Another approach to studying management is to examine the roles that managers are expected to perform. These</p>	<p>Another approach to study management is to examine the roles that managers are expected to perform. These</p>	<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		

58/234	SUBMITTED TEXT	20 WORDS	88% MATCHING TEXT	20 WORDS
<p>All managers need to process technical, interpersonal, conceptual, diagnostic, communicational and political skills. 2.6</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills.</p>		
59/234	SUBMITTED TEXT	24 WORDS	57% MATCHING TEXT	24 WORDS
<p>in the management of an organization. ? There are five primary functions of management. These include planning, organizing, staffing, directing and controlling. ?</p> <p>W https://librarymvmgacsgcom.files.wordpress.com/2020/08/ug_b.com_commerce-english_102-11_principle ...</p>		<p>in the subject matter of management. ? There are basically five primary functions of management. These are: (i) Planning; (ii) Organizing; (iii) Staffing; (iv) Directing and (v) Controlling. ?</p>		
60/234	SUBMITTED TEXT	44 WORDS	90% MATCHING TEXT	44 WORDS
<p>involves predicting the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Planning is the continuous process of making present entrepreneurial decisions systematically and with</p> <p>W https://www.managementstudyhq.com/what-is-management.html</p>		<p>involves predicting of the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Peter Drucker defined planning as Planning is the continuous process of making present entrepreneurial decisions systematically and with</p>		
61/234	SUBMITTED TEXT	26 WORDS	97% MATCHING TEXT	26 WORDS
<p>organizing the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback. 3.</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback."</p>		

62/234	SUBMITTED TEXT	55 WORDS	97% MATCHING TEXT	55 WORDS
<p>Managerial roles are categorised into three categories. The first category of interpersonal roles arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as a direct result of interpersonal roles and these two categories lead to the third category of decisional roles. 4.</p>		<p>managerial roles are divided into three categories: The first category of interpersonal roles arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as a direct -result of interpersonal roles and these two categories lead to the third category of decisional roles.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
63/234	SUBMITTED TEXT	66 WORDS	100% MATCHING TEXT	66 WORDS
<p>A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of 28</p>		<p>A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
64/234	SUBMITTED TEXT	24 WORDS	100% MATCHING TEXT	24 WORDS
<p>understanding the processes involved and scientifically analysing problems and opportunities, all other skills deal with people in one form or the other. 5.</p>		<p>understanding the processes involved and scientifically analysing problems and opportunities, all other skills deal with people in one form or the other</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
65/234	SUBMITTED TEXT	42 WORDS	91% MATCHING TEXT	42 WORDS
<p>Managers spend a considerable amount of time in interacting with other people both within their organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and comm- unity leaders. All these interactions require an understanding of interpersonal</p>		<p>Managers spend a considerable amount of time in interacting with other people both within their own organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and leaders. All these interactions require an understanding of interpersonal</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

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Communicational skills are an important component of interpersonal skills and are basic to all other skills. These are important and necessary at all levels of management. A manager's best ideas will have little impact if they cannot be communicated effectively. Good communication is the foundation of sound management. Proper communication eliminates delays, misunderstandings, confusion, distortions and conflicts and improves coordination and control. All the four communicational skills, namely, writing, reading, listening and non- verbal gestures are important ingredients of successful leadership. 2.7

Communicational skills are an important component of interpersonal skills and are basic to all other skills and these are important and necessary at all levels of management. A manager's best ideas will have little impact if they cannot be communicated effectively. Good communication is the foundation of sound management. Proper communication eliminates delays, misunderstanding, confusion, distortions and conflicts and improves coordination and control. All four communicational skills, namely, writing, reading, listening and non-verbal gestures are important ingredients of successful leadership.

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Self-Instructional Material 29 Evolution of Management Thought NOTES UNIT 3 EVOLUTION OF MANAGEMENT THOUGHT Structure 3.0 Introduction 3.1 Unit Objectives 3.2 Classical Approach 3.3 Bureaucracy 3.4 The Scientific Management Stage 3.5 Contribution by F.W. Taylor – Scientific Management 3.6 Contribution by Henry Fayol – Principles of Management 3.7 Contribution by Peter F. Drucker – MBO 3.8 Summary 3.9 Answers to ‘Check Your Progress’ 3.10 Exercises and Questions 3.11 Further Reading 3.0 INTRODUCTION The practice of management is as old as human civilisation itself. In fact, much of the progress made by mankind over the centuries may be attributed to the effective management of resources. Examples of effective management of resources can be the irrigation systems, existence of public utilities and the construction of various monuments like Taj Mahal and the Egyptian pyramids of the bygone era. These examples amply demonstrate the practice of management in the olden days. The ancient civilizations of Mesopotamia, Greece, Rome and Indus Valley displayed the marvellous results of good management practices. However, the study of management in a systematic way as a distinct body of knowledge is of recent origin. That is why, management is often described as ‘oldest of an arts and youngest of the sciences’. Therefore, the practice of management cannot be considered as a new venture. Management has been practiced for thousands of years. But the science part of it, which refers to the systematic body of knowledge, is no doubt a phenomenon of the present century. The traditional management practices remained quite stable until the Industrial Revolution which began in the mid-18th century. The Industrial Revolution

Self-Instructional Material 35 Evolution of Management Thought NOTES UNIT 2 EVOLUTION OF MANAGEMENT THOUGHT Structure 2.0 Introduction 2.1 Unit Objectives 2.2 Classical Approach 2.3 Bureaucracy 2.4 The Scientific Management Stage 2.5 Contribution of F.W. Taylor –Scientific Management 2.6 Contribution of Henry Fayol—Principles of Management 2.7 Contribution of Peter F. Drucker—MBO 2.8 Mayo and Roethlisberger 2.9 Herbert Simon 2.10 Summary 2.11 Answers to ‘Check Your Progress’ 2.12 Questions and INTRODUCTION The practice of management is as old as human civilization. In fact, much of the progress of mankind over the centuries may be attributed to the effective management of resources. examples of effective management of resources can be cited as the irrigation systems, existence of public utilities and the construction of various monuments like Taj Mahal and the Egyptian pyramids of the bygone era. These examples amply demonstrate the practice of management in the olden days. The ancient civilisations of Mesopotamia, Greece, Rome and Indus Valley displayed the marvellous results of good management practices. However, the study of management in a systematic way as a distinct body of knowledge is only of recent origin. That is why, management is often described as ‘oldest of an arts and youngest of the sciences’. Therefore, the practice of management cannot be considered as a new venture. Management has been practiced for thousands of years. But the science part of it, which refers to the systematic body of knowledge, is no doubt a phenomenon of the present century. The traditional management practices remained quite stable until the birth of the Industrial Revolution in the mid-18th century. The Industrial Revolution

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68/234	SUBMITTED TEXT	105 WORDS	92% MATCHING TEXT	105 WORDS
	<p>through several scientific inventions. As a result, within a few decades, industrial activity went through a metamorphosis. Man's quest for finding new ways of doing things while adopting the scientific and technological inventions in the production of various goods and services, resulted in: 1. Mass production due to anticipation of demand 2. Advent of corporate form of organization, which led to large-scale production 3. Spectacular improvements in the transport and communication facilities 4. Increase in competition for markets 5. Establishment of the new employer-employee relationship and so on 6. Industrial Revolution, which sowed the seeds of modern management 30</p>		<p>through several scientific inventions. As a result, within a few decades, the picture of industrial activity went through a metamorphic change. Man's quest for finding new ways of doing things while adopting the scientific and technological inventions in the production of various goods and services, resulted in: 1. Mass production due to anticipation of demand 2. Advent of corporate form of organization, which led to large-scale production 3. Spectacular improvements in the transport and communication facilities 4. Increase in competition for markets 36 Self-Instructional Material Evolution of Management Thought NOTES 5. Establishment of the new employer-employee relationship and so on 6. Industrial revolution, which sowed the seeds of modern management</p>	
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69/234	SUBMITTED TEXT	57 WORDS	100% MATCHING TEXT	57 WORDS
	<p>the 20th century. But this should not create the impression that this was developed in this century alone. Attempts at solving management problems date back to ancient times. For example, the importance of organization and administration in the ancient times is evident from the interpretation of the early Egyptian papyri dating back as early as 1300</p>		<p>the 20th century. But this should not create the impression that this was developed in this century alone. Attempts at solving management problems date back to ancient times. For example, the importance of organization and administration in the ancient times is evident from the interpretation of the early Egyptian papyri dating back as early as 1300</p>	
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70/234	SUBMITTED TEXT	23 WORDS	90% MATCHING TEXT	23 WORDS
	<p>public administration and advised the selection of unselfish, honest and capable officers. There are many examples in Greek, Roman and other civilisations,</p>		<p>public administration and to the selection of unselfish, honest and capable officers. There are many examples in Greek, Roman and other civilisations,</p>	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

71/234	SUBMITTED TEXT	28 WORDS	94% MATCHING TEXT	28 WORDS
	<p>individual's needs and emotions. 4. Compartmentalization of activities: Jobs are divided into categories, which restrict people from performing tasks that they are capable of doing. It also</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>individual's needs and emotions. 4. Compartmentalisation of activities: Jobs are divided into categories, which restrict people from performing tasks that they are capable of performing. It also</p>	
72/234	SUBMITTED TEXT	22 WORDS	60% MATCHING TEXT	22 WORDS
	<p>There are basically five primary functions of management. These are: A. Planning B. Organizing C. Staffing D. Directing E. Controlling 2.</p> <p>W http://alagappauniversity.ac.in/siteAdmin/dde-admin/uploads/1/PG_M.Com_Commerce%20(English)_310%20 ...</p>		<p>There are basically five primary functions of management. These are follows: 1. Planning 2. Organizing 3. Staffing 4. Directing 5. Controlling</p>	

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preservation of jobs even when they become redundant.
5. Paperwork: Bureaucracy involves excessive paperwork as every decision must be put into writing. All documents have to be maintained in their draft and original forms. This leads to great wastage of time, stationery and space.
6. Empire building: Bureaucrats tend to use their positions and resources to perpetuate self-interests. Every superior tries to increase the number of his subordinates as a big staff is considered a symbol of power and prestige.
7. Red tape: Bureaucratic procedures involve inordinate delays and frustration in the performance of tasks. Despite its drawbacks, bureaucracy has become an integral feature of modern organizations. It is, therefore, necessary to understand it and to overcome its negative aspects through proper reckoning of individual needs and organizational goals.
3.4 THE SCIENTIFIC MANAGEMENT STAGE
The first stage of management identified in the United States was scientific management, which was started by Taylor. But there were some precursors to Taylor who had made significant contributions. James Watt, Jr. and Mathew Rabinson Boulton, who invented and developed the steam engine, were the earliest users of scientific approach to management. They managed the Soho Engineering Foundry in Great Britain from 1876 and developed many management systems. They developed the processes of market research and forecasting, planning machine layout and standardisation of components. They also developed some important casting systems, training and development programmes, welfare programmes, productivity-based payments and so on.

preservation of jobs even when they become redundant.
? Paperwork: Bureaucracy involves excessive paper work as every decision must be put into writing. All documents have to be maintained in their draft and original forms. This leads to great wastage of time, stationery and space.
? Empire building: People in bureaucracy tend to use their positions and resources to perpetuate self-interests. Every superior tries to increase the number of his subordinates as if this is considered a symbol of power and prestige. ? Red tapism: Bureaucratic procedures involve inordinate delays and frustration in the performance of tasks. Despite its drawbacks, bureaucracy has become an integral feature of modern organizations. It is, therefore, necessary to understand it and to overcome its negative aspects through proper reckoning of individual needs and organizational goals.
The Scientific Management Stage
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NOTES Self-Instructional Material 27
development programmes, welfare programmes, productivity based payments and so on.

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74/234	SUBMITTED TEXT	125 WORDS	61% MATCHING TEXT	125 WORDS
	<p>an analysis of the decision process. By expanding the viewpoint well beyond the process of evaluating alternatives, many people use the theory to examine the nature of organizational structure, the psychological and social reactions of individuals and groups and analysis of value considerations with respect to goals, communication networks and incentives. The scientific approach to decision- making involves some of the following factors: 1. Defining the problem 2. Collecting all relevant information 3. Developing alternatives 4. Examining all the alternatives and the solutions 5. Testing the solutions, (if possible) 6. Selecting a course of action 7. Implementing the action 8. Evaluating the results of the action</p> <p>3.4.6 The Mathematical School In this group, we have those theorists who see management as a system</p> <p>W https://www.slideshare.net/abigailruth/major-schools-of-management-thought</p>		<p>an analysis of the decision process. By expanding the view-point well beyond the process of evaluating alternatives, many use the theory to examine the nature of organization structure; the psychological and social reactions of individuals and groups, the development of basic information for decisions and the analysis of value considerations with respect to goals, communication networks and incentives. The scientific approach to decision-making involves some of these factors 1. Define the problem; 2. Collect all relevant information; 3. Develop alternatives; 4. Examine all the alternatives and the solutions; 5. Test the solutions, (If you can make this possible); 6. Select a course of action. 7. Implement the action; 8. Evaluate the results of the action.</p> <p>The Mathematical school In this group, we have those theorists who see management as a system</p>	

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	<p>Modern managers may normally face some of the following problems. 1. Increase in the size and complexity of organizational structures 2. Increase in paperwork, which stifles the ability to produce 3. Communication problems 4. The need for instantaneous management response in the decision-making areas, which requires up-to-date, accurate and comprehensive information 5. Increase in demands on management with fewer budgets 6. Increase in the number of people to be dealt with by</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>modern managers may normally face some of the following problems: 1. Increase in the size and complexity of organizational structures 2. Increase in paperwork, which stifles the ability to produce 3. Communication problems 4. The need for instantaneous management response in the decision-making areas, which requires up-to-date, accurate and comprehensive information 5. Increase in demands on management with fewer budgets. 6. Increase in the number of people to be dealt with by</p>	

government and business structures, particularly in India. In the United States, executives have turned increasingly to using computer applications to solving these problems. Some of these computer applications include airline reservation systems, census reports, compiling technical information into data banks, banking operations, machine processed accounting organization and issuance of payroll checks to large numbers of employees etc. Computer applications can make the work more manageable in fields where a large volume of paper reports or data is involved.

3.4.7 The Systems Approach School This school is of recent origin having been developed in the late 1960s. It is an integrated approach, which considers management in its totality based on empirical data. According to this approach, attention must be paid to the overall effectiveness of a subsystem in isolation from the other subsystems. The main emphasis is on the interdependence and interrelatedness of the various subsystems, from the point of view of the effectiveness of a large system. Its essential features are as follows: ? A system has a number of subsystems, parts and subparts. ? All the subsystems, parts and subparts are mutually related to each other. A change in one part will affect the other parts. ? The systems approach emphasises the study of the various parts in their inter relationships rather than in isolation from each other. ? The systems approach to management brings out the complexity of a real life management problem much more sharply than any of the other approaches. ? It can be utilised by any other school of management thought. The boundary of a system may be classified into two parts: 1. Closed system that has no environment. This part implies that no outside systems are to be considered. 2. Open system that has an environment. This part implies that it possesses systems with which it relates, exchanges and communicates. The main contributors to this school of thought are Kenneth, Boulding, Johnson, Cast, Rosen Zweig and C.W. Churchman. Another important contributor is Martin particularly in the area of management audit system.

3.4.8 The Contingency Approach School The contingency approach to management emphasises that management is a highly practice-oriented and action-packed discipline. Managerial decisions and action initiatives are matters of pragmatism and not of principles. The environment of organizations and managers is very complex, uncertain, ever changing and diverse. It is the basic function of managers to analyze and understand

government and business structures, particularly in India In the United States, executives have turned increasingly to computer applications to solve these problems. Some of these computer applications include airline reservation 44 Self-Instructional Material Evolution of Management Thought NOTES systems, census reports, compiling technical information into data banks, banking operations, machine processed accounting organization and issuance of payroll checks to large numbers of employees etc. Computer applications can make the work more manageable in fields where a large volume of paper reports or data is involved. The Systems Approach School This school is of recent origin having developed in the later 1960s. It is an integrated approach, which considers management in its totality based on empirical data. According to this approach, attention must be paid to the overall effectiveness of a subsystem in isolation from the other subsystems. The main emphasis is on the interdependence and inter-relatedness of the various subsystems, from the point of view of the effectiveness of a large system. Its essential features are as follows: • A system has a number of subsystems, parts and subparts. • All the subsystems, parts and subparts are mutually related to each other. A change in one part will affect the changes in other The systems approach emphasises on the study of the various parts in their interrelationships rather than in isolation from each other. • The systems approach to management brings out the complexity of a real life management problem much more sharply than any of the other approaches. • It can be utilised by any other school of management thought. The boundary of a system may be classified into two parts: 1. Closed system that has no environment. This part implies that no outside systems are to be considered. 2. Open system that has an environment. This part implies that it possesses systems with which it relates, exchanges and communicates. The main contributors to this school of thought are Kenneth, Boulding, Johnson, Cast, Rosen Zweig and C.W. Churchman. Another important contributor is Martin, particularly in the area of management audit system. The Contingency Approach School of Management The contingency approach to management emphasises on the fact that management is a highly practice-oriented and action-packed discipline. Managerial decisions and actions initiatives known to be matters of pragmatism and not of principles. The environment of organizations and managers is very complex, uncertain, ever changing and diverse. It is the basic function of managers to analyse and understand

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the environment in which they function before adopting their techniques, processes and practices. The choice of approaches and also their effectiveness is contingent on the behaviour and dynamics of situational variables. But, there is no universally valid one best way of doing things. Management theory and principles tend to be deterministic, while the pace, pattern and behaviour of events defy the deterministic or dogmatic approaches. What is valid and good in a particular situation need not be so in some other situation. Contingent thinking helps managers in several ways while performing their functions of planning, organizing, direction and control. It widens their horizons beyond the theory of management and its concepts, principles, techniques and methods. It helps them to broaden their approach from mere technique orientation to problem-situation orientation. It leads them to be sensitive, alert and adaptive to situation behavioural variables, while tailoring their approaches and styles. It guides them to adopt open system viewpoints and to look at things and situations in an integrated and multi-dimensional manner. Moreover, moving away from contingency thinking enlarges the art of freedom of operation of managers. They do not have to apply

the environments in which they function before adopting their techniques, processes and practices. The choice of approaches and also their effectiveness is contingent on the behaviour and dynamics of situational variables. But, there is no one universally valid best way of doing things. Management theory and principles tend to be deterministic, while the pace, pattern and behaviour of events defy the deterministic or dogmatic approaches. What is valid and good in a particular situation need not be the same in some other situation. Contingent thinking helps managers in several ways in performing their function of planning, organising, direction and control. It widens their horizons beyond the theory of management and its concepts, principles, techniques and methods. It helps them to broaden their approach from mere technique orientation to problem-situation orientation. It leads them to be sensitive, alert and adaptive to situation behavioural variables, while tailoring their approaches and styles. It guides them to adopt open system viewpoints and to look at things and situations in an integrated and multi-dimensional manner. Moreover, moving away from contingency thinking enlarges the art of freedom of operation of managers. They do not have to apply

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same methods, practices and processes to diverse situations. They can think of innovating new approaches or blending known approaches on the basis of their compatibility and context. For example, different structural designs are valid for different strategic and tactical needs of organizations on one hand and realities of the situations on the other. This was demonstrated by Joan Woodward in her research studies. 3.5

same methods, practices and process to diverse situations, they can think of innovating new approaches or a blend of known approaches on the basis of their compatibility and context. For example, different structural designs are valid for different strategic and tactical needs of organisations on the one hand and realities of the situations, one the other. This was demonstrated by • 4. Joan Woodward in her research-studies.

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CONTRIBUTION BY F.W. TAYLOR SCIENTIFIC MANAGEMENT Frederic Winslow Taylor started his career as a machinist in 1875. He studied engineering in an evening college and rose to the position of chief engineer in his organization. He invented high-speed steel cutting tools and spent most of his life as a consulting engineer. Taylor is called the father of scientific management. His experience from the bottom-most level in the organization gave him an opportunity to know first-hand the problems of the workers. Taylor's principal concern was that of increasing efficiency in production, not only to lower costs and raise profits but also to make possible increased pay for workers through their higher productivity. Taylor saw productivity as the answer to both higher wages and higher profits. He believed that the application of scientific method, instead of custom and rule of thumb could yield this productivity without the expenditure of more human energy or effort. Principles of F.W. Taylor Taylor published a book titled, The Principles of Scientific Management, in 1911. But his ideas about scientific management are best expressed in his testimony that was placed before a committee of the House of Representatives in 1912. He said as follows: "Scientific management is not any efficiency device, not a device of any kind for securing efficiency; nor is it a bunch or group of efficiency devices. It is not a new system of figuring costs; it is not a new scheme of paying men; it is not a piece work system; it is not a bonus system; it is not a premium system; it is not a scheme for paying men; it is not holding a stop watch on a man and writing things down about him; it is not time study; it is not motion study, not an analysis of the movements of men; it is not the printing and loading and unloading of a ton or two of blanks on a set of men and saying 'Here's your system; go and use it'. It is not divided foremanship or functional foremanship; it is not any of the devices which the average man calls to mind when scientific management is spoken of..."

Contribution by F.W Taylor The first management Frederic Winslow Taylor started his career as a machinist in 1875. He studied engineering in an evening college and rose to the position of chief engineer in his organization. He invented high-speed steel cutting tools and spent most of his life as a consulting engineer. Taylor is called the father of scientific management. His experience from the bottom-most level in the organization gave him an opportunity to know first-hand the problems of the workers. Taylor's principal concern was that of increasing efficiency in production, not only to lower costs and raise profits, but also to make possible increased pay for workers through their higher productivity. Taylor saw productivity as the answer to both higher wages and higher profits. He believed that the application of scientific method, instead of custom and rule of thumb, could yield this productivity without the expenditure of more human energy or effort. Principles of F.W. Taylor Taylor published a book titled The Principles of Scientific Management in 1911. But his ideas about scientific management are best expressed in his testimony that was placed before a committee of the House of Representatives in 1912. He said: Scientific management is not any efficiency device, not a device of any kind for securing efficiency; nor is it a bunch or group of efficiency devices. It is not a new system of figuring costs; it is not a new scheme of paying men; it is not a piece work system; it is not a bonus system; it is not a premium system; it is not a scheme for paying men; it is not holding a stop watch on a man and writing things down about him; it is not time study; it is not motion study, not an analysis of the movements of men; it is not the printing and loading and unloading of a ton or two of blanks on a set of men and saying 'Here's your system; go and use it'. It is not divided foremanship or functional foremanship; it is not any of the devices which the average man calls to mind when scientific management is spoken of...

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Now, in its essence, scientific management involves a complete mental revolution of the part of the working man engaged in any particular establishment or industry. This complete mental revolution focuses on the duties of the organization toward their work, toward their fellowmen and toward their employees and it involves an equally complete mental revolution on the part of those on the management's side, which involve the foreman, superintendent, owner of the business, board of directors and so on. The great mental revolution that takes place in the mental attitude of the two parties under scientific management is that both sides take their eyes off the division of the surplus as an important matter and together turn their attention toward increasing the size of the surplus, which becomes so large that it is unnecessary to quarrel over how it should be divided. They come to see that when they stop pulling against one another and instead both turn and push shoulder to shoulder in the same direction, the size of the surplus created by their joint efforts is truly appreciable. When friendly cooperation and mutual helpfulness of antagonism and strife are substituted, it becomes possible for both the parties to make the surplus so enormous than it was in the past that there is ample room for a large increase in wages for the workmen and an equally great increase in profits for the manufacturer. The underlying principles of scientific approach to management as seen by Taylor may be summarised as follows: ? Replacing rules of thumb with science ? Obtaining harmony in group action, rather than discord ? Achieving cooperation of human beings, rather than chaotic individualism ? Working for maximum output, rather than restricted output ? Developing all workers to the fullest extent possible for their own as well as company's highest prosperity Taylor concentrated more on productivity and productivity-based wages. He stressed on time and motion study and other techniques for measuring work. Apart from this, in Taylor's work, there also runs a strongly humanistic theme. He had an idealist's notion that the interests of workers, managers and owners should be harmonised. 3.6 CONTRIBUTION BY HENRY FAYOL –

Now, in its essence, scientific management involves a complete mental revolution of the part of the working man engaged in any particular establishment or industry. This complete mental revolution focuses on the duties of the organization toward their work, toward their fellowmen and toward their employees, and it involves an equally complete mental revolution on the part of those on the management's side, which involve the foreman, superintendent, owner of the business, board of directors, and so on. The great mental revolution that takes place in the mental attitude of the two parties under scientific management is that both sides take their eyes off the division of the surplus as an important matter, and together turn their attention toward increasing the size of the surplus, which becomes so large that it is unnecessary to quarrel over how it should be divided. They come to see that when they stop pulling against one another and instead both turn and push shoulder to shoulder in the same direction, the size of the surplus created by their joint efforts is truly appreciable. When friendly cooperation and mutual Evolution of Management Thought NOTES Instructional Material 27 it becomes possible for both the parties to make the surplus so enormous than it was in the past that there is ample room for a large increase in wages for the workmen and an equally great increase in profits for the manufacturer. The underlying principles of scientific approach to management as seen by Taylor may be summarized as follows: ? Replacing rules of thumb with science. ? Obtaining harmony in group action, rather than discord. ? Achieving cooperation of human beings, rather than chaotic individualism. ? Working for maximum output, rather than restricted output. ? all workers to the fullest extent possible for their own as well as the company's highest Taylor concentrated more on productivity and productivity-based wages. He stressed on time and motion study and other techniques for measuring work. Apart from this, in Taylor's work, there also runs a strongly humanistic theme. He had an idealist's notion that the interests of workers, managers and owners should be harmonized. Contribution by Henry Fayol

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81/234	SUBMITTED TEXT	52 WORDS	100% MATCHING TEXT	52 WORDS
<p>school, decision- making is a logical process that can be expressed in terms of mathematical symbols and relationships. This approach forces the analyst to define a problem and allows for the insertion of symbols through logical methodology, which provides a powerful tool for solving complex phenomena. 36</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				

82/234	SUBMITTED TEXT	182 WORDS	98% MATCHING TEXT	182 WORDS
<p>Henry Fayol, a Frenchman, is claimed to be the real father of modern management. He was born in 1841 and worked as an engineer with a mining company. He improved the condition of the company from virtual bankruptcy and took it to high success. From his practical experience, he developed some techniques and basic principles, which he felt, could be used in all management situations, irrespective of the organizational framework. This book titled, General and Industrial Management, in French was later translated into English. It is now considered as one of the classics of management literature. The book mainly covers the aspects of the immutable and repetitive character of the management process and the concept that management can be taught in the classroom or the workplace. He also laid down the principles of management, which he deemed important for any organization. The principles are as follows: 3.6.1 Division of Work This is the principle of specialisation, which is very well expressed by economists as being a necessary factor to efficiency in the utilization of labour.</p>				
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Authority and Responsibility In this principle, Fayol conceives authority as a combination of official authority deriving from a manager's official position and personal authority, which is compounded of intelligence, experience, moral worth, past services etc. 3.6.3 Discipline Holding the notion that discipline is 'respect for agreements which are directed as achieving obedience, application, energy and the outward marks of respect', Fayol declares that discipline requires good superiors at all levels, clear and fair agreements and judicious application of penalties. 3.6.4 Unit of Command This states that an employee should receive orders from one superior only. 3.6.5 Unity of Direction According to Fayol, the unity of direction principle implies that each group of activities having the same objectives must have one head and one plan. As distinguished from the principle of unity of command, Fayol perceives unity of direction as related to the functioning of personnel. 3.6.6 Subordination of Individual Interest to General Interest In any group, the interest of the group should supersede that of the individual. When the interests differ, it is the function of the management to bring about a reconciliation. 3.6.7 Remuneration of Personnel Fayol perceives that remuneration and methods of payment should be fair and should also afford the maximum satisfaction to the employees and the employer. 3.6.8 Centralization Although Fayol does not use the term, Centralization of Authority, his principle definitely refers to the extent to which authority is concentrated or dispersed in an enterprise. Individual circumstances determine the degree of centralization that gives the best overall yields. 3.6.9 Scalar Chain Fayol sees the scalar chain as a line of authority, a chain of superiors from the highest to the lowest ranks. Since it is an error on the part of a subordinate to depart needlessly from the lines of authority, the chain should be short-circuited. 3.6.10 Order Breaking this principle into material order and social order, Fayol thinks of it as a simple edge for everything and in its (his/her) place. This organization is the principle, which refers to arrangement of things and persons in an organization. 3.6.11 Equity Fayol perceives this principle as one of eliciting loyalty and devotion from personnel with a combination of kindness and justice in managers while dealing with subordinates. 3.6.12 Stability of Tenure of Personnel Finding that instability is both the cause and effect of bad management, Fayol points out the dangers and costs of unnecessary turnover. 40

Authority and responsibility: In this principle, Fayol conceives authority as a combination of official authority deriving from a manager's official position and personal authority, which is compounded of intelligence, experience, moral worth and past services. ? Discipline:Holding the notion that discipline is 'respect for agreements which are directed as achieving obedience, application, energy and the Evolution of Thought NOTES Instructional 28 Material marks of Fayol declares discipline requires superiors at all levels, clear and fair agreements, and judicious application of penalties. ? Unit of command:This states that an employee should receive orders from one superior only. ? Unity of direction: According to Fayol, the unity of direction principle implies that each group of activities having the same objectives must have one head and one plan. As distinguished from the principle of unity of command, Fayol perceives unity of direction as related to the functioning of personnel. ? Subordination of individual interest to general interest: In any group, the interest of the group should supersede that of the individual. When the interests differ, it is the function of the management to bring about a reconciliation. ? Remuneration of personnel:Fayol perceives that remuneration and methods of payment should be fair and should also afford the maximum satisfaction to the employees and the employer. ? Centralization: Although Fayol does not use the term, Centralization of Authority, his principle definitely refers to the extent to which authority is concentrated or dispersed in an enterprise. Individual circumstances determine the degree of centralization that gives the best overall yields. ? Scalar chain:Fayol sees the scalar chain as a line of authority, a chain of superiors from the highest to the lowest ranks. Since it is an error on the part of a subordinate to depart needlessly from the lines of authority, the chain should be short-circuited. ? Order: Breaking this principle into material order and social order, Fayol thinks of it as a simple edge for everything and in its (his/her) place. This organization is the principle which refers to arrangement of things and persons in an organization. ? Equity:Fayol perceives this principle as one of eliciting loyalty and devotion from personnel with a combination of kindness and justice in managers while dealing with subordinates. ? Stability of tenure of personnel: Finding that instability is both the cause and effect of bad management, Fayol points out the dangers and costs of unnecessary turnover. ?

84/234	SUBMITTED TEXT	53 WORDS	83% MATCHING TEXT	53 WORDS
<p>Initiative Initiative is conceived as the process of thinking out and executing a plan. Since it gives the greatest satisfaction to an intelligent man, Fayol exhorts managers to sacrifice personal vanity in order to permit subordinates to exercise it. 3.6.14 Esprit de corps This principle implies that union is strength and</p>	<p>Initiative: Initiative is conceived as the process of thinking out and executing a plan. Since it is one of the keenest satisfactions an intelligent man to experience, Fayol exhorts managers to sacrifice personal vanity in order to permit subordinates to exercise it. Esprit de corps: This principle implies that union is strength and</p>	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		
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<p>an extension of the principle of unity of command. Fayol here emphasises on the need for teamwork and the importance of communication in obtaining it. Henry L. Gantt (1861-1919) Henry Gantt worked with Taylor and was responsible for introducing 'Task and Bonus Plan' and the Gantt chart. The 'Task and Bonus Plan' was aimed at providing extra wages for extra work in addition to a guaranteed minimum wage. Bonuses were also awarded to supervisors who were successful in getting their workers to meet the output goal. The Gantt chart, which was a forerunner of today's PERT (Programme Evaluation and Review Technique) was a chart on which the process of work could be recorded. Managerial operations were Fayol's primary concern and he defined</p>	<p>an extension of the principle of unity of command. Fayol here emphasises on the need for teamwork and the importance of communication in obtaining it. Henry L. Gantt (1861-1919) Henry Gantt worked with Taylor and was responsible for introducing 'Task and Bonus Plan' and the Gantt chart. The 'Task and Bonus Plan' was aimed at providing extra wages for extra work in addition to a guaranteed minimum wage. Bonuses were also awarded to supervisors who were successful in getting their workers to meet the output goal. The Gantt chart, which was a forerunner of today's PERT (Program Evaluation and Review Technique) was a chart on which the process of work could be recorded. Management: An Introduction NOTES Self-Instructional 20 Material Managerial operations were Fayol's primary concern and he defined</p>	<p>W http://alagappauniversity.ac.in/siteAdmin/dde-admin/uploads/1/PG_M.Com_Commerce%20(English)_310%20 ...</p>		
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<p>functions. These function are: (a) Planning (b) Organizing (c) Command (d) Coordination (e) Control Bureaucratic Organization Weber looked for rules to eliminate managerial inconsistencies</p>	<p>functions. These function are: (a) Planning (b) Organizing (c) Command (d) Coordination (e) Control Bureaucratic Organization Weber looked for rules to eliminate managerial inconsistencies</p>	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		

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contribute to effectiveness. He felt that every deviation from the formal structure interfered with efficient management. He believed in strict adherence to rules which would make bureaucracy a very efficient form of organization founded on principles of logic, order and legitimate authority. Weber described it as follows. The purely bureaucratic type of administrative organization... is, from a purely technical point of view, capable of attaining the highest degree of efficiency ... It is superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability. It thus makes possible a particularly high degree of calculability of results for the heads of the organization and for those acting in relation to it. It is finally superior both in intensive efficiency and in the scope of its operations and is formally capable of application to all kinds of administrative tasks. The Behavioural Approach The behavioural approach or the human relations approach is based upon the premise of increase in production and managerial efficiency through an understanding of the people. The growth and popularity of this approach is attributed to Elton Mayo (1880–1949) and his Hawthorne experiments. Hawthorne studies (1924–1932) were conducted to determine the effect of better physical facilities on workers output. These studies showed that better physical environment or increased economic benefits in itself were not sufficient motivators in increasing productivity. In effect the emphasis shifted to psychological and social forces, in addition to economic forces. Mayo discovered that when workers are given special attention by management, the productivity is likely to increase irrespective of actual changes in the working conditions.

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whether man is entirely a 'social man' and not an 'economic man'. Not all employees seek self-actualization as their ultimate goal. Some professionals may be motivated by recognition and a feeling of self-fulfilment. This may not be generally true for blue collar workers for whom the increased economic benefits are the only motivators and who may not seek additional challenges or higher responsibility. Additionally, the research results generally do not support the contention of behavioural scientists that an increase in job satisfaction alone leads to higher productivity. Since the human behaviour is highly complex, a number of factors may affect the workers productivity and indeed the feeling of belonging, recognition and participation is an important one. 3.7 CONTRIBUTION BY PETER F. DRUCKER – MBO Drucker is a highly respected management thinker. He is a prolific writer and has published several books and articles on management practices. He is so versatile that there is hardly an area in management which is not touched by him. He has drawn heavily from his consultancy experience spread over the last four to five decades. Drucker perhaps is the only Western management thinker who is admired by even the socialist block countries. His views on management may be summarised as follows: 42

whether man is entirely a 'social man' and not an 'economic man'. Not all employees seek self-actualization as their ultimate goal. Some professionals may be motivated by recognition and a feeling of self-fulfilment, it may not be generally true for blue collar workers for whom the increased economic benefits are the only motivators and who may not seek additional challenges or higher responsibility. Additionally, the research results generally do not support the contention of behavioural scientists that an increase in job satisfaction alone leads to higher productivity. Since the human behaviour is highly complex, a number of factors may affect the workers productivity and indeed the feeling of belonging, recognition and participation is an important one. Contribution Peter F. Drucker—MBO Drucker is a highly-respected management thinker. He is a prolific writer and has published several books and articles on management practices. He is so versatile that there is hardly area in management, which is not touched by him. He has drawn heavily from his consultancy experience spread over the last four to five decades. Drucker perhaps is the only Western management thinker who is admired by even the socialist block countries. His views on management may be summarised as follows:

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Management as a Practice According to Drucker, management has two important functions: innovation and marketing. He has treated management as a discipline as well as a profession. For him, management is more of a practice and is always goal-oriented. His study on the purpose of business as the creation of customer if understood in the right manner will help any organization to achieve success. Drucker's view on innovation is equally important during the development of a new product. He argues that new products should drive out the existing products, rather than the other way round. As such, he is against bureaucratic management, as he is of the opinion that it stifles the innovative spirit and the initiative among the people in the organization. He considers that modern organizations are knowledge-based organizations and describes the modern workers as knowledge workers considering their skills and innovative abilities. Functions of Management Drucker points out three basic functions of management. The actions of management should contribute to: The achievement of purpose and mission of the institution. 1. Make the work productive and the worker achieving 2. Effective management of social responsibilities Objective Setting Drucker has attached great importance to objective setting. He has asserted that objectives should be set for all the key result areas of business. To make the objectives and their achievements more meaningful, he has given a new tool, which is popularly known as Management by Objectives (MBO). MBO is regarded as one of his most important contributions to the discipline of management. He has discussed the concept in his book, The Practice of Management (1954). MBO is a process where superiors and subordinates jointly identify the common objective, set the results that should be achieved by subordinates and assess the contribution of each individual. It is viewed more as a philosophy than as a tool or technique to achieve the objectives. Orientation towards Justice Drucker, a great visionary and futurologist could visualize the future trends that would affect society. He visualised the concept of modern organization and foresaw its impact on society several years ago. His views on the many facets of the modern corporations have come into practical use now. He describes the present age as the age of discontinuity. Federalism Drucker advocated the concept of federalism. Federalism, according to him, involves centralized control in a decentralized structure. Federalism has certain positive values over other methods of organizing. These are as follows: 1. It sets the top management free to

Management as a Practice According to Drucker, management has two important functions: innovation and marketing. He has treated management as a discipline as well as a profession. For him, management is more of a practice and is always goal-oriented. His study on the purpose of business as the creation of customer, if understood in the right manner, will help any organization to achieve success. Drucker's view on innovation is equally important during the development of a new product. He argues that new products should drive out the existing products, rather than the other way round. As such, he is against bureaucratic management, as he is of the opinion that it stifles the innovative spirit and the initiative among the people in the organization. He considers that modern organizations are knowledge-based organizations and describes the modern workers as knowledge workers considering their skills and innovative abilities. Functions of Management Drucker points out three basic functions of management. The actions of management should contribute to: ? The achievement of purpose and mission of the institution. ? Make the work productive and the worker achieving. ? Effective management of social responsibilities Objective Setting Drucker has attached great importance to objective setting. He has asserted that objectives should be set for all the key result areas of business. To make the objectives and their achievements more meaningful, he has given a new tool, which is popularly known as Management by Objectives (MBO). MBO is regarded as one of his most important contributions to the discipline of management. He has discussed the in his book, The Practice of Management (1954). MBO is a process where superiors and subordinates jointly identify the common objective, set the results that should be achieved by subordinates, and assess the contribution of each individual. It is viewed more as a philosophy than as a tool or technique to achieve the objectives. Orientation towards Justice Drucker, a great visionary and futurologist, could visualize the future trends that would affect society. He visualized the concept of modern organization and foresaw its impact on society several years ago. His views on the many facets of the modern corporations have come into practical use now. He describes the present age as the age of discontinuity. Federalism Drucker advocated the concept of federalism. Federalism, according to him, involves centralized control in a decentralized structure. Federalism has certain positive values over other methods of organizing. These are as follows: ? It sets the top management free to

devote itself to major policy formulations and strategy developments 2. It defines the functions and responsibilities of the employees 3. It creates yardsticks to measure their success and effectiveness in operating jobs 4. It helps to resolve the problem of continuity by educating the managers of various units while in an operating position.

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What is contribution made by Peter F. Drucker towards the development of management thought? Discuss. 5. Explain the principles of Henry Fayol. 6.

What is the contribution made by Peter F. Drucker towards the development of management thought? 5. List the principles of Henry Fayol. 6.

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Drucker's realistic way of looking at the organizations and society has earned him the status of a management guru. His contributions have had a tremendous impact on the management practices all over the world. He is one of the few contemporary management thinkers who are highly admired in Japan. Similarly, Peters and Waterman, who extensively studied a few American companies are known for their excellence in modern management practices. Mckingsly consultancy firm's contribution of the '7S' model for management and Edward Deming's thoughts on quality control have had a tremendous impact on modern management all over the world. Michael Porter's work on competitive strategy was pathbreaking in the strategic management area. In his book on competitive strategy he suggests the ways and means that help organizations and nations to gain a competitive edge. 3.8

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	marvellous results of good management practices, the study of management in a systematic way as a distinct body of knowledge is of recent origin. ?		marvellous results of good management practices. the study of management in a systematic way as a distinct body of knowledge is only of recent origin.	
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	of management thought is also known as 'functional approach'; 'empirical approach' and 'management process approach'. ?		OF MANAGEMENT THOUGHT is also known as Functional Approach, Empirical Approach and Management Process Approach.	
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Even though Mayo's conclusions are not necessarily accepted today, the Hawthorne studies were primarily responsible for consideration of non-financial incentives in improving productivity. Central to this approach was an increased understanding of the individual worker with emphasis on motivation, needs, interpersonal relationships and group dynamics. These experiments suggested that an office or a factory is not only a workplace but also a social environment in which the employees interact with each other. This gave rise to the concept of the 'social man' whose interaction with others would determine the quality and quantity of the work produced. It must be understood, however, that in spite of the fact that this social environment is an important factor in improving the quality and output, it does not replace economic benefits for low-level salaries and it may increase turnover of employees, even if the working conditions are satisfactory. In support of Mayo's contention and findings, Abraham Maslow presented a theory of individual needs. The basic aim of this approach was to increase the organizational effectiveness of its human resources, which could be achieved by properly taking care of human needs. The human needs could be physiological or psychological. According to Maslow, these needs fall into a hierarchy. At the bottom of the hierarchy are the lower level needs such as physiological and safety needs. At the top are higher level needs such as need for respect and self-fulfilment. In general, the lower level needs must be satisfied before the higher level needs arise. Being aware of these needs enables a manager to use different methods to motivate workers. This is important and significant because of the complexity of man's nature. Different people will react differently to the same situation. Or, their reaction may be similar to different situations. Hence, the management must be aware of these differences and react accordingly. The behavioural approach had a major impact on management thinkers right through the 1970s and indeed changed the structure of the organization from bureaucratic to participative in which the workers have more freedom to participate in the affairs of the organization. However, recently, some serious questions have been asked,

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96/234	SUBMITTED TEXT	16 WORDS	100% MATCHING TEXT	16 WORDS
Henry Fayol, a Frenchman, is claimed to be the real father of modern management. He		Henry Fayol, a Frenchman, is claimed to be the real father of modern management. He		
W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...				
97/234	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
ANSWERS TO 'CHECK YOUR PROGRESS' 1. The classical approach is also known as		ANSWERS TO 'CHECK YOUR PROGRESS' 1. The classical approach is also known as		
W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf				
98/234	SUBMITTED TEXT	94 WORDS	89% MATCHING TEXT	94 WORDS
functional approach, empirical approach and management process approach. The main features of this approach are as follows: A. Management is viewed as a systematic network of various functions like planning, organizing, directing, staffing and controlling. B. On the basis of experiences of practicing managers, management principles are developed and used as guidelines for the practising managers and form the basis for management training. C. Functions, principles and skills of management are universal. They can be applied in any situation. D. Formal education and training are emphasised for developing managerial skills in upcoming managers.		Functional Approach, Empirical Approach and Management Process Approach. The main features of this approach are as follows: 1. Management is viewed as a systematic network of various functions like planning, organising, directing, staffing and controlling. 2. On the basis of experiences of managers management principles are developed and used as guidelines for the practising managers and form the basis for management training. 3. Functions, principles and skills of management are universal. They can always be applied in any situation. 4. Formal education and training are emphasised for developing managerial skills in upcoming managers. 5.		
W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf				
99/234	SUBMITTED TEXT	18 WORDS	100% MATCHING TEXT	18 WORDS
E. Emphasis is placed on economic efficiency and the formal organization structure. 44		e) Emphasis is placed on economic efficiency and the formal organization structure. (
W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf				

100/234	SUBMITTED TEXT	29 WORDS	83% MATCHING TEXT	29 WORDS
<p>The major schools of management thought include management process schools; empirical school; human behaviours or human relations schools; social school; decisions theory school; mathematical or quantitative management school;</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				

101/234	SUBMITTED TEXT	100 WORDS	76% MATCHING TEXT	100 WORDS
<p>F. People are motivated by economic gains. Therefore, organization controls economic incentives. 2. The various approaches to the study of management as propounded by specialists from different disciplines have come to be called the Schools of Management Thought. The major schools of management theory are: A. Management Process school B. Empirical school C. Human Behaviours or Human Relations school D. Social school E. Decisions Theory school F. Mathematical or Quantitative Management school G. Systems Management school H. Contingency school 3. The contingency approach to management emphasises the fact that management is a highly practice-oriented and action-packed discipline. Managerial</p>				
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

102/234**SUBMITTED TEXT**

225 WORDS

94% MATCHING TEXT

225 WORDS

and action initiatives are known to be matters of pragmatism and not of principles. The environment of organizations and managers is very complex, uncertain, ever-changing and diverse. It is the basic function of managers to analyze and understand the environment in which they function before adopting their techniques, processes and practices. The choice of approaches and also their effectiveness is contingent on the behaviour and dynamics of situational variables. However, there is no one universally valid best way of doing things. Management theory and principles tend to be deterministic, while the pace, pattern and behaviour of events defy the deterministic or dogmatic approaches. What is valid and good in a particular situation need not be do in some other situation. Contingent thinking helps managers perform their functions of planning, organizing, direction and control. It widens their horizons beyond the theory of management and its concepts, principles, techniques and methods. It helps them to broaden their approach from mere technique-orientation to problem-situation orientation. It leads them to be sensitive, alert and adaptive to situation behavioural variables, while tailoring their approaches and styles. It guides them to adopt open system viewpoints and to look at things and situations in an integrated and multi-dimensional manner. Moreover, moving away from contingency thinking enlarges the art of freedom of operation of managers. They do not have to apply

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and actions initiatives are known to be matters of pragmatism and not of principles. The environment of organizations and managers is very complex, uncertain, ever changing and diverse. It is the basic function of managers to analyse and understand the environments in which they function before adopting their techniques, processes and practices. The choice of approaches and also their effectiveness is contingent on the behaviour and dynamics of situational variables. there is no one universally valid best way of doing things. Management theory and principles tend to be deterministic, while the pace, pattern and behaviour of events defy the deterministic or dogmatic approaches. What is valid and good in a particular situation need not be the same in some other situation. Contingent thinking helps managers in several ways in performing their function of planning, organising, direction and control. It widens their horizons beyond the theory of management and its concepts, principles, techniques and methods. It helps them to broaden their approach from mere technique orientation to problem-situation orientation. It leads them to be sensitive, alert and adaptive to situation behavioural variables, while tailoring their approaches and styles. It guides them to adopt open system viewpoints and to look at things and situations in an integrated and multi-dimensional manner. Moreover, moving away from contingency thinking enlarges the art of freedom of operation of managers. They do not have to apply

103/234**SUBMITTED TEXT**

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same methods, practices and processes to diverse situations, as they can think of new approaches or a blend of known approaches on the basis of their compatibility and context. For example, different structural designs are valid for different strategic and tactical needs of organizations on one hand and realities of the situations on the other. This was demonstrated by Joan Woodward in her research studies. 4. Drucker points out three basic functions of management. The actions of management should contribute to:

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same methods, practices and processes to diverse situations, they can think of innovating new approaches or a blend of known approaches on the basis of their compatibility and context. For example, different structural designs are valid for different strategic and tactical needs of organizations on one hand and realities of the situations on the other. This was demonstrated by Joan Woodward in her research-studies. 4. Drucker points out three basic functions of management. The actions of management should contribute to: (

104/234	SUBMITTED TEXT	38 WORDS	82% MATCHING TEXT	38 WORDS
<p>Make the work productive and the worker achieving C. Effective management of social responsibilities 5. The principles of management by Henry Fayol are as follows: A. Division of Work B. Authority and Responsibility C. Discipline</p>		<p>Make the work productive and the worker achieving (iii) Effective management of social responsibilities 5. The principles of management by Henry Fayol are as follows: (i) Division of Work (ii) Authority and Responsibility (iii) Discipline (</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
105/234	SUBMITTED TEXT	45 WORDS	62% MATCHING TEXT	45 WORDS
<p>Unit of command E. Unity of direction F. Subordination of individual interest to general interest G. Remuneration of personnel H. Centralization I. Scalar Chain J. Order K. Equity L. Stability of tenure of personnel M. Initiative N. Esprit de corps 6. The underlying principles</p>		<p>Unit of command (Unity of direction (vi) Subordination of individual interest to general interest (vii) Remuneration of personnel (viii) Centralization (ix) Scalar Chain (x) Order (xi) Equity (xii) Stability of tenure of personnel (xiii) Initiative (xiv) Esprit de corps 6. The fundamental principles</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
106/234	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>scientific approach to management as seen by Taylor may be summarised as follows:</p>		<p>scientific approach to management as seen by Taylor may be summarized as follows: ?</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
107/234	SUBMITTED TEXT	52 WORDS	77% MATCHING TEXT	52 WORDS
<p>Obtaining harmony in group action, rather than discord C. Achieving cooperation of human beings, rather than chaotic individualism D. Working for maximum output, rather than restricted output E. Developing all workers to the fullest extent possible for their own as well as the company's highest prosperity 3.10</p>		<p>Obtaining harmony in group action, rather than discord Self-Instructional Material 55 Evolution of Management Thought NOTES (iii) Achieving co-operation of human beings, rather than chaotic individualism (iv) Working for maximum output, rather than restricted output (Developing all workers to the fullest extent possible for their own as well as the company's highest prosperity. 7. (</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

108/234	SUBMITTED TEXT	45 WORDS	76% MATCHING TEXT	45 WORDS
<p>AND QUESTIONS Short-Answer Questions 1. Analyze the contributions of F.W. Taylor. 2. State the principles propounded by Henry Fayol vis-à-vis Modern Management Thought. 3. Discuss how F.W. Taylor and Henry Fayol differ in their approach to management thought. 4. Give a brief account of</p>		<p>AND EXERCISES Short-Answer Questions 1. Analyse the contribution of F.W. Taylor. 2. State the principles given by Henry Fayol to the Modern Management Thought. 3. Discuss how F.W. Taylor and Henry Fayol differ in their approach to management thought. 4. Give a brief account of</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
109/234	SUBMITTED TEXT	63 WORDS	100% MATCHING TEXT	63 WORDS
<p>evolution of management thought from the early pioneers to the modern times. Long-Answer Questions 1. Assess the role of Peter F. Drucker in the development of management thought. 2. Discuss the classical approach of management in detail thereby explaining its advantages and limitations. 3. Compare the classical approach on management with the modern approaches of scientific management. 3.11</p>		<p>evolution of management thought from the early pioneers to the modern times. Long-Answer Questions 1. Assess the role of Peter F. Drucker in the development of management thought. 2. Discuss the Classical approach of Management in detail, thereby explaining its advantages and limitations. 3. Compare the Classical approach on management with the modern approaches of scientific management.</p>		
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110/234	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
<p>Self-Instructional Material 47 Planning and Decision-Making NOTES UNIT 4 PLANNING AND DECISION-MAKING Structure 4.0 Introduction 4.1 Unit Objectives 4.2</p>		<p>Self-Instructional Material 57 Planning and Decision-Making NOTES UNIT 3 PLANNING AND DECISION-MAKING Structure 3.0 Introduction 3.1 Unit Objectives 3.2</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
111/234	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>Why is planning so important for the success of any organization? Explain.</p>		<p>Why is planning so important for the success of any organization? Explain. 4.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
112/234	SUBMITTED TEXT	16 WORDS	100% MATCHING TEXT	16 WORDS
<p>CHECK YOUR PROGRESS 4. Differentiate between standing plans and single- use plans. Under what circumstances would you use standing plans?</p>		<p>Check Your Progress 1. Differentiate between standing plans and single- use plans. Under what circumstances would you use standing plans? 2.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

113/234	SUBMITTED TEXT	26 WORDS	95% MATCHING TEXT	26 WORDS
<p>How does rational decision- making differ from intuitional decision-making? Do we always need to be rational? Explain. 10. Differentiate between facts, inferences, speculations and assumptions. Give some facteral examples. Self-Instructional Material 65 Planning and Decision-Making NOTES</p>		<p>How does rational decision- making differ from intuitional decision-making? Do we always need to be rational? Explain. 5. Differentiate between facts, inferences, speculations and assumptions. Give some factual examples. 76 Self-Instructional Material Planning and Decision-Making NOTES 3.7</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

114/234	SUBMITTED TEXT	21 WORDS	100% MATCHING TEXT	21 WORDS
<p>maker might have to balance the quality of the decision with time and money needed as well as his personal characteristics. 4.13</p>		<p>maker might have to balance the quality of the decision with time and money needed as well as his personal characteristics.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%201014% ...</p>				

115/234	SUBMITTED TEXT	114 WORDS	99% MATCHING TEXT	114 WORDS
<p>organization. It is a decision-making activity involving the process of ascertaining objectives and deciding the activities needed to attain these objectives. ? Planning has both advantages and disadvantages. ? Organization plans are usually divided into two types, namely standing plans and single-use plans. ? There are three levels of planning associated with different managerial levels—strategic, tactical and operational. ? Decision-making and problem solving are core functions of management. ? Decision-making process is a rational one and involves ten sequential steps. It is necessary to know these steps starting from the correct diagnosis of the problem. The idea is to look at the root cause of the problem, rather than the symptoms, in order to arrive at the operational decisions. 4.14 ANSWERS TO 'CHECK YOUR PROGRESS' 1.</p>		<p>organization. It is a decision-making activity involving the process of ascertaining objectives and deciding the activities needed to attain these objectives. • Planning has both advantages and disadvantages. Organization plans are usually divided into two types, namely standing plans and single-use plans. • There are three levels of planning associated with different managerial levels— strategic, tactical and operational. Decision-making and problem-solving are the core functions of management. • decision-making process is a rational one and involves ten sequential steps. It is necessary to know these steps, starting from the correct diagnosis of the problem. The idea is to look at the root cause of the problem, rather than the symptoms, in order to arrive at the operational decisions. 3.14 ANSWERS TO 'CHECK YOUR PROGRESS' 1.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

116/234	SUBMITTED TEXT	233 WORDS	96% MATCHING TEXT	233 WORDS
	<p>Planning indeed is a bridge between the present and the future. Once the mission of the organization has been defined and the goals and objectives established, plans have to be made to accomplish such goals and objectives. It is the process of determining how an organization can get where it wants to reach. The destination of the organization is in the future. How it goes to the future involves the process to be undertaken, and the way must be found and all hurdles on the way must be overcome. Planning for the future and the means to reach the future are done at the present time. Hence, planning can be considered a bridge between the present and the future. 2. Planning is important because neither life nor an organization can work in a vacuum or in a haphazard way. Only planning can take all the variables that affect the life of the organization into consideration, analyze their values, and determine their effects in achieving the goals of the organization. It is important for the following reasons: (a) It creates a unity of purpose for the organization. (b) Proper planning gets the people involved in carrying them out and this gives the employees a sense of purpose. (c) It reduces the elements of risk and uncertainty since accurate forecasting of future influences on the organization is an important part of planning. (d) Proper planning results in more effective utilization of organizational resources. (e) It improves the competitive strength of the company. 3.</p>		<p>Planning indeed is a bridge between the present and the future. Once the mission of the organization has been defined and the goals and objectives established, plans have to be made to accomplish such goals and objectives. It is the process of determining how an organization can get where it wants to reach. The destination of the organization is in the future. How it goes to the future involves the process to be undertaken, and the way must be found and all hurdles on the way must be overcome. Planning for the future and the means to reach the future are done at the present time. Hence, planning can be considered a bridge between the present and the future. 3. Planning is important because neither life nor an organization can work in a vacuum or in a haphazard way. Only planning can take all the variables that affect the life of the organization into consideration, analyse their values, and determine their effects in achieving the goals of the organization. It is important for the following reasons: (i) It creates a unity of purpose for the organization. (ii) Proper planning gets the people involved in carrying them out and this gives the employees a sense of purpose. (iii) It reduces the elements of risk and uncertainty since accurate forecasting of future influences on the organization is an important part of planning. (iv) Proper planning results in more effective utilization of organizational resources. (v) It improves the competitive strength of the company. 4.</p>	
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117/234	SUBMITTED TEXT	46 WORDS	100% MATCHING TEXT	46 WORDS
	<p>Standing plans roughly remain the same over a long period of time. Such plans involve policies, procedures and rules. These policies, procedures and rules are used to solve some recurrent problems and issues that develop within the organizational framework of operations. For example, there is a standing plan</p>		<p>Standing plans roughly remain the same over a long period of time. Such plans involve policies, procedures and rules. These policies, procedures and rules are used to solve some recurrent problems and issues that develop within the organizational framework of operations. For example, there is a standing plan</p>	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

118/234	SUBMITTED TEXT	60 WORDS	100% MATCHING TEXT	60 WORDS
<p>for getting admission into IIM, Ahmedabad. Sequential procedures have to be followed to get the admission. Single use plans are meant to be carried out as special one-time projects. They focus on relatively unique situations within the organizations. For example, a plan to build a specific building would be a single use plan. Similarly, making a movie would involve a single use plan.</p> <p>5.</p>		<p>for getting admission into IIM, Ahmedabad. Sequential procedures have to be followed to get the admission. Single use plans are meant to be carried out as special one-time projects. They focus on relatively unique situations within the organizations. For example, a plan to build a specific building would be a single use plan. Similarly, making a movie would involve a single-use plan.</p> <p>2.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
119/234	SUBMITTED TEXT	21 WORDS	71% MATCHING TEXT	21 WORDS
<p>Strategic planning is the process of determining overall objectives and the policies and strategies to achieve these objectives. Such planning is</p>		<p>Strategic planning: It is the process of determining overall objectives of the organization and the policies and strategies adopted to achieve those objectives. ?</p> <p>Contingency planning: It is</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
120/234	SUBMITTED TEXT	12 WORDS	95% MATCHING TEXT	12 WORDS
<p>if original plans are disrupted or become inappropriate due to changed circumstances.</p>		<p>if the original plans are disrupted or become inappropriate due to changed circumstances. ?</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
121/234	SUBMITTED TEXT	22 WORDS	87% MATCHING TEXT	22 WORDS
<p>exist when the symptoms of the outcome of an activity do not conform to the expected outcome of the same activity as planned.</p>		<p>exist when the symptoms of the outcome of an activity do not seem to be conforming to the expected outcome of the same activity as planned.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				

122/234	SUBMITTED TEXT	110 WORDS	98% MATCHING TEXT	110 WORDS
<p>Rational decision-making is different from intuitional decision making. Rational decision- making requires sequential steps of defining and diagnosing the problem, critically looking at all the variables affecting the decision, looking at all the alternatives available, using analytical and quantitative tools in reaching a decision to solve a problem and then monitoring the implementation of the decision. Intuitional decisions are based on hunch, sixth sense, experience, feelings and courage to take risks. Intuitional decisions are faster to make and many a time much more effective than rational decisions. 10. Facts are those part of information that can be sensed by us and can be related to objective reality as we know. They are considered as totally accurate information.</p>		<p>Rational decision-making is different from intuitional decision-making. Rational decision-making requires sequential steps of defining and diagnosing the problem, critically looking at all the variables affecting the decision, looking at all the alternatives available, using analytical and quantitative tools in reaching a decision to solve a problem and then monitoring the implementation of the decision. Intuitional decisions are based on hunch, sixth sense, experience, feelings and courage to take risks. Intuitional decisions are faster to make and many a time much more effective than rational decisions. 5. (i) Facts are those parts of information that can be sensed by us and can be related to objective reality as we know. They are considered as totally accurate information. (</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
123/234	SUBMITTED TEXT	43 WORDS	93% MATCHING TEXT	43 WORDS
<p>Inference is a deduction of a situation based on circumstantial evidence. (b) Speculation is subjective in nature and can be only constructed on the basis of some clues. These may not be necessarily verifiable. (c) Assumptions are least reliable and are entirely subjective in nature. 4.15</p>		<p>Inference is a deduction of a situation based on circumstantial evidence. (iii) Speculation is subjective in nature and can be only constructed on the basis of some clues. These may not be necessarily verifiable. (iv) Assumptions are least reliable and are entirely subjective in nature. 6. (</p>		
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124/234	SUBMITTED TEXT	24 WORDS	80% MATCHING TEXT	24 WORDS
<p>Planning is a bridge between the present and the future. Explain. 2. Why is planning so important for the success of an organization? Explain. 3.</p>		<p>Planning is a bridge between the present and future. Comment. 3. Why is planning so important for the success of any organization? Explain. 4.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
125/234	SUBMITTED TEXT	17 WORDS	87% MATCHING TEXT	17 WORDS
<p>Differentiate between standing plans and single use plans. Under what circumstances would we use standing plans? 4. Is</p>		<p>Differentiate between standing plans and single- use plans. Under what circumstances would you use standing plans? 2. is</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

126/234	SUBMITTED TEXT	27 WORDS	96% MATCHING TEXT	27 WORDS
<p>Answer Questions 1. What are some of the problems encountered during the process of planning? Which of these problems are most likely to lead failure of some plans? 2.</p>		<p>Answer Questions 1. What are some of the problems encountered during the process of planning? 2. Which of these problems are most likely to lead to the failure of some plans? 3.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
127/234	SUBMITTED TEXT	32 WORDS	95% MATCHING TEXT	32 WORDS
<p>Classify problems into relevant categories and give examples of problems that fit into each category. 3. Explain some of the factors and personal characteristics that have an impact on the decision maker. 4. Why is</p>		<p>Classify problems into relevant categories and give examples of problems that fit into each category. 3. Explain some of the factors and personal characteristics that have an impact on the decision-maker. 4. Is</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
128/234	SUBMITTED TEXT	20 WORDS	90% MATCHING TEXT	20 WORDS
<p>Self-Instructional Material 71 Organizing–I NOTES UNIT 5 ORGANIZING–I Structure 5.0 Introduction 5.1 Unit Objectives 5.2 What is an Organization? 5.3 Importance of Organizing 5.4 Guidelines for Effective Organization 5.5</p>		<p>Self-Instructional Material 93 Organizing NOTES UNIT 4 ORGANIZING Structure 4.0 Introduction 4.1 Unit Objectives 4.2 Nature, Purpose and Kinds 4.2.1 What is an Organization? 4.2.2 Importance of Organizing 4.2.3 Guidelines for Effective Organization 4.2.4</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
129/234	SUBMITTED TEXT	16 WORDS	100% MATCHING TEXT	16 WORDS
<p>An organization is a system of consciously coordinated activities or efforts of two or more persons.</p>		<p>an organization is, a system of consciously coordinated activities or efforts of two or more persons.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
130/234	SUBMITTED TEXT	10 WORDS	100% MATCHING TEXT	10 WORDS
<p>degree of formal planning, division of labour, leadership and so on.</p>		<p>degree of formal planning, division of labour, leadership and so on.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				

131/234	SUBMITTED TEXT	13 WORDS	82% MATCHING TEXT	13 WORDS
<p>The authority and responsibility should be delegated as far down the hierarchy as possible. (</p>		<p>The authority and responsibility should be delegated as far down the hierarchical line as objectively possible.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
132/234	SUBMITTED TEXT	62 WORDS	87% MATCHING TEXT	62 WORDS
<p>A formal organization typically consists of a classical hierarchical structure where the position, responsibility, authority accountability and the lines of command are clearly defined and established. It is a system of well-defined jobs with a prescribed pattern of communication, coordination and delegation of authority. The informal organization comes into existence due to social interactions and interpersonal relationships and exists outside the formal authority system without any</p>		<p>A formal organization typically consists of a classical mechanistic hierarchical structure. In such a type of structure, the position, responsibility, authority, accountability and the lines of command are clearly defined and established. It is a system of well-defined jobs with a prescribed pattern of communication, coordination and delegation of authority. The informal organization, similar to informal groups, on the other hand, comes into existence due to social interactions and interpersonal relationships and exists outside the formal authority system without any</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
133/234	SUBMITTED TEXT	20 WORDS	76% MATCHING TEXT	20 WORDS
<p>a bond of friendship and this togetherness can have a powerful influence on productivity and job satisfaction. Members help each other</p>		<p>a sense of belonging and togetherness. This togetherness can have a powerful influence on productivity and job satisfaction. The members help and motivate each other.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
134/234	SUBMITTED TEXT	29 WORDS	83% MATCHING TEXT	29 WORDS
<p>Organizational Structure : Design 6.3 Steps in the Organizational Structure 6.4 Benefits of a Good Organizational Structure 6.5 Mechanistic versus Organic Structure 6.6 Determinants of Organizational Structure 6.7 Types of Organizational Structures 6.8 Departmentation 6.9</p>		<p>Organizational Structure: Design 4.3.2 Steps in Organizational Structuring 4.3.3 Benefits of a Good Organizational Structure 4.3.4 Mechanistic Versus Organic Structure 4.3.5 Determinants of Organizational Structure 4.3.6 Types of Organizational Structures 4.4 Departmentation 4.5</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

135/234	SUBMITTED TEXT	18 WORDS	88% MATCHING TEXT	18 WORDS
<p>Delegation of Authority 6.11 Process of Delegation 6.12 Advantages of Delegation 6.13 Problems with Delegation 6.14 Overcoming Obstacles 6.15 Centralization versus Decentralization 6.16</p>		<p>Delegation of Authority 4.7.4 Process of Delegation 4.7.5 Advantages of Delegation 4.7.6 Problems with Delegation 4.7.7 Overcoming Obstacles 4.7.8 Responsibility 4.8 Centralization and Decentralization 4.8.1</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
136/234	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>the optimum use of human skill and efforts is achieved. ?</p>		<p>The optimum use of human skill and efforts is achieved.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
137/234	SUBMITTED TEXT	13 WORDS	87% MATCHING TEXT	13 WORDS
<p>planning process of all organizations is built on the framework of the</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				
138/234	SUBMITTED TEXT	13 WORDS	100% MATCHING TEXT	13 WORDS
<p>Delegation is the downward transfer of formal authority from one person to another.</p>		<p>Delegation is the downward transfer of formal authority from one person to another.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
139/234	SUBMITTED TEXT	20 WORDS	100% MATCHING TEXT	20 WORDS
<p>The activities of all individuals are coordinated and integrated into a common pattern in order to achieve the organizational objectives.</p>		<p>The activities of all individuals are coordinated and integrated into a common pattern in order to achieve the organizational objectives.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
140/234	SUBMITTED TEXT	23 WORDS	86% MATCHING TEXT	23 WORDS
<p>A good organization assigns the right person to the right job and this avoids misapplication of human resources, resulting in optimal utilization of human efforts.</p>		<p>A good organization assigns the right person to the right job and this avoids misapplication of human resources, thus resulting in optimum utilization of employee efforts.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				

141/234	SUBMITTED TEXT	16 WORDS	90% MATCHING TEXT	16 WORDS
<p>Line structure is the simplest form of an organization and is most common among small companies.</p> <p>W https://librarymvmgacsgcom.files.wordpress.com/2020/08/ug_b.com_commerce-english_102-11_principle ...</p>		<p>line structure is the simplest form of organization and is most common among small companies. ?</p>		
142/234	SUBMITTED TEXT	24 WORDS	60% MATCHING TEXT	24 WORDS
<p>the owner of the company may also be the manager of the company. The structure is simple and the authority and responsibilities are clear cut.</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>the objectives of the company. Because of the small of the company, the line structure is simple and the authority and responsibility are clear-cut,</p>		
143/234	SUBMITTED TEXT	15 WORDS	86% MATCHING TEXT	15 WORDS
<p>type of structure uses the expertise of specialists without diluting the unity of command. The</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>type of organization uses the expertise of specialists without diluting the unity of command. With the</p>		
144/234	SUBMITTED TEXT	20 WORDS	85% MATCHING TEXT	20 WORDS
<p>of customers. Thus the customers are the key to the way the activities are grouped. For example, many banks have</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>of customers. Thus, the customers are the key to the way the activities are grouped. Many banks have</p>		
145/234	SUBMITTED TEXT	13 WORDS	90% MATCHING TEXT	13 WORDS
<p>Such divisional structures are especially useful for large-scale enterprises which are geographically spread out.</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>Such divisional structures are specially useful for large-scale enterprises which are geographically spread out</p>		
146/234	SUBMITTED TEXT	25 WORDS	94% MATCHING TEXT	25 WORDS
<p>It is a process by which manager and subordinates work together, in identifying goals and setting up objectives and make plans together in order to achieve</p> <p>W https://pdfcoffee.com/mc-101-pdf-free.html</p>		<p>It is a process by which and subordinates work together in identifying goals and setting up objectives and make plans together in order to achieve</p>		

147/234	SUBMITTED TEXT	90 WORDS	98% MATCHING TEXT	90 WORDS
	<p>SUMMARY ? The staffing function, which is the process of providing qualified personnel to the various activities of the organization, is handled by the personnel department. ? Human resource planning involves objective and systematic assessment of present staffing needs of an organization, identifying the available personnel to satisfy the current needs, forecasting the future demand and supply of employees, formulating staffing strategies with a view to both short range as well as long range strategic plans and continuously monitoring, evaluating and updating these needs and resources of supply. ? The staffing function consists of five sequential steps. ?</p>		<p>SUMMARY • The staffing function, which is the process of providing qualified personnel to the various activities of the organization, is handled by the personnel department. • Human resource planning involves objective and systematic assessment of present staffing needs of an organization, identifying the available personnel to satisfy the current needs, forecasting the future demand and supply of employees, formulating staffing strategies with a view to both short range as well as long range strategic plans and continuously monitoring, evaluating and updating these needs and resources of supply. • The staffing function consists of six sequential steps.</p>	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

148/234	SUBMITTED TEXT	45 WORDS	100% MATCHING TEXT	45 WORDS
	<p>In order to obtain a good fit between the job and the worker, the job must be fully described and the qualifications and skills of the worker must be fully consistent with such descriptions. The worker can be recruited from within by promotion or transfer 130</p>		<p>In order to obtain a good fit between the job and the worker, the job must be fully described and the qualifications and skills of the worker must be fully consistent with such descriptions. The worker can be recruited from within by promotion or transfer</p>	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

149/234	SUBMITTED TEXT	137 WORDS	98% MATCHING TEXT	137 WORDS
<p>or he can be recruited from various external sources. Some employment agencies provide the right workers. ? The evaluation of the performance of employees is a key function of staffing. There are a number of performance appraisal methods and the most suitable and objective for a given candidate must be chosen. 7.9 ANSWERS TO 'CHECK YOUR PROGRESS' 1. The staffing function was placed within the management functional processes as one of the five functions of management directly related to the operations of the organization. Four decades ago, the organizations were growing but the hiring function was still in- house. Whenever a production department needed an employee the production manager would find one. Similarly, if a marketing department needed a salesman, the marketing manager would find one. That is one reason why all the management textbooks of the era contained staffing function as a part of the general management book.</p>	<p>or he can be recruited from various external sources. Some employment agencies provide the right workers. • The evaluation of the performance of employees is a key function of staffing. There are a number of performance appraisal methods and the most suitable and objective for a given candidate must be chosen. 5.9 ANSWERS TO 'CHECK YOUR PROGRESS' 1. The staffing function was placed within the management functional processes as one of the five functions of management directly related to the operations of the organization. Four decades ago, the organizations were growing but the hiring function was still in-house. Whenever a production department needed an employee, the production manager would find one. Similarly, if a marketing department needed a salesman, the marketing manager would find one. That is one reason why all the management textbooks of the era contained staffing function as a part of the general management book. 2.</p>			
W	https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf			
150/234	SUBMITTED TEXT	27 WORDS	100% MATCHING TEXT	27 WORDS
<p>Indeed it is hard to accurately forecast the future manpower needs of the organization as well as the sources of supply. Some factors taken into consideration may be: (</p>	<p>Indeed it is hard to accurately forecast the future manpower needs of the organization as well as the sources of supply. Some factors taken into consideration may be</p>			
W	https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf			
151/234	SUBMITTED TEXT	37 WORDS	92% MATCHING TEXT	37 WORDS
<p>An accurate record of statistical data on when some people will be retiring so that their position can be filled. (b) A reasonable probabilistic calculation of the number of people who might be changing jobs. (c) Anticipated growth of the organization. (</p>	<p>An accurate record of statistical data on when some people will be retiring so that their position can be filled. • A reasonable probabilistic calculation of the number of people who might be changing jobs. • Anticipated growth of the organization. •</p>			
W	https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf			

152/234	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
	Introduction of new technology, which would require new employees who are technical experts. (Introduction of new technology, which would require new employees who are technical experts.	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

153/234	SUBMITTED TEXT	115 WORDS	97% MATCHING TEXT	115 WORDS
	Assessment of new graduates from universities in the given field as a source of supply. (g) Promotions of employees within the organization as a source of supply for higher positions. (h) Population movement trends. More talented people will move to areas where the organizations requiring their talents would be concentrated. You could advise the management of the organization to look towards colleges and universities and other vocational schools where the students get special training and education for such areas as required. 3. Job analysis, job description and job specification are all necessary and important in defining the job as accurately as possible. A detailed analysis of these characteristics would enable personnel managers and functional managers to achieve a better fit between the job and the employee.		Assessment of new graduates from universities in the given field as a source of supply. • Promotions of employees within the organization as a source of supply for higher positions. • Population movement trends. More talented people will move to areas where the organizations requiring their talents would be concentrated. You could advise the management of the organization to look towards colleges and universities and other vocational schools where the students get special training and education for such areas as required. 3. Job analysis, job description and job specification are all necessary and important in defining the job as accurately as possible. A detailed analysis of these characteristics would enable personnel managers and functional managers to achieve a better fit between the job and the employee. •	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

154/234	SUBMITTED TEXT	31 WORDS	100% MATCHING TEXT	31 WORDS
	Job analysis. It is an orderly study of job requirements and involves systematic investigation relating to the operations and responsibilities including knowledge, skills and abilities required for the successful performance of the job. (Job analysis: It is an orderly study of job requirements and involves systematic investigation relating to the operations and responsibilities including knowledge, skills and abilities required for the successful performance of the job. •	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

155/234	SUBMITTED TEXT	81 WORDS	98% MATCHING TEXT	81 WORDS
<p>Job description. It is a written statement of 'who does what, when, where and how'. It describes the work to be performed, responsibilities and duties involved, conditions under which the work is performed and the relationship of one job with other similar or dissimilar jobs, and the skill, education and experience required. (c) Job specification. It refers to physical and mental capacities necessary to perform the job properly. It specifies the minimum acceptable qualities required for a person to get the job and perform it well. 4.</p>		<p>Job description: It is a written statement of 'who does what, when, where and how'. It describes the work to be performed, responsibilities and duties involved, conditions under which the work is performed and the relationship of one job with other similar or dissimilar jobs, and the skill, education and experience required. • Job specification: It refers to physical and mental capacities necessary to perform the job properly. It specifies the minimum acceptable qualities required for a person to get the job and perform it well. 4.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
156/234	SUBMITTED TEXT	75 WORDS	100% MATCHING TEXT	75 WORDS
<p>recruitment from internal sources is preferable under certain situations. Persons recruited internally know the corporation very well depending upon how long they have been with the company. It is especially advisable for promotions within because the specific experience of subordinates regarding the operations of the company. It is also cost effective for responsible positions because it takes an extensive investigation when fulfilling a position of high authority. Hiring a wrong person from outside could be a costly mistake to the organization.</p>		<p>Recruitment from internal sources is preferable under certain situations. Persons recruited internally know the corporation very well depending upon how long they have been with the company. It is especially advisable for promotions within because the specific experience of subordinates regarding the operations of the company. It is also cost effective for responsible positions because it takes an extensive investigation when fulfilling a position of high authority. Hiring a wrong person from outside could be a costly mistake to the organization. 5.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
157/234	SUBMITTED TEXT	105 WORDS	100% MATCHING TEXT	105 WORDS
<p>All the eight steps in the hiring process are important. They are sequential in nature and some steps can be by-passed. To get the best fit between the job and the employee, the job must be specified in as much detail as possible. It should be advertised through proper channels. The initial resume of the candidate would determine the desirability of inviting the candidate for the interview. If in the initial interview, the applicant shows excellence, it may not be necessary to check references or give any aptitude tests. However, an in-depth interview would be necessary for higher-level jobs and the physical and mental health of the applicant must be verified. 6.</p>		<p>All the eight steps in the hiring process are important. They are sequential in nature and some steps can be by-passed. To get the best fit between the job and the employee, the job must be specified in as much detail as possible. It should be advertised through proper channels. The initial resume of the candidate would determine the desirability of inviting the candidate for the interview. If in the initial interview, the applicant shows excellence, it may not be necessary to check references or give any aptitude tests. However, an in-depth interview would be necessary for higher-level jobs and the physical and mental health of the applicant must be verified. 6.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

158/234	SUBMITTED TEXT	45 WORDS	93% MATCHING TEXT	45 WORDS
<p>AND QUESTIONS Short-Answer Questions 1. How good are colleges and universities as sources of recruitment? Give reasons. 2. What would you like to know about the candidate at an interview in addition to what is in his/her resume? 3. Is subjective evaluation written less accurate than objective evaluation? Why? 4.</p>		<p>AND EXERCISES Short-Answer Questions 1. How good are colleges and universities as sources of recruitment? Give reasons. 2. What would you like to know about the candidate at an interview in addition to what is in his/her resume? 3. Is subjective evaluation less accurate than objective evaluation? Why? 4.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
159/234	SUBMITTED TEXT	17 WORDS	100% MATCHING TEXT	17 WORDS
<p>What are the various biases that can be introduced in a subjective appraisal of an employee? Long-Answer Questions 1.</p>		<p>What are the various biases that can be introduced in a subjective appraisal of an employee? Long-Answer Questions 1.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
160/234	SUBMITTED TEXT	20 WORDS	100% MATCHING TEXT	20 WORDS
<p>methods would you use in forecasting the supply of workers in order to fulfill the future personnel needs? 3. Describe the</p>		<p>methods would you use in forecasting the supply of workers in order to fulfill the future personnel needs? 3. Describe the</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
161/234	SUBMITTED TEXT	29 WORDS	89% MATCHING TEXT	29 WORDS
<p>Discuss the pros and cons of various recruiting sources. 6. What do you mean by performance appraisal? Does it have any negative effect on the workers being watched and appraised?</p>		<p>Discuss the pros and cons of the recruiting sources. 5. What do you understand by performance appraisal? Does it have any negative effect on the workers being watched and appraised? 6.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
162/234	SUBMITTED TEXT	21 WORDS	87% MATCHING TEXT	21 WORDS
<p>Which methods of performance appraisal are most appropriate for: – Unskilled workers – Skilled technical workers – Junior level management personnel – Senior executives 7.11</p>		<p>Which methods of performance appraisal are most appropriate for the following: (i) Unskilled workers (ii) Skilled technical workers (iii) Junior level management personnel (iv) Senior executives</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

163/234	SUBMITTED TEXT	10 WORDS	95% MATCHING TEXT	10 WORDS
<p>Self-Instructional Material 135 Motivation NOTES UNIT 8 MOTIVATION Structure 8.0 Introduction 8.1 Unit Objectives 8.2 Motivation</p>		<p>Self-Instructional Material 161 Motivation NOTES UNIT 6 MOTIVATION Structure 6.0 Introduction 6.1 Unit Objectives 6.2 Understanding Motivation 6.2.1</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
164/234	SUBMITTED TEXT	60 WORDS	95% MATCHING TEXT	60 WORDS
<p>SUMMARY ? People's work performance depends upon their ability to do their assigned work as well as their 'will' to do so. Stronger 'will' reflects stronger motivation to achieve a goal. The word motivation is derived from motive, which is a need or a desire requiring movement towards the goal of achievement of such needs and desires. It is an action, movement or behaviour</p>		<p>SUMMARY 395 People's work performance depends upon their ability to do their assigned work as well as their "will" to do so. Stronger "will" reflects stronger motivation to achieve a goal. The word motivation is derived from motive which is a need or a desire requiring movement towards the goal of achievement of such and desire. It is an action, movement or behaviour,</p>		
<p>W https://pdfcoffee.com/mc-101-pdf-free.html</p>				
165/234	SUBMITTED TEXT	31 WORDS	90% MATCHING TEXT	31 WORDS
<p>induces fear and punishment for less efforts. Motivation can also be induced by external factors such as financial rewards for better performance or it could be intrinsic in nature which is self-generated</p>		<p>induces fear and punishment for less efforts. Motivation can also be induced by external factors such as financial rewards for better output or it could be intrinsic in nature, which is inner-generated.</p>		
<p>W https://pdfcoffee.com/mc-101-pdf-free.html</p>				
166/234	SUBMITTED TEXT	25 WORDS	90% MATCHING TEXT	25 WORDS
<p>the conclusion that people have certain fundamental needs, both physiological and psychological and that they are motivated to engage in activities that would satisfy these needs.</p>		<p>the that people have certain fundamental needs, both physiological and psychological in nature and that they are motivated to engage in activities that would satisfy these needs. •</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
167/234	SUBMITTED TEXT	20 WORDS	77% MATCHING TEXT	20 WORDS
<p>needs into an hierarchy in order of priority, starting from the most fundamental physiological needs such as food, clothing, shelter,</p>		<p>needs into an hierarchy in order of priority. The most fundamental needs are the physiological needs such as food, clothing, shelter</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

168/234	SUBMITTED TEXT	17 WORDS	100% MATCHING TEXT	17 WORDS
<p>from others, which would induce a feeling of self-worth and self- confidence in the individual. It is</p> <p>W https://pdfcoffee.com/mc-101-pdf-free.html</p>		<p>from others, which would a feeling of self-worth and self-confidence in the Individual. It is</p>		
169/234	SUBMITTED TEXT	12 WORDS	100% MATCHING TEXT	12 WORDS
<p>Prasad L.M., Principles and Practice of Management; Sultan Chand, 1979.</p> <p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				
170/234	SUBMITTED TEXT	25 WORDS	51% MATCHING TEXT	25 WORDS
<p>setting and decision-making (d) Provide some of the symbols of respect and status such as executive level job title, private secretary, private parking, promotion, company car</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>setting goals and in the decision- making process ? Provide some of the signs for and respect, such as executive level job title, a personal secretary, benefit of parking, promotion, company car,</p>		
171/234	SUBMITTED TEXT	9 WORDS	100% MATCHING TEXT	9 WORDS
<p>they will exercise self-direction and self-control in pursuit</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>They will exercise self-direction and self-control in pursuit</p>		
172/234	SUBMITTED TEXT	16 WORDS	87% MATCHING TEXT	16 WORDS
<p>Long-Answer Questions 1. Motivation is defined as a drive that seeks to satisfy an unsatisfied need.</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>Long-Answer Questions 1. Motivation is defined as a drive that tries to satisfy an existing unsatisfied need.</p>		
173/234	SUBMITTED TEXT	15 WORDS	89% MATCHING TEXT	15 WORDS
<p>is this drive an inherited trait or is it the force of environmental factors?</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>Is this drive within you as an inherited trait or is it the force of environmental factors</p>		

174/234	SUBMITTED TEXT	14 WORDS	90% MATCHING TEXT	14 WORDS
<p>that 'a manager's assumptions about the role of employees determine his behaviour towards them.'</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>		<p>that a manager's assumptions about the role of employees determines his behaviour towards them.</p>		
175/234	SUBMITTED TEXT	16 WORDS	81% MATCHING TEXT	16 WORDS
<p>first level needs must be satisfied before the next level needs become motivators. How rigid is</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>first level needs must be satisfied before the second level needs become motivators and so on. How rigid is</p>		
176/234	SUBMITTED TEXT	23 WORDS	98% MATCHING TEXT	23 WORDS
<p>would justify a different order of priority? 4. What can the management do to satisfy the various needs of workers as shown in Maslow's model? 8.7</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>would justify a different order of priority. 5. What can the management do to satisfy the various level needs of workers as shown in Maslow's model? 6.</p>		
177/234	SUBMITTED TEXT	12 WORDS	90% MATCHING TEXT	12 WORDS
<p>Himalaya Publishing House, 1982. 3. Dwivedi R.S., Human Relations and Organizational Behaviour;</p> <p>W https://pdfcoffee.com/mc-101-pdf-free.html</p>		<p>Himalaya Publishing House, New Delhi, 1996. 7. Dwivedi, R.S., Human Relations and Organizational Behaviour :</p>		
178/234	SUBMITTED TEXT	9 WORDS	100% MATCHING TEXT	9 WORDS
<p>Self-Instructional Material 149 Leadership NOTES UNIT 9 LEADERSHIP Structure 9.0 Introduction 9.1 Unit Objectives 9.2</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>Self-Instructional Material 221 Leadership NOTES UNIT 8 LEADERSHIP Structure 8.0 Introduction 8.1 Unit Objectives 8.2</p>		
179/234	SUBMITTED TEXT	16 WORDS	75% MATCHING TEXT	16 WORDS
<p>Hersey and Blanchard model focus on the maturity level of the followers as a contingency variable.</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>Hersey and Kenneth Blanchard. The model focuses on the maturity of the followers as a contingency variable</p>		

180/234	SUBMITTED TEXT	21 WORDS	73% MATCHING TEXT	21 WORDS
<p>Winston Churchill was a great leader during World War II. However, he turned out to be much less successful after the</p>		<p>Winston Churchill was considered a successful prime minister and an effective leader of England during World War II. However, he turned out to be much less successful after the</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
181/234	SUBMITTED TEXT	13 WORDS	100% MATCHING TEXT	13 WORDS
<p>The theory holds that possession of these traits permits certain individuals to gain</p>		<p>The theory holds that possession of these traits permits certain individuals to gain</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
182/234	SUBMITTED TEXT	29 WORDS	98% MATCHING TEXT	29 WORDS
<p>position power refers to the legitimate power inherent in the leader's organizational position. It refers to the degree to which a leader can make decisions about allocation of resources, rewards and sanctions.</p>		<p>Position power—This refers to the legitimate power inherent in the leader's organizational position. It refers to the degree to which a leader can make decisions about allocation of resources, rewards and sanctions.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
183/234	SUBMITTED TEXT	30 WORDS	90% MATCHING TEXT	30 WORDS
<p>it and should be time-efficient. Studies conducted to test the validity of this approach concluded that the participative and democratic style of leadership was more appropriate and successful at higher levels of</p>		<p>it and should be time-efficient. Studies performed to test the validity of this theory concluded that the participative and democratic style of leadership was more appropriate and successful at higher levels of</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
184/234	SUBMITTED TEXT	12 WORDS	95% MATCHING TEXT	12 WORDS
<p>organization, whereas directive decision making style was better utilized at lower levels.</p>		<p>organization, whereas the directive decision-making style was better utilized at lower levels.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

185/234	SUBMITTED TEXT	9 WORDS	100% MATCHING TEXT	9 WORDS
<p>Self-Instructional Material 169 Controlling NOTES UNIT 10 CONTROLLING Structure 10.0 Introduction 10.1 Unit Objectives 10.2</p>		<p>Self-Instructional Material 255 Controlling NOTES UNIT 10 CONTROLLING Structure 10.0 Introduction 10.1 Unit Objectives 10.2</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
186/234	SUBMITTED TEXT	24 WORDS	100% MATCHING TEXT	24 WORDS
<p>SUMMARY ? Control is necessary to make sure that actual results of an activity do not deviate from the expected results of the same activity.</p>		<p>SUMMARY ? Control is necessary to make sure that actual results of an activity do not deviate from the expected results of the same activity. ?</p>		
<p>W https://librarymvmgacsgcom.files.wordpress.com/2020/08/ug_b.com_commerce-english_102-11_principle ...</p>				
187/234	SUBMITTED TEXT	30 WORDS	100% MATCHING TEXT	30 WORDS
<p>The function of control is to accomplish organizational goals by implementing previously determined strategies and policies so that whatever needs to be done is done properly. In other words, control maintains</p>		<p>The function of control is to accomplish organizational goals by implementing previously determined strategies and policies so that whatever needs to be done is done properly. In other words, control maintains</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
188/234	SUBMITTED TEXT	84 WORDS	98% MATCHING TEXT	84 WORDS
<p>equilibrium between means and ends or between efforts and output. ? The process of control involves establishing standards for outcomes of activities, measuring performance of workers in relation to such activities by employing such measuring devices as previously determined to be suitable and relevant to measuring such performance, comparing such measured performance with performance standards previously set, noting any deviations – positive or negative – and taking corrective actions for any negative deviations. Positive deviations should also be investigated to determine as to why underestimations were made so that new revised estimates</p>		<p>equilibrium between means and ends or between efforts and output. • The process of control involves establishing standards for outcomes of activities, assuring performance of workers in relation to such activities by employing such measuring devices as previously determined to be suitable and relevant to measuring such performance, comparing such measured performance with performance standards previously set, noting any deviations—positive or negative—and taking corrective actions for any negative deviations. Positive deviations should also be investigated to determine as to why underestimations were made so that new revised estimates</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

189/234	SUBMITTED TEXT	32 WORDS	95% MATCHING TEXT	32 WORDS
<p>Controls at every level focus on inputs, processes and outputs. It is very important to have effective controls at each of these three stages. Effective control systems tend to have some common characteristics. ?</p>		<p>Controls at every level focus on inputs, processes and outputs. It is very important to have effective controls at each of these three stages. Effective control systems tend to have certain common characteristics.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
190/234	SUBMITTED TEXT	32 WORDS	93% MATCHING TEXT	32 WORDS
<p>Control can have some behavioural implications. Wherever managers exert excessive control, it can be considered as misuse of power by the employees and this in turn would negatively impact their morale. Accordingly, it</p>		<p>Control can have some behavioural implications. Wherever managers exert excessive control, it can be considered as misuse of power by the employees and thus in turn would negatively impact on their morale. Accordingly, it</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
191/234	SUBMITTED TEXT	23 WORDS	91% MATCHING TEXT	23 WORDS
<p>to involve the workers in establishing standards and in determining performance evaluation methods. This would improve affiliation of the workers to the company. 180</p>		<p>to get the workers involved in establishing standards and in determining performance evaluation methods. This would improve affiliation of the workers to the company. 10.10</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
192/234	SUBMITTED TEXT	79 WORDS	97% MATCHING TEXT	79 WORDS
<p>Ratio analysis is a powerful management tool for measuring various aspects of business operations. It describes a relationship between one business variable and another. For example, net sales to working capital ratio determines whether working capital is being utilized adequately. The current ratio determines the company's ability to pay its short- term debts. Similarly, the ratio of net profit to net working capital determines the company's ability to finance day-to-day operations. There are many other financial ratios which determine various aspects of business viability. 4.</p>		<p>Ratio analysis is a powerful management tool for measuring the various aspects of business operations. It describes a relationship between one business variable and another. For example, net sales to working capital ratio determine whether working capital is being utilized adequately. The current ratio determines the company's ability to pay its short-term debts. Similarly, the ratio of net profit to net working capital determines the company's ability to finance day-to-day operations. There are many other financial ratios which determine various aspects of business viability. 3.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

193/234	SUBMITTED TEXT	21 WORDS	73% MATCHING TEXT	21 WORDS
<p>Economic feasibility. The cost of control system must be balanced against its benefits. For example, a high security system to safeguard</p>		<p>Economic feasibility: The cost of a control system must be balanced against its benefits. The system must be economically feasible and reasonable to operate. For example, a high security system to safeguard</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
194/234	SUBMITTED TEXT	28 WORDS	84% MATCHING TEXT	28 WORDS
<p>What is the inter-relationship between the functions of planning and controlling? 3. What are the various behavioural guidelines of control? When would it be necessary to follow these guidelines? 4.</p>		<p>What is the inter-relationship between the functions of planning and controlling? 3. List the requirements of a good budgetary control What are the various behavioural guidelines of control? When would it be necessary to follow these guidelines? 5.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
195/234	SUBMITTED TEXT	13 WORDS	100% MATCHING TEXT	13 WORDS
<p>Answer Questions 1. Define the management function of control and explain the necessity</p>		<p>Answer Questions 1. Define the management function of control and explain the necessity</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
196/234	SUBMITTED TEXT	45 WORDS	100% MATCHING TEXT	45 WORDS
<p>Describe some of the quantitative standards against which performance can be measured. Which of these standards would be more appropriate for a medium-size industry. 3. Describe the different methods of comparing the actual results with expected results for the purpose of evaluating the effectiveness of control systems. 4.</p>		<p>Describe some of the quantitative standards against which performance can be measured. Which of these standards would be more appropriate for a medium size industry? 2. Describe the different methods of comparing the actual results with expected results for the purpose of evaluating the effectiveness of control systems. 3.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
197/234	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>What are some of the behavioural implications of control? What type of control would</p>		<p>What are some of the behavioural implications of control? What type of control would</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

198/234	SUBMITTED TEXT	25 WORDS	100% MATCHING TEXT	25 WORDS
	workers resent the most? What steps can be taken to reduce or eliminate such resentment? 6. What guidelines can the management set and follow for behavioural control? 10.11		workers resent the most? What steps can be taken to reduce or eliminate such resentment? 6. What guidelines can the management set and follow for behavioural control?	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

199/234	SUBMITTED TEXT	208 WORDS	94% MATCHING TEXT	208 WORDS
	<p>Functions of Management 11.3 CHARACTERISTICS OF COORDINATION Following are the characteristics of coordination: ? Coordination is not a distinct function. It represents the core of management. ? The purpose of coordination is to achieve the common objective. ? Coordination is a continuous and an on-going process. ? Coordination does not arise spontaneously or by force. It is the result of concerted action. 11.3.1 Need for Coordination Existence of disintegrating forces emphasises the need for greater coordination among various divisions of an enterprise. The disintegrating forces may act as barriers to effective coordination. The factors that emphasise the need for coordination are: ? Increasing specialisation: Coordination becomes essential when the principle of specialisation has been practised in a work area. The activities of the unit may be divided on the basis of product, function, region or some other form. Every employee is mostly concerned about his/her unit's performance. It results in conflicting interests within the same organization. Good coordination paves the way for effective integration of efforts of all people for the accomplishment of a common goal. ? Empire building motive: Each employee is motivated by his performance in the unit. This kind of attitude may fulfil his personal and professional ego but</p>		<p>Functions of Management 9.3 CHARACTERISTICS OF COORDINATION Following are the characteristics of coordination: • Coordination is not a distinct function. It represents the core of management. • The purpose of coordination is to achieve the common objective. • Coordination is a continuous and an ongoing process. • Coordination does not arise spontaneously or by force. It is the result of concerted action. 9.3.1 Need for Coordination Existence of disintegrating forces emphasises the need for greater coordination among various divisions of an enterprise. The disintegrating forces may act as barriers to effective coordination. The factors that emphasise on the need for coordination are: • Increasing specialisation: Coordination becomes essential when the principle of specialisation has been practised in a work area. The activities of the unit may be divided on the basis of product, function, region or some other form. Every employee is mostly concerned about his/her unit's performance. It results in conflicting interests within the same organization. A good coordination paves the way for effective integration of efforts of all people for the accomplishment of a common goal. Self-Instructional Material 249 Coordination: Concept, Need and Techniques NOTES • Empire building motive: Each employee is motivated by his performance in the unit. a result, this kind of attitude may fulfil his personal and professional ego but</p>	
	<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>			

200/234	SUBMITTED TEXT	43 WORDS	86% MATCHING TEXT	43 WORDS
<p>isolate him from others. Organizational goals cannot be accomplished with this approach. Coordination is essential to ease an awkward situation. ? Personal conflicts between employees: Personal rivalries, jealousies and politics among the employees in the work situation are bound to create problems</p>		<p>isolate him from others. Organizational goals cannot be accomplished with this kind of tendency. Coordination is essential to ease out situation. ?Personal conflicts between employees: Personal rivalries, jealousies and politics among the employees in the work situation are bound to create problems</p>		
<p>W http://alagappauniversity.ac.in/siteAdmin/dde-admin/uploads/1/PG_M.Com_Commerce%20(English)_310%20...</p>				
201/234	SUBMITTED TEXT	48 WORDS	90% MATCHING TEXT	48 WORDS
<p>departments of the organization create problems in the smooth functioning of an organization. Coordination helps in harmonising group efforts within the organization. ? Subordination of individual interests to those of organizational interests: Individual interests are important for developing loyalty, integrity, hard work, initiation and motivation. Organizational interests</p>		<p>departments of the organization create problems in the smooth functioning of an organization. Coordination helps in harmonising group efforts within the organization. • Subordination of individual interest to that of organizational interest: Individual interests are important for developing loyalty, integrity, hard work, initiation and motivation. Organizational interests</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
202/234	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>are much more important than individual interests. For achieving organizational</p>		<p>are much more important than individual interests. For achieving organizational</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

203/234

SUBMITTED TEXT

353 WORDS

95% MATCHING TEXT

353 WORDS

subordination of individual needs becomes necessary as organizational goals come prior to individual goals. The purpose of coordination is to attain the organizational interest. The importance of coordination need not be over emphasised. The primary task of management is to coordinate all the activities effectively. It is a creative force through which employees are encouraged to contribute to group goals voluntarily, willingly and enthusiastically. Coordination allows personal and social satisfaction among employees. 11.4 TYPES OF COORDINATION Depending upon the nature, coverage and flow, coordination may be divided into ? Internal and external coordination ? Vertical and horizontal coordination ? Procedural and substantive coordination 11.4.1 Internal and External Coordination Coordination between units of the same organization is termed as internal coordination. It summarises the activities of different units so as to make coordination in the organization more effective. Organizations are not free from the influence of external environment. External environment includes technology, competition, market forces, customers and government policies. External coordination tries to mesh all these forces to the advantage of an organization. 11.4.2 Vertical and Horizontal Coordination Coordination between different levels of hierarchy down the line is termed as vertical coordination. It ensures that all levels of people, from top to the bottom, work in harmony. It is greatly facilitated by a technique like delegation of authority to the lower levels of hierarchy. Coordination between people of the same cadre and between different departments at the same level is termed as horizontal coordination. 11.4.3 Procedural and Substantive Coordination Procedural coordination implies the generalised description of the behaviour and relationship of the members of the organization. On the other hand, substantive coordination is concerned with the content of organizational activities. 11.5 PRINCIPLES OF COORDINATION Mary Parker Follet has laid down the following four principles for effective coordination. These principles help every manager in discharging his functions. ? Early Start: The task of coordination becomes relatively easy if it starts at the planning stage. Free exchange of ideas helps in clearing doubts and removing misunderstandings. Hence, plans must be prepared in consultation

subordination of individual is a must as organizational goals are prior to individual goals. The purpose of coordination is to attain the organizational interest. The importance of coordination need not be over emphasised. The primary task of management is to coordinate all the activities effectively. It is a creative force through which employees are encouraged to contribute to group goals voluntarily, willingly and enthusiastically. Coordination allows personal and social satisfaction among employees. 9.4 TYPES OF COORDINATION Depending upon the nature, coverage and flow, coordination may be divided into • Internal and external coordination • Vertical and horizontal coordination • Procedural and substantive Internal and External Coordination Coordination between units of the same organization is termed as internal coordination. It summarises the activities of different units so as to make the coordination in the organization more effective. Organizations are not free from the influence of external environment. External environment includes technology, competition, market forces, customers and Government policies. External coordination tries to coordinate all these forces to the advantage of an organization. Vertical and Horizontal Coordination Coordination between different levels of hierarchy down the line is termed as vertical coordination. It ensures that all levels of people, from top to the bottom, work in harmony. It is greatly facilitated by a technique like delegation of authority to the lower levels of hierarchy. Coordination between people of the same cadre and between different departments at the same level is termed as horizontal coordination. Material Coordination: Concept, Need and Techniques NOTES Procedural and Substantive Coordination Procedural coordination implies the generalised description of the behaviour and relationship of the member of the organization. On the other hand, substantive coordination is concerned with the content of organizational activities. 9.5 PRINCIPLES OF COORDINATION Mary Parker Follet has laid down the following four principles for effective coordination. These principles help every manager in discharging his functions. • Early Start: The task of coordination becomes relatively easy if it starts at the planning stage. Free exchange of ideas helps in clearing doubts and removing misunderstanding. Hence, plans must be prepared in consultation

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204/234	SUBMITTED TEXT	41 WORDS	100% MATCHING TEXT	41 WORDS
<p>CHECK YOUR PROGRESS 1. What do you understand by the term 'Coordination'? 2. Coordination is the core of management. State whether the statement is True or False? 3. What is the difference between internal and external coordination? 186</p>		<p>Check Your Progress 1. What do you understand by the term 'Coordination'? 2. Coordination is the core of management. State whether the statement is True or False? 3. What is the difference between internal and external coordination? 4.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

205/234	SUBMITTED TEXT	191 WORDS	98% MATCHING TEXT	191 WORDS
<p>procedure are created for sorting out recurring problems. These rules are followed by the traditional and bureaucratic organizations: Traditional organizations could be advantageous by following the rules of coordination among various units of the organization. But, the traditional approach of coordination is inadequate to meet the requirements of a modern organization under a dynamic environment. More sophisticated methods have been developed by the researchers for the purpose of improving coordination. John Child suggested the following forms of coordination for improved functioning of the organizations. ? For understanding the business problems and offering solutions, direct contact between managers and employees facilitates greater coordination. ? While too much understanding is required between employees and departments, liaison officers can be appointed for better coordination. ? Special committees can be formed to deal with the recurring problems of inter departmental conflicts. ? In an organization, it is difficult to coordinate several divisions and activities in a systematic manner. To ease this problem, a coordinating department may be created within the organization on par with other departments to perform this special function. Matrix type of organization helps in developing effective coordination. In this type of</p>		<p>procedure are created for sorting out recurring problems. These rules are followed by the traditional and bureaucratic organization. Traditional organizations could be advantageous by following the rules of coordination among various units of the organization. But, the traditional approach of coordination is inadequate to meet the requirements of a modern organization under a dynamic environment. More sophisticated methods have been developed by the researchers for the purpose of improving coordination. John Child suggested the following forms of coordination for improved functioning of the organization. • For understanding the business problems and offering solutions, direct contact between managers and employees facilitates greater coordination. • While too much understanding is required between employees and departments, liaison officers can be appointed for better coordination. • Special committees can be formed to deal with the recurring problems of inter departmental conflicts. • In an organization, it is difficult to coordinate several divisions and activities in a systematic manner. To ease out this problem, a coordinating department may be created within the organization on par with other departments to perform this special function. Matrix type of organization helps in developing effective coordination. - In this type of</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

206/234	SUBMITTED TEXT	32 WORDS	100% MATCHING TEXT	32 WORDS
<p>organization, functions of some of the personnel may be integrated with the functions of other departments. It helps encourage effective understanding between various divisions or departments within the organization. This facilitates</p>		<p>organization, functions of some of the personnel may be integrated with the functions of other departments. It helps encourage effective understanding between various divisions or departments within the organization. This facilitates</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
207/234	SUBMITTED TEXT	25 WORDS	100% MATCHING TEXT	25 WORDS
<p>higher degree of coordination among the member units of an organization. Van de Ven has proposed three approaches for effective coordination. They are: ?</p>		<p>higher degree of coordination among the member units of an organization. Van de Ven has proposed three approaches for effective coordination. They are</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
208/234	SUBMITTED TEXT	41 WORDS	100% MATCHING TEXT	41 WORDS
<p>contingency basis. Here cooperation is assured between the needy units for the purpose of getting things done. In traditional organizations, coordination is achieved through standardisation and planning. In the usual methods of coordination, complicated system of rules and</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				

209/234	SUBMITTED TEXT	198 WORDS	97% MATCHING TEXT	198 WORDS
	<p>TECHNIQUES OF COORDINATION Following are the techniques of effective coordination: 11.6.1 Sound Planning The first important condition for effective coordination is unity of objective. Planning helps in achieving goals with the combined efforts. Sound planning sets clear-cut objectives, synchronised policies and unified procedures ensuring uniformity of action. 11.6.2 Simplified Organization The organization structure should be clearly defined from top authority level to bottom. Clearly defined authority and responsibility reduce conflicts within the organization. 11.6.3 Effective Communication Communication is the key to coordination. Open and regular communication helps in interchange of opinions and resolving differences between the management and employees. Thus, communication develops mutual understanding among the employees. 11.6.4 Effective Supervision Effective supervision helps in achieving coordination at the planning and execution stage. A good supervisor inspires his subordinates to strive for the common objective. Sound supervision persuades subordinates to have a common outlook towards the goal and resolves the differences of opinion. 11.6.5 Associated Departments For effective coordination contact between associated departments is necessary. For example, production, sales and marketing departments are interdependent. Therefore special coordinators should be appointed to officials the activities of different departments within the specified period of time. 11.7</p>		<p>Techniques of coordination Following are the techniques of effective coordination: 1. Sound planning : The first important condition for effective coordination is unity of objective. Planning helps in achieving goals with the combined effort. Sound planning sets clear-cut objectives, synchronized policies and unified procedures ensuring uniformity of action. 2. Simplified organization : The organization structure should be clearly defined from top authority level to bottom. Clearly defined authority and responsibility reduce conflicts within the organization. 3. Effective communication : Communication is the key to coordination. Open and regular communication helps in interchange of opinions and resolving differences between the management and employees. Thus, communication develops mutual understanding among the employees. 4. Effective supervision : Effective supervision helps in achieving coordination at the planning and execution stage. A good supervisor inspires his subordinates to strive for the common objective. Sound supervision persuades subordinates to have a common outlook towards the goal and resolves the differences of opinion. 5. Associated departments: For effective coordination contacts between associated departments is necessary. For example, production, sales and marketing departments are interdependent. Therefore special coordinators should be appointed to coordinate the activities of different departments within the specified period of time.</p>	
	<p>W http://alagappauniversity.ac.in/siteAdmin/dde-admin/uploads/1/PG_M.Com_Commerce%20(English)_310%20 ...</p>			

210/234	SUBMITTED TEXT	29 WORDS	100% MATCHING TEXT	29 WORDS
	<p>CHECK YOUR PROGRESS 4. Define the term 'Interdependence'? 5. What are the approaches for achieving effective coordination? 6. What are the techniques of coordination? 188</p>			
	<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>			

211/234	SUBMITTED TEXT	14 WORDS	100% MATCHING TEXT	14 WORDS
<p>management is dealing with group efforts but not with individual efforts. ?</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
212/234	SUBMITTED TEXT	33 WORDS	67% MATCHING TEXT	33 WORDS
<p>it represents the core of management; its purpose is to achieve the common objective; it is a continuous process; it does not arise spontaneously but is the result of concerted action. ?</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%201014% ...</p>		<p>It represents the core of management. ? The purpose of coordination is to achieve the common objective. ? Coordination is a continuous and an ongoing process. ? Coordination does not arise spontaneously or force. It is the result of concerted action.</p>		
213/234	SUBMITTED TEXT	27 WORDS	92% MATCHING TEXT	27 WORDS
<p>Depending upon the nature, coverage and flow, coordination may be divided into internal and external coordination; vertical and horizontal coordination; and procedural and substantive coordination. ?</p> <p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%201014% ...</p>		<p>Depending upon the nature, coverage and flow, coordination may be divided into three types. These are internal and external coordination, vertical and horizontal coordination, and procedural and substantive coordination. ?</p>		
214/234	SUBMITTED TEXT	124 WORDS	97% MATCHING TEXT	124 WORDS
<p>ANSWERS TO 'CHECK YOUR PROGRESS' 1. Coordination is a synchronisation of group efforts to achieve a common objective. According to E. F. L. Brech. 'Coordination is balancing and keeping together the team by ensuring suitable allocation of task to the various members and seeing that tasks are performed with due harmony among the members themselves.' 2. Coordination is the core of management, this statement is true as in all managerial functions, coordination is a must to achieve the common objective. 3. Coordination between units of the same organization is termed as internal coordination. It summarises the activities of different units so as to make the coordination in the organization more effective. External environment includes technology, competition, market forces, customers and government policy. External</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>ANSWERS TO 'CHECK YOUR PROGRESS' 1. Coordination is a synchronisation of group efforts to achieve a common objective. According to E. F. L. Brech, 'Coordination is balancing and keeping together the team by ensuring suitable allocation of tasks to the various members and seeing that tasks are performed with due harmony among the members themselves.' 2. Coordination is the core of management. This statement is true because in all managerial functions, coordination is a must to achieve the common objective. 3. Coordination between units of the same organization is termed as internal coordination. It summarizes the activities of different units so as to make the coordination in the organization more effective. External environment includes technology, competition, market forces, customers and government policy. External</p>		

215/234	SUBMITTED TEXT	56 WORDS	94% MATCHING TEXT	56 WORDS
	<p>advantage of an organization. 4. Coordination influences all functional activities of management. In a similar way, all other activities influence coordination. This is termed as inter- dependence. Interdependence is imperative for the success of any organization. 5. Following are the approaches for effective coordination: A. Integration through standardisation B. Plans and Schedules C. Mutual adjustments 6.</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>advantage of an organization. 4. Coordination influences all functional activities of management. In a similar way, all other activities influence coordination. This is termed as interdependence. 'Interdependence' is imperative for the success of any organization. 5. Following are the approaches for effective coordination: (a) Integration through standardisation (b) Plans and Schedules (c) Mutual adjustments</p>	
216/234	SUBMITTED TEXT	24 WORDS	92% MATCHING TEXT	24 WORDS
	<p>Following are the techniques for coordination: A. Sound planning B. Simplified organization C. Effective communication D. Effective supervision E. Associated departments 11.9</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>Following are the techniques of coordination: (a) Sound planning (b) Simplified organization (c) Effective communication (d) Effective supervision (e) Associated departments 7. (</p>	
217/234	SUBMITTED TEXT	88 WORDS	95% MATCHING TEXT	88 WORDS
	<p>AND QUESTIONS Short-Answer Questions 1. 'Coordination is the essence of management'. Do you agree? Give reasons. 2. Discuss the characteristics of coordination. 3. What are the types of coordination? 4. What should be the approach for effective coordination? Long-Answer Questions 1. Describe the importance of coordination. Discuss the techniques of achieving effective coordination. 2. Write short notes on the following: A. Types of Coordination B. Principles of Coordination C. Approaches to Coordination 190 Self-Instructional Material Coordination NOTES 11.10</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>AND EXERCISES Short-Answer Questions 1. 'Coordination is the essence of management'. Do you agree? Give reasons. 2. Discuss the characteristics of coordination. 3. What are the types of coordination? 4. What should be the approach for effective coordination? Long-Answer Questions 1. Describe the importance of coordination. Discuss the techniques of achieving effective coordination. 2. Write short notes on the following: (a) Types of Coordination (b) Principles of Coordination (c) Approaches to Coordination Self-Instructional Material 255 Controlling NOTES</p>	
218/234	SUBMITTED TEXT	10 WORDS	100% MATCHING TEXT	10 WORDS
	<p>Self-Instructional Material 191 Communication NOTES UNIT 12 COMMUNICATION Structure 12.0 Introduction 12.1 Unit Objectives 12.2</p> <p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>		<p>Self-Instructional Material 197 Communication NOTES UNIT 7 COMMUNICATION Structure 7.0 Introduction 7.1 Unit Objectives 7.2</p>	

219/234	SUBMITTED TEXT	19 WORDS	94% MATCHING TEXT	19 WORDS
<p>Means of Communication 12.4.1 Oral Communication 12.4.2 Written Communication 12.4.3 Non-verbal Communication 12.4.4 Communication Networks 12.4.5 Downward, Upward and Horizontal Communication 12.5 Effective Communication 12.5.1</p>		<p>Means of Communication 7.3.1 Oral Communication 7.3.2 Written Communication 7.3.3 Non-verbal Communication 7.3.4 Communication Networks 7.3.5 Downward, Upward and Horizontal Communication 7.4 Barriers to Effective Communication 7.4.1</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
220/234	SUBMITTED TEXT	21 WORDS	92% MATCHING TEXT	21 WORDS
<p>Barriers to Effective Communication 12.6.1 Noise Barriers 12.6.2 Interpersonal Barriers 12.6.3 Cultural Barriers 12.6.4 Sender Credibility 12.6.5 Emotions 12.6.6 Multi-meaning Words 12.6.7 Feedback Barriers 12.6.8 Other Communication Barriers 12.7</p>		<p>Barriers to Effective Communication 7.4.1 Noise Barriers 7.4.2 Interpersonal Barriers 7.4.3 Cultural Barriers 7.4.4 Sender Credibility 7.4.5 Emotions 7.4.6 Multi-meaning Words 7.4.7 Feedback Barriers 7.5 Overcoming Communication Barriers 7.5.1</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
221/234	SUBMITTED TEXT	11 WORDS	100% MATCHING TEXT	11 WORDS
<p>Organization 12.6 Summary 12.7 Answers to 'Check Your Progress' 12.8 Questions and Exercises 12.9</p>		<p>Organization 4.11 Summary 4.12 Answers to 'Check Your Progress' 4.13 Questions and Exercises</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				

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SUMMARY ? Effective and compassionate communication is the backbone of good inter-personal relationships as well as organizational survival and growth. It plays an important role in all walks of human life as well as in organizational life. It is through communication that the workers become aware of their own duties and responsibilities, and their feedback communicated correctly to the management enables the management to make objective assessments about the quality of operations at all levels of the organization. ? The communication model includes the sender of the communication who wants to transmit his ideas or needs to a predetermined receiver, the encoding of the message in the form that can be understood by the receiver, a suitable channel of communication and the assurance that proper action is taken on the intent of the communication by follow-up and feedback. ? The communication can either be oral or written. The oral communication is very convenient and the strength of the message can be judged by facial expressions, even though the message can be misunderstood because there is no written record of it for the purpose of verification. Written communication can seem authoritative and is very

SUMMARY • Effective and compassionate communication is the backbone of good inter- personal relationships as well as organizational survival and growth. It plays an important role in all walks of human life as well as in organizational life. It is through communication that the workers become aware of their own duties and responsibilities, and their feedback communicated correctly to the management enables the management to make objective assessments about the quality of operations at all levels of the organization. • The communication model includes the sender of the communication who wants to transmit his ideas or needs to a predetermined receiver, the encoding of the message in the form that can be understood by the receiver, a suitable channel of communication and the assurance that proper action is taken on the intent of the communication by follow-up and feedback. • The communication can either be oral or written. The oral communication is very convenient and the strength of the message can be judged by facial expressions, even though the message can be misunderstood because there is no written record of it for the purpose of verification. Written communication can seem authoritative and is very

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useful for long and statistical messages and it provides a permanent record of such communication. ? The pattern of communication would depend upon the type of organizational structure. For example, in a typical bureaucratic structure, the communication is from the top downwards and the feedback is from the bottom upwards. In a

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typical participative style of management, there is two-way communication at all levels of management. In addition to the formal communication networks, there is the informal communication network, also known as the 'grapevine' and is built around social interactions among members. Sometimes, the feelings of the workers are better communicated to the management via these informal channels. ? The communication can be downwards, filtered from the top management down to the workers through various hierarchical communication centres in between or it can be upwards from workers to the management through the same channels and is designed by the management to receive feedback from the operational levels. There is also the horizontal communication among the equals of different departments such as managers of production and marketing departments. In more participative styles of management, transactional communication is encouraged that is mutual and reciprocal so that each person is constantly sharing the necessary information with each other. ? In order for communication to be effective, the receiver must receive the communication as sent, no less, no more. However, communication can be blocked or diluted on the way due to a number of barriers that exist between the sender and the receiver of the communication. These could be noise barriers that include poor timing of communication, inappropriate channel, inadequate information, physical distractions such as telephone calls during face-to-face conversation, organizational structures where the channels of communication are not clearly established, too much information and so on. These barriers could also be interpersonal in nature that include semantic barriers or barriers because of different perceptions and cultural backgrounds, credibility of the sender of the communication, emotional state of the receiver at the time the message is received and so on. These barriers must be eliminated as much as possible so that the receiver clearly understands the content of the message and the intent of the sender. This means that the communication should be clear and unambiguous and the sender of the communication may even assist the receiver to make sure that the receiver understands exactly what is expected of him. 12.7 ANSWERS TO 'CHECK YOUR PROGRESS' 1. The objectives of communication are: ? To develop understanding among all workers and this is necessary for group effort. ? To foster any attitude that is necessary for motivation, cooperation and job satisfaction. ? To discourage the

typical participative style of management, there is two-way communication at all levels of management. In addition to the formal communication networks, there is the informal communication network, also known as the 'grapevine' and is built around social interactions among members. Sometimes, the feelings of the workers are better communicated to the management via these informal channels. • The communication can be downwards, filtered from the top management down to the workers through various hierarchical communication centres in between or it can be upwards from workers to the management through the same channels and is designed by the management to receive feedback from the operational levels. There is also the horizontal communication among the equals of different departments such as managers of production and marketing departments. In more participative styles of management, transactional communication is encouraged that is mutual and reciprocal so that each person is constantly sharing the necessary information with each other. • In order for communication to be effective, the receiver must receive the communication as sent, no less, no more. However, communication can be blocked or diluted on the way due to a number of barriers that exist between the sender and the receiver of the communication. These could be noise barriers that include poor timing of communication, inappropriate channel, inadequate information, physical distractions such as telephone calls during face-to-face conversation, organizational structures where the channels of communication are not clearly established, too much information and so on. These barriers could also be interpersonal in nature that include semantic barriers or barriers because of different perceptions and cultural backgrounds, credibility of the sender of the communication, emotional state of the receiver at the time the message is received and so on. These barriers must be eliminated as much as possible so that the receiver clearly understands the content of the message and the intent of the sender. This means that the communication should be clear and unambiguous and the sender of the communication may even assist the receiver to make sure that the receiver understands exactly what is expected of him. 7.7 ANSWERS TO 'CHECK YOUR PROGRESS' 1. The objectives of communication are: • To develop understanding among all workers and this is necessary for group effort. • To foster any attitude that is necessary for motivation, cooperation and job satisfaction. • To discourage the

spread of misinformation, ambiguity and rumours that can cause conflict and tension. ? To prepare workers for a change in methods of environment by giving them necessary information in advance. ? To encourage subordinates to supply ideas and suggestions for improving upon the product or work environment and taking these suggestions seriously. ? To improve labour-management relations by keeping the communication channels open and accessible. 2. The most prevalent form of organizational communication is oral. It is also known as face-to-face communication and may be in the form of direct talk and

spread of misinformation, ambiguity and rumours that can cause conflict and tension. • To prepare workers for a change in methods of environment by giving them necessary information in advance. • To encourage subordinates to supply ideas and suggestions for improving upon the product or work environment and taking these suggestions seriously. • To improve labour-management relations by keeping the communication channels open and accessible. The most prevalent form of organizational communication is oral. It is also known as face-to-face communication and may be in the form of direct talk and

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conversation between the speakers and the listeners when they are physically present at one place or through telephone or intercom system conversation. Where one-way communication is required, then oral communication may include public address system. Informal rumour mills or grapevines are also popular forms of oral communication. It is most effective for leaders to address the followers via public address system or audio-visual media. However, written communication is put in writing and is generally in the form of instructions, letters, memos, formal reports, rules and regulations, policy manuals, and information bulletins. These areas have to be covered in writing for efficient functioning of the organization. It is most effective when it is required to communicate information that requires action in the future and also in situations where communication is that of general informational nature. 3. (i) It is a direct, simple, time saving and least expensive form of communication. (ii) It allows for feedback and spontaneous thinking, so that if the receiver is unsure of the message, rapid feedback allows for early detection by the sender so that corrections can be immediately made. (iii) Because the message is conveyed instantaneously, it helps in avoiding delays, red tape and other formalities. (iv) It conveys a personal warmth and friendliness and it develops a sense of belonging because of these personalised contacts. 4. (i) It reduces the likelihood of misunderstanding and misinterpretation. This is because, generally, people are more careful with the written word than they are with the spoken word. Thus, the written communication is more likely to be well considered, logical and clear. And the message can be checked for accuracy before it is transmitted. (ii) It can save time when many persons must be contacted at the same time. (iii) It is more reliable for transmitting lengthy statistical data. (iv) It appears formal and authoritative for action. 5. Noise barriers, Interpersonal barriers, Cultural barriers, Feedback barriers. 6.

conversation between the speakers and the listeners when they are physically present at one place or through telephone or intercom system conversation. Where one-way communication is required, then oral communication may include public address system. Informal rumour mills or grapevines are also popular forms of oral communication. It is most effective for leaders to address the followers via public address system or audio-visual media. However, written communication is put in writing and is generally in the form of instructions, letters, memos, formal reports, rules and regulations, policy manuals, and information bulletins. These areas have to be covered in writing for efficient functioning of the organization. It is most effective when it is required to communicate information that requires action in the future and also in situations where communication is that of general informational nature. 3. The following are advantages of oral communication: (i) is a direct, simple, time saving and least expensive form of communication. (ii) It allows for feedback and spontaneous thinking, so that if the receiver is unsure of the message, rapid feedback allows for early detection by the sender so that corrections can be immediately made. (iii) Because the message is conveyed instantaneously, it helps in avoiding delays, red tape and other formalities. (iv) It conveys a personal warmth and friendliness and it develops a sense of belonging because of these personalised contacts. 4. Written communication has following advantages: (It reduces the likelihood of misunderstanding and misinterpretation. This is because, generally, people are more careful with the written word than they are with the spoken word. Thus, the written communication is more likely to be well considered, logical and clear. And the message can be checked for accuracy before it is transmitted. (ii) It can save time when many persons must be contacted at the same time. (iii) It is more reliable for transmitting lengthy statistical data. (iv) It appears formal and authoritative for action. 5. The barriers to communication could Noise barriers, Interpersonal barriers, Cultural barriers, Feedback barriers. 6. (

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226/234	SUBMITTED TEXT	39 WORDS	100% MATCHING TEXT	39 WORDS
<p>Downward communication moves from top to the bottom, i.e. from the CEO downwards. It travels through senior executives to junior level functionaries, from the controlling office to the branch, from the head of the division to the head of the unit. 7.</p>		<p>Downward communication moves from top to the bottom, i.e., from the CEO downwards. It travels through senior executives to junior-level functionaries, from the controlling office to the branch, from the head of the division to the head of the unit.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
227/234	SUBMITTED TEXT	28 WORDS	100% MATCHING TEXT	28 WORDS
<p>Lateral communication generally takes place in an organization and is neither upward nor downward. It proceeds in a horizontal manner and takes place among equals and at peer level. 12.8</p>		<p>Lateral communication generally takes place in an organization and is neither upward nor downward. It proceeds in a horizontal manner and takes place among equals and at peer level.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%20104% ...</p>				
228/234	SUBMITTED TEXT	30 WORDS	100% MATCHING TEXT	30 WORDS
<p>orderly arrangement of group efforts for the purpose of accomplishment of objectives. It is the basic responsibility of every manager. It is a continuous process. The problem of coordination</p>				
<p>SA MBA -MANAGEMENT PROCESS AND BUSINESS MODELS.pdf (D147662457)</p>				
229/234	SUBMITTED TEXT	30 WORDS	98% MATCHING TEXT	30 WORDS
<p>QUESTIONS AND EXERCISES Short-Answer Questions 1. What are the major advantages of oral communication? 2. What are major disadvantages of written communication? 3. How important is non-verbal communication in conveying ideas and instructions? 4.</p>		<p>QUESTIONS AND EXERCISES Short-Answer Questions 1. What are the major advantages of oral communication? 2. What are the major disadvantages of written communication? 3. How important is non-verbal communication in conveying ideas and instructions?</p>		
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230/234	SUBMITTED TEXT	39 WORDS	100% MATCHING TEXT	39 WORDS
<p>What are the various guidelines for effective communication? Long-Answer Questions 1. 'Communication is considered to be the most important and most effective ingredient of the management process.' If you agree with this statement, give reasons and examples to support your belief. 224</p>		<p>What are the various guidelines for effective communication? Long-Answer Questions 1. 'Communication is considered to be the most important and most effective ingredient of the management process.' If you agree with this statement, give reasons and examples to support your belief. 2.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
231/234	SUBMITTED TEXT	51 WORDS	100% MATCHING TEXT	51 WORDS
<p>Describe in detail the communication process model and explain the steps of encoding and decoding in this process. 3. Explain in detail the various types of communication networks. Which of these is more effective and why? 4. How important is the informal communication network in the efficient and effective operations of the organization? Give examples. 5.</p>		<p>Describe in detail the communication process model and explain the steps of encoding and decoding in this process. 3. Explain in detail the various types of communication networks. Which of these is more effective and why? 4. How important is the informal communication network in the efficient and effective operations of the organization? Give examples. 5.</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
232/234	SUBMITTED TEXT	19 WORDS	83% MATCHING TEXT	19 WORDS
<p>Differentiate between upwards, downwards and transactional communication. 6. Explain in detail the various noise barriers to effective communication. 7. What</p>		<p>Differentiate between upward, downward and transactional communication. 5. Explain in detail the various noise barriers to effective communication. 6. What</p>		
<p>W https://vou.ac.in/slm/bba/BBA-202-%20Principle%20&%20Practice%20of%20Management.pdf</p>				
233/234	SUBMITTED TEXT	12 WORDS	83% MATCHING TEXT	12 WORDS
<p>FURTHER READING Chandan J. S., Management Concepts and Strategies; Vikas Publishing House</p>		<p>FURTHER READINGS Chandan, J.S. 2007. Management: Concepts and Strategies. Noida: Vikas Publishing House.</p>		
<p>W http://162.241.27.72/siteAdmin/dde-admin/uploads/2/UG_B.B.A_General%20(English)_B_B_A_%20-%2010104% ...</p>				
234/234	SUBMITTED TEXT	26 WORDS	80% MATCHING TEXT	26 WORDS
<p>Drucker, Peter F., The Practice of Management, Harper & Row, 1954, p. 346. 5. Barnard Chester I., The Functions of the Executive, Harvard University Press, 1938,</p>		<p>346E1110-Principles of Mgt-(178-179-478-347-348-349-542).pdf (D165442829)</p>		
<p>SA 346E1110-Principles of Mgt-(178-179-478-347-348-349-542).pdf (D165442829)</p>				

