SYLLABUS
Class – B.Com II Year (All)
Subject: Principles of Management

UNIT – I	Management: Concept/meaning, Definition, Nature Functions, Process, Scope and Importance of Management. Role of Vedic values and ethics in Management, Difference between Management and Administration, Evolution of Management though Early contributions: Taylor and Scientific Management, Fayol's Administrative Management, Bureaucracy, Human Relations, and Modern Approach, Managerial Ethics.
UNIT – II	Planning - Meaning, Nature, Scope, Objective, Functions and Significance of Planning, Elements and Steps of Planning, Strategies and Policies, Origination - Meaning, Definition, Types, Scope, Principles, Line and Staff Relationship, Authority, Delegation and Decentralization. Effective Organizing, Organizational Structures, Staffing Decision - Meaning, Definition, Types, Scope, Principles, decision making.
UNIT – III	Direction and Coordination - Meaning and definition of direction, importance and principles of direction, techniques of direction, meaning of supervision, meaning of coordination, elements and features of coordination, importance of coordination, cooperation and coordination. Steps for effective coordination, management of conflicts.
UNIT – IV	Motivation and Leadership - Motivation: Concept, Forms of employee motivation, Need for motivation. Theories of motivation Meaning and Functions of a Leader, Characteristics of effective Leadership, types and theories of leadership and Leadership Styles.
UNIT – V	5. Controlling - Definition, meaning, elements, Importance, Controlling procedure, Types of control, control techniques, requirements of good control system. Responsibility accounting PERT and CPM, use of Computers and IT in Management control.
UNIT – VI	Emerging trends in management - Basic concept of-Total Quality Management, Crisis Management, Global Practices, Change Management, Logistic Management

UNIT-I
INTRODUCTION

Management is essential for all organizations big or small, profit or non-profit, services or manufacturing. Management is necessary so that individuals make their best contribution towards group objectives. If consists of a series of interrelated functions that are performed by all managers.

According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals can co-operate towards attainment of group goals". According to F.W. Taylor, "Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way".

DEFINITION: In the words of Henry Fayol: "Management is defined as, to manage is to forecast, to plan, to organize, to command, to coordinate and to control."

Koontz O'Donnell: Management is the task of manager to establish and maintain internal environment in which people working together in groups can perform effectively towards the attainment of group goals.

In short management may be defined as the agency that provides leadership, guidance, and control for the achievement of the objective set by administration.

NATURE OF MANAGEMENT: Management as Science- Science is a systematic body of knowledge pertaining to a specific field of study that contains general facts which explains a phenomenon. Since the principles of management are not as exact as the principles of science their application and use is not universal. They have to be modified according to on given situation.

Management as an Art- Art implies application of knowledge & skill to trying about desired results. An art may be defined as personalized application of general theoretical principles for achieving best possible results. Art has the following characters –
Practical Knowledge
Personal Skill
Creativity
Perfection through practice
Goal-Oriented

Management as a Profession- A profession may be defined as an occupation that requires specialized knowledge and intensive academic preparations to which entry is regulated by a representative body. The practice of management is an art. However, managers can work better if their practice is based on the principles of management. These principles constitute the science of management. Management as an art and a science are therefore not mutually exclusive, but complement each other.

The essentials of a profession are:
Specialized Knowledge
Formal Education & Training
Social Obligations
Code of Conduct
Representative Association

FEATURES OF MANAGEMENT- Management is an activity concerned with guiding human and physical resources such that organizational goals can be achieved. Nature of management can be highlighted as: -
Management is Goal-Oriented
Management integrates Human, Physical and Financial Resources
Management is Continuous.
Management is all Pervasive.
Management is a Group Activity.
Management is the art of getting things done through and with people.
Management is primarily direction.

Management is the development of people: It is the selection, the training the supervision and the development of people.

By American Corporation "We do not build automobiles, refrigerators, shoestring; we build men. The men build products.

The two important elements which make up the art of management are:

(A) Human Resources	(B) Physical Resources
(a) Personnel Admission	(a) Finance or Money
(b) Training	(b) Raw Materials
(c) Development of Human Environment	(c) Buildings
(d) Development of natural talent of the people.	(d) Machinery or Plant
(e) Development of Human personality.	(e) Other Equipments

IMPORTANCE OF MANAGEMENT - Management is a must for every enterprise. The existence of management ensures proper functioning and running of an enterprise. Management can plan the activities to achieve the objectives and utilize the available resources at minimum cost. Every business needs a direction. This direction is given by the management. The resources of production are converted into production. The resources will remain as resources in the absence of management. The conversion process is performed through the coordination of management. The significance or importance of management is briefly explained below:

Management meets the challenge of change: In the modern business world, there are frequent changes. The changes place the business in a dangerous position. Only an efficient management can save the business from the dangers brought in by the challenges.

Accomplishment of group goals: The achievement of objectives of a business depends upon three factors. The proper planning of available resources, adjusting possibility of business unit with existing business environment and the quality of decision taken and control made by the business unit are the factors responsible for achieving objectives.

Effective utilization of business: There are eight M"s in the business. These are said to be man, money, materials, machines, methods, motivation, market and management. Management is the topmost of all other „Ms". Management has control over other remaining „Ms".

Effective functioning of business: Ability, experience, mutual understanding, co-ordination, motivation and supervision are some of the factors responsible for the effective functioning of business. Management makes sure that the abilities of workers are properly used and co-operation is obtained with the help of mutual understanding. Besides, management can know the expectation of workers and the expectation is fulfilled through motivation techniques.

Resource development: Efficient management is the life boat of any developed business. The resources of the business may be identified and developed by the management. The term „resources" includes men, money, material and machines.

Sound organization structure: Management lays down the foundation for sound organization structure. Sound organization structure clearly defines the authority and responsibility relationship- who is responsible to whom, who will command whom and who is responsible for what. Care is taken in appointing qualified persons to the right job by the management.

Management directs the organization: The human mind directs and controls the functioning of human body. Similarly, the management directs and controls the functioning of an organization.

Integrates various interests: Each person has his own interests these interests are different in nature. Management takes steps to integrate various interests to achieve the objectives of an organization.

Stability: The fluctuations of business are stabilized by the management. The fluctuations of business are caused by the changing policy of the government, pressures on the part of competitors and changing preference of customers. The efficient management can run the business as per the policy framed y the government, face the competitors in the market and produce the articles as per the preference of customers.

Innovation: New ideas are developed by the management and implements in the organization. Better performance is achieved through new ideas.

Co-ordination and Team-spirit: All the activities of business are grouped department-wise. Management co-ordinates the activities of different departments and establishes team-spirit to achieve the objectives.

Tackling problems: Good Management acts as a friend or a guide of workers while tackling problems. When workers get over confidence of solving the problems for effective performance of a job, they fail in tackling the problems efficiently.

A tool for personality development: Management gives direction to workers for effective performance of a job. Besides, new methods or techniques are taught to workers. The training facilities are arranged by the management. In this way, management is a tool to develop the personality of workers to raise their efficiency and productivity ability.

FUNCTIONS OF MANAGEMENT - Management functions are the activities that a manager must perform as a result of the position held in the organization. The best way to analyse the management process is in terms of what a manager does. Generally the basic functions of management are: planning, organizing, staffing, directing and controlling. As managing is a dynamic and challenging activity, it includes three kinds of functions and tasks which are common to all managerial jobs. The list of management functions can be presented as follows:

	I. Main Functions		II. Subsidiary Functions
1.	Planning	1.	Communication
2.	Organizing	2.	Decision Making
3.	Staffing	3.	Innovation

Directing
Co-ordination
Motivation
Controlling
BASIC FUNCTIONS

Planning: Planning is one of the most important functions because it sets the pattern for the other activities to follow. Planning function for the new era is more broadly described as delivering strategic value. It is a primary and crucial function which determines how to achieve an objective-deciding what is to be done and when to do it. It is looking ahead and preparing for the future.
Planning emphasizes the fact that if one knows where he is going, he is more likely to get there. Good managers endeavour to draft a plan which will make things happen in the desired way. This is also stressed by the saying "Good manager make things happen, things do not just happen to them."

Organizing
Organizing is the process by which the structure and allocation of jobs are determined. To organize a business is to provide it with everything useful to its functioning. The whole process of forming groups and allocating jobs is organization.
Organizing as a process involves:
Identification of activities.
Classification of grouping of activities.
Assignment of duties.
Delegation of authority and creation of responsibility.
Coordinating authority and responsibility relationships.

Staffing:- is concerned with ensuring that the right type of personnel is available to undertake and execute the varied activities required to attend the planned objectives of the organization. Staffing is the process of planning, recruiting, developing, compensating and maintaining human resources in an organization. In staffing, a manager recruits and selects suitable personnel for manning the jobs.

Staffing involves: Manpower Planning (estimating man power in terms of searching, choose the person and giving

the right place).
Recruitment, selection & placement. ☐
Training & development.
Remuneration.
Performance appraisal. ☐
Promotions & transfer.

Directing:- is that part of the management process which activates the organization members to work efficiently and effectively for the attainment of organizational objectives. The fourth basic function of management is directing. This is also termed leading or actuating. While planning tells us what to do and organizing tells us how to do it, directing tells us why the employees should want to do it. Directing is concerned with guiding and leading people. It consists of supervising and motivating the subordinates towards the achievement of set goals.

Communication :- Exchanging ideas and information in order to create mutual understanding.

Command- Issuing orders and instructions to subordinates.

Motivation - Inspiring employees to work with zeal.

Leadership - Influencing people

Supervision - overseeing of subordinates at workplace with a view to guide and regulate their efforts.

Controlling - is evaluating the performance and applying corrective measures so that the performance takes place according to plans.

Co-ordination - It may be defined as the synchronizing of effort from the stand point of time and the sequence of execution. Co-ordination leads to the completion of the production and other functions as per planned schedules.

Motivation - It is psychological technique of executing the plans and policies through the effort of others. It is through motivation that the manager inspires the subordinates to do what he wants them to do.

Controlling - Breach defines control as "the process of checking actual performance against the agreed standards or plans with a view to ensuring adequate progress or satisfactory performance." Controlling is evaluating the performance and applying corrective measures so that the performance takes place according to plans. It is reviewing the performance of the employees in the light of the targets and goals.
Establishment of standard performance.
Measurement of actual performance.
Comparison of actual performance with the standards and finding out deviation if any.
Corrective action.

SUBSIDIARY FUNCTIONS - Communication: In business management ideas, objectives, instructions, suggestions etc. have to be exchanged among the managerial staff for the purpose of planning, executing or operating the business policies.
Decision Making: Decision making is the process by which a course of action is consciously chosen from available alternatives. Decision making is inherent in every managerial function.

Innovation: Innovation means developing new ideas, new products, new quality or devising new methods of work. In other words, the real manger is always an innovator. Innovation is the specific function of entrepreneurial managers, the means by which they exploit change as an opportunity.

PROCESS OF MANAGEMENT- According to Stoner, Freeman and Gilbert, "a process is a systematic way of doing things." In simple words, it is a step-by-step sequence. We refer to management as „process" to emphasize that all managers engage in certain interrelated activities in order to achieve their desired goals. David Hampton says, "management is a common set of processes which, when competently carried out, contribute to organizational effectiveness and efficiency. The basic parts of this process are planning, organizing, leading, and controlling."

CHARACTERISTICS

- The main characteristics of management process are as follows:
- Carried out by Managers
- Consists of Functions
- Parts
- Logical Flow of Activities
- Integrated Process
- Performed at all Levels
- Interactive Process
- Social Process
- Dynamic Process
- Operational
- Goal-Oriented
- Universal
- Influencing Process
- Continuous Process

PRINCIPLES OF MANAGEMENT- According to Koontz and O'Donnell „Principles are fundamental truths which are believed to be truths at a given time, expressing relationship between two or more its of variables." Management principles increase managerial efficiency, crystallize the nature of management, encourage research and help in attaining the social objectives.

Following are the important principles of Management - Principle of Objective: Knootz & O"Donnell suggest that "The organisation as a whole and every part of it must contribute to the attainment of enterprise objectives."

Principles of Planning: Planning is an important element for good management. Policies, programmes etc must be prepared to execute them properly.

Principles of Span of Control: Span of control means the number of subordinates under the direct supervision of a superior. The number of persons to be supervised depends upon the nature and type of work, ability of the supervisor etc.

Principle of Balance: This principle states that different parts or units of an organisation should be in balance. Principle of Coordination: Human efforts and other resources should be coordinated in order to achieve organisation goals effectively.

Principle of Exception: Superior should not interfere in the routine work of his subordinates so long as they do their work according to the plans & within the scope of their authority.

Principle of Participation: Managers must encourage participation of their subordinates in taking decisions on matters directly offering them.

Management V/S Administration - Management and Administration – "Administration means overall determination of policies, setting of major objectives, the identification of general purposes and laying down of broad programmes and projects". It refers to the activities of higher level. It lays down basic principles of the enterprise. According to Newman, "Administration means guidance, leadership & control of the efforts of the groups towards some common goals".

Whereas, management involves conceiving, initiating and bringing together the various elements; coordinating, actuating, integrating the diverse organizational components while sustaining the viability of the organization towards some pre-determined goals. In other words, it is an art of getting things done through & with the people in formally organized groups.

The difference between Management and Administration can be summarized under 2 categories–
Functions
Usage/Applicability

On the Basis of Functions:-

Basis	Management	Administration
Meaning	Management is an art of getting things dones through others by directing their efforts towards achievement of pre-determined goals.	It is concerned with formulation of broad objectives, plans & policies.
Nature	Management is an executing function.	Administration is a decision-making & when it is to be done.
Process	Management decides who should as it & how should he not it.	Administration decides what is to be done & when it is to be done.
Function	Management is a doing function because managers get work done under their supervision.	Administration is a thinking function because plans & policies are determined under it.
Skills	Technical and Human skills	Conceptual and Human skills
Level	Middle & lower level function.	Top level function

On the Basis of Usage:-

Basis	Management	Administration
Applicability	It is applicable to business concerns i.e. profit-making organization.	It is applicable to non-business concerns i.e. clubs, schools, hospitals etc.
Influence	The management decisions are influenced by the values, opinions, beliefs & decisions of the managers.	The administration is influenced by public opinion, govt. policies, religious organizations, customs etc.
Status	Management constitutes the employees of the organization who are paid remuneration (in the form of salaries & wages.)	Administration represents owners of the enterprise who earn return on their capital invested & profits in the form of dividend.

Practically, there is no difference between management & administration. Every manager is concerned with both – administrative management function and operative management function as Shown in the figure. However, the managers who are higher up in the hierarchy denote more time on administrative function & the lower level devote more time on directing and controlling worker''s performance.

ROLE OF VEDIC VALUES & ETHICS IN MANAGEMENT

1. Introduction

Management is not only about planning, organizing, and controlling resources — it is also about leading people with integrity, wisdom, and responsibility. Ancient Indian scriptures such as the Bhagavad Gita, Vedas, Upanishads, Ramayana, and Mahabharata provide deep insights into ethical leadership, duty, discipline, decision-making, and human behavior.

Vedic philosophy emphasizes:
- Righteous conduct (Dharma)
- Selfless action (Karma Yoga)
- Moral responsibility

•   Social welfare
•   Self-control and discipline

These principles are extremely relevant to modern management practices.

2. Concept of Vedic Management

Vedic management is the application of ancient Indian spiritual and ethical principles in managing organizations, people, and resources.

Unlike Western management, which often focuses on profit maximization, Vedic management focuses on:
•   Balance between material success and moral values
•   Inner development of leaders
•   Social harmony
•   Long-term sustainability

3. Core Vedic Values in Management

(1) Dharma – Righteousness and Ethical Duty

Dharma means performing one's duty honestly and ethically.

In management:
•   Managers must make fair and just decisions.
•   No discrimination or exploitation.
•   Transparency in operations.
•   Respect for stakeholders.

A manager guided by Dharma ensures:
•   Organizational integrity
•   Fair treatment of employees
•   Social responsibility

(2) Karma – Focus on Action

The Bhagavad Gita emphasizes "Karmanye Vadhikaraste Ma Phaleshu Kadachana"
(You have the right to perform your duty, but not to the fruits of action.)

In management:
•   Focus on performance, not just results.
•   Avoid anxiety about outcomes.
•   Encourage dedication and commitment.

This creates:
•   Stress-free working environment
•   Improved productivity
•   Higher employee motivation

(3) Nishkama Karma – Selfless Service

This means performing duties without selfish motives.

Application in management:
•   Leaders work for organizational growth, not personal gain.
•   Avoid corruption and favoritism.
•   Promote collective welfare.

Such leaders build:
- Trust
- Loyalty
- Long-term credibility

(4) Satya – Truthfulness

Truth is a fundamental Vedic value.

In management:
- Honest communication
- Accurate financial reporting
- Ethical marketing
- Transparent policies

Truthfulness enhances:
- Corporate reputation
- Stakeholder confidence
- Brand loyalty

(5) Ahimsa – Non-Violence

Ahimsa promotes respect and compassion.

In organizational context:
- Avoid harassment and exploitation.
- Promote mental well-being.
- Encourage respectful communication.

It leads to:
- Healthy work culture
- Reduced conflicts
- Emotional security

(6) Self-Control and Discipline (Tapasya)

Vedic teachings emphasize discipline and self-regulation.
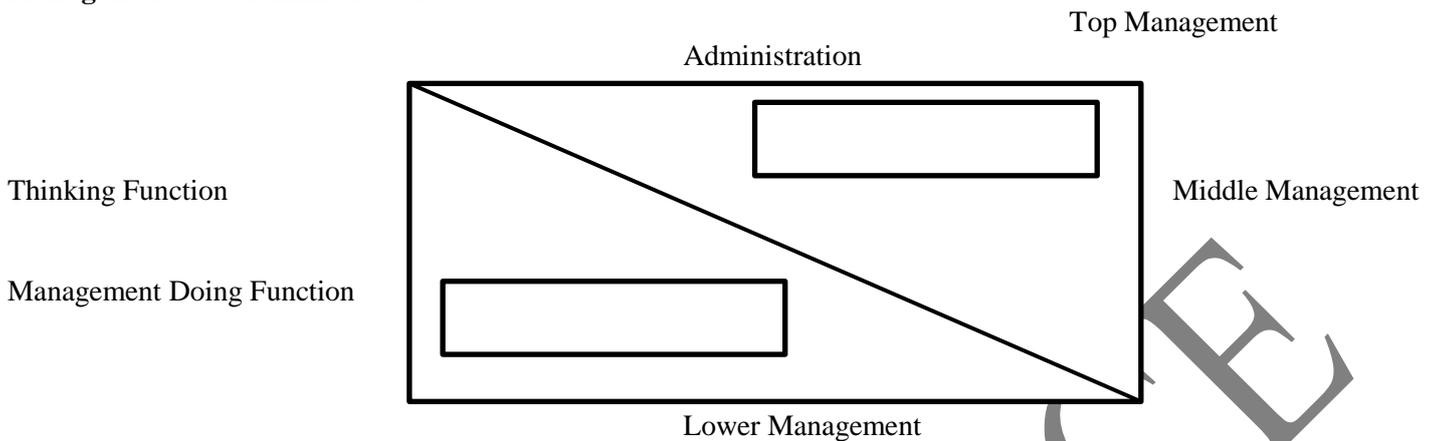
For managers:
- Control over anger and ego.
- Rational decision-making.
- Emotional intelligence.

Disciplined leaders:
- Inspire employees
- Maintain organizational stability

Management V/S Administration

Top Management

Administration

Thinking Function   Middle Management

Management Doing Function

Lower Management

There has been a sharp division of opinion, disagreement and terminological conflict about the use of the two terms management and administration. Some experts assert that and some consider them as two separate functions. There are different views regarding management and administration which are as follows.

Administration is above Managements: the American thinkers like allover Sheldon, William, Spiegel, Haimann view that administration is a higher level activity and involves thinking function while management is lower level activity and is doing/executing function.

Administration is part of Management: British school of management considers management as wider term including administration and organisation. This view says that administration is a subordinate function to overall management function.

Management and Administration are Synonymous: authors like Henry Feyol, George Terry Treat Management and administrations as same concept. They believe that both the terms can be used interchangeably.

EVOLUTION OF MANAGEMENT THOUGHTS

Application of management knowledge is as old as human civilization but development of management thought and theory is relatively of recent origin. Management thoughts may be placed under three main categories which are discussed below:-

Classical or Traditional Management Approach: Classical or Traditional Management Approach includes the following.

(a) Scientific Management: - This theory was propounded by sir F.W. Taylor Sir Taylor has expressed the basic philosophy of scientific management in the following terms :-

- (I) Science, not rule of thumb
- (II) Harmony, not discord
- (III) Cooperation, not individualism
- (IV) Maximum, not restricted output
- (V) Development of each employee to his greatest efficiency and prosperity.

Sir Taylor based on his experience at the shop floor, developed guide lines to the practice of management which are as under –

- (i) Scientific study and planning of work –
  The work to be assigned to and performed by workers should be studied, analysed and planned as to determine a day's fair work for each worker.
- (ii) Scientific selection, placement and training: - Employees selection should be made by using scientific methods, instead of relying on intuition and judgment of the foremen.
- (iii) Standardization: - Standard quality tools and equipments, raw material used and physical working conditions should be provided to the workers.
- (iv) Division of responsibility between management and workers: - Planning of work should be a responsibility of managers whereas role of workers should be confined to implementation of these plans.
- (v) Functional Foremanship: - According to Sir Taylor, instead of having one foreman, there should be eight supervisors to guide and command the activities or workers.
- (vi) Mental Revolution: - In order to get desired results of scientific management, outlook, behaviour and attribute of the workers as well as management should be changed.
- (vii) Wage incentives:- The worker producing more should be given higher wages according to differential piece rate plan.

Administrative theory of Management/Management process school:-

This theory was given by Sir Henri Fayol. He wrote a monograph titled as „General and Industrial Management" published in 1916. It is in four parts which are discussed below:-

First part of monograph deals with classification of business activities as:-

- Technical activities (manufacturing and production)
- Commercial activities (buying, selling and exchange)
- Financial activities (raising and optimum use of capital)
- Accounting activities (recording, costing and statistics)
- Managerial activities (POSDCORB)
- Security activities (Protection of persons & property)

Second part of the monograph contained basic managerial functions viz:-

- Planning and forecasting.
- Organising
- Commanding
- Co-ordinating
- Controlling

Third part consists of Fayols 14 principles of management viz :-

- Division of work
- Authority and responsibility
- Discipline
- Unity of command
- Unity of direction
- Subordination of individual"s interest to interest of organization
- Remuneration
- Centralisation
- Scalar chain
- Order
- Equity
- Stability of tenure of personnel
- Initiative
- Espirit-de-corps

The fourth part of monograph deals with managerial qualities which should be possessed by managers. These are:-

- Physical qualities (health, vigour, personality)
- Mental ability (ability to understand & learn, make decisions etc)
- Moral education (loyalty, dignity, ethical values etc)
- Special knowledge
- General education
- Experience (knowledge arising out of practice)

Bureaucratic Organization:-

This model developed by sir Max Weber is based on the following characteristics:-

(i) Division of labour:-
It implies to divide and assign activities to various employees on the basis of their skills, abilities and aptitude.

(ii) Hierarchy of authority: - All employees are attached to each other in the relationship of authority.

(iii) Rigidity in compliance with proecedures and frame work of rules without any deviation.

(iv) Impersonality :-
In a bureaucratic organization, there is no place of emotions, sentiments and personal attachment.

(v) Technical competence: - People ought to be hired and promoted on the basis of what they know about job.

2. **Behavioural or Neo-Classical Approach: -** Neo-Classical approach included Human relation approached behavioural sciences approach.

   (a) Human relation Approach :- It is based on the following factors –
   - **(i)** Human organization was considered as psycho-social system.
   - **(ii)** Apart from economic needs, the employees have other social and psychological needs such as dignity, recognition, appreciation etc.
   - **(iii)** Regarding human nature, highly optimistic assumptions were made about workers such as they want to work, assume responsibility provided they are given an opportunity.
   - **(iv)** There should be no conflicts or clashes in organization and at all if it arises, it must be removed completely.
   - **(v)** As to secure maximum contribution the manager should get along with employees and workers.
   - **(vi)** In order to inotivate individual employee his motivating desire should be ascertained in terms or his emotions beliefs, attitudes and habits.
   - **(vii)** Sense of belongingness should be created among employees by giving them more importance and getting them involved in decision-making.

(b) Behavioural Science Approach: This approach also known as „Organizational Behaviour Approach". Advocates of behavioral Science strongly believe that organisation is socio-technical system which consists of individuals and their interpersonal and social relationship with each other on one hand and on the other various techniques methods and procedures used by them for performing several jobs assigned to them.

This approach highlights that individual goals and interests of employees can be integrated with organizational goals as to avoid conflict and clash between them.

According to this approach conflict and co-operation co-exist in organization.

Behavioural scientists recognize individual differences in terms of their personality. Goals, beliefs, values and perceptions

Behavioural approach also assumes that people are the key to productivity.

Modern Approach to Management: Modern approach includes the following three approaches

(a) Quantitative Approach: - This approach also known as „management science approach" has been developed during 1950. It is based on the approach of scientific management. It offers systematic and scientific analysis and solution to the problems faced by managers. The quantitative approach aims at achieving high degree of precision, perfection and objectivity by encouraging the use of mathematical and statistical tools for solving complex problems.

(b) System Approach: - System approach of management represents new thinking and latest developments related to organisation and management. It was developed after 1950 emphasizing interdependence and interrelationship among various activates or organization. The term system may be defined as a set of interrelated and interacting components assembled in in a particular sequence as to produce some results, these components may also be viewed as sub-systems of larger system. It is only through these sub-systems the larger system operates, thus larger system can be view as a whole entity or totality.

(c) Contingency Approach: - The theme behind contingency approach is that there is no single best way of managing applicable to all management situations. According to this approach, managers instead of applying principles & practices of management uniformly to every situation a they should study, analyze & diagnose the situation in terms of it"s variables & requirement s& then prepare a plan to deal with it effectively.

DEVELOPMENT OF MANAGEMENT THOUGHT

The major historical stages or events in the development of management thought can be discussed under the following heads:

  I.   Management in ancient civilizations.
  II.   Management during the medieval period.
  III. Management during the period of Industrial Revolution.
  IV.   Period of systematized management. This period can be sub-divided into the following categories:
    1. Era of scientific management.
    2. Era of administrative management.
    3. Era of behavioural science.
    4. The modern era of new approaches to management.

Scientific Management

Systematic development of management thought started with the scientific management movement which is said to have its origin as early as 1830s.

The man who popularised the movement is Fredrick Winslow Taylor. He is known as the father of scientific management.

Philosophy and Principles of Taylor:

1. **Develop a science to replace rules of thumb:** Taylor wanted to make management as a science. He, therefore, recommended that every activity of an organisation **must rest on well organized, clearly defined principles,** instead of depending on more or less hazy idea.

2. **Maximisation of output or production:** Taylor believed **maximum output instead of restricted output.** It is because the prosperity for both employer and employees could be achieved only through maximising productivity.

3. **Equal division of responsibility:** There should be equal division of responsibility between managers and workers. Managers must fulfill their responsibility of planning and organising effectively. On the other hand, workers must fulfill their responsibility by executing the work as per the directions of the „bosses".

4. **Job specialisation:** Taylor believed that each worker should be specialist in his job. At the same time, each worker must be supervised by different specialist supervisors.

5. **Scientific selection, training and development of workers:** Taylor realized the importance of right person for the right job to attain highest efficiency. He therefore, stressed the need for proper selection and training of the workers.

6. **Standardisation:** Taylor believed standardisation of methods, tools, time, materials etc. for each activity is very important. Therefore, standards should be fixed for each of them.

7. **Wage incentives:** Taylor believed that wage incentives should be integral part of each job. Taylor suggested the differential wage rate for different job.

8. **Mental revolution:** Taylor firmly believed that the principles of scientific management could succeed only when there is a complete mental revolution on the part of management and worker. In other words, both the parties should change their mental attitudes. For this, he suggested the following three things:

   (i) They must create a sprit of mutual trust and confidence.
   (ii) Both must make efforts to increase production and productivity.

Both must develop a scientific attitude towards the work and should not leave their arbitrary approach. The mental revolution requires change in the attitude of both. Management must create congenial working conditions and develop best method and tools for optimum efficiency of the workers.

CONTRIBUTION OF TAYLOR

1. **Scientific task setting:** Taylor suggested that the task of every worker for every day should be determined through scientific investigation. Taylor called it "a fair day"s work". Every manager must know in advance the fair day"s work for each worker.

2. **Experimentation or work study:** Work **study means organised, systematic and objective analysis and assessment** of the operational efficiency of all the elements connected with the work.

    (i) Method study: It is a survey of production process. It aims to evolve the best method of doing a particular job by simplifying the production process, methods, tools etc.

    (ii) Motion study: Motion study relates to the study of movements of a worker or a machine in doing a job. It aims at eliminating unnecessary motions and to find out the best method of doing of doing a job efficiently.

    (iii) Time study:- Time study is the process of recording the exact time taken for doing a job with a view to find out a standard time for doing the job.

    (iv) Fatigue study: Fatigue study is the study of the reduction or diminution of human energy or capacity in doing in his job. Fatigue is caused by over-work without rest pause, poor working conditions, stress, strain etc. The fatigue study is undertaken to know the level and nature of fatigue and to find out the ways to eliminate or minimize the fatigue on the job.

3. **Planning:** Taylor advocated that planning function should be separate from the doing function. Planning department should decided about the type, shape, and quality of the goods to be produced and the time schedule for delivery of the products.

4. **Scientific selection and training of workers:** Taylor realsied the importance of the right person on the right job. Therefore, he advised for proper selection of the workers and their training.

5. **Specialisation:** Taylor suggested that scientifically selected and trained workers should be allocated the tasks according to their specialisation.

6. **Standardisation:** Taylor advocated for standardisation of materials, tools, equipments, methods etc. Standardised working environment should also be provided to the workers. Standardisation will increased efficiency and eliminate or minimise wastage of resource.

7. **Incentive wage plan:** Taylor considered that incentive wage plan is an integral part of the scientific management. He, therefore suggested a differential wage payment plan. According to this plan, worker is to received a bonus in addition to his wages if the completed his job before the standard time fixed for the job.

Henri Fayol (1841-1925):

Henri Fayol was a French mining engineer and chief executive officer of a coal mine company. He propounded the administrative or functional theory of management.

1. **Administrative management thought era** run almost parallel to the scientific management thought era. **Henri Fayol** is regarded as the herald of the administrative thought. Other contributors include Urwick, Mooney and Reiley, Davis etc.

2. **Elements of administration or management function:** Fayol described five elements of administration or management functions. They are as follows:

    (i)   **Planning,** consisting of activities for making plans to achieve goal of the organisation. This function includes forecasting and decision-making.

    (ii)   **Organising** consisting of activities necessary for mobilising human and other resources of the organisation to implement the plans.

    (iii) **Commanding,** which consists a activities relating to directing, leading, motivating and communicating for getting things done.

    (iv)   **Coordinating** which is concerned with activities necessary for harmonising the efforts of all in order to achieve a common goal.

    (v)   **Controlling** which is concerned with ensuring performance in accordance with plans.

3. **Principle of management:** Fayol proposed **fourteen principles** of management**.**

4. **Flexible and adaptable principles:** Fayol made it clear that the principle of management are flexible and adaptable to every need.

5. **Universal principles:** He believed that principles of management are universally applicable. The principles are applicable in all organisations large or small, industrial, commercial, political, religious, or any other.

6. **Management education and training:** Fayol realised the need for management education and training. He strongly pleased for introducing management education and training in schools and universities. He also suggested for conducting organizational „in-house‟ training programmes.

GENERAL PRINCIPLES

Division of Work

To divide work among departments and employees according to requirement & owned activities & skills to get benefit of specialization & avoid time wastage. It says that every employee should be assigned only one of type of work else there will be waste of time and effort caused by changes from one work process to another.

Authority and Responsibility

Authority means right to give orders and power to exact obedience.
Responsibility is assignment of tasks and act to be completed in availability of resources accountability extent to which person can be made liable to answer for acts.Fayol said Authority and Responsibility are co existence in nature and must go hand in hard with proper parity in between.Authority without responsibility heads to irresponsible behaviour & responsibility without authority makes manager in effective.

Discipline

Implies compliance with organizational directions and rules, orders and instructions of superior & to co-operation with fellow workers. He considered discipline as the chief strength of organization and essential for smooth operation. Discipline generally depends essentially on ability of its leaders. Fayol said best means of maintaining discipline are
- Goods superiors at all levels
- Clear & fair agreements between employees & employer
- Judicious application of penalties

Unity of command

According To this principle one subordinate should get orders and institutions regarding his work only from one superior.If a subordinate has more than one superior. It will undermine authority weaken discipline create divided loyalty and Lead to confusion, delays due to conflict in instructions & most important it would be difficult to pinpoint responsibility to him.

Unity of Direction

Means that the there should be complete identify between individual and organizational goals on one hand and between departmental goals on the other i.e. one head & one plan for a group of acts having the same objective. In other words the related acts should be put under one group, these should be one plan of action for them & they should be under the control of one particular manager.

Subordination of individual interest to General interest

This principle emphasises that the interest of one employee or group of employees should not prevail over that of the concern Fayol suggested these means to protect the general interest. They are

- Firmness and good ex on part of superiors
- Agreement as join as in possible
- Constant supervision

Remuneration of personnel

Fayol said that the remuneration & methods of payment should be fair and afford the maximum possible satisfaction to employees & employer.Time, job, piece rates, bonus, profit saving, welfare work, Non-financial incentives should be included in best scheme of payment.
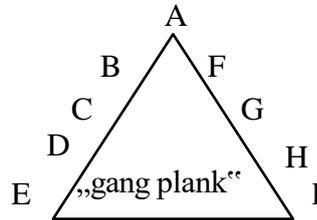
Centralization

Centralization refers to decreasing role of subordination in decision making Fayol says Centralization is not a system of management goods or bad of itself. Centralization implies the Centralization of authority at the top management. Relationship between Centralization & decentralization of authority is a matter of proportion & optimum balance should be maintained according to needs of organization.

Scalar chain

Scalar chain refers to the chain of superiors ranging from the ultimate authority to lowest ranks. There should be clear line of authority ranging from top to bottom of organization the line of authority is the route followed via every link in the chain by all communication which start from as go the ultimate authority Fayol suggested the concept „gang plank" which is used to prevent the scalar chain from bogging down action.

```
                          A
                    B   /   \   F
                   C   /       \   G
                  D   /           \   H
                E   /_„gang plank"__\   I
```

Order

To run well an organization should have a place of everything and everything should be in its place. These should be an orderly rationally thought out plan for arranging the things and material in their suitable places. There are two order material and social

Equity

The organizations runs best when there is a feeling of kindliness and justice among managers. Desire for equity & equality of treatment are the common aspirations of employees.

Stability of tenure of personnel

Efficiency is promoted when job security is assured to employees, Time is required for an employee to get used to new work & succeed in doing it well. An employee cannot render worth while service if he is removed from the job before he is adjusted.

Initiative

Initiative refers to the freedom to thinks out a plan and use discretion in executing. It is a freedom to propose and to execute.

Esprit de corps -

This principle says that "in union there is strength" Harmony, teamwork and union among the employees is a great strength in a concern the morale of an organization people is an asset Fayol exhorts that the misguided motto „divide and rule and the abuse of written communication should be avoided by manager rather they should strive to maintain cooperation among employees.

Similarities of Taylor and Fayol:
1. Both devoted to put science into management.
2. Both devoted to the development of management thought.
3. Both were concerned with the **improvement of practice** of management.
4. Both men favoured the development of **theory and principles to improve management practice.**
5. Both emphasised the need for **cooperation between** labour and management.
6. Both realised the **universality of management.**

1. Taylor's work is primarily concerned with the **operative level** at the shop level while Fayol's work is concerned with **management at top** and **middle levels.**
2. Taylor started from the bottom of the managerial hierarchy and had **worker upwards** whereas Fayol started from the top executive position and **worked downwards.**
3. Taylor was concerned with increasing **efficiency of labour** whereas Fayol was concerned with with increasing **efficiency of total organisation.**
4. Taylor aimed at increasing productivity by **eliminating or reducing inefficiency and waste.** On the other hand, Fayol aimed at organisational **efficiency through application of management principles.**
5. Taylor described his philosophy as **'Scientific management'** whereas Fayol called his views as „General theory of administration".
6. Taylor is known as the **father of scientific management** whereas Fayol is recognised as the **father of modern management theory.**
7. Fayol recognised the need of **education and training** in schools and colleges whereas **Taylor did not so realise.**

8. Fayol was a top executive, and therefore, was in a better position to look at the functions of a manager than Taylor.

BUREAUCRACY, HUMAN RELATION & MODERN APPROACH, MANAGERIAL ETHICS

Meaning

Bureaucracy is a formal organizational structure based on rules, hierarchy, and rational-legal authority.

Features
1. Clear division of work
2. Hierarchical structure
3. Formal rules and procedures
4. Impersonal relationships
5. Merit-based recruitment
6. Career orientation

Advantages
- Clear authority structure
- Accountability
- Stability and predictability
- Professionalism

Disadvantages
- Excessive paperwork (Red Tapism)
- Slow decision-making
- Lack of flexibility
- Resistance to change

V. Human Relations Approach (Neo-Classical Theory)

☐ Elton Mayo

This approach emerged after the famous Hawthorne Studies conducted between 1924–1932.

Meaning

Human Relations Approach emphasizes the importance of human behavior, motivation, and informal groups in organizations.

Hawthorne Study Findings
- Social factors influence productivity.
- Informal groups affect worker behavior.
- Recognition and attention improve performance.
- Workers are motivated by psychological and social needs.

Features
- Focus on human behavior
- Emphasis on communication
- Importance of leadership
- Motivation and job satisfaction

Advantages
- Improved morale
- Better teamwork

- Reduced conflicts
- Higher employee satisfaction

Limitations
- Ignored economic incentives
- Overemphasis on social factors
- Lack of scientific precision

VI. Modern Approach to Management

Modern theories combine earlier approaches and focus on flexibility and environmental interaction.

1. Systems Approach

Organization is viewed as a system consisting of interrelated parts.

Components:
- Input
- Process
- Output
- Feedback

It emphasizes coordination and interdependence.

2. Contingency Approach

"There is no one best way to manage."

Management depends on:
- Situation
- Environment
- Size of organization
- Nature of workforce

3. Quantitative Approach
- Use of mathematical models
- Statistical analysis
- Operations research
- Decision theory

Features of Modern Approach
- Flexible
- Practical
- Dynamic
- Environment-oriented
- Integrative

VII. Managerial Ethics

Meaning

Managerial ethics refers to moral principles and values guiding managerial behavior and decision-making.

Importance
- Builds trust
- Improves reputation

- Ensures long-term success
- Avoids legal problems
- Protects stakeholder interests

Sources of Ethics

- Personal values
- Organizational culture
- Legal framework
- Social norms

Principles of Ethical Management

- Integrity
- Transparency
- Fairness
- Accountability
- Social responsibility

Ethical Issues in Management

- Corruption
- Insider trading
- Environmental damage
- Discrimination
- False advertising

Unit II

Planning

Planning is the process of defining organisational objective and selecting best possible future courses of action for achieving these objectives efficiently and effectively. Planning governs the survival, progress and prospering of any organisation in a competitive and ever changing environment. It requires anticipating future and decision making that is choosing from among alternative future courses of action. It provides the blueprints of actions to achieve goals.

Planning involves the selection of policies, procedures methods, rules and resources for achieving the objectives, thus, planning is a process which helps in getting answer of following questions:

- What is to be done
- Why it is to be done
- How it is to be done
- By whom to be done
- When to be done
- Where to be done
- What resources are required for doing it

Definition of planning According to George R. Terry

"Planning is the selecting and relating of facts and making and using of assumptions regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results." It is deciding what needs to be done, when and how it needs to be done, and who is to do it. It requires anticipating future and decision making that is choosing from among alternative future courses of action. It provides the blueprints of actions to achieve goals.

Characteristics or nature of planning:

1. Primary task of management
2. Intellectual process
3. Future oriented
4. Decision oriented
5. Goal oriented
6. Forecasting is the essence of planning
7. Pervasive function
8. Planning and action are twins of management
9. Planning is wider than decision making
10. Inter dependent activity
11. Continuous and dynamic activity
12. Planning is the basis of control
13. Planning follows a systematic and reutilized procedure.
14. It is participative in nature
15. Planning always has a dimension of time.
16. Planning also implies "managerial innovation" (Koontz and Weihrich)

Need /Importance and advantages of Planning

1. Basis of success
2. Keystone management function
3. To manage by objectives
4. To offset growing complexity of business
5. Better utilization of resources
6. To gain economy in operation

7.   Establishes coordinated effort
8.   Facilitates control
9.   Coping with change
10.   Improves competitive strength
11.   Creates forward looking attitude
12.   Promotes order
13.   Prevents hasty judgment and haphazard action
14.   Stay on track
15.   Managing crises
16.   Providing motivation
17.   Promotes growth and improvement
18.   Encourages creativity
19.   Facilitates decentralization
20.   It provides alternative courses of action
21.   Efficient methods and procedures of action can be developed.

TYPES OF PLANS
On the basis of Managerial Hierarchy
1.   Strategic Plans
2.   Administrative plans
3.   Operating Plans

On the basis of Frequency of Use
1.   Standing plans
2.   Single use plans

On the basis of Time Frame
1.   Short range plans
2.   Medium or Intermediate plans
3.   Long range plans

On the basis of Organizational Scope
1.   Business or divisional level plans
2.   Unit or functional level plans

On the basis of Specificity
1.   Specific plans
2.   Directional plans

PLANS

STANDING PLANS	SINGLE USE PLAN
Mission	Programs
Strategies	Budgets
Policies	Schedules
Procedures	Projects
Rules & methods	Projects
Standards	

PLANNING PROCESS

| Assessing Environment Developing Awareness | Establishing Goals | Premising Forecasting Formulating Assumptions | Identifying Alternatives |

PLANNING PROCESS

| Monitoring and Feedback | | | Comparing Alternatives |

| Implementing the Plan | Numberizing Plan by Budgeting | Formulating Supportive Plans | Selecting the Best Alternative |

Limitations of Planning

1. Lack of reliable facts and information
2. Inaccurate premises
3. Rigid philosophy or lack of pragmatism
4. Resistance to change
5. Inflexibility of existing objectives and plans
6. Lack of planning skills
7. Failure to integrate with other functions
8. Attitudes and conflicts among managers
a. Conflict on the goals and priorities of planning.
b. Conflict on the selection of the courses of action and resources.
c. Conflicts on their roles in the implementation of plans.
d. Conflict between line and staff managers due to their role in planning.
e. Conflict on the issue of usefulness of the planning itself.
9. Psychological barriers.
i. Some managers feel that present is more important than the future. They regard present is more desirable and has certainity. Hence, they neglect the significance of planning.
ii. Some managers feel that certain things are bound to happen in future. Such things cannot be changed by planning.
iii. Some feel that planning is not successful always. Therefore, it is a waste of time, energy and money.
iv. Plans serve as standards for evaluating performance. Therefore, many managers fear that others will know their weaknesses at the time of performance evaluation.
11. Expensive
12. Inadequate resources
13. Delay in actions
14. Difficulties in implementation
15. Rapid and random changes

Essentials of effective planning

1. Well defined objectives
2. Simple and easy to understand
3. Comprehensive
4. Flexible
5. Balanced
6. Economical
7. Stable
8. Continuity
9. Unity
10. Consistency
11. Participation
12. Practicable
13. Written
14. It should be logical and rational
15. It must be time bound.

Principles of Planning

1. Principle of contributions to objectives
2. Principle of objective
3. Principle of primacy of planning
4. Principle of efficiency of plans: It means that the amount contribution of plans should exceed the costs involved in their formulation and implementation.
5. Principle of planning premises: Planning premises means the assumptions regarding environment which are likely to affect the implementation of plans. This Principle emphasizes the need for consistent planning premises.
6. Principle of strategy and policy framework
7. Principle of limiting factor: A limiting factor is one which creates problems in the way of achieving predetermined objectives. This Principle states that Planner must recognize and solve the limiting factors in order to formulate Effective plans.
8. Principle of commitment
9. Principle of flexibility
10. Principle of navigational change: This principle states that a manager must constantly monitor and review the conditions affecting the plans and redraw the plans if required by the changed conditions.
11. Principle of pervasiveness
12. Planning coordination
13. Principle of timing
14. Principle of participation/acceptance
15. Principle of competitive strategies

TOOLS AND TECHIQUES OF PLANNING

Different tools and techniques are used in formulating and implementing plans. Some of the most important tools and techniques are as follows:

1. Forecasting
2. Budgeting
3. Break even analysis
4. Marginal analysis
5. Linear programming
6. Waiting line or Queuing theory
7. PERT/CPM
8. Theory of probability

DECISION MAKING

1. Decision making is a process of selecting a course of action from among the available alternatives in order to achieve a desired goal in a given situation. This process involves the functions of searching and evaluating alternative courses of action in order to select a best possible course of action.
2. Decision making is all pervasive.
3. Decision making is a process but a decision is a particular stage of that process.

CHARACTERISTICS/NATURE OF DECISION MAKING

1. Intellectual and logical process.
2. Process in human mind
3. Largely an intuitive process
4. Purposeful
5. Solves problem
6. Commitment
7. Environmental influence
8. Pervasive activity
9. Essence

IMPORTANCE/SIGNIFICANCE OF DECISION MAKING

1. To perform management functions
2. To ensure success of management process
3. For evaluating managers
4. For solving problems
5. To limit risk
6. For optimum utilization of resources
7. To achieve objectives effectively
8. To face challenges

CLASSIFICATIONS OF DECISIONS

1. Organizational and personal decisions: Organization decisions are those that are taken by a manager in his official capacity.

2. Personal decisions are those that are taken in a manager's personal capacity.

3. Routine decisions are those that relate with the day to day routine operations of the Organization. These are repetitive decisions.

4. Non routine decisions are those that deal with the unusual problems or situations of the Organization.

5. Strategic or policy decisions are those that related with the basic objectives and policy of the Organization whereas decisions are non routine decisions.

6. Tactical or operational decisions are those that are made to implement the strategic decisions.

7. Programmed decisions are those that deal with the routine or day to day recurring problems.

8. Non programmed decisions are those that deal with noval, unusual or exceptional or non recurring problems.

9. Individual group decision: A decision taken by any individual manager is known as the individual decision.

10. Group or collective decisions are those that are taken by small or large group of persons.

Identification of problem	Diagnosing the problem	Establishing specific objectives
Feedback	**DECISION MAKING PROCESS**	Identifying limitations
Implementing the decision	Selecting appropriate alternative	Evaluating alternatives

The main principles of sound decision making:

1. Principle of problem ascertainment
2. Principle of reliable information

3. Principle of alternatives

4. Principle of limiting factor

5. Principle of efficiency and effectiveness

6.   Principle of rationality

7. Principle of participation

8. Principle of flexibility

9. Principle of timing

10. Principle of integration of interests

11. Principle of communication

12. Principle of feedback

13. Principle of economy.

The techniques of decision making:

1. Experience or judgmental

2. Intuition

3. Habits

4. Standing plans and procedures

5. Organization structure

6. Principles of management

7. Economic and financial techniques

8. Linear programming

9. Game theory

10. Waiting line or queuing theory

11. Simulation

12. Network techniques

13. Heuristic technique

14. Participative technique

Scope

The scope of organizing is broad and includes identifying organizational activities, grouping similar tasks into departments, assigning duties to individuals, delegating authority, and establishing relationships among employees. It also involves coordination among departments, defining reporting relationships, and ensuring optimum utilization of

resources. Organizing plays a vital role in every type of organization—business, educational, governmental, or non-profit—because it creates a clear structure that supports efficient functioning and goal achievement.

Principles of Organizing

Organizing is guided by certain important principles. The principle of unity of command states that a subordinate should receive instructions from only one superior to avoid confusion. The principle of span of control suggests that a manager should supervise only a limited number of subordinates to maintain effectiveness. The principle of delegation emphasizes assigning authority along with responsibility. The principle of scalar chain highlights a clear line of authority from top to bottom. Additionally, the principle of specialization encourages division of work for greater efficiency and expertise. These principles ensure clarity, discipline, coordination, and efficiency in organizational functioning.

Line and Staff Relationship

The line and staff relationship refers to the interaction between line managers and staff managers in an organization. Line authority involves direct responsibility for achieving organizational objectives and includes decision-making and command authority. Staff authority, on the other hand, is advisory in nature and supports line managers by providing expert guidance and specialized knowledge. While line managers focus on core activities such as production and sales, staff managers assist in areas like human resources, legal advice, and research. A healthy relationship between line and staff ensures balanced decision-making and smooth organizational operations.

Authority, Delegation, and Decentralization

Authority refers to the legal right of a manager to give orders and expect compliance from subordinates. It flows from top to bottom in the organizational hierarchy. Delegation is the process of assigning responsibility and authority to subordinates to carry out specific tasks while retaining ultimate accountability. It helps in reducing managerial workload and developing employee skills. Decentralization is the systematic distribution of decision-making power to lower levels of management. Unlike delegation, which is temporary and specific, decentralization is a broader concept involving the transfer of authority throughout the organization. It promotes faster decision-making, employee motivation, and operational efficiency.

Effective Organizing

Effective organizing ensures that organizational objectives are achieved with minimum cost and maximum efficiency. It requires clear job definitions, proper allocation of resources, balanced authority-responsibility relationships, and effective communication channels. An effective organization avoids duplication of work, minimizes conflicts, and promotes teamwork. It also adapts to changes in the external environment and encourages innovation and flexibility. Proper organizing improves coordination, accountability, and overall performance.

Organizational Structures

Organizational structure refers to the framework that defines how tasks are divided, coordinated, and supervised within an organization. Common types of structures include functional structure, divisional structure, line structure, line and staff structure, and matrix structure. In a functional structure, employees are grouped based on specialized functions such as marketing, finance, or production. A divisional structure groups activities based on products, services, or geographical areas. The line structure follows a direct chain of command, while the matrix structure combines functional and divisional features. The choice of structure depends on the size, nature, and objectives of the organization.

Staffing

Staffing is the managerial function concerned with recruiting, selecting, training, developing, and retaining employees in an organization. It ensures that the right person is placed in the right job at the right time. Staffing involves manpower planning, recruitment, selection, training, performance appraisal, promotion, and compensation. It plays a crucial role in improving productivity and maintaining organizational efficiency. Effective staffing leads to employee satisfaction, reduced turnover, and better achievement of organizational goals.

UNIT-III
DIRECTION & CO-ORDINTATION

Direction

1. Meaning of Direction

Direction is a managerial function that involves guiding, instructing, motivating, and supervising employees to achieve organizational goals effectively. It activates the plans and organizational structure by providing leadership and proper instructions to employees. Direction ensures that employees work willingly and efficiently toward common objectives.

2. Definition of Direction

According to Harold Koontz, direction is the process of instructing, guiding, counseling, motivating, and leading human factors in an organization to achieve objectives. In simple terms, direction converts plans into action by influencing people's behavior.

Direction is considered the "heart of management" because it initiates action. Even if planning and organizing are perfectly done, without proper direction employees may not understand what to do or how to do it. Through communication, leadership, supervision, and motivation, managers ensure that employees perform tasks effectively and efficiently.

Importance of Direction
1. Initiates Action – Direction starts the actual work process in the organization.
2. Ensures Coordination – It harmonizes individual efforts toward common goals.
3. Motivates Employees – Through encouragement and leadership, employees perform better.
4. Provides Guidance – Employees receive clear instructions and expectations.
5. Improves Efficiency – Proper direction reduces confusion and increases productivity.
6. Facilitates Change – Managers guide employees during organizational changes.

Direction plays a crucial role in converting organizational goals into reality. It creates enthusiasm among employees and ensures discipline and unity of purpose. Without direction, employees may lack clarity and motivation, resulting in poor performance and conflicts.

Principles of Direction
1. Principle of Harmony of Objectives – Individual goals should align with organizational goals.
2. Principle of Unity of Command – An employee should receive orders from one superior only.
3. Principle of Direct Supervision – Managers should maintain direct contact with subordinates.
4. Principle of Motivation – Employees should be encouraged to perform willingly.
5. Principle of Effective Communication – Clear and timely communication is essential.
6. Principle of Leadership – A good leader influences and inspires employees positively.

These principles ensure that direction is effective and smooth. They reduce misunderstandings, improve relationships, and create a positive work environment. Proper application of these principles enhances employee morale and productivity.

Techniques of Direction
1. Supervision – Monitoring and guiding subordinates at work.
2. Leadership – Influencing and inspiring employees to achieve goals.
3. Motivation – Providing financial and non-financial incentives.
4. Communication – Sharing information, instructions, and feedback clearly.

Managers use these techniques to influence employee behavior and ensure effective performance. For example, leadership builds trust, motivation increases willingness to work, supervision ensures quality control, and communication avoids misunderstandings.

Supervision

Meaning of Supervision

Supervision refers to overseeing the work of subordinates to ensure that tasks are performed according to plans and standards. It involves guiding, monitoring, and evaluating employee performance.

Supervision acts as a link between management and workers. A supervisor ensures discipline, resolves minor problems, provides instructions, and maintains coordination at the operational level.

Coordination

Meaning of Coordination

Coordination is the process of integrating and synchronizing the efforts of different individuals and departments to achieve organizational objectives efficiently.

According to Henri Fayol, coordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common goals.

Coordination ensures that all departments such as production, marketing, and finance work together smoothly. It avoids duplication of work, delays, and conflicts. It is considered the essence of management because it binds all functions together.

Elements of Coordination
1.   Unity of Action – All activities must work toward common goals.
2.   Integration of Efforts – Harmonizing departmental activities.
3.   Continuity – Coordination is an ongoing process.
4.   Effective Communication – Smooth information flow.
5.   Leadership – Strong leadership ensures proper coordination.

Features of Coordination
1.   It is a continuous process.
2.   It is required at all levels of management.
3.   It ensures unity of action.
4.   It is the responsibility of every manager.
5.   It balances individual and organizational goals.

Importance of Coordination
1.   Achieves Organizational Goals efficiently.
2.   Avoids Conflicts among departments.
3.   Prevents Duplication of Work.
4.   Improves Team Spirit.
5.   Ensures Optimum Utilization of Resources.

Without coordination, departments may work independently and create confusion or competition. Effective

coordination ensures smooth workflow, better communication, and higher productivity.

Cooperation and Coordination

Cooperation refers to the voluntary willingness of individuals to help each other.
Coordination refers to the deliberate effort of management to synchronize activities.

Difference
- Cooperation is voluntary; coordination is managerial.
- Cooperation depends on attitude; coordination depends on structured efforts.
- Cooperation is informal; coordination is formal and planned.

Both are essential for organizational success.

Steps for Effective Coordination
1. Clearly define objectives.
2. Establish proper authority-responsibility relationships.
3. Promote open communication.
4. Encourage teamwork.
5. Use effective leadership.
6. Conduct regular meetings.
7. Implement proper planning and supervision.

Management of Conflicts

Conflict refers to disagreement or clash between individuals or groups due to differences in opinions, goals, or interests.

Methods of Managing Conflict
1. Avoidance – Ignoring minor conflicts.
2. Accommodation – One party gives in to maintain harmony.
3. Compromise – Both parties give up something.
4. Collaboration – Finding a win-win solution.
5. Competition – One party wins over the other.

Conflict management is important to maintain a healthy work environment. If handled properly, conflicts can lead to innovation and better decision-making. However, if ignored, they may reduce productivity and harm relationships. Effective communication and strong leadership help in resolving conflicts constructively.

UNIT-IV
MOTIVATION

Motivation is an art of stimulating someone or oneself to get designed course of action, to push the right button to get desired action. Motivation is an act of inducement.

Motivation □Results □ Satisfaction

M = is a drive to satisfy a want
S = is experienced when the outcome has been achieved.

The basic principle of motivation is based upon the following policy i.e., carrot or stick policy. "Put a carrot in front of donkey to make it move or Jab him with a stick being."

NATURE OF MOTIVATION

1) It is a psychological concept
2) It is total not piecemeal.
3) Determined by human needs
4) May be financial or non financial.
5) Constant process

NEED FOR MOTIVATION

1) Maximum utilization of factors of production.
2) Reduce labour turnover.
3) Easy availability of right personnel.
4) Increased the efficiency and output.
5) Create sense of belonging.

KINDS OF MOTIVATION

1) Positive motivation
2) Negative motivation
3) Financial motivation
4) Non-financial motivation

MOTIVATIONAL TECHNIQUES

1) Monetary incentives
2) Job-based techniques
3) MBO Technique
4) Leadership Techniques
5) Sensitivity training technique

THEORIES OF MOTIVATION
Management experts have formulated different theories on motivation at different dimensions. They are:

1) Maslow's theory of motivation.
2) Herzberg's theory
3) Mc Gregor's theory
4) Vrooms theory.

Need hierarchy theory: Abraham Maslow's book on motivation and personality emphasizes multiplicity of human needs are arranged in an order.

1) Physiological needs
2) Safety needs
3) Social needs
4) Esteem needs
5) Self actualization

The first two sets of needs are called Lower order needs (1, 2)
The other sets of needs are called Higher order needs (3, 4)

According to him when one need is fulfilled, another need will emerge automatically. While going for achieving the particular need, people like to give priority to the pressing needs first and the rest in next.

Short – coming of Maslow's theory are:

- Order cannot be regarded as rigid.
- No indication regarding satisfaction of needs.
- It may not have universal applicability.
- Motivation is piecemeal exercise by means of splitting of human needs.

HERZBERGS' THEORY

According to Herzberg, factors that give real satisfaction to an individual are motivators. He classified the factors in to two:

Factors that prevent dissatisfaction   -   **Hygiene factors (Maintenance Factors)**

Factors that give satisfaction   -   **Motivators** (feeling of achievement, Significance of growth)

Maintenance factors	Motivators
1. Fair co policy and administration	Opportunity to accomplish something significant.
2. Supervisor knows the work	Recongnition.
3. Supervisors relationship	Chance for development
4. Peers relationship	Opportunity to grow
5. Fair salary	Chance for increased responsibility
6. Job security	The job inself
7. Subordinates relationship	
8. Personal life	
9. Status	
10. Good working condition	

Needs priority, to a great extent, characterizes the types of behavior. It will be either directed towards achieving certain desirable positive goals, or conversely, towards avoiding other undesirable negative consequences. Thus, a question may arise as to what variables are perceived to be desirable goals to achieve and conversely undesirable conditions to avoid. In this connection a research study was conducted by Frederick Herzberg of Case-Western reserve University and associates. This study consisted of an intensive analysis of the experiences and feeling of 200 Engineers and accountants in 9 different companies in Pittsburg area, U.S.A. During the structured interview, they were agreed to desire a few previous job experience in which they felt exceptionally good or exceptionally bad about jobs. They were also agreed to rate the degree to which their feelings were influenced for better or worse by each experience which they described.

In concluding the information from the interview, Herzberg concluded that there were two categories of needs essentially independent of each other affecting behavior in different ways. His findings are that there are some job conditions which operate primarily to dissatisfy employees when the conditions are absent, their presence does not motivate them in a strong way. Another set of job conditions operates primarily to build strong motivation and high job satisfaction, but their absence clearly proves strongly dissatisfying. The first 80 job conditions has refused to as maintain or hygiene factors and second set job conditions as motivational factors.

HYGIENE FACTORS

According to Herzberg there are 10 maintenance or hygiene factors. They are company policy and Administration technical supervision, inter-personal relationship with supervisors with peers, with subordinates, salary, job security, personal life, working conditions and status. These are not intrinsic part of job but they are related to conditions under which a job is performed. They produce no growth in a worker's output; they only prevent losses in workers performance due to work restrictions. These maintenance factors are necessary to maintain a reasonable level to

satisfied employees; however any cut below this level will dissatisfy them. As such these are also called dissatisfiers since any increase to these factors will not affect employee's level of satisfaction. Hence, these are in no way motivation them.

MOTIVATIONAL FACTORS

These factors are capable of having a positive effort on job satisfaction often resulting in an increasing one's total output. Herzberg includes 6 factors that motivate employees. These are achievement, recognition, advancement work itself, possibility of growth and responsibility. Most of these factors are related with job contents. An increase in these factors will satisfy the employees; however, any decrease will not affect their level of satisfaction. Since, this increase in level of satisfaction in the employees can be used in motivating them for higher output. Herzberg maintains that potency to various factors is not entirely a function to factor themselves. It is also influenced by the personality characteristics to the individuals. From this point of view, individuals may be classified into two parts - Motivation seekers, maintenance seekers. The motivation seekers generally are individuals who are primarily motivated by the satisfier's such as advancement, achievement and other factors associated with work itself. On the other-hand, the maintenance seekers tend to be more concerned with factors surrounding the job such as supervision; working conditions, pay etc. The shortcomings of Herzberg's theory are:

1) Job satisfaction and dissatisfaction are two opposite points on a single continuum Individuals on the job are affected by any change either in the job environment or in the job content.

2) Herzberg model is method bound and a number of other methods used for similar study have shown different results not supporting his contentions other than the theory has limitation is general acceptability.

3) This theory does not attach much importance to pay, status, or inter-personal relationships which are of help generally as important contents of satisfaction.

Comparison of maslows and herzberg theory

MASLOW'S NEED THEORY		HERZBERG THEORY
1. Self actualization	M O T I V A T O R	Challenging work, achievement, growth in the job.
2. Esteem or status		Responsibility, Advancement and recognition
3. Social needs	M A I N T E N A N C E	Status, Interpersonal, working conditions.
5. Physiological needs		Job security, salary

MC GREGOR'S THEORY

Prof. Douglas Mc. Gregor has introduced a fresh dimension in the discussion on theories relating to motivation. He has classified the prevalent theories into two groups viz.,

1. Traditional or X theory and
2. Modern or Y theory.

Traditional or X theory

It completely excludes workers from the process of managerial decision making the theory stress that would here only when forced to do so through ruthless exercise of managerial authority over them through constant rebuking scolding reprimanding. Decisions whether right or wrong have to be made by managers only, the only rule assigned to workers being to mainly incline the decision.

Assumptions of X theory

1) Lack of inclination to work.
2) Fear can alone force action.
3) Inbuilt dislike for responsibility
4) Living – off others.

5) Obsession with security.
6) Money alone can make the people to work.
7) Labour is only a factor of production.
8) Authority is synonymous with control.

Modern theory or Y theory

It is the exact opposite of X theory, it gives workers a pride of place in the process of management. It emphasises fuel and active cooperation, between workers and management to accomplish the enterprise objectives as per theory if workers are properly maturated, they would willingly accept responsibility and show the sense of creativity and imagination in their work performance. It can be said to be positive and optimistic outlook.

Assumptions of Y theory

1) Work is reward in itself
2) Inherent sense of responsibility
3) Recognition.
4) Sense of security.

5) Financial reward is not the only inspiration.
6) Decision – making ability is not the monopoly
7) Democratically inclined

GROUP DYNAMICS

Essentially dynamics is a branch of physics which means any matter in motion. It also means a moral force that produce activity or change. Group dynamics means the action of a group engaged in a common endeavor. The world dynamics comes from the Greek word meaning force. The phrase Group Dynamics thus means a study of cohesive and disruptive force operating within a group. The importance of group dynamic to a manager lies in the fact that many people tend to behave differently as individual and member of a group. The manager must thus study them both as individual and as group, as these are two interrelated elements of a motivational situation. The group dynamic will be structured around the three key element such as basic element of group behaviour, group cohesiveness and the group structure. The three basic elements which is generally of use in understanding the behavior of a group are activities, interactions and sentiments. Group cohesiveness refers to the degree to which its members are attracted to the group, are motivated to remain in the group, and mutually influence on another. Highly cohesive groups are more likely to confirm group pressures than are members of low-cohesive groups. Group structure if meant that the nature and characteristics of the interrelationships among the members of a group and the roles they play in it.

THE EXPECTANCY THEORY OF MOTIVATION – VICTOR H. VROOM

People will be motivated to do things to reach a goal if they believe in the worth of that goal and if they can see that what they do will help them in achieve it. Vroom makes the point that motivate is a product of the anticipated worth that an individual places on a goal and the chances the or she sees of achieving that goal. He states that:

FORCE   =   **VALENCE * EXPECTANCY**
Force   =   Strength of the person's motivation.
Valence   =   Strength of an individual preference for an outcome.
Expectancy   =   Probability that a particular action will lead to a desired outcome.

Basic concepts of the theory are:

1. First and second level outcomes.
2. Instrumentality
3. Expectancy
4. Motivation.

Motivation is the multiplicative function of the valence for each first level outcome (V) and the believed expectancy (E) that a given effort will be followed by a particular first level outcome.

Merits of Vrooms Theory are:

1. It recognizes the importance of various individual needs and motivations.
2. It fits the concept of harmony of objectives
3. It is completely consistent with the system of management by objectives.

Demerits of Vrooms Theory are:

1. Perception of value vary among individuals at different times and in various places.
2. Difficulty to apply the practice.

THE PORTER AND LAWLER MODEL

Lyman W Porter and Edward Lawler III derived a substantially more complete model of motivation.

The strength of motivation and energy exected = value of reward + amount of energy required + probability of receiving reward.

Motivation is an extremely significant subject for managers get work done through others. Important characteristics of motivation are individual differ in their motivation, individuals are unaware of motivation sometimes, motivation may change and vary, motivation is a complex one. Maslow, Herzberg, Mc Gregore, V Room and Porter and Lawler are some the important writers on motivation.

LEADERSHIP

Leadership is an abstract quality in a human being to induce his followers to do whatever he is directed to do with the zeal and confidence.

Leadership is generally defined simply as the art of influencing people so that they will strive willingly towards the achievement of group goals - **KOONTZ & O' DONNEL**

IMPORTANCE OF LEADERSHIP

1. Driving force group efforts.
2. Aid to authority
3. Better utilization of man power.
4. Basis for co-operation.

INGREDIENTS OF LEADERSHIP

- Ability to use power effectively and in a responsible manner.
- Ability to comprehend the temperaments of human beings.
- Ability to inspire.
- Ability to act in a manner that will develop a climate conducive to and arousing motivations.

LEADERSHIP QUALITIES

I. Physical qualities

1. Sound health to fulfill his obligation.
2. Vitality and endurance to face al hardships.

II. Psychological qualities.

1. Personal magnetism
2. Enthusiasm.
3. Co-operation.
4. Exerting

5. Resourcefulness.
6. Ability to inspire and integrate.
7. Tact and skillful handling.

III. Intellectual traits

1. High degree of intelligence.
2. Sound judgment.
3. Capacity to deal with every situation.

4. Scientific approach.
5. Open mind.
6. Best teacher.

IV. Qualities of character

1. Integrity
2. Self discipline
3. Willingness to accept and share responsibilities.

3. Good natured
4. Willingness to work hard.

APPROACHES TO STUDY OF LEADERSHIP:

A) Personal Trait Approach

This approach says that all of us are possessing certain abilities and share responsibilities. Such qualities are considered as god given and hence leaders are born.

B) Situational / Contingency approach: (Fielder's model):

This is viewing that leadership qualities are determined by the situation in which he/she operates. It is not individuals characteristics.

C) Group approach:

A leader is one who comes attuned to he feelings and actins of people whom he is supposed to lead. Thus, the leader is one who comes closest to living up to the norms and standards of his group.

D) Path goal theory:

It suggests that the main functions of the leader is to clarify and set goals with subordinates the them find the best path for achieving the goals and remove obstacles.

E) Leader behavior may be grouped into four:

1. Supportive leadership.
2. Participative leadership.

3. Instrumental leadership.
4. Achievement oriented leadership.

TYPES OF LEADERSHIP

From the point of view of authority, leadership can be autocratic and democratic or free rein.

AUTOCRATIC LEADERSHIP

The leader alone determines policies and makes plans. He demands strict obedience and relies on power.

Merits:

1. It can increases the efficiency, save time and get good result.
2. It works well employees who have a low tolerance for ambiguity feel insecure with freedom.
3. Chain of command, and division of work are clear and full understood by all.

1. One – way communication may create costly errors.

2. Individual decision making may be dangerous in the changing environment.
3. Resentment in form of massive resistance, low morale and low productivity.

DEMOCRATIC LEADERSHIP

The entire group is involved in and accepts responsibility for goal setting and achievement. Subordinates have considerable freedom of action.

Merits:

1. The leader has the built-in personal motivation working for him.
2. The leader consistently receives the benefit of the best information, ideas, suggestions and talents of his people. This style permits and encourages people to develop grow and rise in the organization.

Demerits:

1. Time consuming.
2. Leaders may avoid responsibility.

Free rein leadership:

Leader exercises absolutely no control. He provides only information, materials and facilities to hi men to enable them to accomplish group objectives. This type does not hold good when the leader does not know well the competence and integrity of his people and their ability to handle this kind of freedom

Spectrum of Leadership Styles:
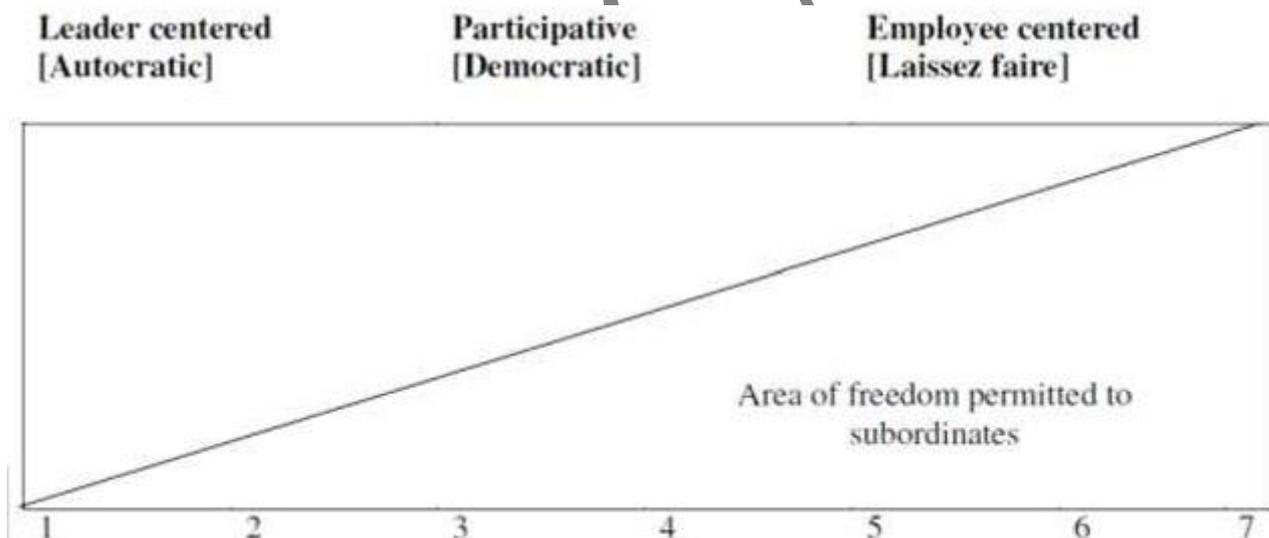
This spectrum depicts that a leader can adopt number of ways to relate himself with a group. The left side of the spectrum emphasizes that his style is leader centered. Such leaders are more care about production than for the welfare of his subordinates.

The right side of the spectrum denotes that the leadership style employee centered. They care about more for the welfare of their subordinates than for production.

The centre of the spectrum finds a more equitable balance between the authority exercised by the leader and the amount of participation the grotto exercise.

The different scales in the spectrum describe the following:
Point 1: Leader makes decision and announces it. Point 2: Making the subordinate to accept the decision.
Point 3: Leader presents his idea and initiate discussion. Point 4: Presents tentative decision subject to change.
Point 5: Present the problem, gets opinion and makes decision. Point 6: Leader allows the group to make decision within limits.

Point 7: Leader allows the group to make decision within limits defined the situation.

MANAGERIAL GRID

It is a form of continuum which emphasize that leadership style consist of factors of both the task- oriented and people relations oriented behavior in varying degrees. It explains that whatever may be the type of leadership styles it ultimately relates with tasks to e performed and people with whom it is to be performed. Some styles emphasize on concern for production which means that the attitudes of superiors towards a variety of things, such as, quality of policy decisions, procedures and processes, creativeness of research, quality of staff service, work efficiency and volume of output. On the other

THEORIES OF LEADERSHIP

1. Great Man Theory (1840s)

The earliest organized thought on leadership. It suggests that leadership is an **innate ability**.

Core Idea: Leaders are born, not made. You either have the "heroic" DNA or you don't.

Key Figures: Thomas Carlyle.

Critique: It's highly gender-biased and ignores the fact that people can learn leadership skills through experience.

2. Trait Theory (1930s–1940s)

Expanding on the Great Man Theory, this approach tried to identify specific **personality characteristics** that all successful leaders share.

Common Traits identified: Intelligence, extra version, self-confidence, and integrity.

Modern Twist: The "Big Five" personality traits (Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism) are often used today to predict leadership potential.

Critique: Having these traits doesn't guarantee success; a person might be confident but a terrible manager.

3. Behavioral Theories (1940s–1950s)

Shifted the focus from *who* the leader is to **what the leader does**.

Two Main Categories:

Task-Oriented: Focuses on getting the job done, setting deadlines, and structure.

People-Oriented: Focuses on relationships, employee well-being, and mutual trust.

The Blake-Mouton Managerial Grid: A famous tool that maps these two dimensions to identify different management styles (e.g., "Country Club" vs. "Authoritarian").

4. Contingency (Situational) Theories (1960s–1970s)

These theories argue that there is no single "best" way to lead. The right style depends on the **context** or situation.

Fiedler's Contingency Model: Effectiveness depends on the match between the leader's style and how much control the situation allows.

Hersey-Blanchard Situational Leadership: Leaders should adjust their style (Telling, Selling, Participating, or Delegating) based on the **maturity/readiness** of their followers.

Leadership Styles

Development Levels
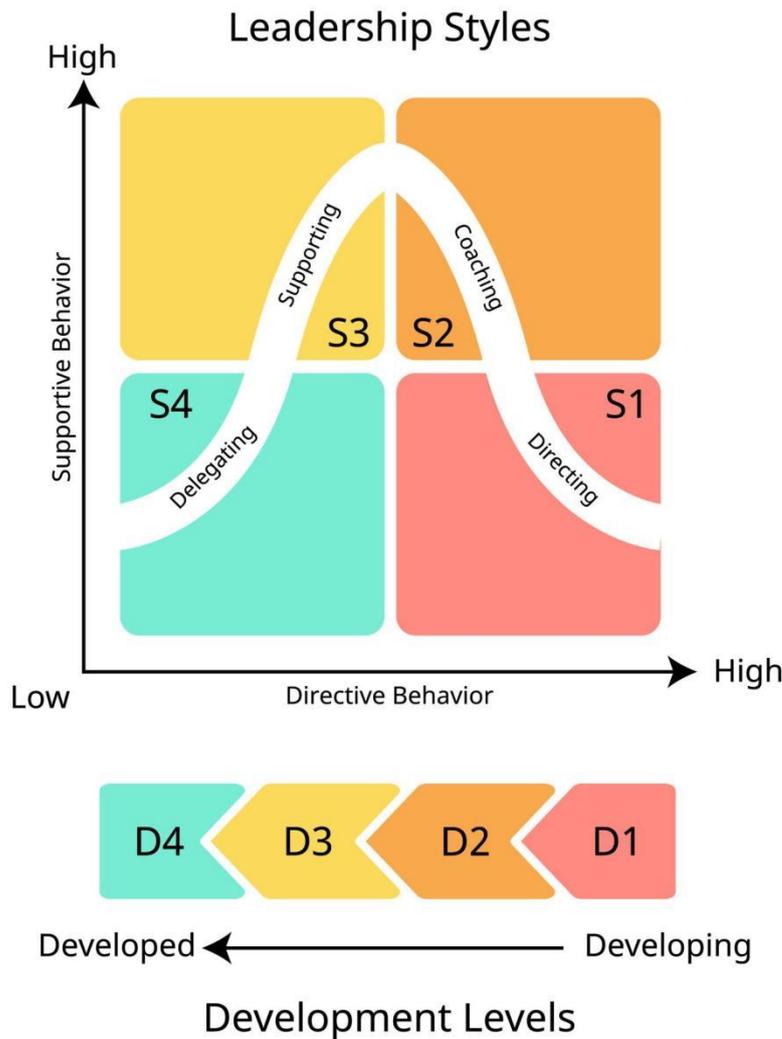
Getty Images

5. Transactional vs. Transformational (1970s–Present)

This is the most common framework used in modern business environments.

Feature	Transactional Leadership	Transformational Leadership
Focus	Goals, rules, and efficiency.	Vision, inspiration, and change.
Motivation	Rewards and punishments (Carrot & Stick).	Personal growth and shared values.
Environment	Stable, structured organizations.	Rapidly changing or "startup" cultures.
Role of Leader	A "Manager" or supervisor.	A "Visionary" or mentor.

Export to Sheets

6. Modern & Emerging Theories

Servant Leadership: The leader's primary goal is to serve the needs of the team. (Popularized by Robert Greenleaf).

Authentic Leadership: Focuses on the leader's transparency, ethics, and genuine personality.

Distributed (Shared) Leadership: Leadership isn't held by one person at the top; it's shared among team members based on expertise.

Note: Most effective modern leaders are **ambidextrous**—they can be transactional when a project needs to meet a tight deadline, but transformational when the team needs a morale boost or a new direction.

UNIT-IV
CONTROLLING

1. Meaning and Definition

Controlling is the process of comparing actual performance with set standards and taking corrective action if there is a deviation. It ensures that resources are used effectively to achieve organizational objectives.

Koontz and O'Donnell: "Managerial control implies the measurement of accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans."

Henri Fayol: "Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and principles established."

2. Characteristics of Controlling

Goal-Oriented: It exists to ensure that specific organizational goals are met.

Pervasive: It is performed by managers at all levels (Top, Middle, and Lower).

Forward-Looking: While it looks at past performance, its true purpose is to improve future results.

Continuous Process: It isn't a one-time event; it requires constant monitoring.

Linked to Planning: Planning and controlling are two sides of the same coin. Planning sets the goals; controlling ensures they are met.

3. The Controlling Process

The process of control follows a logical, step-by-step sequence:

Establishing Standards: Setting the "yardstick" for performance (e.g., "produce 500 units per day" or "reduce costs by 10%").

Measuring Actual Performance: Collecting data on what is actually happening through reports, observation, or audits.

Comparing Performance against Standards: Identifying the difference (gap) between what was planned and what was achieved.

Analyzing Deviations: Determining *why* the gap exists.

Critical Point Control: Focuses on key result areas (KRAs).

Management by Exception: Only significant deviations are reported to top management.

Taking Corrective Action: Implementing changes to bring performance back on track or adjusting the standards if they were unrealistic.

4. Types of Control

Control can be categorized based on **timing**:

Type	Timing	Focus
Feed forward Control	Before the activity starts.	Preventing problems before they occur (e.g., checking raw material quality).
Concurrent Control	During the activity.	Correcting problems as they happen (e.g., real-time monitoring of a factory line).
Feedback Control	After the activity is done.	Analyzing the final output to improve future performance (e.g., annual financial audits).

5. Importance of Controlling

Accomplishing Goals: It bridges the gap between "where we are" and "where we want to be."

Judging Accuracy of Standards: It helps managers see if their initial plans were too ambitious or too easy.

Efficiency: Reduces wastage of resources by identifying bottlenecks early.

Employee Motivation: When employees know their performance is being measured against clear standards, they tend to be more focused.

Coordination: It ensures that all departments are moving in the same direction.

6. Limitations of Controlling

Difficulty in Setting Quantitative Standards: It's hard to measure things like "employee morale" or "brand reputation" numerically.

Little Control over External Factors: Managers cannot control government policy, technological changes, or competitor moves.

Resistance from Employees: Control systems (like CCTV or strict time-tracking) can sometimes feel like a "spy system," leading to low morale.

Costly: Establishing a sophisticated control system requires significant time and money.

The Four Elements of Control

1. The Detector (Sensor)

The detector is the "eye" of the control system. Its job is to observe and measure what is actually happening in the organization.

Function: It identifies the current state of a process.

Example: In a factory, a supervisor or an automated counter that tracks how many units are produced per hour acts as the detector.

2. The Assessor (Evaluator)

Once the detector gathers data, the Assessor compares that data to a pre-determined standard or "norm."

Function: It determines if the performance is "good" or "bad" based on the rules. It calculates the **deviation**.

Example: If the standard is 100 units/hour and the detector reports 80 units/hour, the Assessor identifies a 20-unit deficit.

3. The Effector (Director)

The effector is the "action" element. Once a deviation is identified, the effector decides what needs to change to get back on track.

Function: It implements corrective action or behavior change.

Example: A manager (the effector) might order a machine repair or ask employees to work overtime to make up for the 20-unit deficit.

4. The Communication Network

This is the "nervous system" of the control process. It transmits information between the detector, the assessor, and the effector.

Function: It ensures that the measurement reaches the evaluator and the corrective orders reach the workers.

Example: Reports, emails, dashboard alerts, or verbal instructions.

How They Work Together (The Feedback Loop)

Control is not a straight line; it is a **circular process**.

- The **Detector** measures the output.
- The information travels through the **Communication Network** to the **Assessor**.
- The **Assessor** compares it to the plan.
- If there is a gap, the **Effector** is activated to change the process.
- The **Detector** then measures the *new* output to see if the change worked.

Comparison: Management vs. A Thermostat

To make this easy to remember, think of an Air Conditioner:

- **Detector:** The thermometer (measures current room temp).
- **Assessor:** The thermostat setting (compares 75°F actual to 70°F goal).
- **Effector:** The compressor (turns on to cool the room).
- **Communication Network:** The wiring that sends the signals.

1. Suitability

The control system must be designed according to the **nature and needs** of the specific organization. A control system for a hospital (focusing on patient safety) will look very different from one for a software company (focusing on code bugs and deadlines).

> **Key point:** It must reflect the job it is intended to perform.

2. Economy (Cost-Effectiveness)

A control system should never cost more than the benefit it provides. If you spend $1,000 in administrative costs to prevent a $100 theft, the system is a failure.

- **Key point:** The "return on investment" of the control measures must be positive.

3. Flexibility

Business environments change constantly (market crashes, new competitors, pandemics). A good control system must be able to adapt to these changes without needing a complete overhaul.

- **Key point:** It should remain workable in the face of unexpected plans or changing conditions.

4. Understandability

If employees don't understand how they are being measured, they will become frustrated or ignore the system. The criteria for "success" and "failure" must be crystal clear to those affected by them.

- **Key point:** Complex mathematical formulas that no one understands are poor control tools.

5. Timely Reporting (Promptness)

Information is perishable. A report telling a manager they went over budget six months ago is useless. A good system identifies deviations **quickly** so that corrective action can be taken before the damage spreads.

- **Key point:** Real-time feedback is the gold standard of modern control.

6. Suggesting Corrective Action

A "diagnostic" control system is better than a "detective" one. It shouldn't just say, "Something is wrong"; it should help point toward **why** it's wrong and **how** to fix it.

- **Key point:** It should lead to an "Effector" response (as we discussed in the Elements of Control).

7. Objectivity

The standards and measurements should be based on **facts and data**, not on the personal feelings or biases of a manager. If two different managers look at the same data, they should come to the same conclusion.

- **Key point:** Use Quantitative standards (numbers, percentages) whenever possible.

8. Focus on Strategic Points (Critical Point Control)

Managers cannot watch everything at once. A good system focuses on the "vital few" rather than the "trivial many." It highlights the areas where a small deviation could cause a massive failure.

- **Key point:** This is often referred to as **Management by Exception**.

Summary Table: Qualities of Effective Control

Requirement	Description
Simplicity	Easy to communicate and implement.
Forward-looking	Aims to prevent future errors, not just punish past ones.
Acceptability	Supported by the employees who have to work under it.
Integration	Fits smoothly into the overall management plan.

1. Control Techniques: Traditional vs. Modern

Control techniques are the specific methods managers use to measure performance. They are generally categorized into **Traditional** (well-established, often accounting-based) and **Modern** (strategic and forward-looking).

Traditional Techniques

- **Budgetary Control:** Comparing actual financial results against a pre-set budget. If the "Actual" exceeds the "Budgeted" expense, it's a negative variance.
- **Statistical Reports:** Using averages, percentages, ratios, and trends to analyze performance (e.g., a chart showing a 5% increase in defects over three months).
- **Personal Observation:** A manager physically visiting the floor to see how work is progressing.
- **Break-Even Analysis:** Determining the point where total revenue equals total costs (no profit, no loss).

Modern Techniques

- **Management Audit:** A systematic evaluation of the entire management process to see how efficiently the organization is being run.
- **Return on Investment (ROI):** Measuring how effectively capital is being used to generate profit.
- **Balanced Scorecard:** Looking at more than just money—it tracks customer satisfaction, internal processes, and employee learning.

2. Responsibility Accounting
This is a system where specific "centers" within a company are held accountable for their financial performance. It helps large organizations delegate control.

- **Cost Center:** A department that only incurs costs (e.g., HR, Maintenance). Success is measured by keeping expenses within the budget.
- **Revenue Center:** A department focused on sales (e.g., the Marketing or Sales team). Success is measured by hitting gross sales targets.
- **Profit Center:** A department that has both costs and revenues (e.g., a specific branch of a retail store). Success is measured by the net profit of that branch.
- **Investment Center:** A division where the manager is responsible for profits *and* the assets used (e.g., a subsidiary company).

3. PERT and CPM (Network Techniques)
These are used for complex, non-routine projects (like building a bridge or launching a new product) to ensure they stay on schedule.

Feature	CPM (Critical Path Method)	PERT (Program Evaluation & Review Technique)
Origin	Used in construction/industry.	Used in R&D (started with Polaris Missile).
Nature	**Deterministic:** We know exactly how long tasks take.	**Probabilistic:** Durations are uncertain.
Focus	Time-Cost Tradeoff (how to finish faster for less $).	Time estimation (Optimistic, Pessimistic, Likely).
Path	Identifies the **Critical Path**: the longest sequence of tasks.	Focuses on meeting milestones/events.

4. Computers and IT in Management Control
In the digital age, control has moved from paper reports to real-time data.

Management Information Systems (MIS)
An MIS collects data, processes it, and provides it to managers as actionable information. It helps in:

Instant Reporting: No waiting for end-of-month tallies.

Data Accuracy: Minimizes human error in calculations.

Enterprise Resource Planning (ERP)
An ERP (like SAP or Oracle) integrates all departments (Finance, HR, Inventory, Sales) into one database.

Automation: If a sale is made, the inventory is automatically reduced, the accounting ledger is updated, and a restocking alert is sent.

Transparency: Top management can see a "snapshot" of the entire company's performance at any second.

UNIT- VI

Emerging trends in Management

Managing a modern organization isn't just about giving orders anymore; it's about navigating a world that changes faster than a viral meme. Here is a breakdown of these essential emerging trends in management.

1. Total Quality Management (TQM)

TQM is a management approach centered on the idea that **quality is everyone's job**, from the CEO to the front-line staff. It isn't just a department; it's a culture.

Customer Focus: The ultimate judge of quality is the customer. If they aren't happy, the product isn't "high quality."

Continuous Improvement: Often referred to by the Japanese term *Kaizen*, it involves making small, incremental improvements every day.

Total Employee Involvement: Employees are empowered to identify problems and suggest solutions.

2. Crisis Management

Crisis Management is the process by which an organization deals with a disruptive and unexpected event that threatens to harm the organization or its stakeholders.

Pre-Crisis: Developing a "Crisis Management Plan" (CMP) and conducting drills.

Response: The actual execution of the plan—communicating clearly, acting fast, and taking responsibility.

Recovery: Analyzing what went wrong and rebuilding the brand's reputation.

Key takeaway: In a crisis, **silence is the enemy.** Transparency is your best shield.

3. Global Practices

As borders "shrink" due to technology, management has gone global. This involves managing teams across different time zones, cultures, and legal systems.

Cultural Intelligence (CQ): The ability to work effectively across different cultures.

Outsourcing & Offshoring: Utilizing global talent pools to reduce costs or increase expertise.

Standardization vs. Localization: Finding the balance between having a consistent global brand and "localizing" products to fit regional tastes (e.g., McDonald's selling different menus in India vs. the USA).

4. Change Management

Change is inevitable, but people usually hate it. Change Management is the structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state.

The Human Element: Focuses on overcoming "change fatigue" and resistance.

Communication: Explaining the *why* behind the change is more important than explaining the *how*.

ADKAR Model: A popular framework focusing on **A**wareness, **D**esire, **K**nowledge, **A**bility, and **R**einforcement.
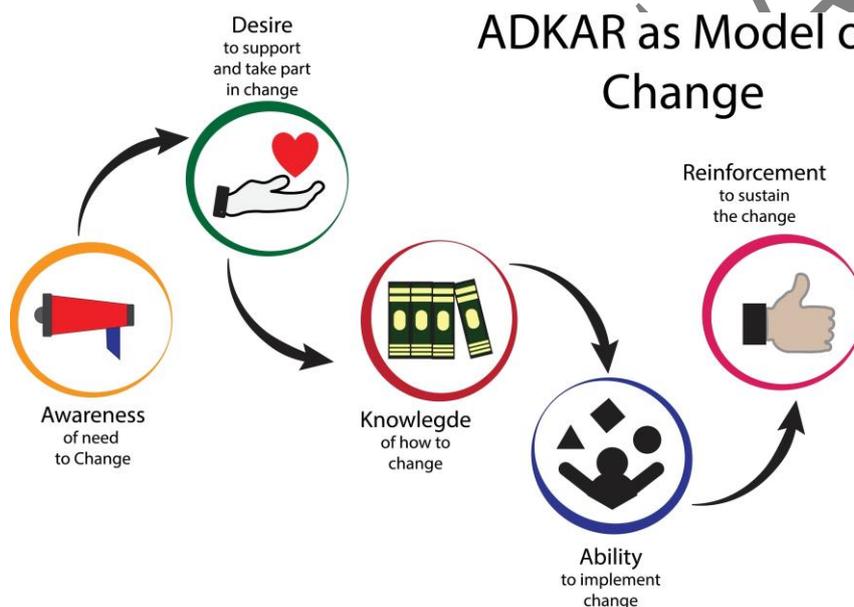
5. Logistic Management

Logistics is the "muscle" of the business. It's the part of the supply chain that plans, implements, and controls the efficient flow and storage of goods and services.

Inbound & Outbound: Managing raw materials coming in and finished products going out.

Inventory Control: Keeping just enough stock to meet demand without wasting money on storage (Just-in-Time).

Digital Transformation: Using AI and IoT to track shipments in real-time and predict delivery delays.

Comparison Summary

Trend	Core Goal	Key Driver
TQM	Zero defects / Customer satisfaction	Culture & Consistency
Crisis Management	Damage control / Survival	Preparedness & Speed
Global Practices	Market expansion / Efficiency	Technology & Diversity
Change Management	Adaptation / Growth	Communication & Psychology
Logistic Management	Efficient flow of goods	Data & Infrastructure