

COURSE NOTES FOR Bachelor Computer Applications

First Semester

Principles of Management

as per syllabus of



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BCA-S103 Principles of Management

UNIT-I

- Nature of Management:
- Meaning, Definition, nature & purpose, importance & Functions, Management as Art, Science & Profession-
- Management as social System Concepts of management-Administration-Organization, Management Skills,
- Levels of Management.

UNIT-II

- Evolution of Management Thought:
- Contribution of F.W.Taylor, Henri Fayol, Elton Mayo, Chester Barhard & Peter Drucker to the management
- thought. Business Ethics & Social Responsibility: Concept, Shift to Ethics, Tools of Ethics.

UNIT-III

- Functions of Management: Part-I
- Planning – Meaning- Need & Importance, types, Process of Planning, Barriers to Effective Planning, levels –
- advantages & limitations. Forecasting- Need & Techniques Decision making-Types - Process of rational
- decision making & techniques of decision making, Organizing – Elements of organizing & processes: Types of
- organizations, Delegation of authority – Need, difficulties , Delegation – Decentralization
- Staffing – Meaning & Importance
- Direction – Nature – Principles
- Communication – Types & Importance

UNIT-IV

- Functions of Management: Part-II
- Motivation – Importance – theories
- Leadership – Meaning –styles, qualities & function of leader
- Controlling - Need, Nature, importance, Process & Techniques, Total Quality Management
- Coordination – Need – Importance

UNIT – V

- Management of Change: Models for Change, Force for Change, Need for Change, Alternative Change
- Techniques, New Trends in Organization Change, Stress Management.

UNIT-VI

- Strategic Management
- Definition, Classes of Decisions, Levels of Decision, Strategy, Role of different Strategist, Relevance of
- Strategic Management and its Benefits, Strategic Management in India

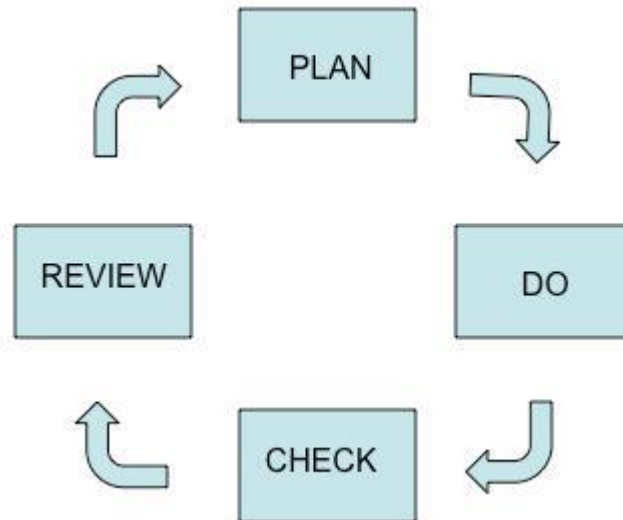
Reference Books:



- Essential of Management – Horold Koontz and Iteinz Weibrich- McGraw-Hill's International

UNIT-1

MEANING OF MANAGEMENT



ACCORDING TO THEO HEIMANN, MANAGEMENT HAS THREE DIFFERENT MEANINGS, VIZ.,

1.MANAGEMENT AS A NOUN : REFERS TO A GROUP OF MANAGERS.

2.MANAGEMENT AS A PROCESS : REFERS TO THE FUNCTIONS OF MANAGEMENT I.E. PLANNING, ORGANISING, DIRECTING, CONTROLLING, ETC.

3.MANAGEMENT AS A DISCIPLINE : REFERS TO THE SUBJECT OF MANAGEMENT

MANAGEMENT BRINGS TOGETHER ALL SIX MS I.E. MEN AND WOMEN, MONEY, MACHINES, MATERIALS, METHODS AND MARKETS. THEY USE THESE RESOURCES FOR ACHIEVING THE OBJECTIVES OF THE ORGANISATION SUCH AS HIGH SALES, MAXIMUM PROFITS, BUSINESS EXPANSION, ETC.



DEFINITION OF MANAGEMENT



MANY MANAGEMENT EXPERTS HAVE TRIED TO DEFINE MANAGEMENT. BUT, NO DEFINITION OF MANAGEMENT HAS BEEN UNIVERSALLY ACCEPTED. LET US DISCUSS SOME OF THE LEADING DEFINITIONS OF MANAGEMENT:

PETER F. DRUCKER DEFINES, "MANAGEMENT IS AN ORGAN; ORGANS CAN BE DESCRIBED AND DEFINED ONLY THROUGH THEIR FUNCTIONS".

ACCORDING TO TERRY, "MANAGEMENT IS NOT PEOPLE; IT IS AN ACTIVITY LIKE WALKING, READING, SWIMMING OR RUNNING. PEOPLE WHO PERFORM MANAGEMENT CAN BE DESIGNATED AS MEMBERS, MEMBERS OF MANAGEMENT OR EXECUTIVE LEADERS."

RALPH C. DAVIS HAS DEFINED MANAGEMENT AS, "MANAGEMENT IS THE FUNCTION OF EXECUTIVE LEADERSHIP ANYWHERE."

ACCORDING TO MC FARLAND, "MANAGEMENT IS DEFINED FOR CONCEPTUAL, THEORETICAL AND ANALYTICAL PURPOSES AS THAT PROCESS BY WHICH MANAGERS CREATE, DIRECT, MAINTAIN AND OPERATE PURPOSEFUL ORGANIZATION THROUGH SYSTEMATIC, CO-ORDINATED CO-OPERATIVE HUMAN EFFORT."

HENRY FAYOL, "TO MANGE IS TO FORECAST AND PLAN, TO ORGANIZE, TO COMPOUND, TO CO-ORDINATE AND TO CONTROL."



HAROLD KOONTZ SAYS, "MANAGEMENT IS THE ART OF GETTING THINGS DONE THROUGH AND WITHIN FORMALLY ORGANIZED GROUP."

KIMBALL AND KIMBALL, "MANAGEMENT EMBRACES ALL DUTIES AND FUNCTIONS THAT PERTAIN TO THE INITIATION OF AN ENTERPRISE, ITS FINANCING, THE ESTABLISHMENT OF ALL MAJOR POLICIES, THE PROVISION OF ALL NECESSARY EQUIPMENT, THE OUTLINING OF THE GENERAL FORM OF ORGANIZATION UNDER WHICH THE ENTERPRISE IS TO OPERATE AND THE SELECTION OF THE PRINCIPAL OFFICERS."

NATURE OF MANAGEMENT

MANAGEMENT IS A MULTI-DISCIPLINARY IN NATURE AND IS DISTINCT ACTIVITY. MANAGEMENT HAS BEEN REGARDED AS SCIENCE AND AN ART AND A PROFESSION. THE TRUE NATURE OF MANAGEMENT CAN BE KNOWN ONLY AFTER STUDYING THESE ASPECT OF MANAGEMENT. THE FOLLOWING ARE THE SALIENT NATURE OF MANAGEMENT:

- 1.MANAGEMENT IS A SCIENCE AND AN ART
- 2.MANAGEMENT IS UNIVERSAL
- 3.MANAGEMENT IS GOAL ORIENTED
- 4.MANAGEMENT IS ECONOMIC RESOURCE
- 5.MANAGEMENT IS DISTINCT PROCESS
- 6.MANAGEMENT IS A GROUP ACTIVITY
- 7.MANAGEMENT IS AN INTANGIBLE FORCE
- 8.MANAGEMENT IS A MULTI-DISCIPLINARY SUBJECT
- 9.MANAGEMENT IS DYNAMIC
- 10.SYSTEMS OF AUTHORITY

PURPOSE OF MANAGEMENT

IT IS THE PROCESS OF BRINGING TOGETHER PHYSICAL, FINANCIAL AND HUMAN RESOURCES AND DEVELOPING PRODUCTIVE RELATIONSHIP AMONGST THEM FOR ACHIEVEMENT OF ORGANIZATIONAL GOALS.



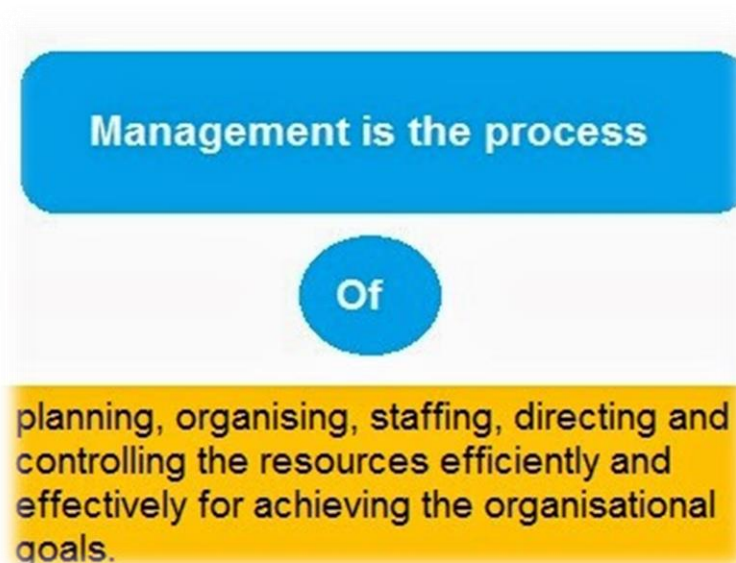
• TO ORGANIZE A BUSINESS INVOLVES DETERMINING & PROVIDING HUMAN AND NON-HUMAN RESOURCES TO THE ORGANIZATIONAL STRUCTURE. ORGANIZING AS A PROCESS INVOLVES:

- IDENTIFICATION OF ACTIVITIES.
- CLASSIFICATION OF GROUPING OF ACTIVITIES.
- ASSIGNMENT OF DUTIES.
- DELEGATION OF AUTHORITY AND CREATION OF RESPONSIBILITY.
- COORDINATING AUTHORITY AND RESPONSIBILITY RELATIONSHIPS

THE MAIN PURPOSE OF STAFFING IS TO PUT RIGHT MAN ON RIGHT JOB I.E. SQUARE PEGS IN SQUARE HOLES AND ROUND PEGS IN ROUND HOLES.

- ESTABLISHMENT OF STANDARD PERFORMANCE.
- MEASUREMENT OF ACTUAL PERFORMANCE.
- COMPARISON OF ACTUAL PERFORMANCE WITH THE STANDARDS AND FINDING OUT DEVIATION IF ANY.
- CORRECTIVE ACTION

MANAGEMENT FUNCTIONS





HENRY FAYOL FIRST REAL THINKER OF MANAGEMENT PHILOSOPHY HAS CLASSIFIED THE FUNCTIONS AS

- 1.PLANNING
- 2.ORGANIZING
- 3.COMMANDING (DIRECTING)
- 4.STAFFING
- 5.CONTROLLING

PLANNING:



PLANNING IS DECIDING IN ADVANCE - WHAT TO DO, WHEN TO DO & HOW TO DO. IT BRIDGES THE GAP FROM WHERE WE ARE & WHERE WE WANT TO BE". A PLAN IS A FUTURE COURSE OF ACTIONS. IT IS AN EXERCISE IN PROBLEM SOLVING & DECISION MAKING. PLANNING IS DETERMINATION OF COURSES OF ACTION TO ACHIEVE DESIRED GOALS.

ORGANIZING

IT IS THE PROCESS OF BRINGING TOGETHER PHYSICAL, FINANCIAL AND HUMAN RESOURCES AND DEVELOPING PRODUCTIVE RELATIONSHIP AMONGST THEM FOR ACHIEVEMENT OF ORGANIZATIONAL GOALS.

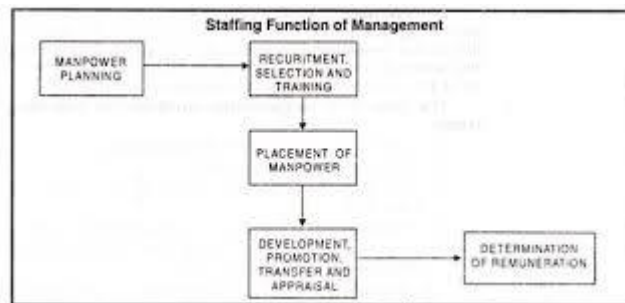
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STAFFING:



THE MAIN PURPOSE OF STAFFING IS TO PUT RIGHT MAN ON RIGHT JOB I.E. SQUARE PEGS IN SQUARE HOLES AND ROUND PEGS IN ROUND HOLES.

ACCORDING TO KOOTZ & O'DONELL, "MANAGERIAL FUNCTION OF STAFFING INVOLVES MANNING THE ORGANIZATION STRUCTURE THROUGH PROPER AND EFFECTIVE SELECTION, APPRAISAL & DEVELOPMENT OF PERSONNEL TO FILL THE ROLES DESIGNED ON THE STRUCTURE".

DIRECTING

IT IS THAT PART OF MANAGERIAL FUNCTION WHICH ACTUATES THE ORGANIZATIONAL METHODS TO WORK EFFICIENTLY FOR ACHIEVEMENT OF ORGANIZATIONAL PURPOSES.

IT IS CONSIDERED LIFE-SPARK OF THE ENTERPRISE WHICH SETS IT IN MOTION THE ACTION OF PEOPLE BECAUSE PLANNING, ORGANIZING AND STAFFING ARE THE MERE PREPARATIONS FOR DOING THE WORK. DIRECTION IS THAT INERT-PERSONNEL ASPECT OF MANAGEMENT WHICH DEALS DIRECTLY WITH INFLUENCING, GUIDING, SUPERVISING, MOTIVATING SUB-ORDINATE FOR THE ACHIEVEMENT OF ORGANIZATIONAL GOALS.



DIRECTION HAS FOLLOWING ELEMENTS:

- SUPERVISION
- MOTIVATION
- LEADERSHIP
- COMMUNICATION

CONTROLLING

CONTROLLING IS THE MEASUREMENT & CORRECTION OF PERFORMANCE ACTIVITIES OF SUBORDINATES IN ORDER TO MAKE SURE THAT THE ENTERPRISE OBJECTIVES AND PLANS DESIRED TO OBTAIN THEM AS BEING ACCOMPLISHED". THEREFORE CONTROLLING HAS FOLLOWING STEPS:

- ESTABLISHMENT OF STANDARD PERFORMANCE.
- MEASUREMENT OF ACTUAL PERFORMANCE.
- COMPARISON OF ACTUAL PERFORMANCE WITH THE STANDARDS AND FINDING OUT DEVIATION IF ANY.
- CORRECTIVE ACTION

MANAGEMENT AS A SCIENCE :

DEVELOPMENT OF MANAGEMENT AS A SCIENCE IS OF RECENT ORIGIN, EVEN THOUGH ITS PRACTICE IS AGES OLD. FREDRICK W. TAYLOR WAS THE FIRST MANAGER-THEORIST WHO MADE SIGNIFICANT CONTRIBUTIONS TO THE DEVELOPMENT OF MANAGEMENT AS A SCIENCE. HE USED THE SCIENTIFIC METHODS OF ANALYSIS, OBSERVATION AND EXPERIMENTATION IN THE MANAGEMENT OF PRODUCTION FUNCTION. A PERCEPTIVE MANAGER, AS HE WAS, HE DISTILLED CERTAIN FUNDAMENTAL PRINCIPLES AND PROPOUNDED THE THEORY AND PRINCIPLES OF SCIENTIFIC MANAGEMENT. HIS WORK WAS FOLLOWED BY MANY OTHERS INCLUDING GANTT, EMERSON, FAYOL, BARNARD, ETC. DURING THE LAST FEW DECADES, GREAT STRIDES HAVE BEEN MADE IN THE DEVELOPMENT OF MANAGEMENT AS A SYSTEMATIZED BODY OF KNOWLEDGE WHICH CAN BE LEARNT, TAUGHT AND RESEARCHED. IT HAS ALSO PROVIDED POWERFUL TOOLS OF ANALYSIS, PREDICTION AND CONTROL TO PRACTICING MANAGERS. THE SCIENTIFIC CHARACTER OF MANAGEMENT HAS BEEN PARTICULARLY STRENGTHENED BY MANAGEMENT SCIENTISTS WHO HAVE DEVELOPED MATHEMATICAL MODELS OF DECISION MAKING.



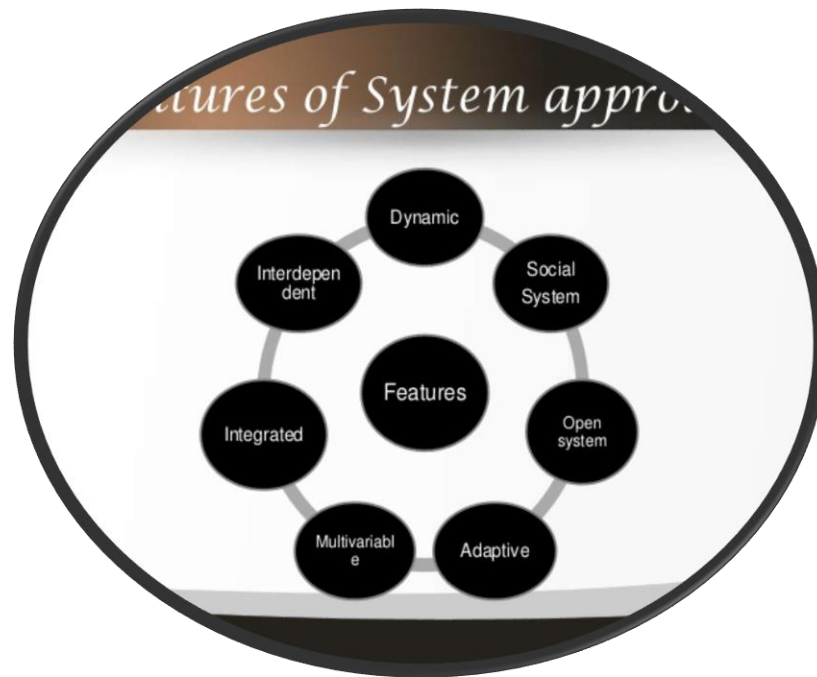
MANAGEMENT AS AN ART :

PRINCIPLES OF MANAGEMENT LIKE THE PRINCIPLES OF MEDICINE ARE USED BY THE PRACTITIONER NOT AS RULES OF THUMB BUT AS GUIDES IN SOLVING PRACTICAL PROBLEMS. IT IS OFTEN SAID THAT MANAGERIAL DECISION MAKING INVOLVES A LARGE ELEMENT OF JUDGEMENT. THIS IS TRUE TOO. THE RAGING CONTROVERSY WHETHER MANAGEMENT IS A SCIENCE OR AN ART IS FRUITLESS. IT IS A SCIENCE AS WELL AS AN ART. DEVELOPMENTS IN THE FIELD OF THE KNOWLEDGE OF MANAGEMENT HELP IN THE IMPROVEMENT OF ITS PRACTICE; AND IMPROVEMENTS IN THE PRACTICE OF MANAGEMENT SPUR FURTHER RESEARCH AND STUDY RESULTING IN FURTHER DEVELOPMENT OF MANAGEMENT SCIENCE.

MANAGEMENT AS A PROFESSION :

WE OFTEN HEAR OF PROFESSIONALISATION OF MANAGEMENT IN OUR COUNTRY. BY A PROFESSIONAL MANAGER, WE GENERALLY MEAN A MANAGER WHO UNDERTAKES MANAGEMENT AS A CAREER AND IS NOT INTERESTED IN ACQUIRING OWNERSHIP SHARE IN THE ENTERPRISE WHICH HE MANAGES. BUT, IS MANAGEMENT A PROFESSION IN THE TRUE SENSE OF THE WORD? OR, IS MANAGEMENT A PROFESSION LIKE THE PROFESSIONS OF LAW AND MEDICINE? ACCORDING TO MCFARLAND A PROFESSION POSSESS THE FOLLOWING CHARACTERISTICS : (I) A BODY OF PRINCIPLES, TECHNIQUES, SKILLS, AND SPECIALIZED KNOWLEDGE; (II) FORMALIZED METHODS OF ACQUIRING TRAINING AND EXPERIENCE; (III) THE ESTABLISHMENT OF A REPRESENTATIVE ORGANIZATION WITH PROFESSIONALISATION AS ITS GOAL; (IV) THE FORMATION OF ETHICAL CODES FOR THE GUIDANCE OF CONDUCT; AND (V) THE CHARGING OF FEES BASED ON THE NATURE OF SERVICES. MANAGEMENT IS A PROFESSION TO THE EXTENT IT FULFILLS THE ABOVE CONDITIONS.

MANAGEMENT AS SOCIAL SYSTEM APPROACH



-
- UNDERSTANDING THE BEHAVIOUR OF GROUPS & INDIVIDUALS.
 - FEATURES
1. SOCIAL SYSTEM, A SYSTEM OF CULTURAL RELATIONSHIP
 2. RELATIONSHIP EXIST BETWEEN EXTERNAL AND INTERNAL ENVIRONMENT OF THE ORGANISATION.
 3. FORMAL ORGANISATION - CULTURAL RELATIONSHIPS OF SOCIAL GROUPS WORKING WITHIN THE ORGANISATION.
 4. CO-OPERATION NECESSARY
 5. EFFORTS DIRECTED - HARMONY BETWEEN GOALS OF ORGANISATION & GOALS OF GROUPS.



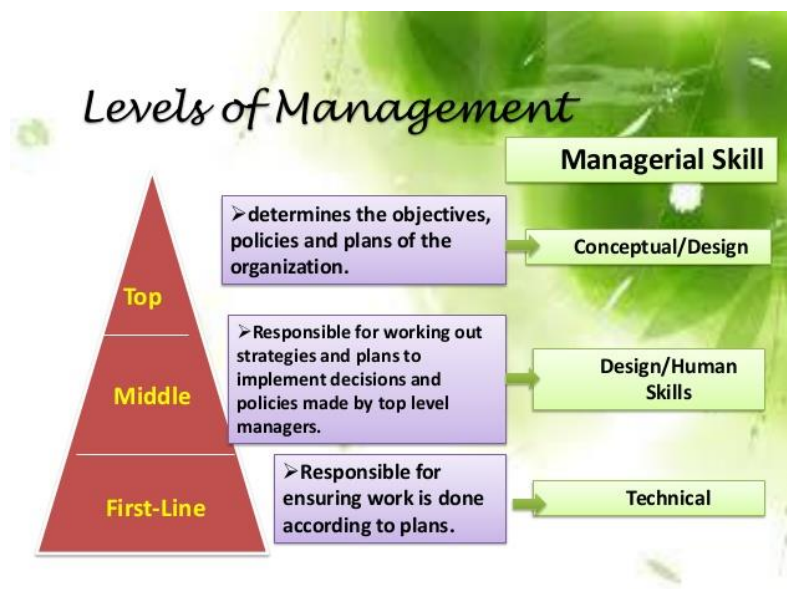
SYSTEMS APPROACH

- AN ENTERPRISE
- MAN-MADE SYSTEM
- INTERNAL PARTS
- ACHIEVE ESTABLISHED GOALS
- EXTERNAL PARTS
- ACHIEVE INTERPLAY WITH ITS ENVIRONMENT
- MANAGER INTEGRATES HIS AVAILABLE FACILITIES WITH GOAL

ACHIEVEMENT.

LEVELS OF MANAGEMENT

AN ENTERPRISE MAY HAVE DIFFERENT LEVELS OF MANAGEMENT. LEVELS OF MANAGEMENT REFER TO A LINE OF DEMARCATION BETWEEN VARIOUS MANAGERIAL POSITIONS IN AN ENTERPRISE. THE LEVELS OF MANAGEMENT DEPEND UPON ITS SIZE, TECHNICAL FACILITIES, AND THE RANGE OF PRODUCTION. WE GENERALLY COME ACROSS TWO BROAD LEVELS OF MANAGEMENT, VIZ. (I) ADMINISTRATIVE MANAGEMENT (I.E., THE UPPER LEVEL OF MANAGEMENT) AND (II) OPERATING MANAGEMENT (I.E., THE LOWER LEVEL OF MANAGEMENT).





THREE LEVELS OF MANAGEMENT NAMELY:

TOP MANAGEMENT OF A COMPANY CONSISTS OF OWNERS/SHAREHOLDERS, BOARD OF DIRECTORS, ITS CHAIRMAN, MANAGING DIRECTOR, OR THE CHIEF EXECUTIVE, OR THE GENERAL MANAGER OR EXECUTIVE COMMITTEE HAVING KEY OFFICERS.

MIDDLE MANAGEMENT OF A COMPANY CONSISTS OF HEADS OF FUNCTIONAL DEPARTMENTS VIZ. PURCHASE MANAGER, PRODUCTION MANAGER, MARKETING MANAGER, FINANCIAL CONTROLLER, ETC. AND DIVISIONAL AND SECTIONAL OFFICERS WORKING UNDER THESE FUNCTIONAL HEADS.

LOWER LEVEL OR OPERATIVE MANAGEMENT OF A COMPANY CONSISTS OF SUPERINTENDENTS, FOREMEN, SUPERVISORS, ETC.

TOP MANAGEMENT : TOP MANAGEMENT IS THE ULTIMATE SOURCE OF AUTHORITY AND IT LAYS DOWN GOALS, POLICIES AND PLANS FOR THE ENTERPRISE. IT DEVOTES MORE TIME ON PLANNING AND COORDINATING FUNCTIONS TOP MANAGEMENT INCLUDE :

- TO ESTABLISH THE OBJECTIVES OR GOALS OF THE ENTERPRISE.
- TO MAKE POLICIES AND FRAME PLANS TO ATTAIN THE OBJECTIVES LAID.
- TO SET UP AN ORGANIZATIONAL FRAME WORK TO CONDUCT THE OPERATIONS AS PER PLANS.
- TO ASSEMBLE THE RESOURCES OF MONEY, MEN, MATERIALS, MACHINES AND METHODS TO PUT THE PLANS INTO ACTION.
- TO EXERCISE EFFECTIVE CONTROL OF THE OPERATIONS.
- TO PROVIDE OVERALL LEADERSHIP TO THE ENTERPRISE.

MIDDLE MANAGEMENT : THE JOB OF MIDDLE MANAGEMENT IS TO IMPLEMENT THE POLICIES AND PLANS FRAMED BY THE TOP MANAGEMENT. IT SERVES AS AN ESSENTIAL LINK BETWEEN THE TOP MANAGEMENT AND THE LOWER LEVEL OR OPERATIVE MANAGEMENT.

THE MAIN FUNCTIONS OF MIDDLE MANAGEMENT :

- TO INTERPRET THE POLICIES CHALKED OUT BY TOP MANAGEMENT.
- TO PREPARE THE ORGANIZATIONAL SET UP IN THEIR OWN DEPARTMENTS FOR FULFILLING THE OBJECTIVES IMPLIED IN VARIOUS BUSINESS POLICIES.
- TO RECRUIT AND SELECT SUITABLE OPERATIVE AND SUPERVISORY STAFF.
- TO ASSIGN ACTIVITIES, DUTIES AND RESPONSIBILITIES FOR TIMELY IMPLEMENTATION OF THE PLANS.
- TO COMPILE ALL THE INSTRUCTIONS AND ISSUE THEM TO SUPERVISOR UNDER THEIR CONTROL.
- TO MOTIVATE PERSONNEL TO ATTAIN HIGHER PRODUCTIVITY AND TO REWARD THEM PROPERLY.



- TO COOPERATE WITH THE OTHER DEPARTMENTS FOR ENSURING A SMOOTH FUNCTIONING OF THE ENTIRE ORGANIZATION.
- TO COLLECT REPORTS AND INFORMATION ON PERFORMANCE IN THEIR DEPARTMENTS.
- TO REPORT TO TOP MANAGEMENT
- TO MAKE SUITABLE RECOMMENDATIONS TO THE TOP MANAGEMENT FOR THE BETTER EXECUTION OF PLANS AND POLICIES.

LOWER OR OPERATIVE MANAGEMENT: IT IS PLACED AT THE BOTTOM OF THE HIERARCHY OF MANAGEMENT, AND ACTUAL OPERATIONS ARE THE RESPONSIBILITY OF THIS LEVEL OF MANAGEMENT. IT CONSISTS OF FOREMAN, SUPERVISORS, SALES OFFICERS, ACCOUNTS OFFICERS AND SO ON. THEY ARE IN DIRECT TOUCH WITH THE RANK AND FILE OR WORKERS. THEIR AUTHORITY AND RESPONSIBILITY IS LIMITED.

MANAGERIAL SKILLS

A SKILL IS AN INDIVIDUAL'S ABILITY TO TRANSLATE KNOWLEDGE INTO ACTION. HENCE, IT IS MANIFESTED IN AN INDIVIDUAL'S PERFORMANCE. SKILL IS NOT NECESSARILY INBORN. IT CAN BE DEVELOPED THROUGH PRACTICE AND THROUGH RELATING LEARNING TO ONE'S OWN PERSONAL EXPERIENCE AND BACKGROUND. THESE ARE CONCEPTUAL SKILL, HUMAN RELATIONS SKILL AND TECHNICAL SKILL. CONCEPTUAL SKILL DEALS WITH IDEAS, TECHNICAL SKILL WITH THINGS AND HUMAN SKILL WITH PEOPLE. WHILE BOTH CONCEPTUAL AND TECHNICAL SKILLS ARE NEEDED FOR GOOD DECISION-MAKING, HUMAN



SKILL IS NECESSARY FOR A GOOD LEADER.

THE CONCEPTUAL SKILL REFERS TO THE ABILITY OF A MANAGER TO TAKE A BROAD AND FARSIGHTED VIEW OF THE ORGANIZATION AND ITS FUTURE, HIS ABILITY TO THINK IN ABSTRACT, HIS ABILITY TO ANALYZE THE FORCES WORKING IN A SITUATION, HIS CREATIVE AND INNOVATIVE ABILITY AND HIS ABILITY TO ASSESS THE ENVIRONMENT AND THE CHANGES TAKING PLACE IN IT.

THE TECHNICAL SKILL IS THE MANAGER'S UNDERSTANDING OF THE NATURE OF JOB THAT PEOPLE UNDER HIM HAVE TO PERFORM. IT REFERS TO A PERSON'S KNOWLEDGE AND PROFICIENCY IN ANY TYPE OF PROCESS OR TECHNIQUE. IN A PRODUCTION DEPARTMENT

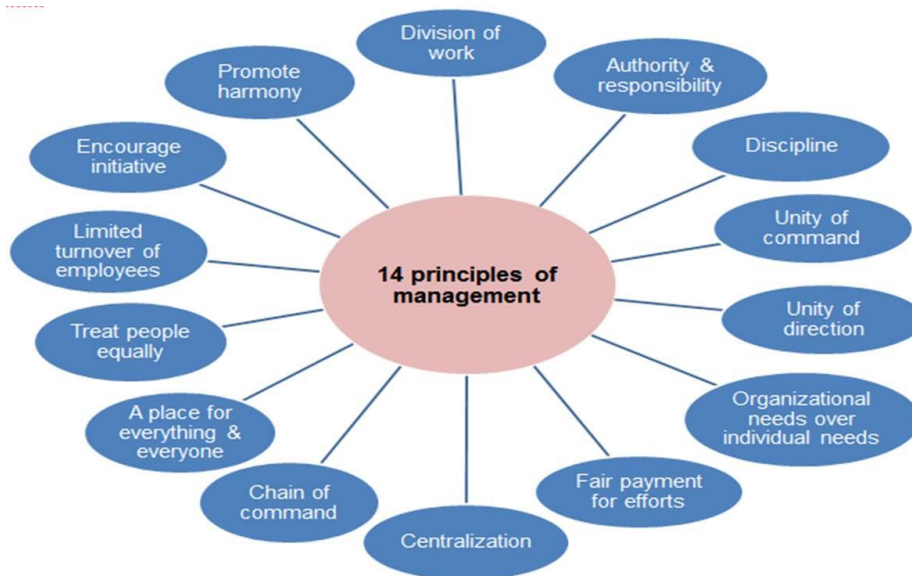


THIS WOULD MEAN AN UNDERSTANDING OF THE TECHNICALITIES OF THE PROCESS OF PRODUCTION.

HUMAN RELATIONS SKILL IS THE ABILITY TO INTERACT EFFECTIVELY WITH PEOPLE AT ALL LEVELS. THIS SKILL DEVELOPS IN THE MANAGER SUFFICIENT ABILITY (A) TO RECOGNIZE THE FEELINGS AND SENTIMENTS OF OTHERS; (B) TO JUDGE THE POSSIBLE ACTIONS TO, AND OUTCOMES OF VARIOUS COURSES OF ACTION HE MAY UNDERTAKE; AND (C) TO EXAMINE HIS OWN CONCEPTS AND VALUES WHICH MAY ENABLE HIM TO DEVELOP MORE USEFUL ATTITUDES ABOUT HIMSELF.

UNIT 2

FAYOL HELD THAT THERE IS A SINGLE "ADMINISTRATIVE SCIENCE", WHOSE PRINCIPLES CAN BE USED IN ALL MANAGEMENT SITUATIONS NO MATTER WHAT KIND OF ORGANIZATION WAS BEING MANAGED.



FAYOL HELD THAT ACTIVITIES OF AN INDUSTRIAL ENTERPRISE CAN BE GROUPED IN SIX CATEGORIES : (I) TECHNICAL (PRODUCTION), (II) COMMERCIAL (BUYING, SELLING AND EXCHANGE), (III) FINANCIAL (SEARCH FOR AND OPTIMUM USE OF CAPITAL), (IV) SECURITY (PROTECTION OF PROPERTY AND PERSONS), (V) ACCOUNTING (INCLUDING STATISTICS); AND (VI) MANAGERIAL. HOWEVER, HE DEVOTED MOST OF HIS ATTENTION TO MANAGERIAL ACTIVITY. HE DEVELOPED THE FOLLOWING PRINCIPLES UNDERLYING MANAGEMENT OF ALL KINDS OF ORGANIZATIONS :

THIS ASPECT OF RELATIONSHIP BETWEEN RESPONSIBILITY AND AUTHORITY IS PARTICULARLY RELEVANT IN INDIA WHERE AUTHORITY TENDS TO BE CONCENTRATED IN HIGHER ECHELONS OF MANAGEMENT.



UNITY OF COMMAND : THIS PRINCIPLE HOLDS THAT ONE EMPLOYEE SHOULD HAVE ONLY ONE BOSS AND RECEIVE INSTRUCTIONS FROM HIM ONLY. FAYOL OBSERVED THAT IF THIS PRINCIPLE IS VIOLATED AUTHORITY WILL BE UNDERMINED, DISCIPLINE WILL BE JEOPARDY, ORDER WILL BE DISTURBED AND STABILITY WILL BE THREATENED. DUAL COMMAND IS A PERMANENT SOURCE OF CONFLICT. THEREFORE, IN EVERY ORGANIZATION, EACH SUBORDINATE SHOULD HAVE ONE SUPERIOR WHOSE COMMAND HE HAS TO OBEY.

UNITY OF DIRECTION : THIS MEANS THAT ALL MANAGERIAL AND OPERATIONAL ACTIVITIES WHICH RELATE A DISTINCT GROUP WITH THE SAME OBJECTIVE SHOULD BE DIRECTED BY "ONE HEAD AND ONE PLAN. ACCORDING TO FAYOL, THERE SHOULD BE, "ONE HEAD AND ONE PLAN FOR A GROUP OF ACTIVITIES HAVING THE SAME OBJECTIVE". IT, HOWEVER, DOES NOT MEAN THAT ALL DECISIONS SHOULD BE MADE AT THE TOP.

SCALAR CHAIN OF COMMAND : ACCORDING TO FAYOL SCALAR CHAIN IS THE CHAIN OF SUPERIORS RANGING FROM THE ULTIMATE AUTHORITY TO THE LOWEST RANKS. THE LINE OF AUTHORITY IS THE ROUTE FOLLOWED VIA EVERY LINK IN THE CHAIN BY ALL COMMUNICATION WHICH START FROM OR GO TO THE ULTIMATE AUTHORITY.

DIVISION OF WORK : THIS IS THE PRINCIPLE OF SPECIALIZATION WHICH, ACCORDING TO FAYOL, APPLIES TO ALL KINDS OF WORK, MANAGERIAL AS WELL AS TECHNICAL. IT HELPS A PERSON TO ACQUIRE AN ABILITY AND ACCURACY WITH WHICH HE CAN DO MORE AND BETTER WORK WITH THE SAME EFFORT.

DISCIPLINE : DISCIPLINE IS A SINE QUA NON FOR THE PROPER FUNCTIONING OF AN ORGANIZATION. MEMBERS OF AN ORGANIZATION ARE REQUIRED TO PERFORM THEIR FUNCTIONS AND CONDUCT THEMSELVES IN RELATION TO OTHERS ACCORDING TO RULES, NORMS AND CUSTOMS.

SUBORDINATION OF INDIVIDUAL INTEREST TO GENERAL INTEREST : THE INTEREST OF THE ORGANIZATION IS ABOVE THE INTERESTS OF THE INDIVIDUAL AND THE GROUP. IT CAN BE ACHIEVED ONLY WHEN MANAGERS IN HIGH POSITIONS IN THE ORGANIZATION SET AN EXAMPLE OF HONESTY, INTEGRITY, FAIRNESS AND JUSTICE.

REMUNERATION : EMPLOYEES SHOULD BE PAID FAIRLY AND EQUITABLY. DIFFERENTIALS IN REMUNERATION SHOULD BE BASED ON JOB DIFFERENTIALS, IN TERMS OF QUALITIES OF THE EMPLOYEE, APPLICATION, RESPONSIBILITY, WORKING CONDITIONS AND DIFFICULTY OF THE JOB..

CENTRALISATION : FAYOL BELIEVED IN CENTRALISATION. HE, HOWEVER, DID NOT CONTEMPLATE CONCENTRATION OF ALL DECISION MAKING AUTHORITY IN THE TOP MANAGEMENT. HE, HOWEVER, HELD THAT CENTRALISATION AND DECENTRALISATION IS A QUESTION OF PROPORTION. THE DEGREE OF CENTRALISATION AND DECENTRALISATION ALSO DEPENDS ON THE QUALITY OF MANAGERS.



ORDER : ORDER, IN THE CONCEPTION OF FAYOL, MEANS RIGHT PERSON ON THE RIGHT JOB AND EVERYTHING IN ITS PROPER PLACE. THIS KIND OF ORDER, DEPENDS ON PRECISE KNOWLEDGE OF HUMAN REQUIREMENTS AND RESOURCES OF THE CONCERN AND A CONSTANT BALANCE BETWEEN THESE REQUIREMENTS AND RESOURCES.

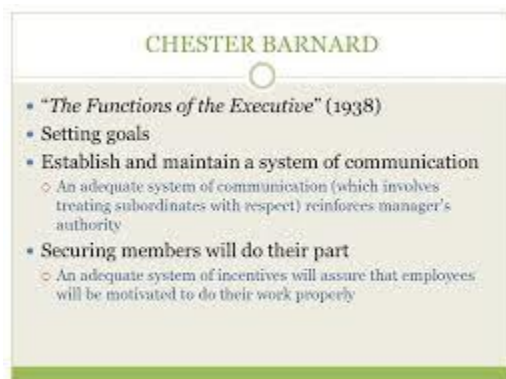
EQUITY : IT MEANS THAT SUBORDINATES SHOULD BE TREATED WITH JUSTICE AND KINDLINESS. THIS IS ESSENTIAL FOR ELICITING THEIR DEVOTION AND LOYALTY TO THE ENTERPRISE. IT IS, THEREFORE THE DUTY OF THE CHIEF EXECUTIVE TO INSTILL A SENSE OF EQUITY THROUGHOUT ALL LEVELS OF SCALAR CHAIN.

STABILITY OF TENURE OF PERSONNEL : THE MANAGERIAL POLICIES SHOULD PROVIDE A SENSE OF REASONABLE JOB SECURITY. THE HIRING AND FIRING OF PERSONNEL SHOULD DEPEND NOT ON THE WHIMS OF THE SUPERIORS BUT ON THE WELL-CONCEIVED PERSONNEL POLICIES. HOWEVER, "A MEDIUM MANAGER WHO STAYS IS INFINITELY PREFERABLE TO OUTSTANDING MANAGERS WHO COME AND GO".

INITIATIVE : IT FOCUSES ON THE ABILITY, ATTITUDE AND RESOURCEFULNESS TO ACT WITHOUT PROMPTING FROM OTHERS. MANAGERS MUST CREATE AN ENVIRONMENT WHICH ENCOURAGES THEIR SUBORDINATES TO TAKE INITIATIVE AND RESPONSIBILITY.

ESPRIT DE CORPS : COHESIVENESS AND TEAM SPIRIT SHOULD BE ENCOURAGED AMONG EMPLOYEES. IT IS ONE OF THE CHIEF CHARACTERISTICS OF ORGANIZED ACTIVITY THAT A NUMBER OF PEOPLE WORK TOGETHER IN CLOSE COOPERATION FOR THE ACHIEVEMENT OF COMMON GOALS.. WHERE NECESSARY, SHOULD ALWAYS BE SUPPLEMENTED BY ORAL COMMUNICATION BECAUSE FACE-TO-FACE CONTACTS TEND TO PROMOTE SPEED, CLARITY AND HARMONY.

CHESTER BARNARD'S SOCIAL SYSTEMS APPROACH AND CONTRIBUTION TO MANAGEMENT!



BARNARD'S CONTRIBUTIONS TO MANAGEMENT THOUGHT:



BARNARD SUGGESTED SOCIAL SYSTEMS APPROACH TO MANAGEMENT. HIS MAIN CONTRIBUTIONS TO MANAGEMENT THOUGHT CAN BE DESCRIBED AS FOLLOWS:

1. THEORY OF FORMAL ORGANISATION:

BARNARD GAVE A THEORY OF FORMAL ORGANISATION. HE DEFINED IT AS "A SYSTEM OF CONSCIOUSLY CO-ORDINATED ACTIVITIES OF FORCES OF TWO OR MORE PERSONS." ACCORDING TO HIM, ORGANISATION CONSISTED OF HUMAN BEINGS WHOSE ACTIVITIES WERE CO-ORDINATED AND THEREFORE BECOMES A SYSTEM : ACCORDING TO BARNARD INITIAL EXISTENCE OF ORGANISATION DEPENDS UPON THREE ELEMENTS : (I) THE WILLINGNESS OF PERSONS TO CONTRIBUTE EFFORTS TO THE CO-OPERATIVE SYSTEM (II) THERE SHOULD BE AN OBJECTIVE OF CO-OPERATION AND (III) PROPER COMMUNICATION SYSTEM IS NECESSARY.

2. ORGANISATIONAL EQUILIBRIUM:

BARNARD SUGGESTED AN EQUILIBRIUM MODEL TO DESCRIBE THE BALANCE ACHIEVED BETWEEN THE CONTRIBUTIONS OF THE MEMBERS OF AN ORGANISATION AND RETURN CONTRIBUTION MADE BY THE ORGANISATION TO THE FULFILMENT OF PRIVATE GOALS OF THE MEMBERS. BARNARD TREATED ORGANISATION AS SEPARATE FROM THE ENVIRONMENT WHERE IT WORKS.

THE PERSONS WORKING IN THE ORGANISATION HAVE TWO ROLES — A PERSONAL ROLE AND AN ORGANISATIONAL ROLE. THERE SHOULD BE A BALANCE BETWEEN WHAT EMPLOYEES GET OUT OF THE ORGANISATION (MONEY, STATUS, RECOGNITION, ETC.) AND WHAT THEY CONTRIBUTE IN FORM OF TIME, KNOWLEDGE, DISCOMFORT, PRODUCTION, ETC.

3. ACCEPTANCE THEORY OF AUTHORITY:

ACCORDING, TO BARNARD THE DECISION AS TO WHETHER AN ORDER HAS AUTHORITY OR NOT LIES WITH THE PERSON TO WHOM IT IS ADDRESSED, AND DOES NOT RESIDE IN PERSONS OF AUTHORITY OR THOSE WHO ISSUE THESE ORDERS. THUS IN BARNARD'S VIEW, IF A SUBORDINATE DOES NOT ACCEPT HIS MANAGER'S AUTHORITY, IT DOES NOT EXIST.

A PERSON WILL ACCEPT AUTHORITY UNDER FOLLOWING CONDITIONS¹:



- (A) HE CAN AND DOES UNDERSTAND THE COMMUNICATION;

- (B) AT THE TIME OF HIS DECISION HE BELIEVES THAT IT IS NOT INCONSISTENT WITH THE PURPOSE OF THE ORGANISATION.

- (C) AT THE TIME OF HIS DECISION, HE BELIEVES IT TO BE COMPATIBLE WITH HIS PERSONAL INTEREST AS A WHOLE; AND

- (D) HE IS ABLE (MENTALLY AND PHYSICALLY) TO COMPLY WITH IT.

4. FUNCTIONS OF THE EXECUTIVE:

BARNARD POSTULATED THREE TYPES OF FUNCTIONS FOR THE EXECUTIVES IN FORMAL ORGANISATIONAL SET UP. THESE FUNCTIONS ARE:

- (A) MAINTAINING PROPER COMMUNICATION IN THE ORGANISATION

- (B) OBTAINING ESSENTIAL SERVICES FROM INDIVIDUALS FOR ACHIEVING ORGANISATIONAL GOALS

- (C) FORMULATING PURPOSES AND OBJECTIVES AT ALL LEVELS.

5. INFORMAL ORGANISATION:

BARNARD WAS OF THE OPINION THAT BOTH FORMAL AND INFORMAL ORGANISATIONS CO-EXIST IN EVERY ENTERPRISE. INFORMAL ORGANISATION REFERS TO THOSE SOCIAL INTERACTIONS WHICH DO NOT HAVE CONSCIOUSLY CO-ORDINATED JOINT PURPOSE.

THIS ORGANISATION EXISTS TO OVERCOME THE PROBLEMS OF FORMAL ORGANISATION. BARNARD SUGGESTED THAT EXECUTIVES SHOULD ENCOURAGE THE DEVELOPMENT OF INFORMAL ORGANISATION TO BRING COHESIVENESS IN THE ORGANISATION AND ALSO TO SERVE AS A MEANS OF COMMUNICATION.

F.W.TYLOR MANAGEMENT

1 Scientific Management

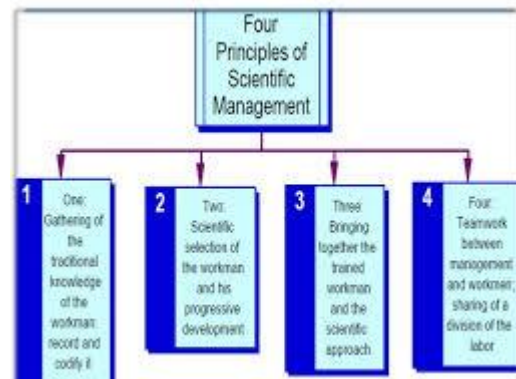
■ F.W. Taylor - Principles of Scientific Management

- Develop a science for each element of an individual's work, which will replace the old rule-of-thumb method.
- Scientifically select and then train, teach, and develop the worker.
- Heartily cooperate with the workers so as to ensure that all work is done effectively and efficiently.
- Divide work and responsibility almost equally between management and workers.



4

TAYLOR'S METHOD CONSISTED OF TESTING THE COMPLETION OF VARIOUS TASKS TO DETERMINE THE OPTIMAL AMOUNT OF WORK THAT COULD BE ACCOMPLISHED WITHIN A



CERTAIN TIME PERIOD. TAYLOR'S MANAGEMENT THEORY ASSERTS THAT ORGANIZATIONS SHOULD IDENTIFY THE BEST WAY TO DO A JOB, TRAIN WORKERS TO. SOME DEVELOPMENTS THAT RESULTED FROM THE TAYLOR THEORY OF MANAGEMENT ARE THESE:

1. SIGNIFICANTLY IMPROVED PRODUCTIVITY;
2. INCREASED EMPLOYEE INCENTIVE;
3. WIDESPREAD IMPROVEMENTS IN QUALITY CONTROL;
4. BETTER PERSONNEL PRACTICES; AND
5. GREATER COOPERATION BETWEEN MANAGEMENT AND WORKERS WITH A CONSISTENT APPLICATION OF TAYLOR S THEORY OF MANAGEMENT.



ACCORDING TO TAYLOR, "SCIENTIFIC MANAGEMENT MEANS KNOWING EXACTLY WHAT YOU WANT MEN TO DO AND SEEING THAT THEY DO IT IN THE BEST AND CHEAPEST WAY."

SCIENTIFIC MANAGEMENT IS BASED ON THE ANALYSIS, PLANNING AND CONTROL FUNCTIONS. AND JOB ACCOMPLISHED BY ANALYZING, AND WORKS CAN SELECTED AND TRAINED SCIENTIFICALLY. IN THIS, MANAGEMENT ROLE IS TO DETERMINE THE KIND OF WORK FOR WHICH AN EMPLOYEE SUITED AND HIRE AND ASSIGN WORKERS ACCORDINGLY. MANAGEMENT IS NOT RESPONSIBLE FOR EXECUTION OF WORK BUT THEY ARE RESPONSIBLE FOR HOW THE WORK IS DONE. CO-OPERATION BETWEEN MANAGEMENT AND WORKERS CAN ENHANCE THE WORK AND ACHIEVE THE MAXIMUM OUTPUT.

TAYLOR CALLED IT AS "MENTAL REVOLUTION", BECAUSE IT CREATES THE MUTUAL UNDERSTANDING, TRUST AND CONFIDENCE BETWEEN THE MANAGEMENT AND WORKERS FOR ACHIEVING GOAL (HIGHER PRODUCTION).

PRINCIPLES OF SCIENTIFIC MANAGEMENT

UNDER SCIENTIFIC MANAGEMENT, TAYLOR DEVELOPED THE FOLLOWING PARAMETERS FOR ORGANIZATION.

- Ø SCIENTIFIC WORK STUDY
- Ø TASK PLANNING
- Ø TOOLS AND MATERIALS
- Ø SELECTION AND TRAINING
- Ø STANDARDIZATION
- Ø WORKER MANAGEMENT INTERRELATIONSHIPS
- Ø DIFFERENTIAL PIECE WAGE SYSTEM

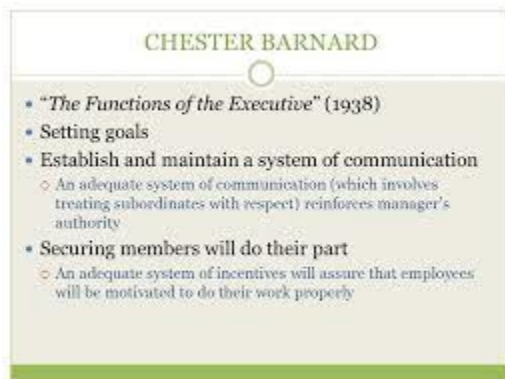
OBJECTIVE OF SCIENTIFIC MANAGEMENT

- Ø SCIENTIFIC UTILIZATION OF VARIOUS RESOURCES LIKE HUMAN POWER, MATERIAL ETC.



- Ø TO PROVIDE TRAINED AND EFFICIENT WORK FORCE.
- Ø TO PROVIDE STANDARDIZE METHODS OF WORK.
- Ø TO PROVIDE A SCIENTIFIC BASE FOR SELECTING MATERIAL, AND EQUIPMENT.
- Ø TO PROVIDE EXTRA WAGES TO THE WORKER FOR HIGHER PRODUCTION.
- Ø REPLACE OLD RULE OF THUMBS TO NEW SCIENTIFIC METHODS.
- Ø TO DEVELOP A GOOD RAPPORT BETWEEN MANAGEMENT AND WORKERS.
- Ø TO ACHIEVE HIGHER PRODUCTION, WITH REDUCE COSTS AND MAXIMUM EFFICIENCY.
- Ø LESS WASTAGE.

MANAGEMENT THEORY OF PETER DRUCKER



MBO

MBO STANDS FOR MANAGEMENT BY OBJECTIVES, A PHRASE COINED BY PETER DRUCKER IN HIS BOOK "THE PRACTICE OF MANAGEMENT," PUBLISHED IN 1954. MBO MEASURES THE PERFORMANCE OF EMPLOYEES AS COMPARED TO TYPICAL STANDARDS FOR THE JOB. THE BELIEF IS THAT, IF EMPLOYEES HELP DETERMINE THOSE STANDARDS, THEY WILL BE MORE LIKELY TO FULFILL THEM.



Relevance of Peter Drucker Theories

Management by objective (MBO)



SMART METHOD

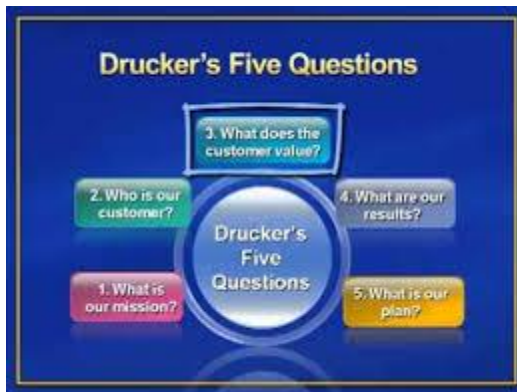
DRUCKER'S SMART METHOD IS A MEANS OF CHECKING TO MAKE SURE AN OBJECTIVE IS VALID. MANAGERS CARRIED OUT THIS VERIFICATION BY USING THE SMART ACRONYM TO MAKE SURE THE OBJECTIVE IS SPECIFIC, MEASURABLE, ACHIEVABLE, REALISTIC AND TIME-RELATED.

KNOWLEDGE WORKER

"KNOWLEDGE WORKER" IS ONE OF THE MANY TERMS COINED BY DRUCKER WITHIN HIS MANAGEMENT THEORIES. BY THE MEASURE OF TODAY'S SOCIETY, A KNOWLEDGE WORKER IS EQUIVALENT TO THE EXECUTIVE OF A COMPANY.

DECENTRALIZATION

DRUCKER WAS A BELIEVER IN DECENTRALIZATION OF MANAGEMENT. HE SAW THAT MANY LEADERS TRY TO TAKE ON EVERYTHING IN A DEMONSTRATION OF POWER OR A MEANS OF MAINTAINING CONTROL, UNDER THE ASSUMPTION THAT ONLY THEY CAN ACCOMPLISH A TASK CORRECTLY. DRUCKER BELIEVED THAT MANAGERS SHOULD DELEGATE TASKS IN ORDER TO EMPOWER EMPLOYEES.



SOCIAL AND BUSINESS ETHICS

Responsibilities and obligations

The management committee/board members are equally responsible in law for committee/board actions and decisions. They are collectively responsible and accountable for ensuring that the organisation is performing well, is solvent and complies with all its obligations.



COMPLIANCE

THE MANAGEMENT COMMITTEE/BOARD MUST ENSURE THAT THE ORGANISATION UNDERSTANDS AND COMPLIES WITH ITS OWN GOVERNING DOCUMENT, RELEVANT LAWS, CONTRACTUAL OBLIGATIONS AND THE REQUIREMENTS OF ANY REGULATORY BODIES.

INTERNAL CONTROLS

THE MANAGEMENT COMMITTEE/BOARD SHOULD MAINTAIN AND REGULARLY REVIEW THE ORGANISATION'S SYSTEM OF INTERNAL CONTROLS, PERFORMANCE REPORTING, POLICIES AND PROCEDURES.

EQUALITY AND DIVERSITY



THE MANAGEMENT COMMITTEE/BOARD MUST ENSURE THAT IT UPHOLDS AND APPLIES THE PRINCIPLES OF EQUALITY AND DIVERSITY AND THAT THE ORGANISATION IS FAIR AND OPEN TO ALL SECTIONS OF THE COMMUNITY IN ALL OF ITS ACTIVITIES.

PRUDENCE

THE MANAGEMENT COMMITTEE/BOARD MUST ACT PRUDENTLY TO PROTECT THE ASSETS AND PROPERTY OF THE ORGANISATION AND ENSURE THAT THEY ARE USED TO DELIVER THE ORGANISATION'S OBJECTIVES.

MANAGING RISK

THE MANAGEMENT COMMITTEE/BOARD SHOULD UNDERSTAND AND REGULARLY REVIEW THE RISKS TO WHICH THE ORGANISATION IS SUBJECT AND TAKE ACTION TO MANAGE THE RISKS IDENTIFIED.

MANAGING STAFF AND VOLUNTEERS

THE MANAGEMENT COMMITTEE/BOARD NEEDS TO UNDERSTAND THE DISTINCTION BETWEEN EMPLOYEES AND VOLUNTEERS AND ENSURE THAT GOOD PRACTICE IN THE RECRUITMENT AND MANAGEMENT OF BOTH STAFF AND VOLUNTEERS IS IN PLACE.

IN PARTICULAR THE RESPONSIBILITIES OF THE GOVERNMENT TOWARDS BUSINESS CAN BE DESCRIBED AS FOLLOWS:

TO PASS AND EXECUTE PROPER LAWS

THE BEHAVIOUR OF THE PEOPLE IN SOCIETY CAN BE EFFECTIVELY CONTROLLED WITH THE HELP OF LAWS. THE GOVERNMENT HAS TO PASS LAWS WHICH WOULD CREATE A FRIENDLY AND HELPFUL ATMOSPHERE FOR THE BUSINESS TO GROW..

IN INDIA THE GOVERNMENT HAS PASSED SEVERAL LAWS SUCH AS COMPANIES REGULATION ACT, THE FACTORY ACT, THE LABOUR LAWS, THE SOCIAL SECURITY LAWS, THE FOREIGN EXCHANGE MANAGEMENT ACT ETC.

THOUGH PASSING OF PROPER LAWS IS IMPORTANT, AN EFFICIENT IMPLEMENTATION OF THE LAW IS MORE IMPORTANT. IF A GOOD LAW IS IMPLEMENTED IN A BAD WAY IT



PRODUCES HARMFUL EFFECTS. IT ENCOURAGES DISHONESTY ON THE PART OF THE PEOPLE.

MAINTENANCE OF LAW AND ORDER

IT IS THE RESPONSIBILITY OF THE GOVERNMENT TO MAINTAIN LAW AND ORDER AND PEACE IN THE COMMUNITY. ANY BUSINESS CAN EXIST AND PROSPER IF THERE IS LAW AND ORDER IN THE COUNTRY. PERIODS OF DISTURBANCE ARE HARMFUL TO THE EXISTENCE OF BUSINESS AND MUCH MORE TO THE PROGRESS OF THE BUSINESS. THE GOVERNMENT HAS TO MAINTAIN LAW AND ORDER FOR ATTRACTING FOREIGN INVESTMENT.

PROVIDING MONEY AND CREDIT

EVERY BUSINESS REQUIRES CREDIT. IT IS LIKE BLOOD CIRCULATION IN THE BODY OF THE ECONOMY. FINANCE IS PROVIDED TO BUSINESS BY THE MONEY MARKET AND THE CAPITAL MARKET. THE GOVERNMENT HAS TO REGULATE THEM IN SUCH A WAY THAT THEY ARE ABLE TO ATTRACT MORE CAPITAL AND DIRECT IT TO THE BUSINESS. IT IS THE RESPONSIBILITY OF THE GOVERNMENT TO MAINTAIN THE FINANCIAL INSTITUTIONS IN SOUND HEALTH SO THAT THEY CAN MOBILIZE MORE FINANCES.

THE GOVERNMENT, THROUGH THE CENTRAL BANK OF THE COUNTRY HAS TO MAINTAIN A STABLE AND APPROPRIATE RATE OF EXCHANGE WHICH IS HELPFUL IN ATTRACTING MORE FOREIGN INVESTMENT

BUILDING INFRASTRUCTURE

ALL PRODUCTIVE ACTIVITIES REQUIRE INFRASTRUCTURE BY WAY OF MEANS OF TRANSPORT AND COMMUNICATIONS, SUPPLY OF ENERGY AND CREDIT, PROVIDING APPROPRIATE INFORMATION ABOUT THE OPENINGS FOR DIFFERENT BUSINESSES ETC. IF THE GOVERNMENT IS SUCCESSFUL IN BUILDING EFFICIENT INFRASTRUCTURE, BUSINESS CAN EXPAND AT A FAST RATE.



Responsibilities of business towards government

- Regular payment of taxes
- Voluntary programmes
 - Sponsoring social welfare programmes
 - Environmental preservation
 - Promoting education
 - Assistance in drought, flood etc.
- Providing Feed back information
- Government contracts
- Providing service to the government through becoming member in advisory boards
- Corporate contributions to the political activities

Responsibility towards Government

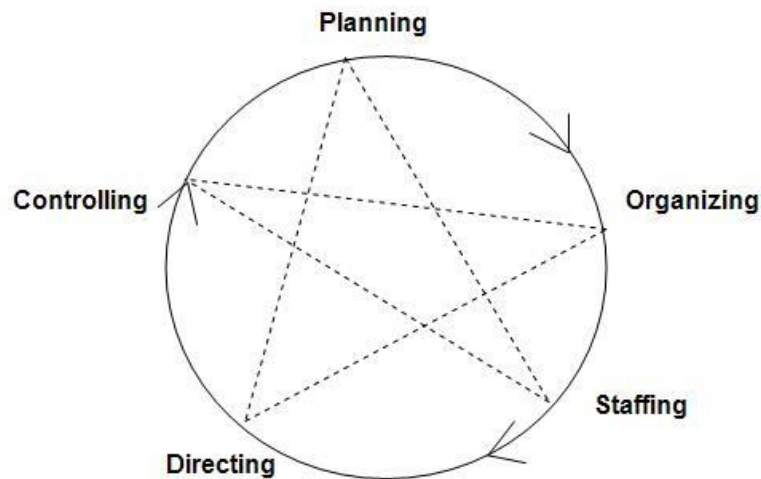
- Obey rules & regulations.
- Regular payment of taxes.
- Cooperating with the Govt to promote social values.
- Not to take advantage of loopholes in business laws.
- Cooperating with the Govt for economic growth & development.





UNIT -3

FUNCTIONS OF MANAGEMENT



MANAGEMENT HAS BEEN DESCRIBED AS A SOCIAL PROCESS INVOLVING RESPONSIBILITY FOR ECONOMICAL AND EFFECTIVE PLANNING & REGULATION OF OPERATION OF AN ENTERPRISE IN THE FULFILLMENT OF GIVEN PURPOSES. IT IS A DYNAMIC PROCESS CONSISTING OF VARIOUS ELEMENTS AND ACTIVITIES. THESE ACTIVITIES ARE DIFFERENT FROM OPERATIVE FUNCTIONS LIKE MARKETING, FINANCE, PURCHASE ETC. RATHER THESE ACTIVITIES ARE COMMON TO EACH AND EVERY MANGER IRRESPECTIVE OF HIS LEVEL OR STATUS.

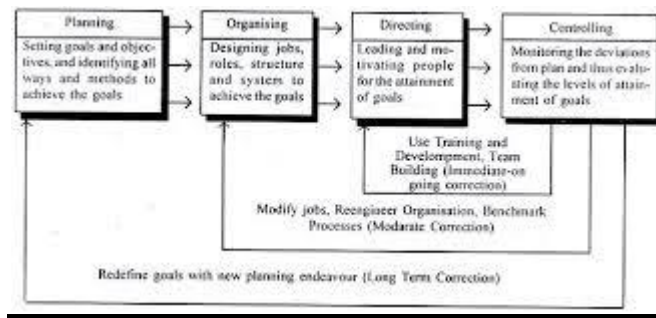
DIFFERENT EXPERTS HAVE CLASSIFIED FUNCTIONS OF MANAGEMENT. ACCORDING TO GEORGE & JERRY, "THERE ARE FOUR FUNDAMENTAL FUNCTIONS OF MANAGEMENT I.E. PLANNING, ORGANIZING, ACTUATING AND CONTROLLING".

ACCORDING TO HENRY FAYOL, "TO MANAGE IS TO FORECAST AND PLAN, TO ORGANIZE, TO COMMAND, & TO CONTROL". WHEREAS LUTHER GULLICK HAS GIVEN A KEYWORD 'POSDCORB' WHERE P STANDS FOR PLANNING, O FOR ORGANIZING, S FOR STAFFING, D



FOR DIRECTING, CO FOR CO-ORDINATION, R FOR REPORTING & B FOR BUDGETING. BUT THE MOST WIDELY ACCEPTED ARE FUNCTIONS OF MANAGEMENT GIVEN BY KOONTZ AND O'DONNELL I.E. PLANNING, ORGANIZING, STAFFING, DIRECTING AND CONTROLLING.

FUNCTIONS OF MANAGEMENT



PLANNING

IT IS THE BASIC FUNCTION OF MANAGEMENT. IT DEALS WITH CHALKING OUT A FUTURE COURSE OF ACTION & DECIDING IN ADVANCE THE MOST APPROPRIATE COURSE OF ACTIONS FOR ACHIEVEMENT OF PRE-DETERMINED GOALS. ACCORDING TO KOONTZ, "PLANNING IS DECIDING IN ADVANCE - WHAT TO DO, WHEN TO DO & HOW TO DO. IT BRIDGES THE GAP FROM WHERE WE ARE & WHERE WE WANT TO BE". A PLAN IS A FUTURE COURSE OF ACTIONS. IT IS AN EXERCISE IN PROBLEM SOLVING & DECISION MAKING. PLANNING IS DETERMINATION OF COURSES OF ACTION TO ACHIEVE DESIRED GOALS.

ORGANIZING

IT IS THE PROCESS OF BRINGING TOGETHER PHYSICAL, FINANCIAL AND HUMAN RESOURCES AND DEVELOPING PRODUCTIVE RELATIONSHIP AMONGST THEM FOR ACHIEVEMENT OF ORGANIZATIONAL GOALS. ACCORDING TO HENRY FAYOL, "TO ORGANIZE A BUSINESS IS TO PROVIDE IT WITH EVERYTHING USEFUL OR ITS FUNCTIONING I.E. RAW MATERIAL, TOOLS, CAPITAL AND PERSONNEL'S". 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



IT IS THE FUNCTION OF MANNING THE ORGANIZATION STRUCTURE AND KEEPING IT MANNED. STAFFING HAS ASSUMED GREATER IMPORTANCE IN THE RECENT YEARS DUE TO ADVANCEMENT OF TECHNOLOGY, INCREASE IN SIZE OF BUSINESS, COMPLEXITY OF HUMAN BEHAVIOR ETC. THE MAIN PURPOSE OF STAFFING IS TO PUT RIGHT MAN ON RIGHT JOB I.E. SQUARE PEGS IN SQUARE HOLES AND ROUND PEGS IN ROUND HOLES. ACCORDING TO KOOTZ & O'DONELL, "MANAGERIAL FUNCTION OF STAFFING INVOLVES MANNING THE ORGANIZATION STRUCTURE THROUGH PROPER AND EFFECTIVE SELECTION, APPRAISAL & DEVELOPMENT OF PERSONNEL TO FILL THE ROLES DESIGNED UN THE STRUCTURE". 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

IT IS THAT PART OF MANAGERIAL FUNCTION WHICH ACTUATES THE ORGANIZATIONAL METHODS TO WORK EFFICIENTLY FOR ACHIEVEMENT OF ORGANIZATIONAL PURPOSES. IT IS CONSIDERED LIFE-SPARK OF THE ENTERPRISE WHICH SETS IT IN MOTION THE ACTION OF PEOPLE BECAUSE PLANNING, ORGANIZING AND STAFFING ARE THE MERE PREPARATIONS FOR DOING THE WORK. DIRECTION HAS FOLLOWING ELEMENTS:

- SUPERVISION
- MOTIVATION
- LEADERSHIP
- COMMUNICATION

SUPERVISION- IMPLIES OVERSEEING THE WORK OF SUBORDINATES BY THEIR SUPERIORS. IT IS THE ACT OF WATCHING & DIRECTING WORK & WORKERS.

MOTIVATION- MEANS INSPIRING, STIMULATING OR ENCOURAGING THE SUB-ORDINATES WITH ZEAL TO WORK. POSITIVE, NEGATIVE, MONETARY, NON-MONETARY INCENTIVES MAY BE USED FOR THIS PURPOSE.

LEADERSHIP- MAY BE DEFINED AS A PROCESS BY WHICH MANAGER GUIDES AND INFLUENCES THE WORK OF SUBORDINATES IN DESIRED DIRECTION.



COMMUNICATIONS- IS THE PROCESS OF PASSING INFORMATION, EXPERIENCE, OPINION ETC FROM ONE PERSON TO ANOTHER. IT IS A BRIDGE OF UNDERSTANDING.

CONTROLLING

IT IMPLIES MEASUREMENT OF ACCOMPLISHMENT AGAINST THE STANDARDS AND CORRECTION OF DEVIATION IF ANY TO ENSURE ACHIEVEMENT OF ORGANIZATIONAL GOALS. THE PURPOSE OF CONTROLLING IS TO ENSURE THAT EVERYTHING OCCURS IN CONFORMITIES WITH THE STANDARDS. AN EFFICIENT SYSTEM OF CONTROL HELPS TO PREDICT DEVIATIONS BEFORE THEY ACTUALLY OCCUR. ACCORDING TO THEO HAIMANN, "CONTROLLING IS THE PROCESS OF CHECKING WHETHER OR NOT PROPER PROGRESS IS BEING MADE TOWARDS THE OBJECTIVES AND GOALS AND ACTING IF NECESSARY, TO CORRECT ANY DEVIATION". ACCORDING TO KOONTZ & O'DONELL "CONTROLLING IS THE MEASUREMENT & CORRECTION OF PERFORMANCE ACTIVITIES OF SUBORDINATES IN ORDER TO MAKE SURE THAT THE ENTERPRISE OBJECTIVES AND PLANS DESIRED TO OBTAIN THEM AS BEING ACCOMPLISHED". THEREFORE CONTROLLING HAS FOLLOWING STEPS:

- ESTABLISHMENT OF STANDARD PERFORMANCE.
- MEASUREMENT OF ACTUAL PERFORMANCE.
- COMPARISON OF ACTUAL PERFORMANCE WITH THE STANDARDS AND FINDING OUT DEVIATION IF ANY.
- CORRECTIVE ACTION.

TOOLS AND TECHNIQUE



SWOT ANALYSIS IS A USEFUL TECHNIQUE FOR UNDERSTANDING YOUR STRENGTHS AND WEAKNESSES, AND FOR IDENTIFYING BOTH THE OPPORTUNITIES OPEN TO YOU AND THE THREATS YOU FACE.



USED IN A BUSINESS CONTEXT, IT HELPS YOU CARVE A SUSTAINABLE NICHE IN YOUR MARKET. USED IN A PERSONAL CONTEXT , IT HELPS YOU DEVELOP YOUR CAREER IN A WAY THAT TAKES BEST ADVANTAGE OF YOUR TALENTS, ABILITIES AND OPPORTUNITIES.

BUSINESS SWOT ANALYSIS

	Opportunities (external, positive)	Threats (external, negative)
Strengths (internal, positive)	Strength-Opportunity strategies Which of the company's strengths can be used to maximize the opportunities you identified?	Strength-Threats strategies How can you use the company's strengths to minimize the threats you identified?
Weaknesses (internal, negative)	Weakness-Opportunity strategies What action(s) can you take to minimize the company's weaknesses using the opportunities you identified?	Weakness-Threats strategies How can you minimize the company's weaknesses to avoid the threats you identified?

STRENGTHS

WHAT ADVANTAGES DOES YOUR ORGANIZATION HAVE?

WHAT DO YOU DO BETTER THAN ANYONE ELSE?

WHAT UNIQUE OR LOWEST-COST RESOURCES CAN YOU DRAW UPON THAT OTHERS CAN'T?

WHAT DO PEOPLE IN YOUR MARKET SEE AS YOUR STRENGTHS?

WHAT FACTORS MEAN THAT YOU "GET THE SALE"?

WHAT IS YOUR ORGANIZATION'S UNIQUE SELLING PROPOSITION (USP)?

WEAKNESSES

WHAT COULD YOU IMPROVE?

WHAT SHOULD YOU AVOID?

WHAT ARE PEOPLE IN YOUR MARKET LIKELY TO SEE AS WEAKNESSES?

WHAT FACTORS LOSE YOU SALES?

OPPORTUNITIES

WHAT GOOD OPPORTUNITIES CAN YOU SPOT?

WHAT INTERESTING TRENDS ARE YOU AWARE OF?

USEFUL OPPORTUNITIES CAN COME FROM SUCH THINGS AS:



CHANGES IN TECHNOLOGY AND MARKETS ON BOTH A BROAD AND NARROW SCALE.

CHANGES IN GOVERNMENT POLICY RELATED TO YOUR FIELD.

CHANGES IN SOCIAL PATTERNS, POPULATION PROFILES, LIFESTYLE CHANGES, AND SO ON.

LOCAL EVENTS.

THREATS

WHAT OBSTACLES DO YOU FACE?

WHAT ARE YOUR COMPETITORS DOING?

ARE QUALITY STANDARDS OR SPECIFICATIONS FOR YOUR JOB, PRODUCTS OR SERVICES CHANGING?

IS CHANGING TECHNOLOGY THREATENING YOUR POSITION?

DO YOU HAVE BAD DEBT OR CASH-FLOW PROBLEMS?

COULD ANY OF YOUR WEAKNESSES SERIOUSLY THREATEN YOUR BUSINESS?

STRENGTHS

WE ARE ABLE TO RESPOND VERY QUICKLY AS WE HAVE NO RED TAPE, AND NO NEED FOR HIGHER MANAGEMENT APPROVAL.

WE ARE ABLE TO GIVE REALLY GOOD CUSTOMER CARE, AS THE CURRENT SMALL AMOUNT OF WORK MEANS WE HAVE PLENTY OF TIME TO DEVOTE TO CUSTOMERS.

OUR LEAD CONSULTANT HAS STRONG REPUTATION IN THE MARKET.

WE CAN CHANGE DIRECTION QUICKLY IF WE FIND THAT OUR MARKETING IS NOT WORKING.

WE HAVE LOW OVERHEADS, SO WE CAN OFFER GOOD VALUE TO CUSTOMERS.

WEAKNESSES

OUR COMPANY HAS LITTLE MARKET PRESENCE OR REPUTATION.

WE HAVE A SMALL STAFF, WITH A SHALLOW SKILLS BASE IN MANY AREAS.

WE ARE VULNERABLE TO VITAL STAFF BEING SICK, AND LEAVING.

OUR CASH FLOW WILL BE UNRELIABLE IN THE EARLY STAGES.

OPPORTUNITIES



OUR BUSINESS SECTOR IS EXPANDING, WITH MANY FUTURE OPPORTUNITIES FOR SUCCESS.

LOCAL GOVERNMENT WANTS TO ENCOURAGE LOCAL BUSINESSES.

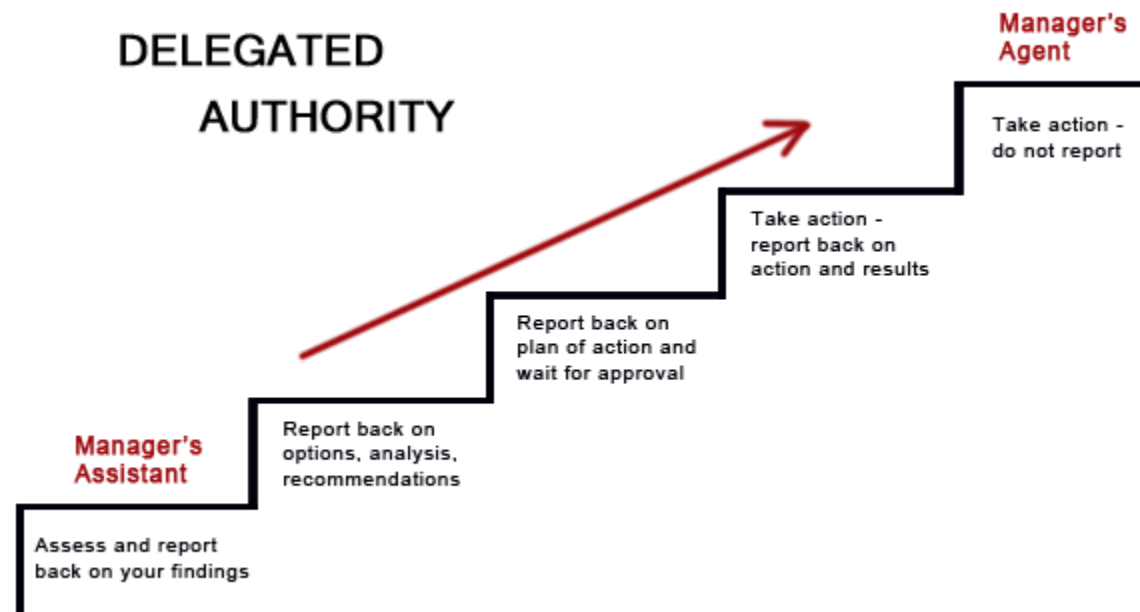
OUR COMPETITORS MAY BE SLOW TO ADOPT NEW TECHNOLOGIES.

THREATS

DEVELOPMENTS IN TECHNOLOGY MAY CHANGE THIS MARKET BEYOND OUR ABILITY TO ADAPT.

A SMALL CHANGE IN THE FOCUS OF A LARGE COMPETITOR MIGHT WIPE OUT ANY MARKET POSITION WE ACHIEVE.

DELEGATION OF AUTHORITY



. AUTHORITY SHOULD BE PROVIDED TO THE SUBORDINATES TOO. PROCESS OF TRANSFERRING AUTHORITY AND CREATION OF RESPONSIBILITY BETWEEN SUPERIOR AND SUBORDINATES TO ACCOMPLISH A CERTAIN TASK IS CALLED DELEGATION OF AUTHORITY. IT CAN TAKE PLACE WITHOUT DECENTRALIZATION. IT CAN BE WITHDRAWN BY DELEGATOR AT ANY TIME. IT MINIMIZES THE BURDEN OF MANAGERS OF UNIT, DEPARTMENTS OR PLANT. RELATIONSHIP BETWEEN SUPERIOR AND IMMEDIATE SUBORDINATES ARE INDICATED. IT IS TECHNIQUE OF MANAGEMENT USED TO GET THE THINGS DONE THROUGH OTHERS. IT IS CONFINED TO MANAGER AND SUBORDINATES. AUTHORITY IS ONLY DELEGATED, NOT RESPONSIBILITIES. VERY IMPORTANT TO MANAGEMENT PROCESS CONTROL REMAINS IN HAND OF SUPERIOR WHO SUPERVISE THE ACTIVITIES OF SUBORDINATES. IT IS AN ART OF MANAGEMENT SCIENCE. WHEN



AUTHORITY IS NOT GIVEN TO SUBORDINATES THERE IS NO PERFORMANCE. DELEGATION IS THE PROCESS OF SHARING POWER AND WORK (DELIVER THE POWER FROM ONE TO ANOTHER).

PRINCIPLES OF DELEGATION OF AUTHORITY

Principles of Delegation

- Select the right person
- Delegate the good and the bad
- Take the time you need
- If you have been under-delegating, don't try to transfer everything overnight
- Delegate in advance!
- Delegate for *specific results*
- Agree on level of authority, what is to be delivered, when, who else involved, what help is needed
- Don't hover, do support
- Coach (if needed)
- Establish steps and checkpoints

1. PRINCIPLE OF PARITY OF AUTHORITY AND RESPONSIBILITY–

PARITY OF AUTHORITY AND RESPONSIBILITY IS ONE OF THE IMPORTANT PRINCIPLES OF DELEGATION OF AUTHORITY. THERE IS EQUALITY IN ASSIGNED TASK AND POWER TO DO THE WORK. AUTHORITY TO THE SUBORDINATES IS GIVEN BY THE SUPERIOR ON THE BASIS OF ASSIGNED TASK. SO AUTHORITY TO THE SUBORDINATES IS GIVEN NETHER MORE OR LESS THAN THE TASK OTHERWISE THEIR CAN BE IMPROPER UTILIZATION OF AUTHORITY AND MISMANAGEMENT OF TASK.

2. PRINCIPLE OF ABSOLUTENESS OF RESPONSIBILITY– ACCORDING TO IT, RESPONSIBILITY CAN'T BE DELEGATED. ONLY AUTHORITY CAN BE DELEGATED. THE PERSON WHO DELEGATES AUTHORITY IS HIMSELF RESPONSIBLE FOR HIS SENIORS.

3. PRINCIPLE OF UNITY OF COMMAND– ACCORDING TO IT, SUBORDINATES MUST BE COMMANDED BY ONE SUPERIOR, THEY SHOULD TAKE THEIR TASK FROM ONE SUPERIOR AND SHOULD BE ACCOUNTABLE FRO THEIR RESPONSIBILITY TOWARD THE SUPERIOR LEVEL OF OPERATION



4. PRINCIPLE OF FUNCTIONAL DEFINITION OF AUTHORITY AND

RESPONSIBILITY– AS PER THIS PRINCIPLE. DUTIES AND TASK ASSIGNED BY THE SUPERIOR AND THE AUTHORITY GIVEN TO FULFILL THE TASK SHOULD BE CLEARLY EXPLAINED AND DECIDED. BT THIS SUBORDINATES CAN KNOW ABOUT THE LIMIT OF ONE’S RIGHT, DUTIES AND RESPONSIBILITY.

5. THE SCALAR CHAIN– ACCORDING TO IT, AUTHORITY FLOWS FROM TOP TO BOTTOM. SO THAT SCALAR CHAIN IS THE BASIS OF RELATIONSHIP BETWEEN THE SUPERIOR AND SUBORDINATES. IT EMPHASIZES THE RELATION BETWEEN SUPERIOR AND SUBORDINATES BY WHICH DELEGATION WILL BE EASIER.

CENTRALIZATION AND DECENTRALIZATION



Centralization or Decentralization

- Authority patterns in organizations:
 - Centralized
 - Decision making retained in the hands of upper-level managers.
 - Decentralized
 - Decisions delegated to lower levels in the organization.

CENTRALIZATION:

THE EXTENT TO WHICH AUTHORITY IS CONCENTRATED AT THE TOP MANAGEMENT LEVELS.



THE ACT OR PROCESS OF CENTRALIZING, OR THE STATE OF BEING CENTRALIZED; THE ACT OR PROCESS OF COMBINING OR REDUCING SEVERAL PARTS INTO A WHOLE; AS, THE CENTRALIZATION OF POWER IN THE GENERAL GOVERNMENT; THE CENTRALIZATION OF COMMERCE IN A CITY.

CENTRALISATION, OR CENTRALIZATION, IS THE PROCESS BY WHICH THE ACTIVITIES OF AN ORGANISATION, PARTICULARLY THOSE REGARDING PLANING DECISION-MAKING, BECOME CONCENTRATED WITHIN A PARTICULAR LOCATION AND/OR GROUP.

DECENTRALIZATION:

THE EXTENT TO WHICH AUTHORITY IS DELEGATED TO LOWER MANAGEMENT LEVELS.

DELEGATION OF DECISION-MAKING TO THE SUBUNITS OF AN ORGANIZATION. IT IS A MATTER OF DEGREE. THE LOWER THE LEVEL WHERE DECISIONS ARE MADE, THE GREATER IS THE DECENTRALIZATION. DECENTRALIZATION IS MOST EFFECTIVE IN ORGANIZATIONS WHERE SUBUNITS ARE AUTONOMOUS AND COSTS AND PROFITS CAN BE INDEPENDENTLY MEASURED. THE BENEFITS OF DECENTRALIZATION INCLUDE: (1) DECISIONS ARE MADE BY THOSE WHO HAVE THE MOST KNOWLEDGE ABOUT LOCAL CONDITIONS; (2) GREATER MANAGERIAL INPUT IN DECISION-MAKING HAS A DESIRABLE MOTIVATIONAL EFFECT; AND (3) MANAGERS HAVE MORE CONTROL OVER RESULTS. THE COSTS OF DECENTRALIZATION INCLUDE: (1) MANAGERS HAVE A TENDENCY TO LOOK AT THEIR DIVISION AND LOSE SIGHT OF OVERALL COMPANY GOALS; (2) THERE CAN BE COSTLY DUPLICATION OF SERVICES; AND (3) COSTS OF OBTAINING SUFFICIENT INFORMATION INCREASE.

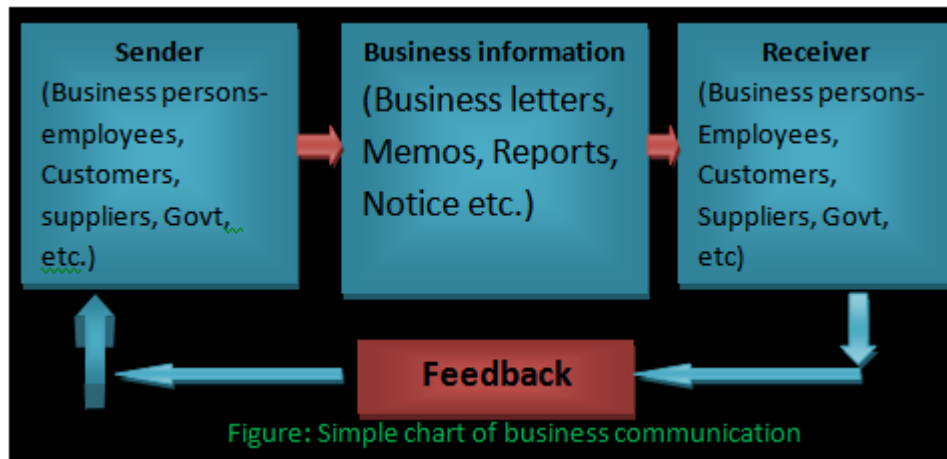
Centralization vs. Decentralization

- **Centralization** = the concentration of authority in the top management level. It comes from the will to control everything
- Centralization is characteristic for industry type organizations (mechanical type), and small organizations
- **Decentralization** = pushing down to the lower managerial levels of the decision making process
- Decentralization is characteristic for the new emerging type of organizations (organic type)



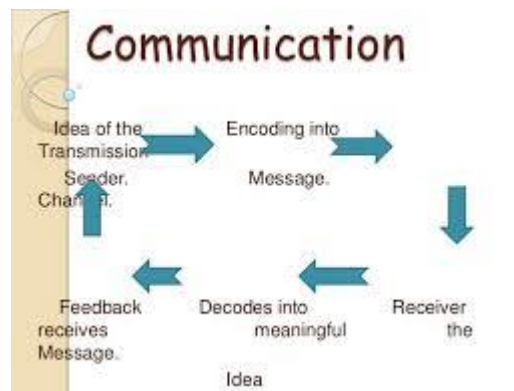
COMMUNICATION

TWO-WAY PROCESS OF REACHING MUTUAL UNDERSTANDING, IN WHICH PARTICIPANTS NOT ONLY EXCHANGE (ENCODE-DECODE) INFORMATION, NEWS, IDEAS AND FEELINGS BUT ALSO CREATE AND SHARE MEANING. IN GENERAL, COMMUNICATION IS A MEANS OF CONNECTING PEOPLE OR PLACES. IN BUSINESS, IT IS A KEY FUNCTION OF MANAGEMENT-- AN ORGANIZATION CANNOT OPERATE WITHOUT COMMUNICATION BETWEEN LEVELS, DEPARTMENTS AND EMPLOYEES. SEE ALSO COMMUNICATIONS



PROCESS OF COMMUNICATION

7 MAJOR ELEMENTS OF COMMUNICATION PROCESS



SEVEN MAJOR ELEMENTS OF COMMUNICATION PROCESS ARE: (1) SENDER (2) IDEAS (3) ENCODING (4) COMMUNICATION CHANNEL (5) RECEIVER (6) DECODING AND (7) FEEDBACK.

COMMUNICATION PROCESS AS SUCH MUST BE CONSIDERED A CONTINUOUS AND DYNAMIC INTER-ACTION, BOTH AFFECTING AND BEING AFFECTED BY MANY VARIABLES



(1) SENDER:

THE PERSON WHO INTENDS TO CONVEY THE MESSAGE WITH THE INTENTION OF PASSING INFORMATION AND IDEAS TO OTHERS IS KNOWN AS SENDER OR COMMUNICATOR.

(2) IDEAS:

THIS IS THE SUBJECT MATTER OF THE COMMUNICATION. THIS MAY BE AN OPINION, ATTITUDE, FEELINGS, VIEWS, ORDERS, OR SUGGESTIONS.

(3) ENCODING:

SINCE THE SUBJECT MATTER OF COMMUNICATION IS THEORETICAL AND INTANGIBLE, ITS FURTHER PASSING REQUIRES USE OF CERTAIN SYMBOLS SUCH AS WORDS, ACTIONS OR PICTURES ETC. CONVERSION OF SUBJECT MATTER INTO THESE SYMBOLS IS THE PROCESS OF ENCODING.

(4) COMMUNICATION CHANNEL:

THE PERSON WHO IS INTERESTED IN COMMUNICATING HAS TO CHOOSE THE CHANNEL FOR SENDING THE REQUIRED INFORMATION, IDEAS ETC. THIS INFORMATION IS TRANSMITTED TO THE RECEIVER THROUGH CERTAIN CHANNELS WHICH MAY BE EITHER FORMAL OR INFORMAL.

(5) RECEIVER:

RECEIVER IS THE PERSON WHO RECEIVES THE MESSAGE OR FOR WHOM THE MESSAGE IS MEANT FOR. IT IS THE RECEIVER WHO TRIES TO UNDERSTAND THE MESSAGE IN THE BEST POSSIBLE MANNER IN ACHIEVING THE DESIRED OBJECTIVES.

(6) DECODING:

THE PERSON WHO RECEIVES THE MESSAGE OR SYMBOL FROM THE COMMUNICATOR TRIES TO CONVERT THE SAME IN SUCH A WAY SO THAT HE MAY EXTRACT ITS MEANING TO HIS COMPLETE UNDERSTANDING.

(7) FEEDBACK:

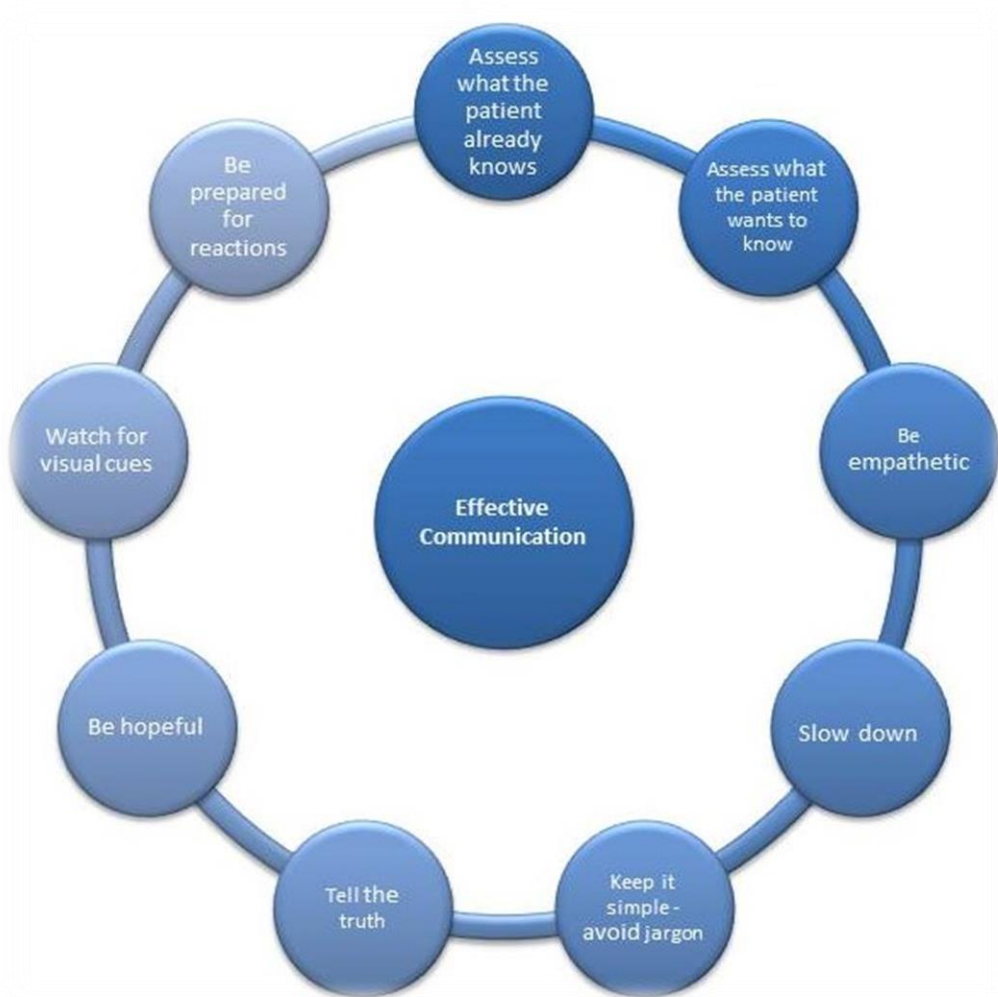
FEEDBACK IS THE PROCESS OF ENSURING THAT THE RECEIVER HAS RECEIVED THE MESSAGE AND UNDERSTOOD IN THE SAME SENSE AS SENDER MEANT IT.

HOW TO MAKE AN EFFECTIVE COMMUNICATION

A TWO WAY INFORMATION SHARING PROCESS WHICH INVOLVES ONE PARTY SENDING A MESSAGE THAT IS EASILY UNDERSTOOD BY THE RECEIVING PARTY. EFFECTIVE COMMUNICATION BY BUSINESS MANAGERS FACILITATES INFORMATION SHARING BETWEEN



COMPANY EMPLOYEES AND CAN SUBSTANTIALLY CONTRIBUTE TO ITS COMMERCIAL SUCCESS.



BARRIER OF COMMUNICATION

4 DIFFERENT TYPES OF BARRIERS TO EFFECTIVE COMMUNICATION

FOR THE CONVENIENCE OF STUDY THE DIFFERENT BARRIERS CAN BE DIVIDED INTO FOUR PARTS:





(1) SEMANTIC BARRIERS

THERE IS ALWAYS A POSSIBILITY OF MISUNDERSTANDING THE FEELINGS OF THE SENDER OF THE MESSAGE OR GETTING A WRONG MEANING OF IT. THE WORDS, SIGNS, AND FIGURES USED IN THE COMMUNICATION ARE EXPLAINED BY THE RECEIVER IN THE LIGHT OF HIS EXPERIENCE WHICH CREATES DOUBTFUL SITUATIONS. THIS HAPPENS BECAUSE THE INFORMATION IS NOT SENT IN SIMPLE LANGUAGE.

THE CHIEF LANGUAGE-RELATED BARRIERS ARE AS UNDER:



Figure 3-2. Misunderstandings stem primarily from four barriers to effective communication.

(I) BADLY EXPRESSED MESSAGE:

BECAUSE OF THE OBSCURITY OF LANGUAGE THERE IS ALWAYS A POSSIBILITY OF WRONG INTERPRETATION OF THE MESSAGES. THIS BARRIER IS CREATED BECAUSE OF THE WRONG CHOICE OF WORDS, IN CIVIL WORDS, THE WRONG SEQUENCE OF SENTENCES AND FREQUENT REPETITIONS. THIS MAY BE CALLED LINGUISTIC CHAOS.

EFFECTIVE COMMUNICATION



(II) SYMBOLS OR WORDS WITH DIFFERENT MEANINGS:

A SYMBOL OR A WORD CAN HAVE DIFFERENT MEANINGS. IF THE RECEIVER MISUNDERSTANDS THE COMMUNICATION, IT BECOMES MEANINGLESS. FOR EXAMPLE, THE WORD 'VALUE' CAN HAVE DIFFERENT MEANINGS IN THE FOLLOWING SENTENCES:

- (A) WHAT IS THE VALUE OF COMPUTER EDUCATION THESE DAYS
- (B) WHAT IS THE VALUE OF THIS MOBILE SET?
- (C) VALUE OUR FRIENDSHIP.

(III) FAULTY TRANSLATION:

A MANAGER RECEIVES MUCH INFORMATION FROM HIS SUPERIORS AND SUBORDINATES AND HE TRANSLATES IT FOR ALL THE EMPLOYEES ACCORDING TO THEIR LEVEL OF UNDERSTANDING. HENCE, THE INFORMATION HAS TO BE MOULDED ACCORDING TO THE UNDERSTANDING OR ENVIRONMENT OF THE RECEIVER. IF THERE IS A LITTLE CARELESSNESS IN THIS PROCESS, THE FAULTY TRANSLATION CAN BE A BARRIER IN THE COMMUNICATION.

(IV) UNCLARIFIED ASSUMPTIONS:

IT HAS BEEN OBSERVED THAT SOMETIMES A SENDER TAKES IT FOR GRANTED THAT THE RECEIVER KNOWS SOME BASIC THINGS AND, THEREFORE, IT IS ENOUGH TO TELL HIM ABOUT THE MAJOR SUBJECT MATTER. THIS POINT OF VIEW OF THE SENDER IS CORRECT TO SOME EXTENT WITH REFERENCE TO THE DAILY COMMUNICATION, BUT IT IS ABSOLUTELY WRONG IN CASE OF SOME SPECIAL MESSAGE,

(V) TECHNICAL JARGON:

GENERALLY, IT HAS BEEN SEEN THAT THE PEOPLE WORKING IN AN ENTERPRISE ARE CONNECTED WITH SOME SPECIAL TECHNICAL GROUP WHO HAVE THEIR SEPARATE TECHNICAL LANGUAGE.

THEIR COMMUNICATION IS NOT SO SIMPLE AS TO BE UNDERSTOOD BY EVERYBODY. HENCE, TECHNICAL LANGUAGE CAN BE A BARRIER IN COMMUNICATION. THIS TECHNICAL GROUP



INCLUDES INDUSTRIAL ENGINEERS, PRODUCTION DEVELOPMENT MANAGER, QUALITY CONTROLLER, ETC.

(VI) BODY LANGUAGE AND GESTURE DECODING:

WHEN THE COMMUNICATION IS PASSED ON WITH THE HELP OF BODY LANGUAGE AND GESTURES, ITS MISUNDERSTANDING HINDERS THE PROPER UNDERSTANDING OF THE MESSAGE. FOR EXAMPLE, MOVING ONE'S NECK TO REPLY TO A QUESTION DOES NOT INDICATE PROPERLY WHETHER THE MEANING IS 'YES' OR 'NO'.

(2) PSYCHOLOGICAL OR EMOTIONAL BARRIERS

THE IMPORTANCE OF COMMUNICATION DEPENDS ON THE MENTAL CONDITION OF BOTH THE PARTIES. A MENTALLY DISTURBED PARTY CAN BE A HINDRANCE IN COMMUNICATION. FOLLOWING ARE THE EMOTIONAL BARRIERS IN THE WAY OF COMMUNICATION:

(I) PREMATURE EVALUATION:

SOMETIMES THE RECEIVER OF INFORMATION TRIES TO DIG OUT MEANING WITHOUT MUCH THINKING AT THE TIME OF RECEIVING OR EVEN BEFORE RECEIVING INFORMATION, WHICH CAN BE WRONG. THIS TYPE OF EVALUATION IS A HINDRANCE IN THE EXCHANGE OF INFORMATION AND THE ENTHUSIASM OF THE SENDER GETS DAMPENED.

(II) LACK OF ATTENTION:

WHEN THE RECEIVER IS PREOCCUPIED WITH SOME IMPORTANT WORK HE/SHE DOES NOT LISTEN TO THE MESSAGE ATTENTIVELY. FOR EXAMPLE, AN EMPLOYEE IS TALKING TO HIS BOSS WHEN THE LATTER IS BUSY IN SOME IMPORTANT CONVERSATION. IN SUCH A SITUATION THE BOSS MAY NOT PAY ANY ATTENTION TO WHAT SUBORDINATE IS SAYING. THUS, THERE ARISES PSYCHOLOGICAL HURDLE IN THE COMMUNICATION.

(III) LOSS BY TRANSMISSION AND POOR RETENTION:

WHEN A MESSAGE IS RECEIVED BY A PERSON AFTER IT HAS PASSED THROUGH MANY PEOPLE, GENERALLY IT LOSES SOME OF ITS TRUTH. THIS IS CALLED LOSS BY TRANSMISSION. THIS HAPPENS NORMALLY IN CASE OF ORAL COMMUNICATION. POOR RETENTION OF INFORMATION MEANS THAT WITH EVERY NEXT TRANSFER OF INFORMATION THE ACTUAL FORM OR TRUTH OF THE INFORMATION CHANGES.

ACCORDING TO ONE ESTIMATE, WITH EACH TRANSFER OF ORAL COMMUNICATION THE LOSS OF THE INFORMATION AMOUNTS TO NEARLY 30%. THIS HAPPENS BECAUSE OF THE CARELESSNESS OF PEOPLE. THEREFORE, LACK OF TRANSMISSION OF INFORMATION IN ITS TRUE OR EXACT FORM BECOMES A HINDRANCE IN COMMUNICATION.



(IV) DISTRUST:

FOR SUCCESSFUL COMMUNICATION THE TRANSMITTER AND THE RECEIVER MUST TRUST EACH OTHER. IF THERE IS A LACK OF TRUST BETWEEN THEM, THE RECEIVER WILL ALWAYS DERIVE AN OPPOSITE MEANING FROM THE MESSAGE. BECAUSE OF THIS, COMMUNICATION WILL BECOME MEANINGLESS.

(3) ORGANISATIONAL BARRIERS

ORGANISATIONAL STRUCTURE GREATLY AFFECTS THE CAPABILITY OF THE EMPLOYEES AS FAR AS THE COMMUNICATION IS CONCERNED. SOME MAJOR ORGANISATIONAL HINDRANCES IN THE WAY OF COMMUNICATION ARE THE FOLLOWING:

(I) ORGANISATIONAL POLICIES:

ORGANISATIONAL POLICIES DETERMINE THE RELATIONSHIP AMONG ALL THE PERSONS WORKING IN THE ENTERPRISE. FOR EXAMPLE, IT CAN BE THE POLICY OF THE ORGANISATION THAT COMMUNICATION WILL BE IN THE WRITTEN FORM. IN SUCH A SITUATION ANYTHING THAT COULD BE CONVEYED IN A FEW WORDS SHALL HAVE TO BE COMMUNICATED IN THE WRITTEN FORM. CONSEQUENTLY, WORK GETS DELAYED.

(II) RULES AND REGULATIONS:

ORGANISATIONAL RULES BECOME BARRIERS IN COMMUNICATION BY DETERMINING THE SUBJECT-MATTER, MEDIUM, ETC. OF COMMUNICATION. TROUBLED BY THE DEFINITE RULES, THE SENDERS DO NOT SEND SOME OF THE MESSAGES.

(III) STATUS:

UNDER ORGANISING ALL THE EMPLOYEES ARE DIVIDED INTO MANY CATEGORIES ON THE BASIS OF THEIR LEVEL. THIS FORMAL DIVISION ACTS AS A BARRIER IN COMMUNICATION ESPECIALLY WHEN THE COMMUNICATION MOVES FROM THE BOTTOM TO THE TOP.

FOR EXAMPLE, WHEN A LOWER-LEVEL EMPLOYEE HAS TO SEND HIS MESSAGE TO A SUPERIOR AT THE TOP LEVEL THERE IS A LURKING FEAR IN HIS MIND THAT THE COMMUNICATION MAY BE FAULTY, AND BECAUSE OF THIS FEAR, HE CANNOT CONVEY HIMSELF CLEARLY AND IN TIME. IT DELAYS THE DECISION MAKING.

(IV) COMPLEXITY IN ORGANISATIONAL STRUCTURE:



THE GREATER NUMBER OF MANAGERIAL LEVELS IN AN ORGANISATION MAKES IT MORE COMPLEX. IT RESULTS IN DELAY IN COMMUNICATION AND INFORMATION GETS CHANGED BEFORE IT REACHES THE RECEIVER. IN OTHER WORDS, NEGATIVE THINGS OR CRITICISM ARE CONCEALED. THUS, THE MORE THE NUMBER OF MANAGERIAL LEVELS IN THE ORGANISATION, THE MORE INEFFECTIVE THE COMMUNICATION BECOMES.

(V) ORGANISATIONAL FACILITIES:

ORGANISATIONAL FACILITIES MEAN MAKING AVAILABLE SUFFICIENT STATIONERY, TELEPHONE, TRANSLATOR, ETC. WHEN THESE FACILITIES ARE SUFFICIENT IN AN ORGANISATION, THE COMMUNICATION WILL BE TIMELY, CLEAR AND IN ACCORDANCE WITH NECESSITY. IN THE ABSENCE OF THESE FACILITIES COMMUNICATION BECOMES MEANINGLESS.

(4) PERSONAL BARRIERS

THE ABOVE-MENTIONED ORGANISATIONAL BARRIERS ARE IMPORTANT IN THEMSELVES BUT THERE ARE SOME BARRIERS WHICH ARE DIRECTLY CONNECTED WITH THE SENDER AND THE RECEIVER. THEY ARE CALLED PERSONAL BARRIERS. FROM THE POINT OF VIEW OF CONVENIENCE, THEY HAVE BEEN DIVIDED INTO TWO PARTS:

(A) BARRIERS RELATED TO SUPERIORS: THESE BARRIERS ARE AS FOLLOWS:

(I) FEAR OF CHALLENGE OF AUTHORITY:

EVERYBODY DESIRES TO OCCUPY A HIGH OFFICE IN THE ORGANISATION. IN THIS HOPE THE OFFICERS TRY TO CONCEAL THEIR WEAKNESSES BY NOT COMMUNICATING THEIR IDEAS. THERE IS A FEAR IN THEIR MIND THAT IN CASE THE REALITY COMES TO LIGHT THEY MAY HAVE TO MOVE TO THE LOWER LEVEL,

(II) LACK OF CONFIDENCE IN SUBORDINATES:

TOP-LEVEL SUPERIORS THINK THAT THE LOWER-LEVEL EMPLOYEES ARE LESS CAPABLE AND, THEREFORE, THEY IGNORE THE INFORMATION OR SUGGESTIONS SENT BY THEM. THEY DELIBERATELY IGNORE THE COMMUNICATION FROM THEIR SUBORDINATES IN ORDER TO INCREASE THEIR OWN IMPORTANCE. CONSEQUENTLY, THE SELF-CONFIDENCE OF THE EMPLOYEES IS LOWERED.

(B) BARRIERS RELATED TO SUBORDINATES: SUBORDINATES-RELATED BARRIERS ARE THE FOLLOWING:

(I) UNWILLINGNESS TO COMMUNICATE:



SOMETIMES THE SUBORDINATES DO NOT WANT TO SEND ANY INFORMATION TO THEIR SUPERIORS. WHEN THE SUBORDINATES FEEL THAT THE INFORMATION IS OF NEGATIVE NATURE AND WILL ADVERSELY AFFECT THEM, AN EFFORT IS MADE TO CONCEAL THAT INFORMATION.

IF IT BECOMES IMPERATIVE TO SEND THIS INFORMATION, IT IS SENT IN A MODIFIED OR AMENDED FORM. THUS, THE SUBORDINATES, BY NOT CLARIFYING THE FACTS, BECOME A HINDRANCE IN COMMUNICATION,

(II) LACK OF PROPER INCENTIVE:

LACK OF INCENTIVE TO THE SUBORDINATES CREATES A HINDRANCE IN COMMUNICATION. THE LACK OF INCENTIVE TO THE SUBORDINATES IS BECAUSE OF THE FACT THAT THEIR SUGGESTIONS OR IDEAS ARE NOT GIVEN ANY IMPORTANCE. IF THE SUPERIORS IGNORE THE SUBORDINATES, THEY BECOME INDIFFERENT TOWARDS ANY EXCHANGE OF IDEAS IN FUTURE.