

UNIT I

OVERVIEW OF MANAGEMENT

1) What is Management?

Management is the process of giving direction and controlling the various activities of the people to achieve the objectives of an organization.

2) Define: Management.

According to Knootz and Weihrich “Management is the process of designing and maintaining of an environment in which individuals working together in groups efficiently accomplish selected aims”.

3) Write some characteristics of Management?

Management is a continuous process. Manager use the resources of organization both physical as well as human achieve the goal. Management aims at achieving the organization goals by ensuring effective use of resources.

4) Write any two points favor for management as a science

Management principle should be verified. Reliable basis for predicting future.

5) What is time study?

The movement which takes minimum time is the best one.

6) What is motion study?

Taylor suggested the eliminating wasteful movements and performing only necessary movement.

7) What is authority?

It is the power given to a person to get work from his subordinates.

8) What is responsibility?

It is the amount of work from a man by his superior.

9) Comment: Management is both –A science and an art

Management is a science because it contains general principles. It is also an art because it requires certain personal skills achieve desired result

10) What is centralization?

The organization is centralized when the power is concentrated with one person.

11) What is decentralization?

If the power is fully distributed to the subordinates of the organization.

12) What is Esprit-de-corps?

This means union is strength. In organization employees should be harmony and unity.

13) Write some important functions of top level management?

- 1) Top level management.
- 2) Middle level management.
- 3) Lower level management.

14) Write some important functions of top level management?

- 1) To formulate goals and policies of the company.
- 2) To formulate budgets.
- 3) To appoint top executives.

15) Write the functions of management?

- 1) Planning.
- 2) Organizing.
- 3) Staffing.
- 4) Coordinating.
- 5) Controlling.

16) Define sole trade?

The sole proprietorship is that form of business organization which owned and controlled by a single individual.

17) What is partnership?

A partnership is an association of two or more persons to carry on business and to share its profit and losses.

18) What is Joint Stock Company?

Joint Stock Company is association of many persons who contribute money worth to common stock and explaining source trade and also share the profit and losses.

19) What is private limited company?

A private limited company is a company which has a minimum paid up capital dory be prescribed.

20) White is a co-operative society?

It is a voluntary association of persons for mutual benefit and it aims is accomplished through self help and collective effort.

21) What is a social responsibility?

Society is the part of the management to interact actions withers to protect social interest a society.

PART-B

IS MANAGEMENT IS AN ART OA AN SCIENCE?

Management as an Art

The main elements of an art are –

- Personal Skills
- Practical know-how
- Application of knowledge
- Result orientation
- Creativity
- Constant practice aimed at perfection

Management is basically an art because of the following reasons –

- A manager applies his knowledge and skills to coordinate the efforts of his people
- Mgt seeks to achieve concrete practical results
- Mgt is creative. It brings out new situation and converts into output
- Effective Mgt lead to realization of Organizational and other goals. Mastery in Mgt requires a sufficiently long period of experience in, managing.

Management as Science

The essential elements of Science

- Systematised body of Knowledge
- Underlying principles and theories developed through continuous observation, inquiry, experimentation and research.
- Universal truth and applicability.
- Organised body of knowledge can be taught and learnt in class room and outside.
- Mgt is a social science. It contains all the essentials of science. It is an inexact science.
- PERT, CPM, Cost A/C, Finance, MBO etc

Thus, the theory (Science) and practice (art) of Mgt go side by side for the efficient functioning of an organisation.

Management as a Profession

The essential attribute of a profession

- A well-defined and organised body of knowledge
- Learning and Experience
- Entry restricted by qualification
- Recognised national body
- Ethical code of conduct
- Dominance of service motive

Mgt is not a full fledged profession now due to the following shortcomings

- Skills not fully developed
- No uniform method of entry
- Objective is monetary rather than service

- Ethical code is not strict
- Associations are not statutory bodies

But in India it is developing into a profession and it will be achieved in due course.

Define Managerial Skills?

- Conceptual skills
- Human Skills
- Technical Skills
- Design Skills– Decision making

Need for Management

1. To increase efficiency
2. To crystallize the nature of Mgt job
3. To improve research in Mgt
4. To attain social goals

Levels of Management

1. Top Level Mgt –

Board of Directors, MD, Owners, Chief Executives

- To analyse, evaluate and deal with th environmental forces
- To establish overall long term goals and broad policies of the company
- including the master budget
- To appoint departmental and other key executives
- To represent the company to the outside world
- To coordinate the activities and efforts of differentdepartment

2. Middle Level Mgt –

Sales Executives, Production Executives, Production executives etc.

- To interpret and explain the policies framed by top management
- To compile and issue detailed instruction regarding operations
- To Cooperateamong themselves so as to integrate various parts of the
- division or a department
- To motivate supervisory personnel to work for Orgn goals
- To develop and train supervisory and operative personnel.

3. Supervisory / Operating / Lower Level Mgt –

Superintendents, Branch managers, General Foremen

- To plan day to day production within the goals lay down by higher authority
- To assign jobs to workers and to make arrangement for their training and
- development
- To supervise and control workers and to maintain personal contact with them.

Roles of a manager ?

1. Interpersonal Role - Interacting with people inside and outside the Orgn

- Figurehead** – as a symbolic head of an organisation, the manager performs routine duties of a legal nature
- Leader** – Hiring, Training, motivating and guiding subordinates
- Liason** - Interacting with other managers outside the orgn to obtain favours and information

2. Informational Role – Serving as a focal point for exchange of Information

- Monitor** – Seeks and receive information concerning internal and external events so as to gain understanding of the Orgn and its environment. **Disseminator** – Transmits information to subordinates, peers and superiors within the Organisation
- Spokesperson** – Speaking on behalf of the Orgn and transmitting information on Orgn plans, policies and actions to outsiders.

3. **Decisional Role** – Makes important decision

- Entrepreneur** – Initiating changes or improvements in the activities of the Orgn
- Disturbance handler**- Taking charge and corrective action when Orgn faces unexpected crises
- Resource allocator** – Distributing Orgn's resources like money, time, equipment and labour
- Negotiator** – Representing the Orgn in bargaining and negotiations with outsiders and insiders

Define Importance of Management?

Management is the dynamic life –giving element in every business. Without it the resources of production remain resources and never become production. Sound Management

provides the following benefits .

- Achievement of group goals
- Optimum utilization of resources
- Fulfillment of social obligations
- Economic growth
- Stability
- Human Development
- Meets the challenge of change

Classification of managerial Functions

Functions

Planning

Organising

Staffing

Sub Functions

Forecasting, decision making, strategy formulation, policy making, programming, scheduling, budgeting, problem-solving, innovation, investigation and research.

Grouping of Functions, Departmentation, delegation, decentralisation, activity analysis, task allocation

Manpower planning, job analysis,

Recruitment, Selection, Training,

Placement, Compensation,

Promotion, appraisal, etc.

Supervision, Motivation,

Directing communication, Leadership, etc

Fixation of standard, recording,

Controlling measurement, reporting corrective action.

Define fayol 14 principles?

Father of Management – Henry Fayol (1841 – 1925)

Henry Fayol contributed 14 principles to Mgt which is widely applied in all the Orgn

1. Division of Work
2. Authority and Responsibility
3. Discipline

4. Unity of Command
5. Unity of Direction
6. Subordination of individual interest to general interest
7. Remuneration of personnel
8. Centralisation
9. Scalar Chain
10. Order
11. Equity
12. Stability of Tenure of Personnel
13. Initiative
14. Esprit-de-corps

UNIT II

PLANNING

22) Define planning.

Planning is the process of selecting the objectives and determining the course of action required to achieve these objectives.

23) What is the main objective of planning?

Planning is a primary function of organization. It helps in achieving objectives. It is done to cope with uncertainty and change. It helps in facilitating control. It helps in coordination. Planning increases organization effectiveness. Planning guides in decision making.

24) Define “Mission”

Mission may be defined as “a statement which defines the role that an organization plays in the society”

25) Define “objectives”

The term “objective” or “goals” are often used interchangeably. Objectives are the end results towards which the activities of an organization are directed to attain its objectives.

26) What is meant by strategy

Strategy of an organization is the programming of action and deployment of resources to attain its objectives.

27) What are the factors to be considered while formulating strategies ?

Mission and objectives of an organization. Values, aspirations and prejudices of top level management. Opportunities and threats of the external environment. Strength and weakness of the firm in various aspects such as funds, organization structure, human talent, technology etc..

28) Define “policies”

Policies are general statement or understanding which provide guidance in decision making to various managers.

29) What is procedure?

Procedure is a chronological order of action required to implement a policy and to achieve an objectives.

30) What is programme ?

Programme is a broad term which includes goals , polices , procedure , rules , task assignment , step to be taken, resources to be employed to carryout a given course of action.

31) Define budgets.

A budget is a statement of expected result in numerical terms and therefore , it may be referred as a numerical programmer.

32) What is objective?

Objectives are the aims, purposes or goals that an organization wants to achieve over varying period of time.

33) What is MBO?

MBO is a process whereby the superior and the superior and the subordinate manager of an enterprise jointly identify its common goals, define each individuals major areas of responsibility in terms of result expected of him, and use these measures as guides for operating the unit and the contribution of each of its members is assessed.

34) What is meant by “strategy”?

A strategy may also be defined as a special type of plan prepared for meeting the challenge posted by the activities of competitors and other environmental forces.

35) What are the major kinds of strategies and policies?

Growth, Finance, organization, personnel, products or service and market.

36) Write down any four factors which lead to fail of strategic planning.

Managers are inadequately prepared for strategic planning. The information for preparing the plans is insufficient for planning for action. The goals of the Organization are too vague. The business units are not clearly identified.

37) What is planning premises?

The assumptions about future derived from forecasting and used in planning are known as planning premises.

38) What are the practices made in making effective premising?

Selection of premises.
Collection of information..
Development of alternative premises for contingency planning.
Verification of the consistency of premises.
Communication of planning premises.

39) Explain the term decision and decision making?

A decision may be a direction to other to do or not to do...Decision making is defined as the process of choosing a course of action from among alternatives to achieve a desired goal. It is one of the functions of management and also a core process of planning the management executive takes a number of decisions every day. Thus, decisions may be rational or irrational. The best one is selected out of the available alternatives.

40) How would you evaluate the importance of a decision?

Decision making is a selection process. The best alternative is selected out of many available alternatives. Decision –making is a goal –oriented process. Decisions are made to achieve some goal or objective. Decision making is the end process. It is preceded by detailed discussion and selection of alternatives. Decision making is a human and rational process involving the application of intellectual ablates. It involves deep thinking and foreseeing things. Decision making is a dynamic process. An individual takes a number of decisions each day.

41) Mention the three approaches generally adapted by managers in selections an alternative?

Quantitative and Qualitative analysis.
Marginal analysis.
Cost effectiveness analysis.

PART-B

SOCIAL RESPONSIBILITY AND ETHICS?

SOCIAL RESPONSIVENESS – The ability of a corporation to elate its operations and policies to the social environment in ways that are mutually beneficial to the company and to society.

- Reaction or proaction
- The role of government
- The influence of values and performance
- Criteria on behaviour

Def . Peter Drucker “ Social Responsibility requires managers to consider whether their action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength and harmony.

The Social Audit

The Social audit has been defined as “ a commitment to systematic assessment of and reporting on some meaningful;, definable domain of company“s activities that have social impact.”

Society has become increasingly aware of the interdependence between the business and its environment. As business grow in size and power, society expects more from them several forces have led to the development of the concept of social

Responsibility. Some of the forces are -

- Consumerism
- Trade Union
- Public Opinion
- Enlightened Self Interest
- Professionalisation
- Trusteeship

Responsibility of business to perform its basic economic function of producing and supplying products and services in the most efficient manner so as to maximize profits.

Social Responsibility of Business

SHARE

HOLDERS

OTHERS EMPLOYE

ES

BUSINESS

COMMUNI CUSTOME

TY RS

GOVERNMENT

ENT

Ethics in Managing

- Ethics is defined as the discipline dealing with what is good and bad, with moral duty and obligation.
- Personal Ethics has been referred to as “ the rules by which an individual lives his or her personal life.
- Accounting ethics pertains to the code that guides the Professional conduct of accountants.

Business Ethics is concerned with truth and justice and has a variety of aspects such as expectations of society, fair competition, advertising, public relations, Social responsibilities, Consumer autonomy and Corporate behaviour in the home country as well as abroad.

Ethical Theories

- Utilitarian Theory suggests that plans and actions should be evaluated by their consequences.
- Theory based on rights holds that all people have basic rights.
- Theory of justice demands that decision makers be guided by fairness and equity, as well as impartiality.

Institutionalizing Ethics

This means applying and integrating ethical concepts into daily action. This can be accomplished in 3 ways-

1. By establishing appropriate company policy or a code of Ethics
2. By using a formally appointed ethics committee
3. By teaching ethics in Management development programs

A code is a statement of Policies, principles, or rules that guide behaviour.

The functions of Ethics Committee includes-

1. holding regular meeting to discuss ethical issues
2. dealing with gray areas
3. Communicating the code to all members of the Organization
4. Checking for possible violations of the Code
5. Enforcing the Code
6. Rewarding compliance and punishing violations
7. Reviewing and updating the code
8. reporting activities of the committee to the board of directors

Factors that raise Ethical Standards

1. Public disclosure and publicity
2. The increased concern of a well informed public.

Define Globalisation?

Globalization means covering or affecting the whole world. It means integration of the domestic economy of a country with the international economy. Recent developments in information and communication technology have accelerated the pace of globalization.

- Globalisation means the internationalization of trade. Particularly product transaction and the integrating of economic and capital markets throughout the world.
- The integration takes place when trade exists freely among the different countries, thus the world economy becomes a single market or single economy.
- In globalization there is no restriction of quota, license, tariff and other administrative barrier for trade.

The term globalization has four parameters:

- Reduction of trade barriers, so as to permit free flow of goods across national frontiers.
- Free flow of capital among nations.
- Free flow of technology among nations.
- Free movement of labour among different countries of the world.

Benefits of Globalisation

- Improves efficiency
- Improves factor Income
- Improves finance
- Gains from Migrations

Drawbacks of Globalisation

- Globalisation increases the problems of unemployment
- Domestic Industries finds difficulty in survival.
- Only group of people who participate in the process of Globalization will be benefited, this creates income inequality
- within the country
- Control on domestic economy becomes more difficult
- Developing country suffers from the problem of brain-drain

Define MBO?

International Business

Involves commercial activities that cross national frontiers

- It is a process of Entrepreneur conducting business activities across national boundaries
- It consist of Exporting, Importing, licensing, opening of Sales office
- The activities necessary for ascertaining the need and want of target consumer often takes place in more than one country. When an Entrepreneur executes his or her business model in more than one country International Business Occurring.

Entry into International Business

The method of entering or engaging in International Business can be divided into three categories

1. Exporting

Indirect Exporting

Direct Exporting

2. **Non Equity arrangement** – Doing international business through an arrangement that does not involve any investments.

- Licensing - allowing someone else to use something of the company's in return for the payment of royalty

- Turn key Projects – A foreign Entrepreneur build a factory or other facility, training the workers, train the management and then turn it over to the local owners once the operation is completed, hence the name turn key operation

- Management Contracts – Contracting management techniques and skills. The management contracts allow the purchasing country to gain foreign expertise without giving ownership of its resources to a foreigner.

3. **Direct Foreign Investments** – preferred mode of ownership

- Minority Interest – Having less than 50% Ownership Position

- Joint Ventures – Merger of two companies.

Globalization in India

Some major aspects of the policy of globalization in India are:

i) Liberalisation of imports:

Most imports has been put under open general licence (OGL) where automatic permission is granted to import goods. Export oriented units (EOUs) have been allowed to import freely all types of goods require by the unit for manufacturing, production or processing. The Government in it's trade policy announced on 31 August 2004 has permitted import of second hand capital goods without any age restrictions.

ii) Export promotion through rationalization of tariff structure:

Tariff structure refers to the pattern of custom duties levied on the imports of various commodity groups. The government initiated the process of tariff reduction in 1991, to bring our tariff rates in line with the other developing countries: making Indian goods competitive in the world market. High quality and low cost goods can offer competition in the world market and improve India's exports.

iii) Foreign direct investment:

iv) Foreign technology:

- Deciding in advance what to do, how to do, when to do and who is to do it.

7. Bridges the gap between where we are to where we want to go.

8. Thinking before doing.

9. Intellectual demanding process.

Explain strategies, policies and planning premises?

Strategies:

- General program of action and deployment of resources to attain

Comprehensive objectives.

- SWOT analysis

Eg 1. rural marketing

2. Extension of Distribution width & Length

3. Pester power strategy, social marketing, co-branding, co-marketing.

- Contingent plan to meet the demands of a difficult situation.

- Mainly the job of the top management.

IV Policies:

□ General statements or understandings which guide or channel

thinking and take actions in decision making.

□ Guidelines for decision making

□ All policies are statements, sometimes it is only practices (implied)

□ Allows for some discretion otherwise it becomes rules

□ It is a means of encouraging discretion and initiative, but within limits.

□ Policies are developed with the active participation of the entire top level executives.

□ Policy is in writing. They take concrete shape when they are put in writing. This will ensure uniformity in application, continuity and greater conformity.

Advantages:

5. Top management provides guidelines to lower level managers.

6. Gives managers to act at all levels without the need to consult the superiors every time.

7. Better Administrative control. Provides rational basis for evaluating the results.

8. By setting up of policies, the management ensures that the decisions made will be in tune with the objectives and interests of the organization.

9. They save time and effort by pre-deciding problems in repetitive situations. They save the management from the botheration of repeating the expensive analysis required to take the policy decision every time.

Limitations:

4. Policy is formulated under particular preset conditions which do not remain the same for all problems.

5. Requires constant review and revision.

6. No formula for all problems

7. Serve as guides for thinking and action and do not provide solutions to problems.

8. They are not substitute for human judgment. They only point out the limits within which the judgment is to be taken.

9. They may stifle individual initiative and creativity.

Types of Policies:

- a) Organizational and functional policies.
- b) Originated, Appealed and Imposed policies
- c) General and Specific policies.
- d) Written and Implied policies.

□ **Procedures:**

It establishes a required method of handling future activities.

They are guides to action, rather than to thinking.

Provides details of certain activity, the exact manner in which it must be achieved.

Chronological order. (stated in steps)

Found in every level of an organization.

Advantages:

- Minimizes the burden of decision making
- Leads to simplification of work flow
- Elimination of unnecessary steps.
- Developed after careful analysis of various operations which are necessary to bring co-ordination in organization.
- Uniformity and conformity of action
- Aid to communication – steps to be followed to complete a particular work.
- Medium of control to evaluate the performance of the subordinate

Limitations

- Rigidity- discourages improvement
- Fixed way of doing a particular job
- Need to be reviewed and updated constantly

VI Rules:

- Rules spell out specific required action or non action, allowing no scope for discretion.
- Rules Vs Procedures Vs Policies
- Rules – no time sequence – “No smoking”
- Sequence of rules.
- Detailed recorded instructions
- Uniform handling of events
- To avoid repeated approval from higher levels for routine matters.
- Offers definite direction to planning process

VII Programs:

- Combination of goals, policies, procedures, task assignments, steps to be taken resources to be employed to carry out a given course of action.
- Time element is introduced
- Planning for future events and establishing a sequence of required actions.
- Supported by budgets.
- Primary program & supporting programs.

VIII Budgets:

4. Statement of expected results expressed in quantitative terms.

5. Expected income and expenditure under different heads.
6. Gives clarity, direction and purpose in an organization.
7. Control device.
8. Fixed or variable (flexible) budget.
9. Functional budgets.

UNIT III

ORGANIZING

42) Define Organizing

Organizing is the process of identifying and grouping of activities required to attain objectives, delegating authority, creating the responsibility and establishing relationship for the people to work effectively.

43) What do you understand by effective organizing?

Effective organizing focuses on finding in present organizing avoids organizational inflexibility and makes the staff work effective by avoiding conflicts by clarification.

44) How informal organization characteristics differ from formal organization?

It arises without any external cause. It is created on the basis of some similarity among the member. The bases of similarity may be age, sex, place of birth, caste, religion, liking/ disliking etc...

Informal organization has no place in the organization chart. It is one of the parts of total organization.

45) What is span control?

Span of control means the number of people managed effectively by a single superior in an organization. The term "Span of control" is also known as "Span of management", "span of authority", and "Span of responsibility". But span of management is a better term because control and supervision are elements of management.

46) What is matrix structure?

Matrix structure is a hybrid organizational form, containing characteristics of both project and functional structures.

47) How can we define power?

"Power is the probability that one actor within the relationship will be in a position to carry out his own despite resistance".

48) What is line authority?

Line authority is the direct authority which a superior exercises over a number of

subordinates to carry out orders and instruction. IN organization process, authority is delegated to the individuals to perform the activities.

49) What is staff authority?

The relationship between a staffs manager with whom he works depends in part on the staff duties.

50) Define staffing.

Staffing is the part of the management process which is concerned with the procurement utilization, maintenance and development of large satisfied work force on the organization.

51) Define Human resource planning.

“Human resource planning is the process by which an organization ensures that it has the right number and all kind of people at the right place at the right time, capable of effectively and efficiently completions, those tasks that will help the organization achieve its overall objectives”.

52) What is job analysis?

Job analysis is a detailed study of a job to identify the skills, experience and aptitude required for the job.

53) What is job design?

The job design is usually broad enough to accommodate people’s needs and desires.

54) Define: Recruitment

B. Flippo defines recruitment as “The process of searching for prospective employees and stimulating to apply for jobs in the organization”.

55) What is selection?

Selection is the process of finding out the most suitable candidate to the job out of the candidates attracted

56) What is grading method?

It is one of the trait-based appraisal methods. The actual performance of the employees is measured against these grades. This method is generally useful for promotion based on performance.

57) What is mean by resources allocation?

Manager is responsible for allocation of money, material and human resource in the organization. He utilizes minimum resource to give maximum profit to the organization.

58) Define the Peter Principle.

The principle states that every person in a hierarchy tends to rise to the level of his incompetence.

59) Define: Training

According to B.Flippo “Training is the act of increasing the knowledge and skill of an employee for doing a particular job”.

Define; Organizational conflict.

According to step “conflict is a process in which an effort is purposefully made by one person or unit to block another that result in frustrating the attainment of others goals of the furthering of his or her interests.

61) What is managerial grid?

Managerial grid is behavioral theory of leadership. It plays an important role in managerial behavior in organizational development.

62) What is meant by the term directing?

Directing may be defined as the process of instructing, guiding and inspiring human factors in the organization objectives. It is not only issuing orders and instructions by a superior to his subordinates but also including process of guiding and inspiring them to work effectively.

63) List down the human factors in managing?

Multiplicity of roles.
Individuality.
Personal dignity.

PART-B

Define departmentation?

As the process of grouping individual jobs in department. It involves grouping of activities and employees into departments so as to facilitate the accomplishment of Organisation Objectives.

Need & Importance of Department

1. Specialisation
2. Expansion
3. Autonomy
4. Fixation of responsibility
5. Appraisal
6. Management development
7. Administrative control

Choosing a basis for Departmentation

1. Specialisation
2. Coordination
3. Control

4. Economy
5. Attention
6. Human Consideration

Bases of Departmentation

1. Departmentation by Functional Basis – Grouping of activities in accordance with the function of an enterprise. Each major function of the enterprise is grouped into a department.

Merits

- o It is a logical and time proven method
- o It follows the principles of specialization
- o Authority and responsibility can be clearly defined and fixed
- o Since the top managers are responsible for the end results control shall become effective

Demerits

- This type of departmentation shall develop a loyalty towards the functions
- and not towards the enterprise as whole.
- Coordination of different function shall become difficult
- Only the departmental heads are held responsible for defective work
-

2. Departmentation by Territorial basis – A company may have separate departments to serve the southern region, northern region etc. It has the advantage of the intimate knowledge of local conditions.

Merits

- It motivates each regional head to achieve high performance
- Provides each regional head an opportunity to adapt to his local situation and customer need with speed and accuracy.
- It affords valuable top-management training and experience to middle level executives]enables the organization to take advantage of locational factors, such as availability of raw materials, labour, market, etc.
- Enables the Organisation to compare regional performances and invest more resources in profitable regions and withdraw resources from unprofitable ones.

Demerits

May give rise to duplication of various activities. Many routine and service functions performed by all the regional units can be

- performed centrally b the head office very economically
- Various regional units may become so engrossed in short run competition among themselves that they may forget the overall interest of the total organization.

- **Departmentation by Process basis** – is done on the basis of several discrete stages in the process or technologies involved in the manufacture of a product. A cotton textile mill have separate departments for ginning, spinning, weaving, dyeing and printing and packing and sales.

Merits

- Facilitates the use of heavy and costly equipment in an efficient manner.
- It follows the principle of specialization– each dept is engaged in doing a special type of work. This increases efficiency.
- It is suitable for Organisation which are engaged in the manufacture of those product which involve a number of processes.

Demerits

Difficult to compare the performance of different process based

departments

- **Departmentation by Product basis** – suited for a large organization manufacturing a variety of products. For each major product a semi-autonomous department is created and is put under the charge of a manager who may also be made responsible for producing a profit of a given magnitude. Product dept is the logical pattern to follow when each product requires raw materials, manufacturing, technology and marketing methods and that are markedly different from those used by other products in the Organisation. Eg HLL manufacturing detergents, toiletries, Clearasil cream and soap.

Merits

Relieves top management of operating task responsibility. It can therefore better concentrate on such centralized activities like

finance, R& D and control

Enables the top management to compare the performance of different products and invest more resources in profitable products and withdraw resources from unprofitable ones.

Those who work within a department derive greater satisfaction from identification with a recognizable goal.

Demerits

Results in duplication of staff and facilities

Employment of large number of managerial personnel is required.

Equipment in each product department may not be fully used

5. **Departmentation by Customer basis** – An enterprise may be divided into a number of departments on the basis of the customers that it services. For Eg. An educational institution may have separate departments for day, evening and correspondence course to impart education to full time students, locally employed students and outstation students respectively.

Merits

It ensures full attention to major customer groups and helps the company to earn goodwill.

Demerits

It may result in under utilization of resources and facilities in some

department.

There may be duplication of facilities

Authority

- Power to take decision

- Right to get orders and obey orders

- Power – Ability of individual to influence the action of other person

- Authority – right in a position to exercise discretion in making decision affecting others.

-

Bases of Power

4. Legitimate

5. Expertness

6. Referrant

7. Reward

8. Coercive

Def “ Authority may be defined as legitimate right to give orders and to get orders obeyed. It denotes certain rights to take decision and get them executed by their

subordinates.

3 types of Authority

Line authority – are those that have direct impact on the accomplishment of the objectives of the enterprises

- is the direct authority which a superior exercises over his subordinates to carry out orders and instructions.

- The flow of line authority is always downward, that is from a superior to a subordinate

- Creates a direct relationship between a superior and his subordinate

- Line authority is the direct authority which a superior exercises over his subordinates to carry out orders and inspections such authority delegated top those positions or elements of the organization which have direct responsibility for accomplishing the primary objectives.

- Line relationship performs the following roles

a. as a chain of command

b. as a carrier of accountability (subordinate is answerable to his superior)

c. as a channel of communication

Define Line Authority Staff Authority?

1 Right to decide and command Right to provide advice, assistance and information

2 Contributes directly to the Assist line in the effective accomplishment of Organisational accomplishment of Organisation objectives objectives

3 Relatively unlimited and general Relatively restricted to a particular function

4 Flow downward from a superior to subordinate upon the need of advice May flow in any direction depending

5 Creates superior and subordinate Extension of line and support line relation

6 Exercise control Investigates and reports

7 Makes operating decision Provides idea for decision

8 Bears final responsibility for results Does not bear final responsibility

9 Doing functions Thinking function

10 Provides channel of communication

UNIT IV

DIRECTING

64) Define creativity.

Creativity is defined as the ability to produce new and useful ideas through the components in novel and non obvious ways. Creativity exists throughout the populations, largely independent of age , sex and education.

65) What is a SCAMPER tool?

SCAMPER is a checklist that helps us to think of changes. We can make to an existing product to create a new one. These changes can be used either as direct suggestions or as starting points for lateral thinking.

66) What is meant by reframing matrix?

Reframing Matrix is a simple technique that helps to look at business problems from a number of different viewpoints. It expands the range of creative solutions that you can generate. The approach relies on the fact that different people with different experience approach problems in different ways.

67) State the function of mind mapping tool?

This tool is similar to concept fan except looking one step back from main topic .A mind map consists of a central word or concept with 5 to10 main ideas that relate to that word , similar to creating a spider-web.

68) Mention the use of DO IT process for creativity?

DO IT is a process for creativity. Techniques explained earlier in this chapter focus on specific aspects of creative thinking. DO IT bundles them together introduce formal methods of problem definition and evaluation. These help you to get the best out of the creativity techniques. DO IT is an acronym that stands for:

D – Define problem

O – Open mind and apply creative techniques
I _ Identify best solution

T _ Transform

69) Differentiate innovation and invention.

Innovation means the use of creative ideas. Invention means really finding new things which are not already available.

70) How can be harmonizing objectives achieved?

Mutual trust.
Cooperation and understanding.
Worker’s participation in management, and

Balancing the objectives of the organization with those of individuals.

71) Define “multiplicity of roles”.

Individuals are not only the productive factor in management’s plans. They are members of social system of many organizations.

72) What is meant by Brain storming?

Brainstorming is an excellent way of developing many creative solutions to a problem. It works by focusing on a problem, and then coming up with very many radical

solutions to it . The essence of brainstorming is a creative conference, ideally of a to 8 to 12 people meeting for less than an hour to develop a long listed without criticism on a backboard or newsprint as they are offered ; one visible idea leads to others. At the end of this session, participants are asked how the ideas could be combined or improve.

73) Define motivation

According to koonts and O'Donnell, "Motivation is a general terms applying to the entire class of drives, desires, needs wishes and similar forces that induce an individual or a group of people to work"

74) Names the steps involved in motivation process.

Analysis of situation.

Preparing, selecting and applying a set of appropriate motivating tools.

Follow up.

75) What are the types of motivation?

1. Positive motivation
2. Negative motivation
3. Extrinsic motivation
4. Intrinsic motivation

DEFINE LEADERSHIP AND ITS ELEMENTS?

Definitions

Leadership is defined as influence, the art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals.

- Leaders act to help a group attain objectives through the maximum application of its capabilities.

- Leaders must instill values – whether it be concern for quality, honesty and calculated risk taking or for employees and customers.

SKILLS

1. The ability to use power effectively and in a responsible manner
2. The ability to comprehend that human beings have different motivation forces at different times and in different situations
3. The ability to inspire
4. The ability to act in a manner that will develop a climate conducive to responding to and arousing motivations.
5. Fundamental understanding of People
6. ability to inspire followers to apply their full capabilities to a project

Leadership Styles

1. **Autocratic Leader** –Commands and expects compliance, is dogmatic and positive, and leads by the ability to withhold or give rewards and punishment.
2. **Democratic or Participative** – consults with subordinates on proposed actions and decision and encourage participation from there
3. **Free-rein leader / laissez-faire Leadership** – uses his or her power very little, giving a high degree of Interdependence in their operations. Leaders depend largely

on subordinates to set their own goals and the means of achieving them, and they see their role as one of aiding the operation of followers by furnishing them with information and acting primarily as a contact with the groups external Environment.

4. **Paternalistic Leadership** – Serves as the head of the family and treats his followers like his family members. He assumes a paternal or fatherly role to help, guide and protect the followers.

Functions

1. Goal Determination
2. Motivating Followers
3. Direction
4. Coordination
5. Representation

Importance of Leadership

1. Aid to authority
2. Motive power to group efforts
3. Basis for co operation
4. Integration of Formal and Informal Organization.

Theories

1. **Trait Theory** – A Leader is a one who has got a enthusiastic look, courageous look – describes the external qualities of a person

2. **Behavioral Theory** – A person who intend to be leader, they do not have any qualities like Trait Theory

3. **Contingency Theory** –

a. **Fiedler Model**

b. **Likert Model**

c. **Managerial Grid Theory**

Fiedler Model - Leaders can be classified as two -

- a. Relationship Oriented
- b. Task Oriented

3 Situations been given to find the performance of two types of Leader-

– Leader member Relationships

- Task Structure

- Position Power

Employees under Relationship oriented Leader seems to achieve more performance than the other.

Likerts Model

System 1 – Exploitive Autocratic Leader (oriented towards task alone)

System 2 – Benevolent Autocratic Leader (task oriented but has the quality of opposing if things are good)

System 3 – Participative Leader (concerns the employees for a particular kind of work, though he concern decision will be taken only by him.

System 4 – Democratic Leader

3 Situations

1. Confidence / Trust in Employees
2. Subordinates feeling of freedom
3. Managers seeking involvement with Subordinates

Ratings of the Leaders by their employees at different situations

Managerial Grid Theory

Proposed by Blake and Mounon

2 Kinds of Leader

1. Leaders concerned for People
2. Leader concerned for production / Task

Leader styles

1. Task Manager Eg Defence , Concerned only on task
2. Team Builders – leaders high concern for production as well as people
3. Impoverished Style – Unfit for Leadership qualities, less concern for people as well as production
4. Country club Manager Eg – Trade union, high concern for people than production.

COMMUNICATION

Communication is derived from the Latin word Communis which implies common.

Communication is the interchange of thoughts and information.

ELEMENTS

1. Sender
2. Message – The Subject matter of Communication
3. Encoding – act of translating the msg into words, pictures, symbols
4. Channel – Media used
5. Receiver –
6. Decoding – interprets the msg to draw meaning from it. He converts symbols, signs or pictures into meaning
7. Feedback –

Sound Communication provides the following advantage

1. Improves Managerial Performance
2. Facilitates Leadership
3. Increases job Satisfaction
4. Reduces time and efforts

MEDIA OR METHODS OF COMMUNICATION IN DETAIL?

1. Oral Communication
2. Written Communication
3. Gestural Communication

ORAL COMMUNICATION

Oral Communication involves exchange of messages through spoken words. It may take place. i) by face- to face contacts ii) through mechanical devices like telephone.

Merits

Oral or Verbal communication offers the following advantages:

1. Economical
2. Personal touch
3. Speed
4. Flexibility
5. Quick response

Demerits

Oral Communication suffers from the following weaknesses-

1. Lack of record
2. Time Consuming
3. Lengthy message
4. Physical distance
5. Misunderstanding

WRITTEN COMMUNICATION

Written Communication is transmitted through written words in the form of letter, circular, memos, bulletins, instruction cards, manuals, handbooks, reports, returns,

Merits

1. Effectiveness
2. Lengthy messages
3. Economical

4. Repetition
5. Permanent record
6. Better response

Demerits

1. Time Consuming
2. Expensive
3. Inflexibility
4. Little secrecy
5. Lack of personal touch
6. Misunderstanding

COMMUNICATION NETWORKS

1. Circle Network
2. Chain Network
3. Wheel Network
4. All Channel Network

BARRIERS TO COMMUNICATION

a. Organisational Barriers

1. Ambiguous policies, rules and procedures
2. Status patterns
3. Long chain of Command
4. Inadequate Facilities

b. Mechanical Barriers

1. Overloading
2. Semantic barriers
3. Noise

c. Personal Barriers

1. Lack of attention or interest
2. Failure to Communicate
3. Hasty Conclusion
4. Distrust of communicator
5. Improper state of mind.

MAKING COMMUNICATION EFFECTIVE

1. Sound Organization Structure
2. Clear messages
3. Two-way Communication
4. Multiple Channels
5. Good Listening
6. Effective Control
7. Modern Instrument
8. Human Relations attitude

ESSENTIALS OF GOOD COMMUNICATION SYSTEM

1. Clarity of messages
2. Completeness of message
3. Consistency of message
4. proper timing
5. Credibility
6. Empathy
7. Follow-up
8. Economy

UNIT –V CONTROLLING

83) Define control?

According to Knootz “Controlling to the measurement and correction of performance in order to make sure that enterprise objectives and the plans devised to attain them are accomplished”.

84) Why need of control in the organization?

Control process is universal.
Control is a continuous process.
Control is action based.
Control is forward looking.

85) Why need of control in the organization?

Control can minimize the mistake.
To discover the deviations in the management
To minimum dishonest behaviors of employees.

86) What are the Inter –relationship between planning and end with control?

The management process of adjusting future action on the basis of information about past performance. Control helps in achieving them.

87) What is Feedback Control?

Feedback control is the process of adjusting future action on the basis of information about past performance.

88) What is management by exception?

Actual performance compare with the standard performs deviations which can not significant should be avoided.

89) What is concurrent control?

This control measures for taking corrective action while a programme meet any obstacle in this activities.

90) What is feed forward control?

It is preventive in nature. This control involves evaluation of inputs and taking corrective action before a particular operation is completed.

91) What is direct labour Budget?

Direct labor Budget reveals the expected labor requirements during the budget period.

92) What is fixed Budget?

In this budget in which targets are rigidly fixed .This is a forecast of the targets for the coming year prepared well in advance.

93) What is flexible budget?

A flexible budget is a budget designed to change in the level of activity.

94) What is Internal Audit?

Internal audit is done by an internal auditor who is an employee of the organization. He examines the objectives, policies, plans procedures and performance of the management

95) Define Productivity?

Productivity is a measure of how much input is required to produce a given output .i.e. the ratio (output/input) is called productivity.

96) Define: OR

Operation Research is a systematic analysis of a problem through scientific methods ,carried out by appropriate specialists ,working together. As a team, finding an optimum and the most appropriate solution to meet the given set of constraints.

97) What is JIT?

Just in Time Inventory system. In this method the suppliers deliver the materials to the production spot just in time to be assembled .This method reduces cost of inventory.

98) What is value engineering?

It is a special type of cost reduction and product improved technique.

99) What is preventive control?

An efficient manager applies the skills in managerial philosophy to eliminate undesirable activities which are the reasons for poor management.

100) define: Multinational Corporation?

“An enterprise which own or control production or service facilities outside the country in which they are based “.

101) What is ethnocentric attitude?

The manager orientation and managerial activities, operations was based on that of the parent company.

102) What is polycentric attitude?

Polycentric attitude manager orientation was host country orientation.

103) What is geocentric attitude?

This type of managers is trained to balance central, local and global objectives.

PART-B

Nature & Purpose of Control?

1. Control is an essential function of management
2. Control is an ongoing process
3. Control is forward – working because past cannot be controlled
4. Control involves measurement
5. The essence of control is action
6. Control is an integrated system

Elements of Control

- Planning
- Information Feedback
- Delegation of Authority
- Remedial action

Control Process

- Fixation of Standard
- Measurement of Performance
- Comparing performance with standards
- Correction of Deviations

Problems in the Control Process

- Magnitude of Change
- Time rate of Change
- Erroneous standard (Mistakes in setting standard)
- Workers Resistance
- Communication Problems

Characteristic of an ideal Control system

- Suitable
- Flexible
- Economical
- Simple
- Objective
- Prompt
- Forward looking
- Suggestive
- Strategic point control
- Motivational

Techniques of Managerial Control?

Traditional Techniques

- Personal Observation** (For Eg. A Factory manager goes around the plant, observes the performance of Employees and Machines)
- Good Organisation Structure**
- Unity of Plans**
- Statistical Control Reports**
- Budgetary control** – Statement expressed in financial terms

Master budget

Functional Budget - Sales budget, Production budget, Material budget, Labour budget, Cash budget, Administrative Overhead budget,

Capital & Revenue budget

Fixed and Flexible Budget

Zero base budgeting (the budget proposals are considered from the ground up (zero base) or from scratch

Objectives of Budgetary Control

- a. Planning
- b. Coordination
- c. Control
- d. Motivation
- e. Efficiency

Merits

- Optimum use of resources
- Fixation of Responsibility
- Effective coordination
- Planned approach

. Profit & loss control

. External audit Control

. Overall Control criteria (BEP Analysis)

. Return on Investment Control

. Management Audit

- Organisation Structure
- Executive appraisal
- Functioning of the management board
- Soundness of Earning
- Economic Functioning
- Service to stock holders
- R & D
- Fiscal Policy
- Production Efficiency
-

. Responsibility accounting

- Cost centre
- Profit centre
 - Investment centre

Developing Excellent Managers – The key to preventive control

- Efforts required on the part of managers themselves

- Willingness to learn
- Planning for Innovation & Inventions
- Tailoring Information

- Efforts required on the part of the Organisation

- Acceleration of Managerial Development programmes
- Measuring Managerial programmes and rewarding it
- Need for management R & D

Need for Intellectual Leadership

Define Globalisation? Explain its benefits and drawbacks?

Globalisation means the internationalization of trade. Particularly product transaction and the integrating of economic and capital markets throughout

the world.

The integration takes place when trade exists freely among the different countries, thus the world economy becomes a single market or single

- economy. □
- In globalization there is no restriction of quota, license, tariff and other administrative barrier for trade. □

Benefits of Globalisation

- □ Improves efficiency □
- Improves factor Income □
- □ Improves finance □
- Gains from Migrations □

Drawbacks of Globalisation

- Globalisation increases the problems of unemployment
- Domestic Industries finds difficulty in survival

Only group of people who participate in the process of Globalisation will be benefitted, this creates

income inequality within the country

- Control on domestic economy becomes more difficult
- Developing country suffers from the problem of brain-drain

International Business

15. Involves commercial activities that cross national frontiers

16. It is a process of Entrepreneur conducting business activities across national boundaries

17. It consist of Exporting, Importing, Ilcensing, opening of Sales office

18. The activities necessary for ascertaining the need and want of target consumer often takes

place in more than one country. When an Entrepreneur executes his or her business model in more than one country International Business Occuring.

Entry into International Business

The method of entering or engaging in International Business can be divided into three categories

1. Exporting

- o Indirect Exporting
- o Direct Exporting

2. **Non Equity arrangement** – Doing international business through an arrangement that does not involve any investments.

- Licensing - allowing someone else to use something of the company“s in return for the payment of royalty

Turn key Projects – A foreign Entrepreneur build a factory or other facility, training the workers, train the management and then turn it over to the local owners once the operation is completed, hence the name turn key operation

Management Contracts – Contracting management techniques and skills. The management contracts allows the purchasing country to gain foreign expertise without giving ownership of its resources to a foreigner.

- **Direct Foreign Investments** – preferred mode of ownership

Minority Interest – Having less than 50% Ownership Poaition

Joint Ventures – Merger of two companies