

Study Material

For

M.B.A.

*Based on Latest Syllabus of MBA prescribed By
Maharshi Dayanand University, Rohtak (DDE)*

1st Semester (Part-1)

By :

ZAD
Expert Faculties

ZAD Publications

SCF-181, HUDA Complex,
Near New Telephone Exchange, Rohtak (Haryana)

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“The Zad stars & their family are shining stars on the earth, being blessed by the stars in the sky to celebrate the spirit of success” as I am writing this success story, there is no substitute of hard-work, punctuality and disciplined efforts. It is relatively easy to achieve success, but difficult to maintain it. The best way to achieve the

success is to do the ordinary things with extra ordinary enthusiasm. Because of our quality work and the sense of commitment to do something different, the institute is enhancing its number of branches, IT and management and in other fields of education. I assure you that our courses will propel you to reach the heights that you wish to seek.

A machine can do the work of fifty ordinary men. But no machine can do the work of one extra ordinary man. Based on this assumption, at Zad institute, our mission is to make the professionals equipped with knowledge and skills. This institute provides various amenities to its students for the sake of their overall development .

The vision of Zad Institute is “be not afraid of growing slowly, be afraid of standing still”, so do not stand still. Success will surely come to you and remain with you forever.

Our mission is to achieve excellence through people and this reflects in all our endeavors. It's the storehouse of skills and knowledge that transforms our students as true global leaders.

I welcome you all with a promise to transform your future.

With best wishes

Chander Garg
(Managing Director)

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SYLLABUS

MANAGEMENT PROCESS & SKILL DEVELOPMENT

MBA–1st SEMESTER, M.D.U., ROHTAK

External Marks : 70
Time : 3 hrs.

Internal Marks : 30

UNIT-I

Introduction – Concept & nature of management; management processes, functions, skills and roles, evolution of management thoughts, systems and contingency approach, social responsibility of business

UNIT-II

Planning & decision making-nature & elements of planning, stages in planning, levels of planning, strategic planning; decision making process, models of decision making; mbp, organising - meaning & nature, approaches to design organisation - closed & open system, bases for departmentation, span of control, delegation & decentralization.

UNIT-III

Leading & recognition of human factor, motivation - theories & models, leadership styles and leadership effectiveness, management control-nature, control process, kinds of control systems, overview of control techniques, effective control system.

UNIT-IV

Management skill development-importance and nature of business communication; process of communication, methods of communication, barriers in communication, effective communication & interactive skills, presentation of reports, public speaking, negotiation & conducting meeting.

MANAGEMENT PROCESS & SKILL DEVELOPMENT

MBA 1st Semester (DDE)

UNIT – I

Q. Define Management. Also Explain its Scope.

Ans. Introduction :- A modern business organization operates in a complex and dynamic environment. Ever changing technology, tough competition, uncertain capital market, changes in the requirements of customers and unpredictable government policies and international environment pose threats for the business. In order to cope up with these challenges, efficient management of the business is very important. Some of the management people give their view as the definitions of management.

Meaning of Management :- Management can be used both in a narrow sense as well as in a broad sense.

- (i) **In the narrow sense**, “Management is the art of getting things done through others”.
- (ii) **In the broad sense**, “Management may be defined as the art of securing maximum results with the minimum of efforts so as to secure maximum prosperity and happiness for both employer and employee and give the public the best possible service”.

Definition of Management :-

(A) Definitions Based on Functions of Management :-
According to Henry Fayol

“To manage is to forecast and to plan, to organize, to command, to coordinate and to control”.

(B) Definitions Based on Productivity and Efficiency :-
According to Taylor

“Management is the art of knowing exactly what you want to do and then seeing that they do it in the best and cheapest way”.

(C) Definition Presenting management as a Decision-Making Process:
According to Prof. Donald Clough

“Management is the art and science of decision making and leadership”.

Features of Management :-

- (1) **Management is a Process** :- Management is a process of planning, organizing, coordinating and controlling. These functions are to be performed continuously and simultaneously. Those who perform the management process are called managers.
- (2) **Management is Purposeful** :- Each managerial activity is oriented towards accomplishment of a specific objective. According to Theo Haimann "Management by objectives is effective management". Management without pre-determined objectives is meaningless.
- (3) **Management is an Art as well as a Science** :- Management is a science and an art. Management contains a systematic body of theoretical knowledge and it also involves the practical application of such knowledge. Thus management is an art as well as science.
- (4) **Management is a Human Activity** :- Management is purely a human activity in which human activities are planned, organized, directed, coordinated and controlled by humans themselves.
- (5) **Management is Universal** :- Basic Principles of management are universal. They apply more or less in every situation. Management involves a process which is essential for each organization whether business or non-business.
- (6) **Management is a Profession** :- One of the major characteristics of management is that it has been recognized as a profession. Management has all the features of a profession. Modern managers earn their livelihood by making use of the science of management.
- (7) **Management is required at all Levels of the Organization** :- One of the important features of management is that it is required at all the levels of management whether it is top or middle or first-line management. The only difference is in the magnitude of the task and the scope of the authority.
- (8) **Need for Knowledge, Skill and Practice** :- A manager must possess administrative capabilities. Success of management depends on the knowledge, skill and behaviour of the manager himself.
- (9) **Management is the Art of Getting Things Done Through Others** :- Management is essentially an art of getting things done through other, People who have mastered this art are called successful managers and those who have not mastered this art are failures.
- (10) **Management is a Continuous Process** :- Management is a dynamic and continuous process. The process of management continues to operate.

- (11) **Management involves Group Efforts** :- Management involves the use of group effort in the pursuit of common objectives. Management plans, organizes, directs, coordinates and controls the group efforts for the achievement of the enterprise goals.
- (12) **Management and Ownership are not always the Same** :- Management and ownership are not synonymous words. They are quite different words. Management performs the functions of management whereas the capitalists get the ownership by investing capital.
- (13) **Management is a Social Process** :- Management is a social process because it is connected with men. It is a continuous process of getting things done through and with the people. Human factor is most important element in management.
- (14) **Management brings about coordination in the work** :- Every managerial function aims at bringing about coordination in all the aspects of organization.

Scope of Management :- The Scope of management is:

- (1) **Financial Management** :- Financial management is a vital and an integral part of business management. It refers to that part of managerial activity which is concerned with planning and controlling of financial resources of the enterprise. It deals with raising finance for the enterprise and the efficient utilization of such finance. It includes:
- Investment Decisions
 - Financing Decisions
 - Dividend Decisions
 - Liquidity Decisions
 - Capital budgeting
 - Budgetary Control
- (2) **Personnel Management** :- Personnel management is the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization. It include the following activities:
- (i) Human resource planning
 - (ii) Recruitment and selection management
 - (iii) Training and development programmes
 - (iv) Coordination of Individual Goals with organizational goals.
 - (v) Compensation Management
- (3) **Production Management** :- Production management is a branch of management which is related to the production function. Production management is the

management which by scientific planning and regulation sets into motion the part of an enterprise to which it has been entrusted the task of actual transformation of inputs into outputs. It includes the following activities:

- (i) Plant location and layout
 - (ii) Production planning and control
 - (iii) Scheduling
 - (iv) Maintenance and repairs
- (4) Marketing Management** :- The marketing concept emphasizes the determination of the requirements of potential customers and supplying to satisfy their requirements. It includes the following activities
- a) Market segmentation
 - b) Consumer behaviour management
 - c) Market research and management information system
 - d) New product development
 - e) Pricing policies
 - f) Selection of proper distribution channel
- (5) Purchase Management** :- It includes:
- (i) From where to purchase
 - (ii) How much to purchase
 - (iii) When to purchase and of which quality to purchase.
- (6) Maintenance Management** :- It relates to the proper care and maintenance of the buildings, plant and machinery etc.
- (7) Office Management** :- It includes proper layout, staffing and equipment of the office.

Q. Explain the Nature of Management.

Ans. Introduction :- The concept of management is universal and dynamic. The continuous and fast development of management principles and their practices in organizations has rapidly changed the nature of management. Thus it becomes necessary to study various dimensions of the nature of management.

Nature of Management :-

- 1. Management : An Art or a Science** :- A question is often raised as to whether management is an art or a science. Some scholars consider it to be an art while others believe that it is a science. To have an exact answer to the question, it is necessary to study the management both as a science and an art.

- (a) **Management as a Science** :- Science is an organized body of theoretical knowledge pertaining to a particular field of enquiry. Such systematized body of knowledge contains concepts, principles and theories which help to explain events and to predict the outcome of specific actions. These principles are universally applicable. The important characteristics of science are:
- (i) A systematic body of knowledge and use of scientific methods of observation
 - (ii) Cause and effect relationship.
 - (iii) Universal application of principles
 - (iv) Based on Scientific research
 - (v) Predication of results possible.

Management is considered a science because it contains all the above characteristics of science :-

- (i) **Systematic Body of Knowledge** :- There is a systematic body of knowledge in management.
- (ii) **Cause and Effect Relationship** :- Every principle of management lays emphasis on cause and effect relationship. For example, more the motivation more will be the effectiveness of employees.
- (iii) **Universal Application of Principles** :- Scientific principles are based on facts and are applicable universally. Similarly in management there are a number of principles which can be universally applied to all the organization.
- (iv) **Based on Scientific Research** :- The principles of management have also been developed and established after constant investigation and research
- (v) **Predication of Results Possible** :- It is possible to predict the result or outcome even before applying any principle of management.

Conclusion :- On the basis of above, Taylor, Fayol etc. have considered management to be a science.

- (b) **Management as an Art** :- Management is often considered to be an art also. Art involves the practical application of theoretical knowledge and skills to achieve desired results. Science is related to attainment of knowledge whereas art is related to use of that knowledge. Art consists of five important characteristics:
- a. Personal Skill
 - b. Practical Know-how
 - c. Concrete Results
 - d. Creative in Nature
 - e. Development through practice

Management also consists of all the above characteristics :-

- a. **Personal Skill** :- Like any other art, management is also a personalized process. Every manager uses his own approach and skill for solving the problems coming in the way of achievement of goals.
- b. **Practical Know-how** :- Art is related to the exercise of know-how or systematic skills for the effective accomplishment of concrete results. In management also, the importance of a manager is assessed on the basis of how well he puts to use the principles of management rather than on the basis of how well he knows them.
- c. **Concrete Results** :- Art is related to the attainment of concrete results. Just like art, management also seeks to achieve pre-determined objectives.
- d. **Creative in Nature** :- Just like an art, management is also creative in nature because such new conditions which are essential for further improvement.
- e. **Development through Practice** :- Just as the skill of a painter embellishes with the help of practice, in the same way the skills of a manager also improve with practice.

Conclusion :- The above discussion clearly establishes that management possesses all the characteristics of an art.

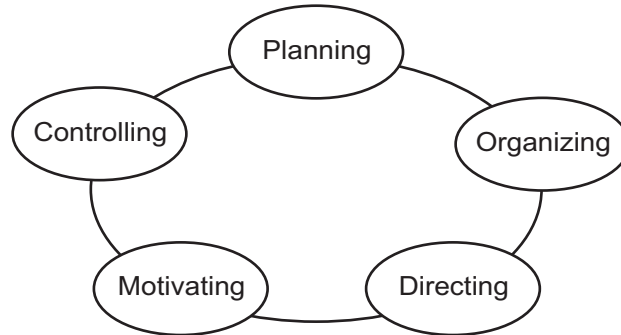
On the basis of above discussion we can say that management is a mixture of both science and art.

2. Management : As a Profession :- Is management a Profession? This is an important question which arise in relation to the nature of management. To find an answer to these questions it is necessary to study the characteristics of a profession:

- (1) **Existence of a Body of Specialized Knowledge and Techniques** :- One of the foremost requirements of any profession is that it is based on specialized knowledge. This is true in case of management because it is a specialized body of knowledge.
- (2) **Formal Methods of Acquiring Training and Experience** :- In a profession it is essential to acquired formal training and experience. At present, several institutes and universities are imparting specialized knowledge and skills in management.
- (3) **Existence of Code of Conduct for its Members** :- Every profession has a code of conduct which prescribes the rules and regulations for its members. Management should also have a code of conduct which should include the rules of profession, honesty, professional ethics etc.
- (4) **Priority of Service over the Desire for Monetary Reward** :- As per this concept, professionals should charge their gees keeping in view the service

motive and the welfare of the society. Similarly, the managers are also expected to give priority to development of the organization in preference to their selfish gains.

3. **Management : As a Process** :- Management is the process of its functions. This process starts from planning. This process can be explained with the help of following diagram :-



4. **Management : A Universal Process** :- The foremost characteristic regarding the nature of management is that its principles are of universal application. They apply more or less in every situation. Management involves a process which is essential for each organization whether business or non-business.
5. **Management : As a Social Responsibility** :- Modern business is affected by all the sections of the society, i.e. consumers, employees, shareholder, government, social welfare societies etc. and these different categories of people have various expectations from the business enterprise. Managers have social responsibility towards the following groups of the society:

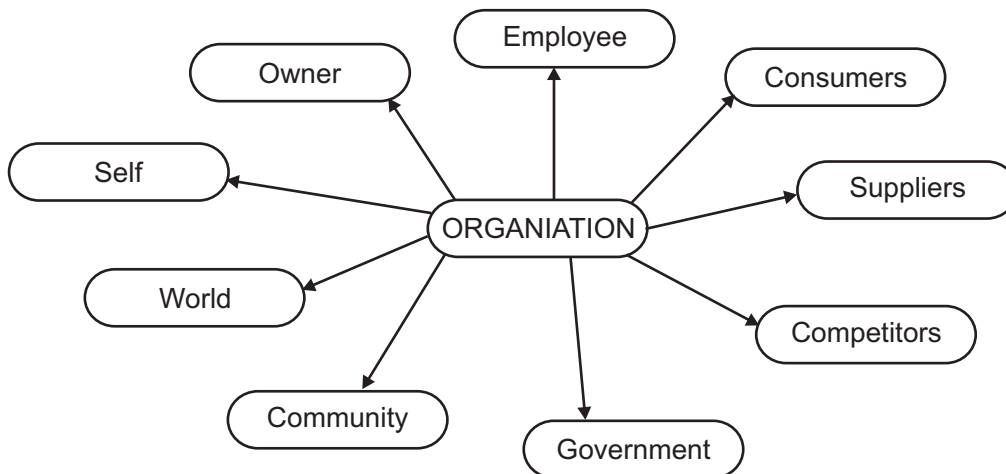


Fig. : Social Responsibility of Business

Q. Define Management. Also explain its Functions and Importance.

Ans. **Introduction** :- A modern business organization operates in a complex and dynamic environment. Ever changing technology, tough competition, uncertain capital market, changes in the requirements of customers and unpredictable government policies and international environment pose threats for the business. In order to cope up with these challenges, efficient management of the business is very important. Some of the management people gave their view as the definitions of management.

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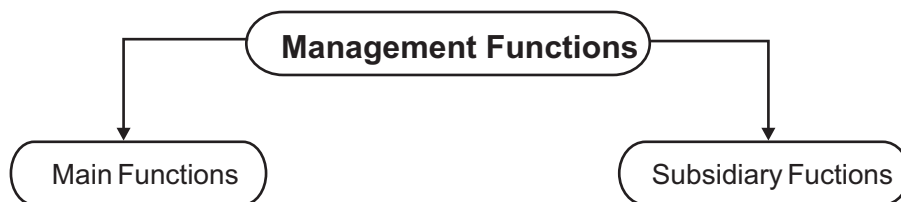
**(B) Definitions Based on Productivity and Efficiency :-
According to Taylor**

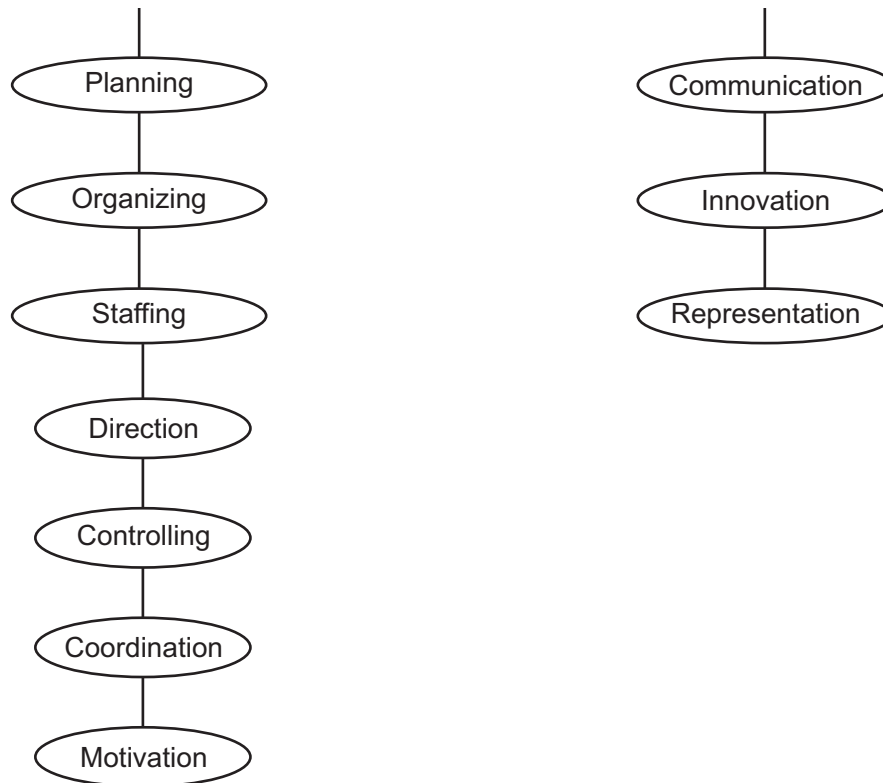
"Management is the art of knowing exactly what you want to do and then seeing that they do it in the best and cheapest way".

**(C) Definition Presenting management as a Decision-Making Process :-
According to Prof. Donald Clough**

"Management is the art and science of decision making and leadership".

Functions of Management :- Functions of management can divide into two parts-Main functions and Subsidiary Functions. These can be explained with the help of following diagram:





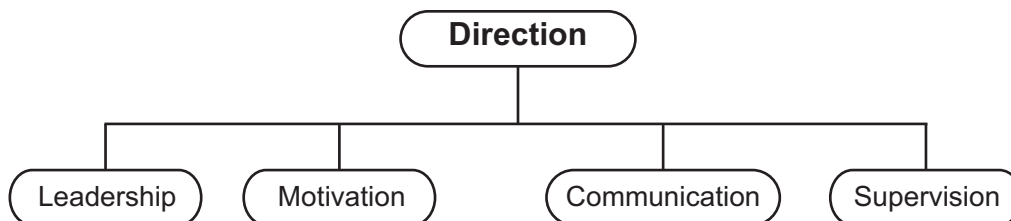
(A) Main Functions :- The main functions of management are:

1. **Planning** :- Planning is the foremost or primary function of management. It precedes other functions because a manager plans before he acts. Planning is deciding in advance what is to be done, when and where it is to be done, how and by whom it is to be done. Planning includes the following functions:

- (i) Forecasting
- (ii) Determination of objectives
- (iii) Formulation of Procedures
- (iv) Formulation of Rules
- (v) Prepare Budgets
- (vi) Determination of Programmes
- (vii) Laying down of strategies.

Planning is a pervasive function and managers at all levels to prepare plans. Planning is also a continuous process. Every organization whether small or big, needs planning. In its absence other functions of management cannot be executed.

2. **Organising** :- To execute the objectives and Programmes set by planning, organizing is required. Under this function manager creates a mutual relationship between men, machine, materials and other resources so that maximum output is achieved at minimum costs. Following activities are included in organizing function:
- (i) To divide the entire work in sub activities
 - (ii) To assign each activity to individuals according to their capabilities
 - (iii) To define the responsibilities
 - (iv) To delegate the authority
 - (v) To establish organizational relations with a view to coordinate.
3. **Staffing** :- Staffing is the process of filling all positions in the organization with adequate and qualified personnel. Staffing consists of manpower planning, recruitment, selection, training, compensation and development of employees. Following activities are included in the staffing function:
- (i) To select the Personnel
 - (ii) To provide training to the selected personnel
 - (iii) To make them aware of their work
 - (iv) To arrange for their remuneration,
 - (v) To develop the personnel.
4. **Direction** :- After appointing staff it is essential that their work should be guided in the proper direction. Direction means guiding different persons as to what is to be done by each one of them, how it is to be done, to make them capable of doing their work with full capability and to see whether they are doing their work as per directions. Direction can be divided into following sub-functions:
- (i) Leadership
 - (ii) Motivation
 - (iii) Communication
 - (iv) Supervision



5. **Controlling** :- Controlling is the process of ensuring that the organization is moving in the desired direction and if there is a deviation, remedial action be taken immediately.

The process of controlling involves the following steps:

- (a) Establishing standards for measuring work performance.
- (b) Measurement of actual performance and comparing it with the standard.
- (c) Finding variances between the two and the reasons thereof
- (d) Taking corrective action

6. **Co-ordination** :- Coordination means harmony, i.e. creating a harmony amongst the different people, activities, resources, interests and goals of organization to increase unity, co-operation and efficiency. The function of co-ordination is carried out by all the managers whether they belong to top level, middle level or lower level of management. Not only this co-ordination is required in all the types of organizations, whether they are permanent or temporary, commercial organizations or social or political organizations. To establish co-ordination any or more of the following methods can be used:

- (i) Clarity of authority and responsibility
- (ii) Effective communication
- (iii) Efficient leadership
- (iv) Check and survey.

7. **Motivation** :- Motivation is the human oriented concept of management. It is a comprehensive concept of management which is concerned with manpower. Man is the most active factor the main driving force of all factors of production. If man becomes passive all other factors of production become passive. For this purpose management has to prepare such programmes, plans and guidelines which motivate the manpower to make maximum use of the available resources.

(B) **Subsidiary Functions** :- The subsidiary functions of management include the following functions:

1. **Communication** :- The process of communication is the passing of information and understanding between two or more persons. "It involves a systematic and continuous process of telling, listening and understanding". It is the responsibility of the management to establish such a channel of communication. Constant communication increases mutual understanding and creates a feeling of cooperation.

2. **Innovation** :- Function of innovation is concerned not only to the research and development of new and improved techniques and products but it also includes the research of new operative methods. For the development of business it is very much necessary to make innovations in the fields of production, marketing, controlling, direction, motivation and human behaviors.

3. **Representation** :- This is the third subsidiary function of management. In the modern era, the manager has also to represent the organization. The manager, on behalf of

the organization, has to maintain contacts with the government officials, labour organizations, financial institutions, customers, suppliers, political leaders etc.

Importance of Management :-

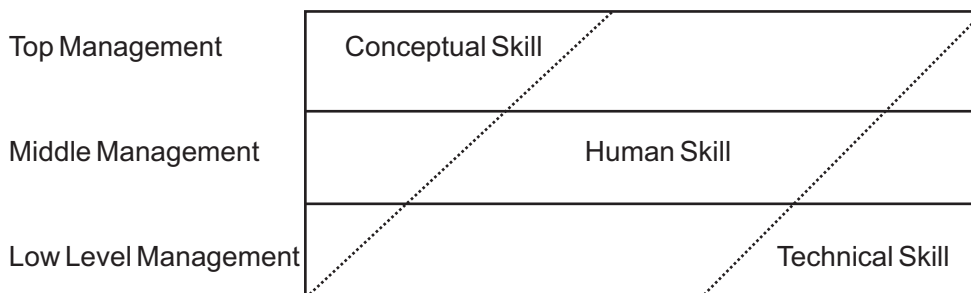
1. **Maximum Utilisation of the Factors of Production** :- Management is the force which enables to achieve maximum results with minimum of efforts.
2. **Management helps in meeting the Challenges of Changes** :- In the modern era of globalization, liberalization, computerization, privatization and multinationals, fast and dynamic changes are taking place. This challenge of changes can be met by professional and efficient management only.
3. **Management Provides Coordination and Establishes Team Spirit** :- In an organization a large number of activities go on continuously and simultaneously in its different departments. The management helps in coordinating all these activities and establishing team-spirit among the working group.
4. **Management helps to attain the Pre-determined Objectives** :- Every organization has certain objectives to achieve. These objectives can be achieved only through effective administration and management.
5. **Optimum use of available resources** :- Every enterprise has limited sources of production (capital, labour, machines, raw material etc.) Management has to utilize those limited resources in most efficient manner and control the cost of production.
6. **Overcoming competition** :- In this era of global competition business is not only confined to the local market but it has been exposed at National and International levels. So an organization can survive only when it is in a position to make the products available of good quality with economic prices.
7. **Maintain good Industrial Relations** :- Labour and capital are the two basic sources of production. So it needs to have a good relationship between the workers and the management which leads to enhance the productivity of an organization.
8. **Helpful in Solving Business Problems** :- Management provides the best way to solve all sorts of problems faced by an organization like
 - a) Competition
 - b) Problems of Technology
 - c) Marketing
 - d) Human Resources
 - e) Physical Resources
 - f) Financial Resources and so on.

9. **Management Provides Innovation** :- Innovation is a must for business and industry. Otherwise it becomes outdated. Innovation requires new idea, new vision, excellent imagination etc. All this is efficiently provided by management.
10. **Management Shoulders Social Responsibilities** :- Managers today are not only responsible towards their bosses alone but they have an equal and foremost responsibility towards the society.
11. **Management in Non-Business Firms** :- The fundamental of management are equally applicable in different business, government, military and other organization.

Q. Discuss the Skills and Roles of Managers.

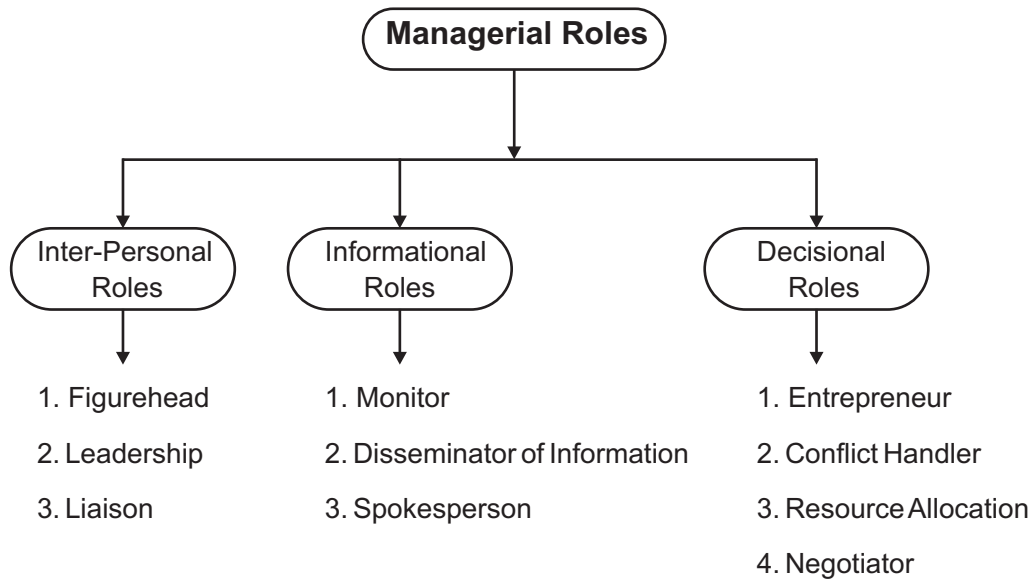
Ans. **Skills of a Manager** :- Managers at different levels perform the same managerial functions but with different degrees, the skills required by them will also vary in terms of degrees. Managerial skills are divided into three basic categories i.e.

1. Technical Skills
2. Human Skills
3. Conceptual Skills



1. **Technical Skill** :- Technical skills refer to be ability and knowledge in using the equipment, techniques and procedures involved in performing specific tasks. It deals with understanding and efficiency of doing a specific activity that is associated with a process or a technique. These skills are most important at lower level of management and much less important at upper levels.
2. **Human Skill** :- Human skills refer to be ability to work effectively with other people, to understand them and to motivate them. It deals with to understand the human aspects in different situations i.e. human nature, behavior performance etc. and to make a proper adjustment to get the desired results.
3. **Conceptual Skill** :- It deals with the broader terms. Like to see an organization as a whole or we can say it deals with designing the planning and strategies for the organization as a whole. So it is the skill which is required for making policies for an organization which is to be implemented by the top level management people. These skills are necessary for rational decision-making.

Roles of Managers :- Roles of managers are classified into three categories:



(A) Inter-personal Roles :- Managers are said to be performing interpersonal roles when they are making contacts with any person whether belonging to the organization or an outsider. These persons include:

- i) Managers of the same level
- ii) Subordinates
- iii) Supervisors
- iv) Suppliers
- v) Customers
- vi) Government officials etc.

Interpersonal roles include the following three roles :-

- (1) Figurehead** :- Figurehead means the head of a particular unit of the enterprise. The formal authority of a manager provides him a special position or status in the organization. In this role, the managers welcome the visitors, sign the legal documents, participate in social activities, etc.
- (2) Leadership** :- In this role manager provides leadership to his subordinates, coordinate their activities and motivates them to perform the work more efficiently. In this role manager acts as a leader and performs all leadership functions.

- (3) **Liaison** : In this role manager is required to establish contacts with his subordinates, other executives of his level, supervisors and outside parties of the organization.
- (B) **Informational Roles** :– In this position, he performs the following three roles:
- (1) **Monitor** :– In this role the manager keeps a continuous and close watch on the internal and external atmosphere of the organization and collects and studies the information affecting the organization and its atmosphere.
 - (2) **Disseminator of Information** :– In this role the manager analysis the information collected and the relevant information is then passed on to his subordinates, fellow managers and other members of the organization.
 - (3) **Spokesperson** :– In this role the manager acts as a representative of the organization to transmit information to the outside world. In addition, he can give information about the company to the outside world be delivering a speech as president of the company.
- (C) **Decisional Roles**: In this role, the manager has to make important decisions and has to solve various problems relating to the organization. There are four decisional roles which he has to perform:
- (1) **Entrepreneur** :– In this role, the manager has to enforce the changes relating to the organization and has to bear the risk of enforcing those changes. He is always engaged in search of new ideas and possibilities for improving the quality and number of products.
 - (2) **Conflict Handler** :– In this role, the manager has to solve the disputes and conflicts arising on the different levels of the organization. Such conflicts arise due to demand for increase in wages, due to increase in prices, due to insolvency of a big customer. Manager should anticipate various conflicts and problems and find out solution either before or after arising a problem.
 - (3) **Resource Allocator** :– In this role, the manager determines priority among different projects and programmes and prepares budgets on the basis of such priorities. The manager has to determine the allocation or organization resources such as money, time and equipment.
 - (4) **Negotiator** :– In this role, the manager represents the organization in negotiations and arrives at settlements inside and outside the enterprise.

Conclusion :– After studying the various roles of managers we conclude that all the ten roles are very important for the manager and they are all inter-related. Some of these roles may be more important than the others depending upon the situations and the managerial positions.

Q. Write a brief note on evolution of management theories or thoughts?

Or

Q. Explain various theories of management.

Ans. Evolution of Management Thoughts :- As we know time is changing very fast in recent days. There is throat cut competition among the different organization about to get more market share, power and progress. Business is becoming more competitive because of certain factors like:-

1. Technological up gradation
2. Research and developments
3. Changing customers needs and wants
4. Customer satisfaction
5. Increasing the size of organizations
6. Specialization
7. Complexity of business
8. Industrial Conflicts
9. Increasing social responsibility of business

All the above mentioned points force the organization to become more competitive so ultimately need the management thoughts. Growing competition and complexity in managing business have demanding the efficiency in management process which can not come simply by trying and making mistakes but need for developing and applying sound management concept and thoughts.

Group of Intellectual people (Economist, Mathematics, Sociologists, Psychologists and Management Practicenor) came forward to understand the organization, people at workplace and behaviour science came out with certain thoughts and ideas. There is an overlapping of these theories because no clear demarcation of time limit. We have a table given below to detail all the approaches of management depending upon the time. This fig. is the approximate time of inception of a particular theory.

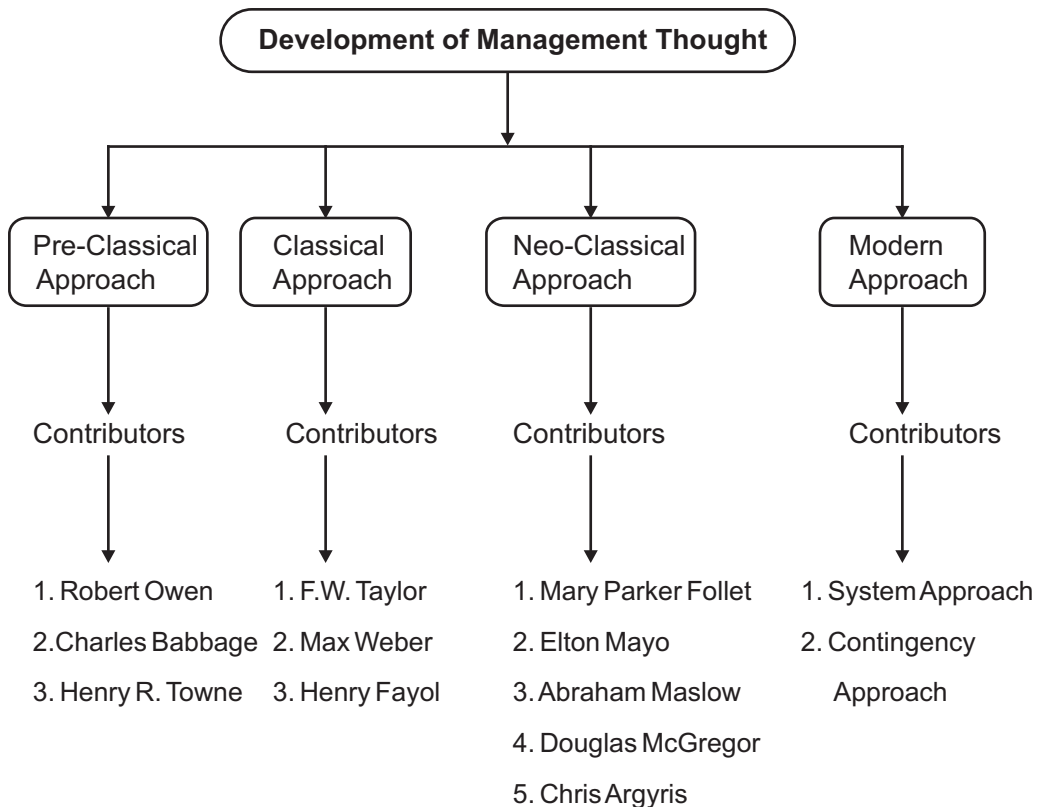
<u>Management Thoughts</u>	<u>Years</u>
1. Early contribution	Up to 19 th century
2. Scientific management	1900-1930
3. Operational management	1910-1940
4. Human relation approach	1930-1950
5. Social systems approach	1940-1950
6. Decision theory approach	1945-1965
7. Management science approach	1950-1960

- | | | |
|-----|--------------------------|--------------|
| 8. | Human behaviour approach | 1950-1970 |
| 9. | System approach | 1960s onward |
| 10. | Contingency approach | 1970s onward |

Stages of management thoughts :- The thought of management can be studied under the following categories:

- (A) Pre-Classical Approach
- (B) Classical Approach
- (C) Neo-Classical Approach
- (D) Modern Approach

These thought can be explained with the help of a diagram as follows :-



- (A) **Pre-Classical Approach** :- Because of the speedy development of the industries, a need was felt to bring about coordination in the work performed by mass of workers employed in these factories. Thus focus was made on the development of such

techniques which could be employed in special circumstances and in the difficult situations. The need of such techniques acted as the basis of the study of managerial thoughts. Main contributors to the pre-classical approach are:

1. Robert Owen
2. Charles Babbage
3. Henry R. Towne

(B) Classical Approach :- As a result of the industrial Revolution there was a tremendous growth in production and it gave birth to Contemporary Management Theories which are combined known as classical Approach. The main contributors to this thought of management are:

1. F.W. Taylor
2. Max Weber
3. Henry Fayol

(C) Neo- Classical Approach :- Neo-classical Approach is based on the idea that effectiveness of management and organization depends upon the people working in the organization. This approach is based on the **understanding of people** rather than the study of supervisory and industrial engineering techniques like time and motion study for the increase in production and managerial efficiency. It lays emphasis on understanding the people personally to promote motivation, inter personal relations and group activeness.

The main contributors to this behavioral aspect of management are:

1. Mary Parker Follet
2. Elton Mayo
3. Abraham Maslow
4. Douglas McGregor
5. Chris Argyris

(D) Modern Approach :-

1. **System Approach** :- System approach is one of the modern approaches of management. This approach has attracted the maximum attention of the modern management experts.

System is a Greek word which means 'To bring together or to combine'. According to this approach, an organization has various sub-systems and an environment of its own. This environment affects the organization and its sub-systems and the organization and its sub-systems affect the environment. All the sub-systems of the organization are mutually interrelated and affect each other.

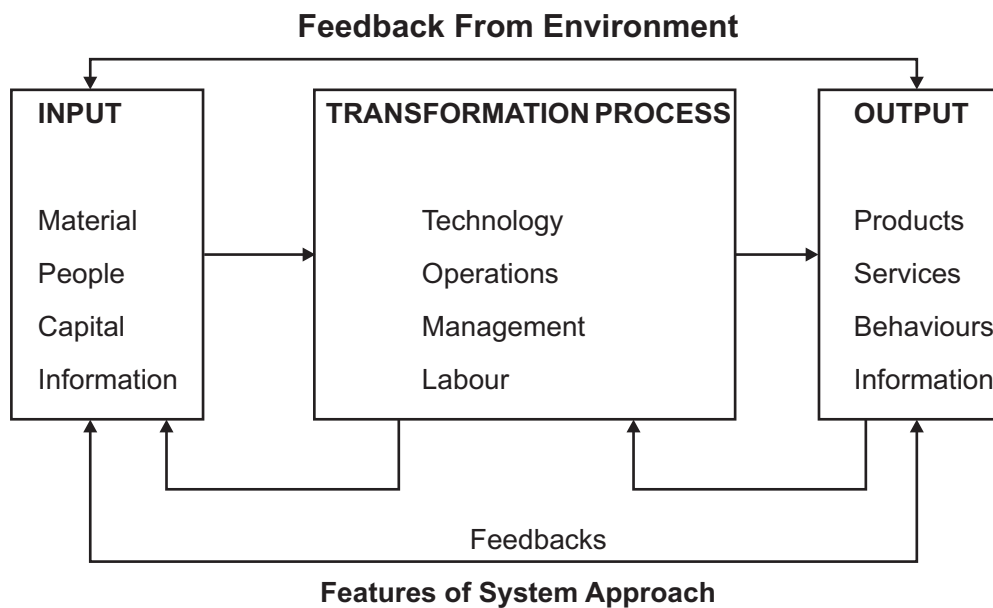
2. **Contingency or Situational Approach of Management** :- This approach believes that, "There is no one best way to manage," but, "It all depends on situation". Thus a manager should follow the procedure or way which is appropriate for the existing situation. Hence, this approach is in a way an extension of system approach. The basic theme of the contingency approach is that there is no single best way of managing which is applicable in all situations.

According to this approach all the managerial functions depend on the situation. The application and effectiveness of any technique are contingent on the situation. Thus contingency approach believes that there are no universal principles of management which apply to all the situations equally. But the nature and technique of these principles depend on those circumstances in which decisions have to be taken.

- Q. Discuss the Basic Features and Limitations of System Approach of Management.**

Ans: System Approach of Management :- System approach is one of the modern approaches of management. This approach has attracted the maximum attention of the modern management experts.

System is a Greek word which means 'To bring together or to combine'. According to this approach, an organization has various sub-systems and an environment of its own. This environment affects the organization and its sub-systems and the organization and its sub-systems affect the environment. All the sub-systems of the organization are mutually interrelated and affect each other. This is explained further with the help of following diagram:



Features of System Approach :-

1. **Management as a Social System** :- Management operates in an environment created by society, hence it is a social system. An enterprise cannot be separated from society, thus it is an important part of society.
2. **Management as an Open System** :- Management is an open system just like other social systems. Management interacts with its environment. Through such interaction it draws inputs from its environment. It transforms these inputs into outputs and return the output back into the environment in the form of goods and services. Thus management acts as an input-output intermediary.
3. **Adaptive** :- In order to survive and grow it is necessary for an enterprise to change itself according to the continuously changing atmosphere. Since management has a system of getting 'Feed-back' to know its efficiency, it can have a true evaluation of its efficiency and can take corrective measures accordingly.
4. **Dynamic** :- Organization is a dynamic system. It continuously strives for maintaining equilibrium in the organization.
5. **Probabilistic** :- Since the organization operates in a dynamic environment, principles of management indicate only the probability and the results cannot be predicted with certainty.
6. **Multi-motivated** :- This approach portrays that an organization's activities and behaviour have multiple objectives.
7. **Multi-disciplinary** :- Management is multidisciplinary as it draws and integrates knowledge from various disciplines. It is assisted by
 - a) Economics
 - b) Social Science
 - c) Psychology
 - d) Biology
 - e) Maths
 - f) Statistics
 - g) Operations Research
 - h) Process Analysis etc.

It derives related knowledge from these subjects. Thus management is not only one subject but it includes all of the above given subjects in its fold.

8. **Multi-Variable** :- It is known that it is not easy to find out the cause and effect. Any event may be the result of various variable and all the variables may be related to each other. Some of these variables may be controllable while other may not be controllable. These variables can be handled through efficient planning and control.

9. **Integrated Approach** :- Management is an integrated approach. It has to integrate various sub-system. The problems of various sub-systems are linked with one another.

Limitations of System Approach :-

- (1) This approach recognizes various variables of environment but it fails to establish their relationship with the functions of management. Thus it is difficult to execute this approach in practice.
- (2) This approach does not mention any technique of management. It is just one of the ways of thinking.
- (3) This approach does not explain the nature of effects and relations of systems and sub-systems of environment.

Conclusion :- Despite above limitations this approach provides fundamental direction to the manager in solving various problems.

Q. Discuss the Basic Features and Limitations of Contingency Approach of Management.

Ans. **Contingency or Situational Approach of Management** :- This approach believes that, "There is no one best way to manage," but, "It all depends on situation". Thus a manager should follow the procedure or way which is appropriate for the existing situation. Hence, this approach is in a way an extension of system approach. The basic theme of the contingency approach is that there is no single best way of managing which is applicable in all situations.

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Features of Contingency Approach :-

1. According to this approach, management is entirely situational. The application and effectiveness of any technique are contingent on the situation. In other words, the conditions and complexity of the situation determine which measure or technique is applicable and effective.
2. This approach puts emphasis on linking the managerial decisions and functions with environment.
3. This approach considers the results of all the activities and decisions even before implementing them.

4. According to this approach the managerial principles cannot give any readymade solutions for all types of situations.
5. The situations are affected by the internal and external environments.
 - (i) External environment consists of :–
 - a) Social Factors
 - b) Technical Factors
 - c) Financial Factors
 - d) Political Factors
 - (ii) Internal environment consists of
 - a) Technical Constraints
 - b) Task Constraints
 - c) Individual or People Constraints
6. Since management's success depends on its ability to cope with its environment.

Advantages of Contingency Approach:–

- (1) The contingency approach does not suggest that the findings of earlier approaches are useless. Rather it attempts to integrate them.
- (2) Contingency approach enlarges the area of freedom of operation of managers. They are not handicapped by having to apply same methods, practices and processes to diverse situation.
- (3) Contingency approach alerts the managers about the complexities of situations. Thus it protect the organization of the risks and uncertainties of the situations.
- (4) This approach is helpful in understanding the interdependence of people, their activities and management.
- (5) This approach after carefully studying and analyzing various factors establishes their relationship with managerial activities.

Criticism of Contingency Approach :–

- (1) **Lack a Theoretical Base** :– It lacks a theoretical base. Hence, it has not prescribed various types of actions which can be taken under different situation. It is not sufficient to say that managers should take action on the basis of situation.
- (2) **Creates Confusion** :– As the manager has no specific principles to rely upon, he gets confused in searching for the suitable alternative each time.
- (3) **Complex** :– In this approach, when a problem arises it involves study of a large number of variables to take managerial action for finding out a solution to the problem.

Q. Explain social responsibility of business?

Or

Q. How businesses oblige the different groups of society?

Ans. Introduction :- Modern business is affected by all the sections of the society, i.e. consumers, employees, shareholder, government, social welfare societies etc. and these different categories of people have various expectations from the business enterprise. Managers have social responsibility towards the following groups of the society:

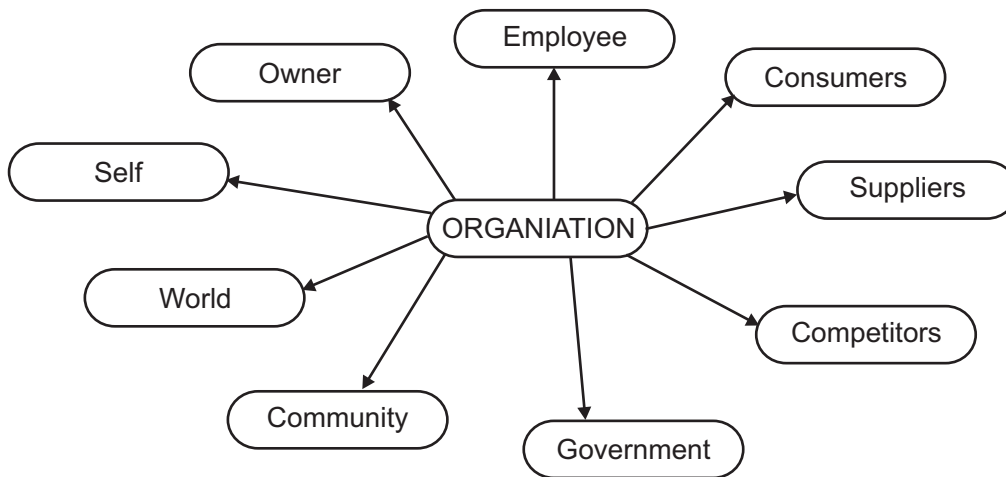


Fig. : Social Responsibility of Business

1. **Towards Self :-** A business manager owes foremost responsibility towards self. The manager must seek to achieve the stated objectives for which the organization is established.
 - (i) Run business efficiently
 - (ii) Enhance his managerial knowledge and skills
 - (iii) Produce the goods and services regularly
 - (iv) Increase business potentials
 - (v) Optimize the use of available resources
 - (vi) Increase the reputation of the organization continuously.
2. **Towards Owners :-** Because of the separation of management and ownership, managers have significant responsibility towards the owners. Some of them are:
 - (i) Ensure safety of the capital
 - (ii) Proper dividend and timely also
 - (iii) Ensure proper utilization of invested capital

- (iv) Informing about the progress of the organization
 - (v) To expand the business of the organization
3. **Towards Employees** :- Employees are the wealth of any business organization. If the employees are satisfied the business develops and if the employees are dissatisfied the development of the business comes to a halt. Managers have following responsibilities towards the employees:
- a) Pay fair and reasonable wages
 - b) Good working conditions
 - c) Taking care of individual dignity
 - d) Job security
 - e) Giving employees participations in management
 - f) Solving labour problems
 - g) Providing training and development
4. **Towards Consumers:-Presently consumers rule the market** : – A consumer is the 'King'. Management owes the following responsibilities towards its consumers:
- a) Provides quality products at reasonable prices.
 - b) Avoid adulteration.
 - c) Reality in Advertisement.
 - d) Availability of product at nearest point.
 - e) Providing after sale services.
 - f) To solve the consumer Problems
 - h) To behave politely with the consumers.
5. **Towards Government** :- Towards the government, a business owes the following responsibilities:
- a) Pay taxes in time.
 - b) Follow the rules & regulation layer by the Govt.
 - c) Helping Govt. by establishing new industries.
 - d) No. misuse of Govt. machinery
6. **Towards Community** :- Manager is himself a social being. He utilizes the resources of the society while living in the society. The main responsibility towards the community are:
- (i) Use the resources of society for the benefit of society
 - (ii) Provide employment opportunities
 - (iii) Avoid polluting environment
 - (iv) Increase the standard of living of the society

7. **Towards Suppliers** :- The main responsibilities towards suppliers are:
- Making timely payments
 - Giving right price for right material
 - Informing for future developments
8. **Towards Competitors** :- Managers have to discharge their responsibilities towards other competing organizations also like:
- Not to indulge in unhealthy competition
 - Promote mutual trust and cooperation
 - Promote market research
 - Develop cordial relations.
9. **Towards the World** :- Today business is multinational. Managers have certain responsibilities towards the other nations like:
- Abide the rules of International Market
 - Provide help in the development of the backward countries
 - Cooperate towards international peace.

MANAGEMENT PROCESS & SKILL DEVELOPMENT

MBA 1st Semester (DDE)

UNIT – II

Q. Explain the concept of Planning. What is the Nature and Elements of Planning?

Ans. **Planning** :- Planning is the primary and fundamental function of management. Planning is the process of deciding what objectives are to be pursued in future and what to do in order to achieve those objectives. Every manager before starting any activity decides about what to do, why to do, where to do, when to do, who shall do, how to do etc. Thus planning is not an easy job. It is an intellectual process and requires a lot of thinking.

Definition of Planning :-
According to Theo Haimann

“Planning is deciding in advance what is to be done”.

According to James Lundy,

“Planning means the determination of what is to be done, how and where it is to be done, who is to do it and how results are to be evaluated.”

Nature and Characteristics of Planning :-

1. **Planning is an Intellectual Process** :- Planning means collecting the facts about present and future, estimating the changes and taking decisions. All of these are related to intellectual process involving imagination, foresight and sound judgement. It is not guesswork.
2. **Planning is a Primary Function of Management** :- Planning is the primary function of management and all other functions like organizing, staffing, direction and control start after planning and they are based upon planning.
3. **Planning is Forecasting** :- Planning is a trap laid down to capture the future. It includes forecasting and decision making. Forecasting means looking into future and planning means deciding on the basis of forecasting.
4. **Planning is Goal-Oriented** :- There are some pre-determined objectives of every organization and the aim of every plan is to help the achievement of enterprise objectives. A plan is considered successful only if it achieves its objectives.

5. **Planning is Selection of Best Method** :- There are various ways to do a particular activity. The main aim of planning is to select the best method out of all the available methods.
6. **Planning is Unity of Plan** :- Only one plan can be implemented at one time. Implementing more than one plan at the same time creates doubt and beats the importance of planning.
7. **Planning is all Pervasive** :- Planning is the function of each and every manager irrespective of the level and areas of his operation. Planning is done from the president of the company to the foreman of a company. In fact management begins from planning.
8. **Planning is a Flexible Process** :- Plans have to be changed according to the changing circumstances. Planning is successful only, if it recognizes the changes quickly and prepares new plans according to the changed circumstances.
9. **Planning is a Continuous Process** :- Planning is on-going and never ending exercise. As soon as a plan is finished, the next one starts.

Elements of Planning :- The elements of planning are also known as methods of planning, components of planning or Scope of planning.

- (1) **Forecasts** :- Forecasting is the first step towards planning. Forecasting involves assessing the uncertain future and making provisions for it. No plan can be prepared without knowledge of future events. Forecasts are based on true facts and it is on these bases that business opportunities are identified and plans are prepared accordingly.
- (2) **Objectives** :- Objectives are the bases or end results which an organization aims at achieving. Objectives are determined on the basis of resources of the organization and the forecasts and then planning is done to achieve the objectives. Without objectives an enterprise is just like a ship without rudder and compass. Plans cannot be even imagined without clearly defining the objectives of the enterprise.
- (3) **Policies** :- Planning also includes the determination of policies. Policies are general statements or understanding that guide thinking in decision making. Policies define the boundaries within which the subordinates have to make decisions.

Examples of Policies are :-

- (i) Goods will be sold only in cash or on credit also.
- (ii) How the selling price will be determined
- (iii) What will be the discount

Types of Policies :- On the basis of levels of organization, policies can be divided into three categories:

- (i) **Basic Policies** :- They guide the top level managers
 - (ii) **General Policies** :- These are related to middle level management
 - (iii) **Department Policies** :- These are related to lower level management
- (4) **Procedures** :- A procedure is a chronological sequence of steps to be undertaken to enforce an activity. Thus procedures are also a type of plans. In any organization first the objectives are determined, thereafter the policies are formulated and then procedures are laid down at every level. Procedures lay down the specific manner in which a particular activity is to be performed.
- (5) **Rules** :- Rules are also essential elements of planning. Rules are detailed and recorded instructions which specify as to what is to be done and what is not to be done in a given situation. Rules differ from policies because policies are only guidelines and they give the authorities to take a right decisions themselves. A rule is applied with rigidity whereas the policies can be applied with some deviation.
- (6) **Budget** :- Budget is also a significant component of planning wherein expected results are expressed in numerical terms for a definite period of time in the future. A budget is the monetary and quantitative expression of business plans and policies to be pursued in the future.
- (7) **Projects** :- A project is an independent part of a plan. These are connected with deployment of funds to achieve a stated objective. For example, project for opening a new plant, installation of a computer. A project has a definite time schedule and the completion of project at right time and with appropriate cost is necessary.
- (8) **Programmes** :- A programme is a comprehensive plan designed to implement the policies and accomplish the objectives. A programme is a combination of policies, procedures, rules, budget, etc. It spells out clearly the steps to be taken, resources to be used and the time period within which the task is to be completed.
- (9) **Strategy** :- Because of day to day increase in competition an enterprise has to make its plans keeping in view the plans of its competitors. A strategy is adopted by anticipating as to what the opponent is expected to do and what he will not do.

Q. Describe the Basic Steps in the Planning Process. Why is each step important?

Ans. **Planning** :- Planning is the primary and fundamental function of management. Planning is the process of deciding what objectives are to be pursued in future and what to do in order to achieve those objectives. Every manager before starting any activity decides about what to do, why to do, where to do, when to do, who shall do, how to do etc. Thus planning is not an easy job. It is an intellectual process and requires a lot of thinking.

Definition of Planning :-

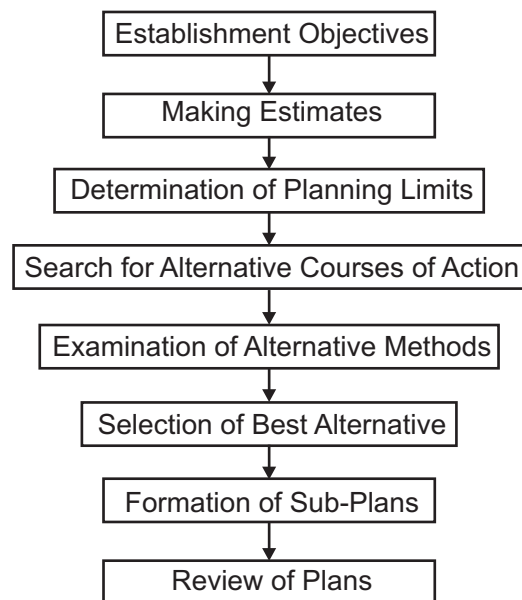
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Planning Process Or Stages in Planning :- The various stages in the process of planning are as follows:-



- (1) **Establishment of Objectives** :- Just as a target is fixed before firing a shot, it is essential to fix the objectives which we want to achieve by the network of policies, procedures, budgets and programmes. First step in the planning process is to identify the goals for which the whole organization is going to work in the future. Objectives must be clearly defined. While fixing objectives, first the overall objectives for the whole organization are fixed and then the overall objectives are sub-divided for each subordinate unit, department and section.
- (2) **Making Estimates** :- After fixing the objectives estimates have to be made of the future events and circumstances For Example:
 - a) What will be the demand of our products in future?
 - b) What will be the government policies?
 - c) What will be the cost of production?
 - d) What will be the cost of labour.

The success of planning will depend on the degree of accuracy of these forecasts.

- (3) **Determination of Planning Limits** :- Planning limits mean the conditions under which planning activities will be undertaken. There are primarily two planning limits:
- (i) The first type of limits are mainly related to external environment over which organization has no control, like:
 - a) Political and Social Conditions
 - b) Technological Innovations
 - c) Competitors Plans and Actions
 - d) Government Policies
 - e) Demand and Price Level Changes etc.
 - (ii) On the other hand, the second type of limits relate to the internal environment of the organization which are controllable to a great extent. These includes:
 - a) Organizational Policies
 - b) Resources
 - c) Weaknesses and strengths of the organization.
- (4) **Search for Alternative Course of Action** :- Each problem has various alternative solutions. While searching and analyzing these alternative solutions it is quite possible that a manager may be guided by his limited knowledge. Managers should search and explore these alternatives on the basis of their experiences and by consulting the subordinates and specialists. A list is first prepared of all possible alternatives and then the best one is chosen. Remaining alternatives are also kept read so that the next one can be taken up in case of need.
- (5) **Examination of Alternative Methods** :- After preparing a list of all possible alternatives a comparative study is made of their merits and demerits. One of the alternatives may be highly profitable but may required heavy investment with a high degree of risk, another may be less profitable, and may also involve less risk
- (6) **Selection of Best Alternative** :- After a careful examination of all the available alternative course of action the best possible alternative is selected.
- (7) **Formation of Sub-Plans** :- After selecting the best plan for the enterprise, sub-plans are prepared for each department The sub-plans are not independent plans but the are a part of the main plan. Thus the main plan is only one but sub-plans are prepared for each department such as

- Purchase department
- Production department
- Sales department etc.

(8) **Review of Plans** :- The process of planning does not come to an end merely by implementation of plans. In fact, planning is a continuous process. Plans are formulated on the basis of future which is uncertain. Some estimates may prove true while the others may be wrong. As such the plans must be reviewed periodically so as to modify and change them whenever necessary.

Q. Write a Short Note on Levels of Planning.

Ans. **Levels of Planning** :-

1. Corporate Planning
2. Divisional Planning
3. Sectional or Unit Planning

1. **Corporate Planning** :- Corporate planning is defined as a systematic and comprehensive process of planning considering the resources and capabilities of the organization and the environment within which it has to operate considering the organization as a total corporate unit. As it covers the entire organization so corporate planning is like a strategic planning. Corporate planning is normally for many years i.e. more than four-five years.

2. **Divisional Planning** :- This is related with a particular division of the organization setting the objectives, plans and policies and making programs for a specific division e.g.

- a) Financial Planning done by the finance manager.
- b) Sales budgeting done by the marketing division.

3. **Sectional or Unit Planning** :- Unit planning is highly specific in nature. It normally plan for day today functioning of a particular unit to achieve his objective. Unit plan are done normally by the front line managers which is very specific for a particular unit.

Q. Write a Short Note on Strategic Planning.

Ans. **Meaning of Strategic Planning** :- It is also known as long-range planning. It is not 'scheming' or 'group of techniques' but it is the use of thinking, imagination, analysis and decisions. It is not related to future decisions but it relates to the future of present decisions. It is no a way of reducing the risks but improving the ability of taking brave decisions.

Definition of Strategic Planning :-

According to Robert N. Anthony

“Strategic Planning is the process of deciding objectives of the organization, on changes on these objectives, on the resources used to attain these objectives and on the policies that are to govern the acquisition, use and disposition of these resources”.

Characteristics of Strategic Planning :-

- (1) It is a comprehensive, integrated and coordinated plans.
- (2) It makes new plans with the use of all the human and physical resources.
- (3) Such plans are made after giving due consideration to the environment.
- (4) Such plans are long term in nature
- (5) It determined the direction for the organizational efforts
- (6) Such planning is done by the Top Level Management only.

Process of Strategic Planning :- The process of strategic planning can be divided into four stages:

- (1) **Environmental Analysis and Diagnosis :-** This is the first stage of strategic planning. It includes two important things:-
 - (i) Analysis of the Environment
 - (ii) Identification of its Strengths and weaknesses by the organization.
- (2) **Search for Strategy :-** When management becomes fully aware of the changes in the factors of environment affecting organization then it begins its search for various alternatives for strategy formulation, keeping in view its resources, strengths and weaknesses. It is a creative process.
- (3) **Selection of Strategy :-** Under this stage the best alternative out of various alternative is selected. Such an alternative is selected after comparing the merits and demerits of various alternatives. Selected alternative must be
 - (i) According to the environment
 - (ii) According to the objectives of the organization
 - (iii) According to the resources of the organization
 - (iv) Must be practicable.

(4) **Implementation and Evaluation of Strategy** :- After selecting the strategy the next step is its implementation. It includes:

- (i) Determination of policies and procedures
- (ii) Determination of organization structure
- (iii) Development of individuals
- (iv) Arrangements for effective communication etc.

Evaluation of strategy is also very important activity. Such evaluation is done on the basis of various pre-determined measures. Such measures are:

- (i) Whether the strategy is according to the policies and objectives of the organization?
- (ii) Whether the strategy is according to the environment?
- (iii) Is the strategy according to the available resources of the organization?
- (iv) Is there any appropriate time determined for the strategy?
- (v) Is the strategy practicable and what is the basis of evaluation of its results?

Q. What do you mean by Decision-Making? Explain the various steps of decision making process and Models of Decision-Making.

Ans. Meaning of Decision-Making :- Decision-making means determining a course of action. In other words, it is an act of choice wherein an executive forms a conclusion about what must and must not be done in a given situation.

Decision-making is the process of choosing a course of action among several alternatives in order to achieve a specified goal. Thus decision-making is the process of selection and the aim is to select the best alternative.

Definition of Decision-Making :-

According to Louis A. Allen

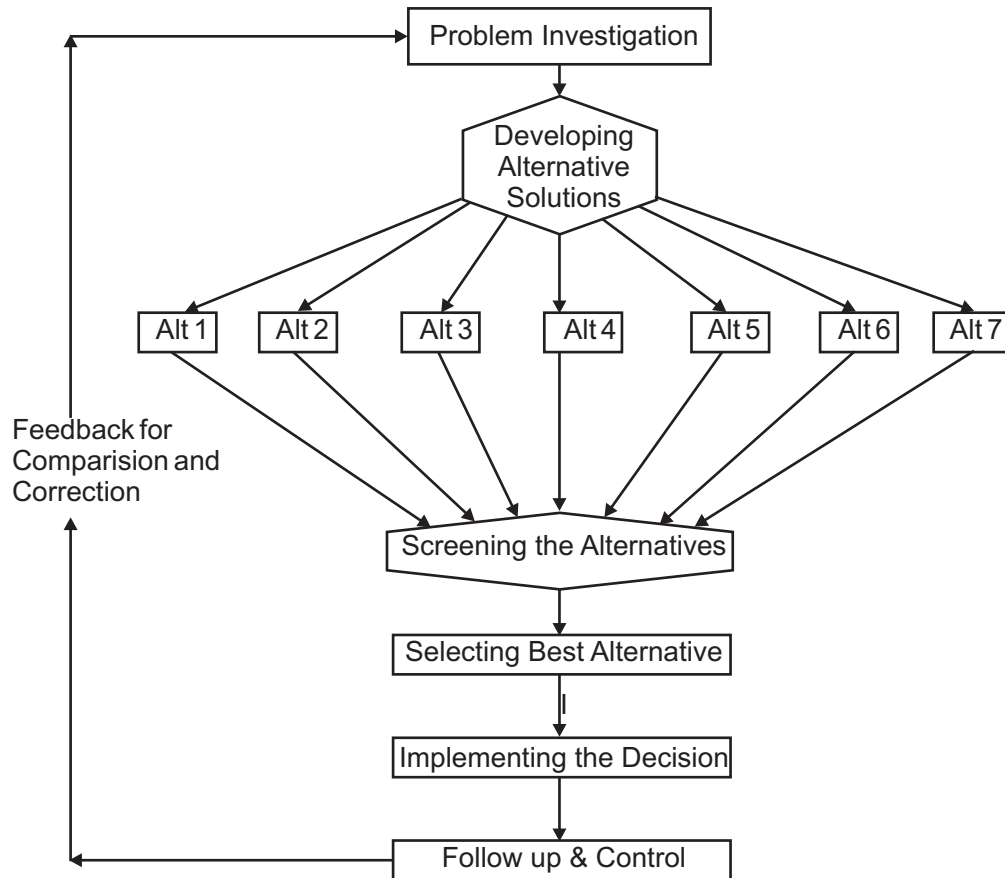
“Decision-making is the work which a manager performs to arrive at conclusion and judgement”.

According to George R. Terry

“Decision-making is the selection based on some criteria from two or more possible alternatives”.

Decision-Making Process :- An ideal decision making process must have the following steps:

DECISION-MAKING PROCESS



(7) **Defining the Problem** :- The first important step in the process of decision-making is related to understanding the problem in right perspective. In other words, We can say that a manager must know what the real problem is? It is an important for a manager to understand a problem in its correct form as for a doctor to make a correct diagnosis of any disease. Correctly defining a problem makes it all the more simpler to find a solution to it.

While defining a problem it is also important to find out the various factors responsible for it.

(8) **Analyzing the Problem** :- After defining the problem, the next step is to analyse the problem. When the size of the problem is big then it is subdivided into various parts and each such part is analysed.

- (9) **Developing Alternative Solutions** :- After clearly defining and analyzing the problem the decision maker develops various alternative solutions on the basis of the gathered information and facts. The main objective of developing the alternative solutions is to find best solution to a problem.
- (10) **Screening the Alternatives** :- After having developed a number of alternative solution to a problem, the next step is to evaluate these alternatives against various viewpoints. The knowledge of merits and demerits of each such alternative is obtained. Such knowledge is helpful in selecting the best alternative. Evaluation of the alternatives is a complex activity. Hence it should be entrusted only to competent and experienced individuals who are involved in defining and analyzing the problem.
- (11) **Selection of the Best Alternative** :- After evaluating various alternative solutions the manager select the best alternative on the basis of their experience, experiment, research and analysis. Although experience plays a very important factor in decision making, it is not the sole factor.
- (12) **Implementing the Decision** :- After selecting the best alternative the next step is to implement it. For this, all those individuals who are actively involved in the implementation of these decisions must be informed. Besides this, for the effective implementation of the decision, it is also important that consent and cooperation of all those individuals who shall be affected by such decisions is obtained.
- (13) **Follow-up and Control** :- The process of decision-making does not end with taking the best decision and implementing it, but it extends up to knowing its effects. If the decision appears to be wrong or impractical then the managers should review it and make necessary amendments in their decisions.

Conclusion :- All the above steps are the stages of an ideal decision-making process. These stages bring forth the many activities involved while making decisions. But it is not necessary that all of these stages must be used while taking decisions. These stages can be increased or decreased according to circumstances.

Models of Decision Making :-

1. Classical Model
 2. Administrative Model
 3. Rational Model
1. **Classical Model** :- The classical model is a prescriptive approach that is based on critical economic assumptions. Traditional management theory assumed that manager made decision to serve the economic interest of the organization.

Assumptions of Classical Model :- The classical model is based on the following assumptions:

- (i) The managers seek to attain objectives that are both known and agreed upon
- (ii) Targeted problems are precisely define
- (iii) The manager operates under a state of certainly, processing complete information.
- (iv) All alternative courses of action and there potential results can be calculated
- (v) The criteria needed for evaluating outcomes is known
- (vi) The manager will select the alternative that maximizes return to the organization.

when a manager is faced with a situation he adopts a logical procedure as:-

- a) Manager identifies the problem.
- b) Manager obtains the complete information related with every alternative.
- c) He evaluates every possible alternative by knowing the pros & cons logically.
- d) He takes decision by selecting the Best alternatives which serve the purpose of the organization.

Classical model suit the best where complete information is already available and a manager can calculate the expected Risk Associated.

2. Administrative Model :- “Simon” who contributed significantly about decision making suggested the concept of administrative model. In which he describe the behaviour of decision maker in the centered of what he actually does. Administrative model describe how decisions are actually made. Depending upon the behaviour or traits of the manager, it is of two kinds.

- a) **Bounded Rationality :-** The decision maker’s rationality is bounded or limited as the education, habits, skill, beliefs, values etc. He is having by using this behaviour traits manager takes decision.
- b) **Satisfaction :-** The manager tries to select the 1st alternative which gives his an optional level of satisfaction. He is not in a position to evaluate all other possible alternatives. If he feels a degree of satisfaction at are alternative. He finally makes his decision either it may or may not serve the purpose of the organization.

3. Rational Model :- According to Rational Model a manager always confident that if there is any problem their must be a solution of it but it needs to diagnose.

Her manager defines the actual problem then tries to find out all possible alternatives. Evaluation of each and every alternative and selecting the best one to implement in the organization. It is a four-step process that helps managers weight alternatives and choose the alternative with the best chance of success.

Q. Discuss the Meaning and Nature of Organizing.

Ans. **Introduction** : – Whenever and wherever some people work together it is natural for the problems to arise. Some of these problems relate to the organization like how to divide the work, what work should be allocated to whom, what shall be the rights and responsibilities of different people, how shall the work of different people be co-coordinated etc. If proper solution to these problems are not found, it is quite possible that some of the activities shall be repeated while some others shall be completely omitted. Hence, it is necessary that the work is entrusted to individuals according to their abilities, they are given adequate authority and their responsibilities are properly determined. Carrying out all these activities is known as organizing.

Meaning of Organizing :- An organization in which the resources of production are properly organized faces no problem in the achievement of its pre-determined objectives. Organizing is defined as identifying and grouping different activities in the organization and bringing together the physical financial and human resources to establish most productive relations for the achievements of the organizational goal.

Organizing means deciding about the various departments and the posts in these departments and the responsibility have to be prescribed.

Definition of Organizing :-

According to R.C Davis

“Organization is a group of people who are co-operating under the direction of leadership for the accomplishment of a common end.”

According to Urwick

“Organization is the determining of activities which are necessary to any purpose and arranging them in groups which are assigned to individuals.”

Nature of Organization :- There are two popular meanings of organization, i.e., the nature of organization is studied in two forms:

- (A) Organization as a Process
- (B) Organization as a Structure of Relationship

(A) Organization as a Process :- **Organizing is a process.** This process does not end with the completion of one activity but it involves a number of activities. Organisation as a process is a dynamic element because it includes continuous determination and division of activities, allocation of authority and responsibility and changes in mutual relationship.

Essential Steps of Organization Process :-

- (1) **Division of Labour** :- Every person should be handed over work according to his abilities by resorting to division of labour. On the basis of the principles of division of labour every group is handed over some specified work. Division of labour leads to increase in the work efficiency.
- (2) **Sources of Authority** :- It has to be determined that who will take order from whom and whom shall he give orders to. As authority gives rise to responsibility hence fixing of responsibility is essential while delegating authority to people working at different levels of the organization.
- (3) **Establishment of Relationship** :- It is essential to establish relationship between individuals working at all levels of management. The relationship must be established in such a way that there is smooth functioning of the communication system between various levels of organization.
- (4) **Objectives of Organization** :- The objectives of the organization should be clear to everyone working in it.
- (5) **Structure Side of Organization** :- While structuring the organization it must be kept in mind that the organization structure is long living.
- (6) **Selection of Efficient Employees** :- The success of any organization depends upon the efficiency of its employees. Efficient employees can bring about an improvement in a bad organization and inefficient employees can ruin even a good organization.
- (7) **Co-ordination** :- Division of labour leads to the division of the organization into various department, activities and units, thus it leads to the requirement of keeping proper co-ordination between them.
- (B) **Organization as a Structure of Relationship** :- On the basis of personal relationship organization is of two types:
 - (1) **Formal Organizational Structure** :- The formal organization refers to the clearly defined structure of job and positions in which authority and responsibility of every person is clearly defined.

Characteristics of Formal Organization :-

- (i) It is deliberately created
- (ii) The authority and responsibility of executives at each level is clearly defined.
- (iii) It is impersonal
- (iv) The flow of authority is from top to bottom
- (v) It makes use of organization charts
- (vi) It follows units of command
- (vii) Division of labour is possible in it.

Advantages of Formal Organization :-

- (i) Definite Responsibility
- (ii) Definite Authority
- (iii) End of Mutual Conflicts
- (iv) Proper Division of Work
- (v) No Duplication of Work
- (vi) No Partiality
- (vii) Easy Co-ordination and Control

Disadvantages of Formal Organization :-

- (i) Mechanisation of Relationship
- (ii) End of Initiative
- (iii) Delay in Work
- (iv) Restrictions in Informal Communication
- (v) Misuse of Authority
- (vi) Problem of Co-ordination.

(2) Informal Organizational Structure :- The formal organization gives no importance to feelings and opinions of the individuals. Because of this, individuals tend to develop informal relationship among them since they cannot survive without social interactions.

Characteristics of Informal Organization :-

- (i) It is not Deliberately created
- (ii) Basis of Social Relationship
- (iii) Satisfaction of Social Needs
- (iv) Flexible and Adaptive in Nature
- (v) No written rules and procedures
- (vi) No place on Organization Chart

Advantages of Informal Organizations :-

- (i) It covers the deficiencies of formal organization
- (ii) It creates harmonious relations
- (iii) It provides satisfaction to employees
- (iv) Increase in Initiative
- (v) Effective Communication
- (vi) Quick Solution of Problems
- (vii) Helpful in increasing the managerial efficiency.

Disadvantages of Informal Organization :-

- (i) It resist change
- (ii) Free from Control
- (iii) Creation of Conflicts
- (iv) It creates Rumours

Q. Explain in detail the various steps involved in the formation of organizational structure. Also explain:-

- i) **Narrow and tall organizational structure and flat-topped.**
- ii) **Open and closed organization system.**

Ans. Organization Structure :- Organization structure refers to the basic form of any business organization. Organization structure refers to distribution of authority and responsibility among various positions in the organization. Under organizational structure, relationships are established and determined between various executives and administration.

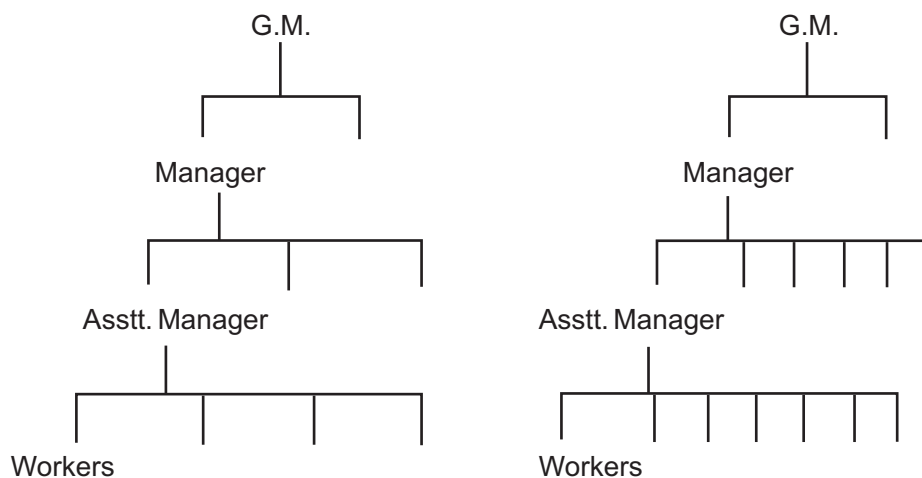
Steps involved in the formation of organizational structure :-

- (1) **Determination of objectives :-** Every organization is being designed by considering some specific objectives behind it so there is need to know the objectives of the organization. This may considered as the 1st step of building up of the organizational structure. It means what will be the organizations is involved in the process of manufacturing cloths, machines, paints, tools etc. So short term and long term objectives of the organization become the basis for job specification.
- (2) **Determination of Activities :-** Dividing the total work into smaller important activities. For e.g. Sales, production, purchase, transport, marketing finance etc. So we can say total work is being divided into different functions which are specific by nature.
- (3) **Grouping of Activities :-** The next step is to classify activities according to similarities and of common purpose taking Human and material resource into account. Similar kind of activities may be grouped into specific department. For e.g. various activities related with marketing are grouped together and creates a separate department i.e. marketing department.
- (4) **Putting individual into functions :-** After determining the various activities and grouping the similar activities there is need to put the right personnel for particular activity to perform. Each person in the group will be given a specific part of the jobs to do and will be responsible for it.
- (5) **Delegation of Authorities :-** Every member of a particular group is being assigned responsibility and authority to perform. Any person can perform only when he is having concerned authority to it.

- (6) **Providing Environment** :- Any organization can not perform or operate in Isolation. Thus always associated with external and internal environment. So there is need to given suitable environment to perform the assigned job to the people.

Narrow or Tall and Flat Topped Structure

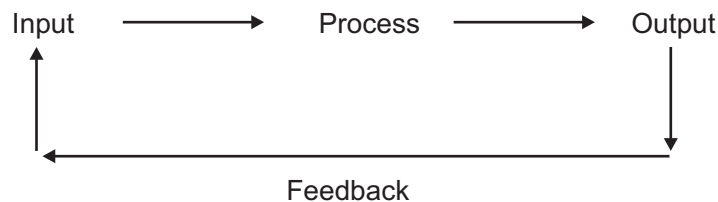
Two Fig, shows the difference between the two



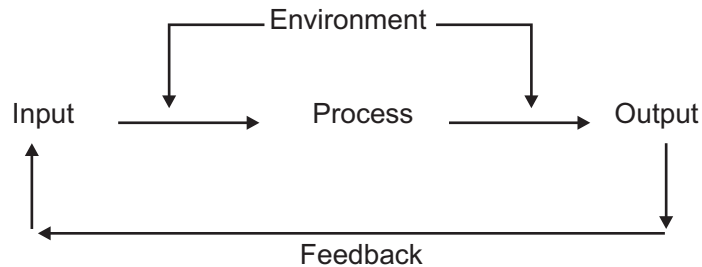
In 1st case the Hierarchy is long many people are placed in between whereas in case of flat less No. of people are in between and the chain is spread more horizontally.

Open and Closed System

Closed System :-



It is self maintained system which operates independly there is no interaction with the environment there is no outside system interfering the main system.

Open System: -

In open system the basis system operates but there is interaction and communication with environment. It is flexible and dynamic in nature.

Q. Explain the meaning of Departmentation. Discuss the main Bases of Departmentation.

Ans. Meaning of Departmentation :- Departmentation is a part of the organization process. Under departmentation the whole work of a large organization is divided into smaller units. Each smaller unit is called department. Each department is a distinct area or unit of an organization which a manager has authority for performance of specified activities.

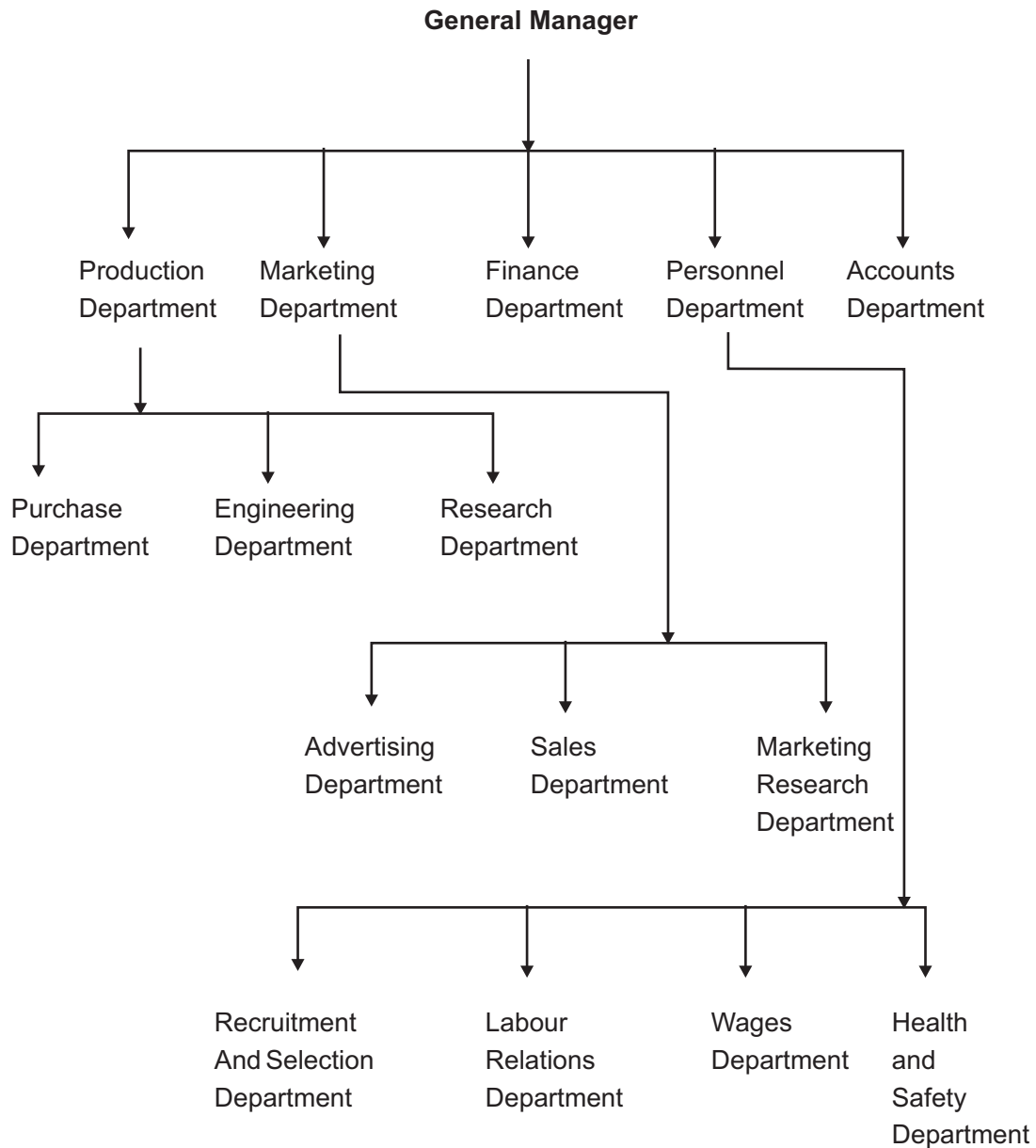
In other words, under departmentation the whole organization is divided into different departments like:

- Purchase Department
- Finance Department
- Production Department
- Sales Department etc.

Bases Or Methods of Departmentation :- Different departments are categorized on the following basis:

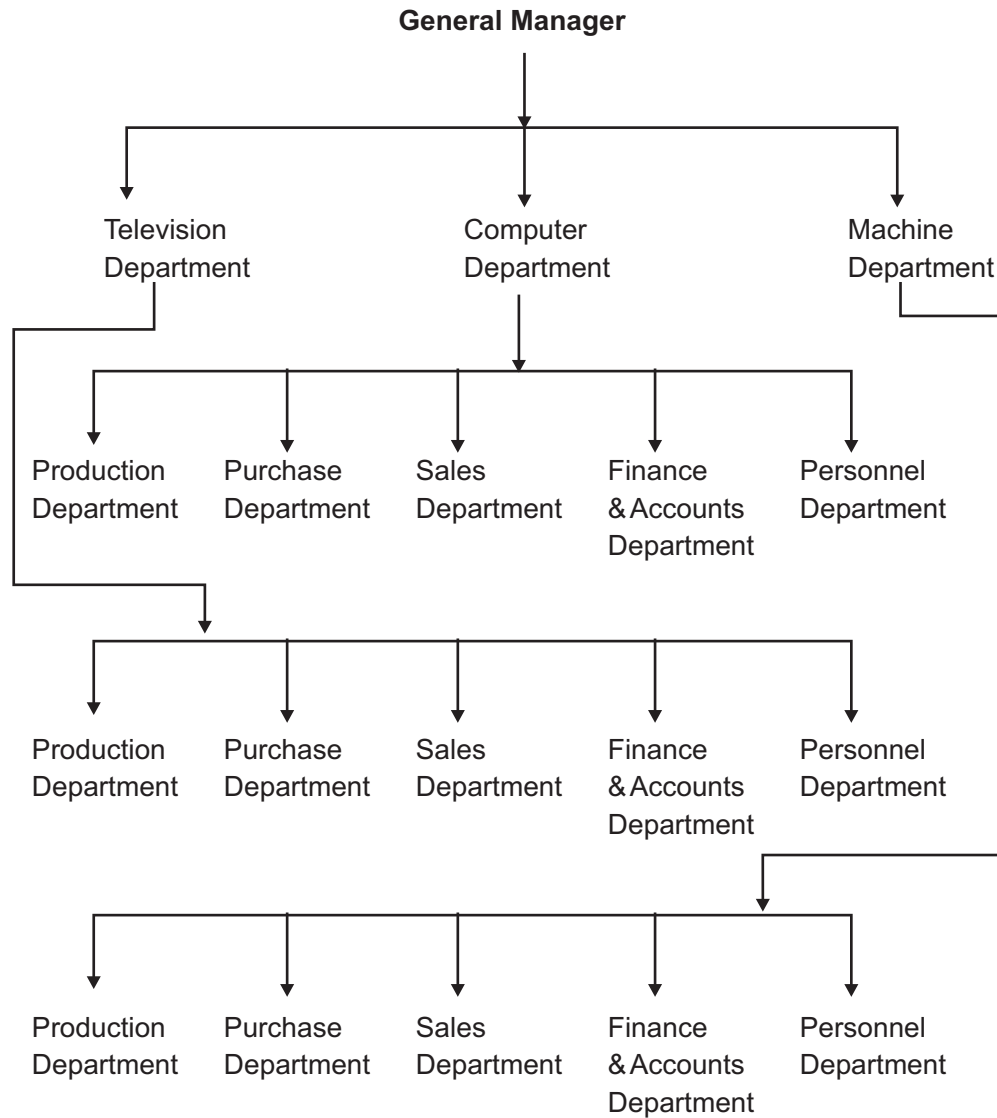
(1) On the basis of Functions :- It is a popular method of grouping the activities of an enterprise. Under it, activities are grouped on the basis of the functions intended to be performed by them. Normally there are five main departments of a manufacturing organization:

- (i) Production Department
- (ii) Marketing Department
- (iii) Finance Department
- (iv) Personnel Department
- (v) Accounts Department.

Departmentation : On the Basis of Functions

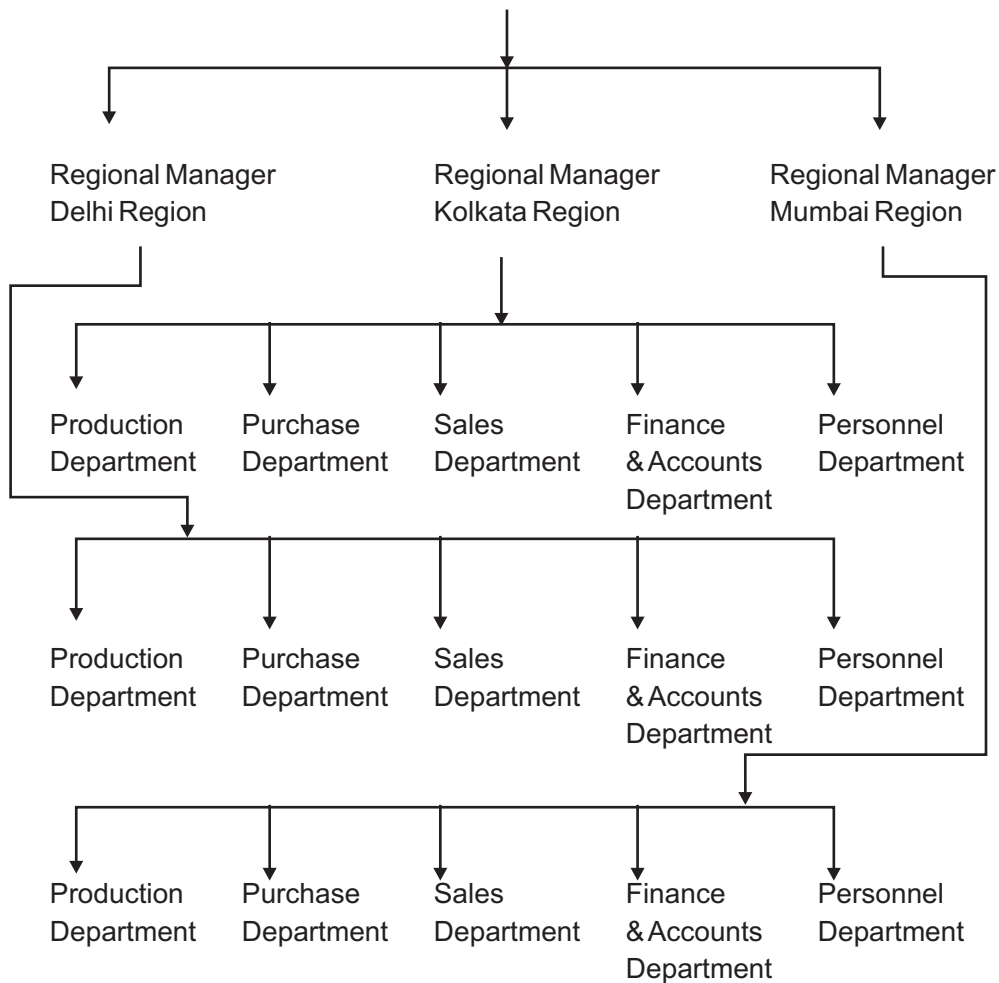
- (2) **On the Basis of Products** :- When an organization produces a number of products, the whole organization is divided on the basis of type of product. It is clear from the diagram given below:

Departmentation: On the Basis of Products



- (3) **On the Basis of Territory** :- When the business of an organization is spread over a large area and the needs of the consumers can be easily fulfilled locally, then the organization is divided on the basis of territory. For example, the divisions may be

- North Zone
- South Zone
- East Zone
- West Zone

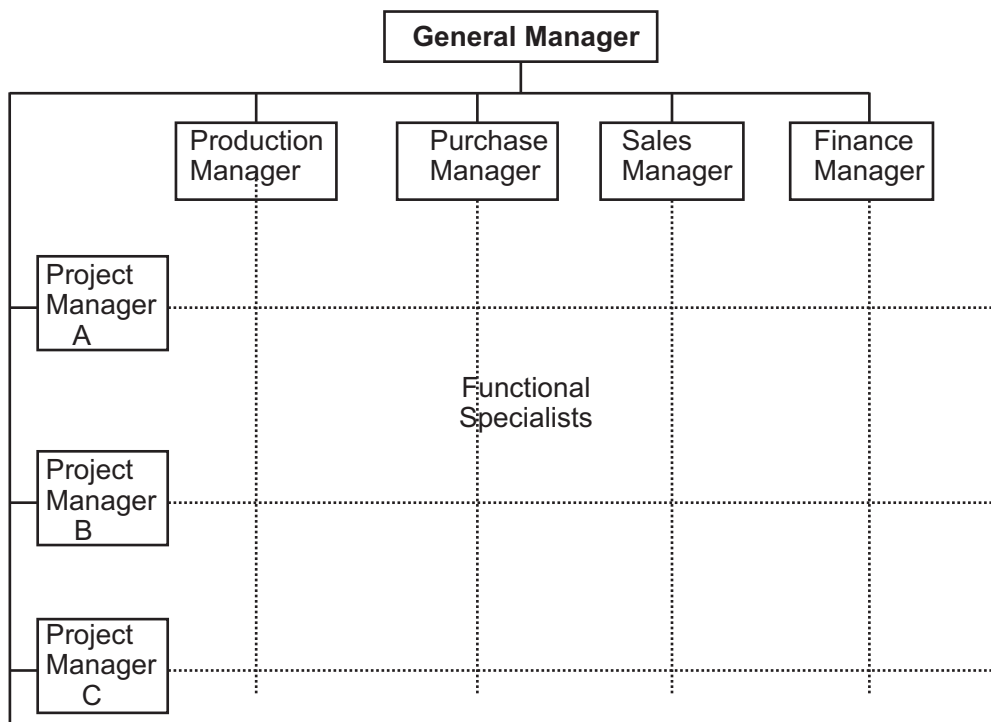
Departmentation: On the Basis of Territory**General Manager**

- (4) **On the Basis of Customers** :- When different types of services are provided to different customers, the organization can be divided on the basis of customers like

- Wholesale Department
- Retail Department
- Export Department etc.

(5) **On the Basis of Process** :- When the manufactured product has to undergo various processes, the organization can be divided on the basis of process. For example, a printing press may consist of composing, proof reading, printing and binding departments

(6) **Matrix Organization** :- When the size and operational field of any organization is too wide and the number of products produced by it and its number of customers is large, it cannot be divided any of the bases mentioned above. In such situation a matrix organization is established. Such organizations are divided on the basis of functions like production department, purchase department, sales department, finance department, personnel department etc. Besides this, separate project manager is appointed for different project. This is explained through the diagram given below:



Q. Write a Short Note on Span of Control

Ans. **Span of Control** :- Span of control means the No. of subordinates an executive can supervise effectively or efficiently. Practically it is not possible for a manager to control or supervise large of subordinates. So their should be a criteria to decide the no. of subordinates supervised by a manager.

According to Farland :- “A span of control is the number of subordinates that an executive supervises.”

It is also known by span of management, span of supervision.

Factors effecting the span of control :-

- (1) **Employee Intelligence** :- If the employees are trained and professional then their can be large span but if they are unskilled then small span unskilled employees need more guidance from their superiors.
- (2) **Nature of Job** :- Large span required for routine kind of jobs but for specialized job small span of control is required.
- (3) **Ability of a Manager** :- Span also depends on the personnel ability of a manager like knowledge, education, expertise he is having.
- (4) **Communication System** :- Modern communication system always facilitates a manager to supervise his sub-ordinates. It helps a manager to give direction to many employees at a moment.
- (5) **Geographical Conditions** :- If one manager has to sit with 30 sub ordinates in a saw building it comes easy to supervise than a sales manager because he has to supervise 30 sales people in different cities and towns.
- (6) **Capacity of subordinates** :- Capacity of subordinates also affects the degree of span of management. Efficient and trained subordinates may discharge their function more efficiently without much help of their superior.

Basically span of management are two types: –

1. **Wide span** :- If a manager supervises many subordinates at a time, it is called wide span of control.
2. **Narrow span** :- If a manager supervises a small number of subordinates, it is called narrow span of management.

Q. Discuss the Process of Delegation of Authority. What are its Principles and Importance.

Ans. Meaning of Delegation :- A top executive cannot do the whole work by himself because of the burden of other responsibilities. Hence, he assigns some part of his work to his subordinates so that the work is accomplished efficiently and quickly. The top executive also grants adequate authority to his subordinates to execute these jobs. In fact, the word ‘delegation’ is used only when a top executive hands over some of his authority to his subordinates. Thus delegation means ‘handling authority’.

Definition of Delegation :-**According to Prof. Theo Haimann**

“Delegation of authority merely means the granting of authority to subordinates to operate within prescribed limits”.

According to F.G. Moore

“Delegation means assigning work to other and giving them authority to do it”.

Elements or Process of Delegation :-

- (1) **Assignment of Duty** :- No manager can himself perform all the work of the organization. He has therefore to assign a part of his duties to others. For this, the manager divides the total work and decides which work is to be performed by him and which work can be easily assigned to the subordinates. Usually those tasks which are of utmost importance and which he alone can perform because of his unique placement in the organization are kept by the manager with him and all other tasks are assigned to his subordinates.
- (2) **Granting of Authority** :- Authority is the key to all managerial activities. The subordinates are given authority in accordance with the type and volume of the tasks assigned to them. Unless subordinates are given adequate authority it will not be possible for them to discharge their duties effectively.
- (3) **Creation of Accountability** :- The third important element in the process of delegation is to create obligation for the satisfactory performance of the work assigned to him. The subordinates are answerable to their superiors for the success or failure of their endeavours. No other person, no matter how important he is, can demand an answer from the subordinate.

Principles of Delegation :-

- (1) **Principle of Parity of Authority and Responsibility** :- When somebody is assigned any task, he must also be given adequate authority to perform such tasks. If the authority is more than the responsibility, it shall lead to its misuse.
- (2) **Responsibilities cannot be Delegated** :- No superior can evade his responsibility simply delegating his authority to subordinates. Ultimate responsibility lies with the superior who delegates the authority.
- (3) **Principle of Clarity of Authority and Responsibilities** :- It is a very important concept in the area of delegation. The subordinates should be well clear about their rights and responsibilities.
- (4) **Principle of Standard of Performance** :- A subordinate can be held responsible for the failure only when certain standards are established for measuring his performance and such standards are made clear to the subordinates while assigning the work.

- (5) **Principle of Unity of Command** :- Every individual should receive orders from only one individual and he should be responsible only toward him. If an employee receives orders from many individuals then he shall get confused about whose orders to obey and whom to report to.
- (6) **Authority Level Principle** :- This principle implies that a subordinate should have complete authority to make decisions at his level or position.
- (7) **Scalar Principle** :- According to this principle, authority and responsibility should move in a straight line from the superior to the subordinate. This principle should be well considered while resorting to delegation.
- (8) **Principle of Completeness of Delegation** :- Once a decision is taken as to which tasks are to be assigned, it is important that an individual should be assigned an entire task. The responsibility for the same task should not be assigned to more than one individual.

Importance of Delegation:-

- (1) **Reduction of Executive Burden** :- By delegating the authority to perform tasks of routine nature a manager is relieved from heavy workload. It enables him to concentrate on more important functions like planning, coordination, control etc.
- (2) **Development of Subordinates** :- Delegation provides training and knowledge to the subordinates more than any other programme of training. Delegation provides them with practical knowledge and they become more capable and experienced in discharging their responsibilities.
- (3) **Improvement in the Morale of Subordinates** :- On account of delegation a subordinate gets an opportunity to perform functions of his superior which leads to the prospects of his promotion. It provides them job satisfaction and increase their morale and motivation.
- (4) **It facilitates the Replacement of Manager** :- Delegation of authority enables the subordinates to understand the responsibilities of senior positions and provides an opportunity to work on those positions. Thus when they are promoted to such positions after the retirement of their seniors they do not face any difficulty in handling the responsibilities.
- (5) **It facilitates the Expansion of Business** :- With the help of delegation the top executives are freed from the routine matter, thus they get time and energy towards expansion of business.
- (6) **It facilitates Co-ordination** :- Delegation facilitates co-ordination because the superior and subordinate get an opportunity to come into close contact with each other. It leads to the creation of cordial relations and facilitates better co-ordination.

- (7) **Quick Decisions Possible** :- Due to delegation, decisions are taken at all levels of organization and not only at the top level. Subordinates are authorized to take the necessary decision on the spot and they need not get the prior approval of their superiors. Hence, the decision making speeds up.

Q. Write a Short Note on Decentralization.

Ans. **Decentralization:** Decentralization is the expanded form of delegation, i.e. when delegation of authority is done at a large scale it takes the form of decentralization. In such situation most of the decisions are taken by those persons who have to implement such decisions. Thus decentralization is the systematic effort to delegate to the lowest levels all authority, except that which can only be exercised at the central points.

Definition of Decentralization :-

According to Henry Fayol

“Everything that goes to increase the importance of the subordinate’s role is decentralization and everything which goes to reduce it is centralization

According to Louis A. Allen

“Decentralization refers to the systematic effort to delegate to the lowest levels all authority, except that, which can only be exercised at the central points”.

Advantages of Decentralization :-

- (1) **Reduction in the Burden of Top Executives** :- In a decentralized set-up, the authority to make most of the decisions is entrusted to the middle and lower level management thus reducing the burden on top level managers.
- (2) **Source of Availability of Capable Managers** :- Decentralization provides an opportunity to lower level executives to make independent decisions. This helps them to gain more and more proficiency and experience. This acts as an important internal source of qualified and experienced manpower for higher positions.
- (3) **Improvement in Industrial Relations** :- Under decentralization the authority to take decisions is given to the lower level managers who are well acquainted with the problems of the staff working under them. They consult their staff before taking any decision and do not take decisions which will make them unhappy. This ensures better cordial relations among the staff and managers.
- (4) **Improvement in Morale** :- Opportunity to make independent decisions improves the job satisfaction, motivation and moral of subordinate managers.
- (5) **Quick and Best Decisions** :- Under decentralization lower level executives need not consult their superiors while making decisions. Hence the decisions can be taken very quickly.

- (6) **Encouragement to Initiative and Innovation** :- The subordinates do not try to solve the problems of their departments if they are not given adequate authority to solve them. But decentralization allows all departmental heads and section in-charges to independently handle their respective areas of operations and have a free hand from seniors. As a result they initiate new schemes.
- (7) **Fixation of Responsibility** :- Under decentralization the whole organization is divided into different independent units and the manager of each unit is given adequate authority to take decisions to make his unit successful.
- (8) **Identification of Efficient and Inefficient Managers** :- Under decentralization each and every manager has full authority to make independent decisions for his work area. Thus the success or failure of his decisions becomes a way of measuring his efficiency. The inefficient managers can thus be easily identified.

Q. Distinguish between Decentralization and Delegation.

Ans. **Meaning of Decentralization** :- Decentralization is the expanded form of delegation, i.e. when delegation of authority is done at a large scale it takes the form of decentralization. In such a situation most of the decisions are taken by those persons who have to implement such decisions. Thus decentralization is the systematic effort to delegate to the lowest levels all authority, except that which can only be exercised at the central points.

Meaning of Delegation :- A top executive cannot do the whole work by himself because of the burden of other responsibilities. Hence, he assigns some part of his work to his subordinates so that the work is accomplished efficiently and quickly. The top executive also grants adequate authority to his subordinates to execute these jobs. In fact, the word 'delegation' is used only when a top executive hands over some of his authority to his subordinates. Thus delegation means 'handling authority'.

Distinction between Delegation and Decentralization :-

Basis of Distinction	Delegation of Authority	Decentralization
1. Nature	It is the first step towards decentralization.	It is the last step in the process of delegation. It includes delegation.
2. Meaning	It means granting of authority by the superiors to their subordinates to perform tasks within specified limits.	Decentralization means granting of authority by the superiors to their subordinates to enable them to take decisions independently.

3. Freedom to make decisions	Under delegation, subordinates have to follow the directions given by their superiors while making decisions.	Under decentralization subordinates are free to take decisions.
4. Scope	Its scope is limited since it refers to entrusting some part of the authority by the superior to his nearest subordinate on personal basis.	Its scope is wide since it refers to wide dispersal of authority to all levels in the entire organizations.
5. Routine or Important	It is considered to be routine task of managers.	It is considered to be very important decision of organizational arrangement.
6. Transfer of Responsibility	Under it, only the authority is transferred and not the responsibility. Ultimate responsibility lies with the delegator.	Under it, authority as well as responsibility is transferred. Subordinate are independently responsible for their performance.
7. Power to Control	In it superior has the power to exercise control over his subordinates.	In it superior loses the power to control his subordinates.
8. Temporary or permanent	It is a temporary arrangement where the authority is taken back after the assigned task is completed.	It is a permanent feature where the authority is granted for future also.
9. Essential or Optional	It is essential for all types of organizations because no superior can get the things done from his subordinates without delegating sufficient authority to them.	It is optional because it is necessary that the superior must disperse his authority in a systematic manner throughout the entire organization.
10. Dependence	Decentralization is not essential for delegation i.e. delegation does not depend on decentralization.	Delegation is essential for decentralization i.e. it depends on delegation.

MANAGEMENT PROCESS & SKILL DEVELOPMENT

MBA 1st Semester (DDE)

UNIT – III

Q. Describe motivation. Explain various theories of motivation with their advantages and disadvantages?

Ans. Meaning of Motivation :- In ordinary sense motivation refers to the process which inspires a person to do some work to satisfy certain needs. Motivation is derived from the word 'Motive'. Motive is the hidden force within an individual which induces him to do a work. Thus motivation is a process through which persons are made to realize their needs so that they are impelled to work to satisfy those needs.

Definition of Motivation :-

According to Koontz and O'Donnell

"To motivate is to induce people to act in a desired manner".

According to W.G. Scott

"Motivation means the process of stimulating people to action to accomplish desired goals."

Motivation is a Psychological phenomenon which generates within an individual. A person feels certain needs to satisfy which he feeds working work. The need satisfying ego motivates a person to do better than he normally does.

Importance of Motivation :-

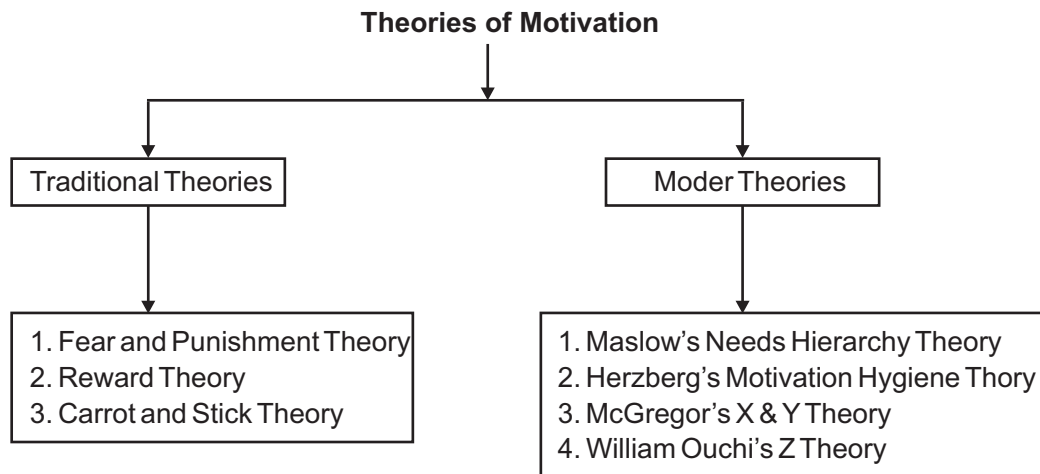
- 1. Higher Productivity :-** Motivation increases the productivity of an individual at his work place. He always tries to work more than his ability.
- 2. Accomplishment of organizational goals :-** Effective utilization of physical and financial resources always require efficient and people of high motivation.
- 3. Reduce Labour/employee Turnover :-** Motivate always includes stability in the organization. People will be more satisfied to work with the same organization.
- 4. Corporate Image :-** Motivation helps in building the corporate image better. As a result the organization is able to attract competent and qualified people.

5. **Improve industrial relations** :- There is less chances of conflict by the motivated people. They always feed satisfied with their organization and their seniors. So it all reduces the chances of conflict between employee and employees.
6. **Reduce Complaints** :- The number of complaints and grievances will come down. Accident rate will also be lowered.
7. **Satisfaction of the needs of Personnel** :- Motivation helps in the satisfaction of both social and physical needs of the worker.
8. **Job Satisfaction to Employees** :- Motivation provides job satisfaction to the employees because of satisfaction of their needs, cordial relations with management.

Theories of Motivation :- We can divide the theories of motivation in two parts:

- (A) **Traditional Theories**
- (B) **Modern Theories**

This classification is shown by the way of following diagram :-



(A) **Traditional Theories of Motivation** :-

- (1) **Fear and Punishment Theory** :- Under this theory employees are motivated to work by creating a sense of fear in their minds and by punishing them. The propounders of this theory believe that a man works for money and he can be motivated to work by giving him fear of removal. This theory operates like a military order. Its motto is, "Either work or get out".
- (2) **Reward Theory** :- According to this theory rewards and good working conditions makes the workers happy and satisfied which in turn leads to increase their efficiency. The efficiency of the workers varies with the amount of reward they get. Thus the workers will work efficiently so long as they get proper reward.

- (3) **Carrot and Stick Theory** :- The propounders of this theory believe that employees can be motivated by rewarding or punishing them according to the extent of their work efficiency. According to this theory, standards for the work must be laid down and the employees who achieve more efficiency than the standards laid down should be rewarded and those who achieve less than the standards should be punished.

Causes of Failures of Traditional Theories :- The reasons for the failure of the traditional theories are those assumptions on which they are based. Their main assumption is that the employees are lazy by nature and shirk work.

- (B) **Modern Theories of Motivation** :- The propounders of these theories believe that workers can be motivated by giving them more responsibility and more authority. Following are the foremost modern theories:

- (1) Maslow's Needs Hierarchy Theory
- (2) Herzberg's Motivation-Hygiene Theory
- (3) McGregor's X & Y Theory
- (4) William Ouchi's Z Theory

- (1) **Maslow's Need Hierarchy Theory** :- Abraham Maslow, an eminent American psychologist, developed a general theory of motivation in 1943 known as the 'Need Hierarchy Theory'. According to this theory a man does any work because there is some unsatisfied need, desired or tension in him which encourages him to do so. Maslow has divided the basic needs of an individual into five categories:

- (i) **Physiological Needs** :- These are the basic needs which a man is required to satisfy in order to alive. They include needs for

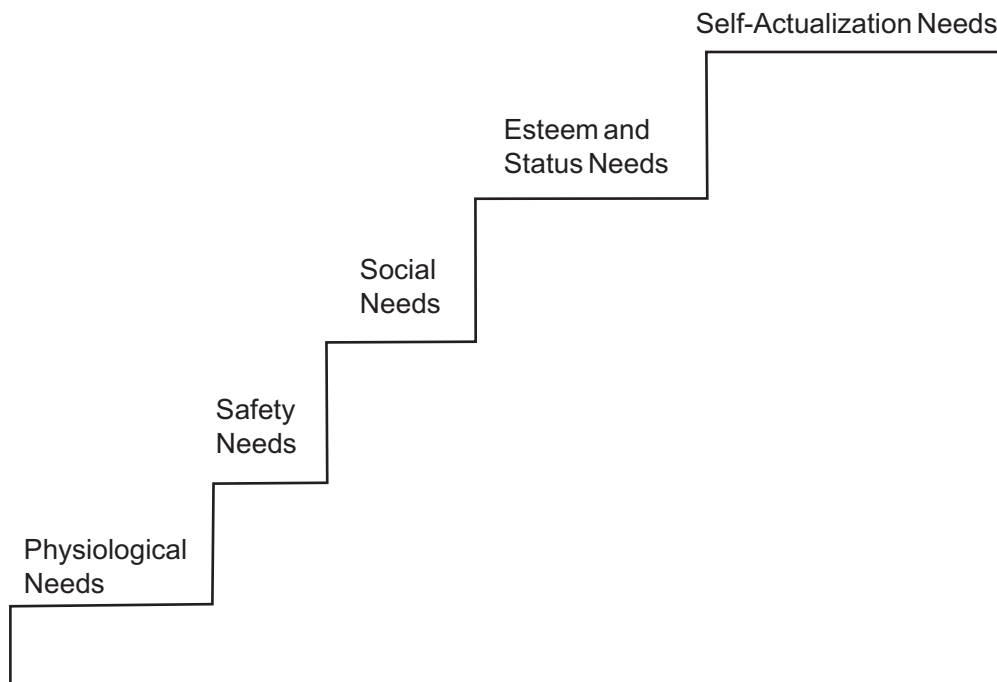
- Food
- Water
- Clothing
- Shelter etc.

- (ii) **Safety Needs**: These needs include the physical, economical and mental safety.

- **Physical Safety** :- Physical safety implies safety against accident, attacks, diseases and other unforeseen contingencies.
- **Economic Safety** :- Economic safety implies safety of employment, making provisions for old age etc.
- **Psychological Safety** :- It means security against various contingencies like justice, expectation for sympathy

- (iii) **Social Needs** :- Every individual longs for friends and relatives with whom he can share his happiness and sorrows, can celebrate and spend his time. These are the social needs according to Maslow.
- (iv) **Esteem and Status Needs** :- These are the ego-needs of a man. Everybody wants that he should have respect, power and authority in the society.
- (v) **Self-Actualization Needs** :- Everybody strives to achieve the heights according to their capabilities. This need is the self-actualization need in a man.

Maslow's Need Hierarchy of Needs



Every human being first of all tries to satisfy his physiological needs. As soon as his physiological needs are satisfied to a reasonable degree he gets worried for his safety needs. After this, his social needs become dominant. Their satisfaction leads to the need for social esteem, status, power and in the end he wants to develop his intrinsic capabilities and create new things.

Criticism :-

- (i) The need hierarchy is not always correct
- (ii) It is not necessary that the higher needs do not become strong before lower needs are satisfied

- (iii) The importance of needs differs in different situations
- (iv) Normally a man is not so foresighted to estimate his future needs.

(2) **Herzberg's Motivation Hygiene Theory** :- This theory was developed by Prof. Herzberg along with his associates after conducting various research studies. According to him the factors relating to motivation can be divided into two parts:

(a) **Hygiene Factors** :- Hygiene factors are those factors whose presence do not motivate the employees to work with more enthusiasm but their absence will dissatisfy them. Hygiene factors are:

- (i) Company's Policy and Administration
- (ii) Technical Supervision
- (iii) Inter-personal relationship with supervision
- (iv) Inter-personal relationship with other team members
- (v) Salary
- (vi) Job Security
- (vii) Personal Life
- (viii) Working Conditions
- (ix) Environment
- (x) Status

(b) **Motivational Factors** :- Motivational factors are those factors which directly inspire the employees to work more. They include six elements:

- (i) Feeling of work achievement
- (ii) Recognition
- (iii) Advancement
- (iv) Challenging work itself
- (v) Opportunities for growth
- (vi) Increased responsibilities.

Criticism :-

- (i) Herzberg believes that the hygiene factors are only dissatisfiers and never satisfiers, which is not appropriate.
- (ii) The distinction between satisfiers and dissatisfiers is not practically possible.
- (iii) This theory proves correct only if performance is done in one particular way.
- (iv) It has made the relationship between motivation and satisfaction highly simple which is not so in reality

- (v) Practically speaking even today hygiene factors like wages, status, safety etc. are considered to be string motivational factors.

(3) McGregor's X Theory and Y Theory :- This theory has been propounded by Douglas McGregor. He has called the traditional theories and the old techniques of motivation by the name of Theory X. Traditional theories believe that an individual has natural disinterest in the work, he shirks work, gives maximum importance to his safety, and it is very necessary of a manager to show him fear and control and direct him.

McGregor is of the opinion that X principles are traditional and inapplicable in the modern context. According to him, motivation is a psychological process and hence to get the work done from a human being, one has to adopt the propositions of theory Y. The main propositions of theory Y are:

- (i) Work is as natural as play or rest
- (ii) Employees are normally self-directed
- (iii) A man on an average does not want to escape work.
- (iv) The employees have initiative, imaginative powers, intelligence and creativity.

The propositions of theory Y clarify that the managers should provide adequate opportunities for the development of the employees in order to arouse in them the willingness and energies to work.

The main drawback of this theory is that it makes human behaviour the basis of motivation, which is highly uncertain.

(4) William Ouchi's Z Theory :- Prof. William Ouchi of America's California University developed theory Z after making a study of Japanese management practices which can be applied and used in other countries as well. Theory Z is an integrated model of motivation and it is way ahead of Theory Y by McGregor. Theory Y primarily emphasis on self direction and control whereas Theory Z lays emphasis on the spirit of Team Work and compromise in an organization. William Ouchi has laid down the following features of Theory Z:

- (i) **Trust :-** By trust ouchi means trust between employees, supervisors, work groups, unions, management and government. When trust exists between all these groups the conflicts are automatically reduced to the minimum, changes will be implemented easily.
- (ii) **Lifetime Employment :-** Employees are granted lifetime employment which leads to loyalty toward the enterprise.
- (iii) **Slow Evaluation and Promotion :-** Under this theory employees are given slow promotions. The process of their evaluation and promotion is very slow and long-term.

- (iv) **Employee Involvement** :- It is an important factor in Theory Z which suggest that there should be active employee involvement while making decisions.
- (v) **Cooperation** :- An organization adopting theory Z does not have any formal structure. Instead it emphasis more on team spirit and cooperation.
- (vi) **Employees-Key to Productivity** :- Under this theory employees working in the organization are considered to be the basis for achieving high productivity.
- (vii) **Collective Responsibility** :- This theory takes care of the whole group and not only one individual.

Criticism :-

- (i) The provision of lifetime employment seems to be difficult.
- (ii) It is difficult to let the employees increasingly participate in the decision making process.
- (iii) One of the problems is the havoc created in the organization due to lack of any formal structure.
- (iv) The benefit of specialization cannot be availed of due to constant transfer to the employees to different works.

Q. Define Leadership. Explain the Different Leadership Styles.

Ans. Meaning of Leadership :- In ordinary words leadership implies that special quality of a man through which he guides others. It is a capacity to get things done through others. A strong leadership provides necessary encouragement to his follower for work execution, guides them and gives them timely advice related to their work. Thus, leadership means directing the activities of others in such a way that the pre-determined objectives are easily achieved.

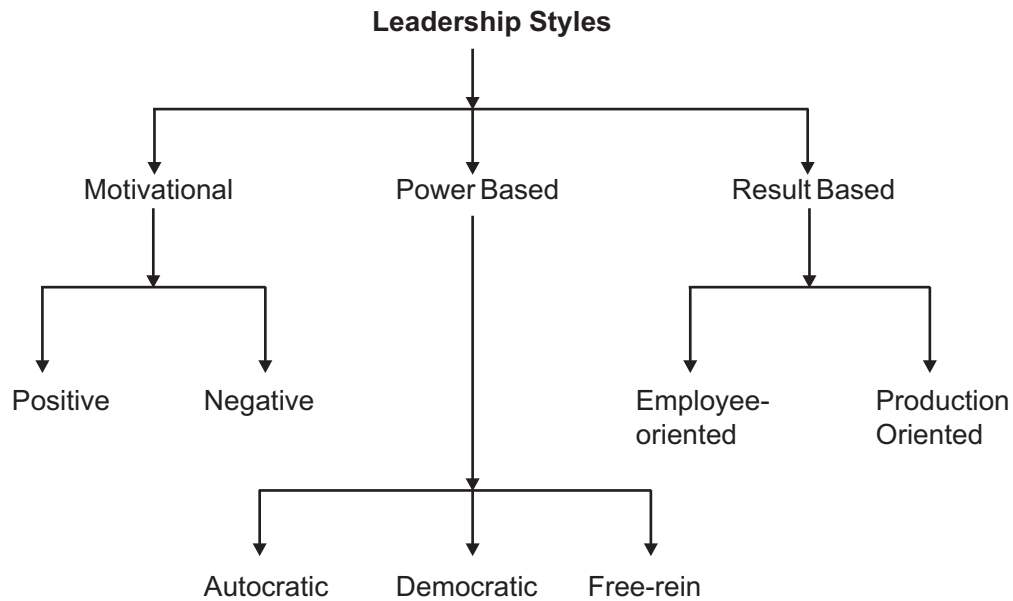
Definition of Leadership :-**According to Keith Davis**

“Leadership is the human factor which binds a group together and motivates it towards goals”.

According to George R. Terry

“Leadership is the ability of influencing people to strive willingly for mutual objectives”.

Leadership Styles OR Techniques :- A leader adopts various methods and principles while leading a group. The various methods and principles adopted to affect the behaviour of the subordinates are known as leadership styles. Various styles of leadership adopted by different managers can be presented by the way of following diagram:



(A) **Motivational Style** :- Motivational style is the main style which a leader guides or motivates his subordinates towards work. Motivational methods may be positive as well as negative:

- (1) **Positive Leadership Style** :- When a leader encourages his follower to perform their activities by giving them various financial as well as non-financial motivation, it is known as positive style of leadership. It helps in promoting industrial peace. This leadership style is similar to the Human Relations Approach. This style of leadership has a positive impact on the employees and as a result the work with more energy.
- (2) **Negative Leadership Style** :- Under this method the leader uses the techniques of show of fear, punishment, removal from job, reduction in wages and increase of working hours etc, to derive increased efficiency from the employees. Under this style strict control is kept upon the employees. Orders and directions are strictly implemented.

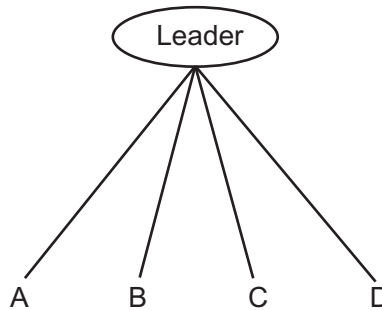
Appropriate Style :- It is indeed difficult to decide which style out of positive and negative must be adopted by the leader. In fact any or both of them can be used in right proportions according to the situation. Normally a leader uses a mix of both. In practice, positive motivations are used more than the negative motivations.

(B) **Power Based Leadership Style** :- As the name suggests, this style is based upon the use of power by the leader. On this basis following styles are more prevalent:

- (1) **Autocratic Leadership Style** :- Under this style a leader centralizes all the powers in himself and takes all decisions himself without consulting his subordinates. He insists

that subordinates do what they are told. It is a one man show and followers are puppets in the hands of autocratic leader. He loves power and never delegates authority. In this style, leadership can be both positive as well as negative.

Autocratic Leader gives orders and followers follow them



A, B, C, and D represent followers in this diagram.

Features :-

- (i) He keeps all the powers centralized with himself
- (ii) He takes all the decisions himself
- (iii) He has only formal relations with employees
- (iv) Here, managers believe that the employees are lazy
- (v) Mostly negative incentives are used.
- (vi) All employees are kept under strict control.

Advantage :-

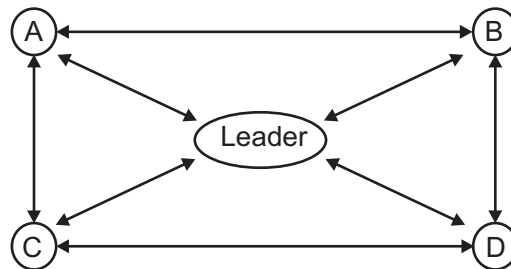
- (i) Quick and Clear-cut decisions
- (ii) Satisfying for Managers
- (iii) Necessary for less capable employees
- (iv) Strict control on quantity and quality of production

Disadvantages :-

- (i) Opposed by Employees
- (ii) Low morale of Employees
- (iii) Low Productivity
- (iv) Possibility of Partiality
- (v) No scope for development for employees

(2) **Democratic Leadership Style** :- A democratic leadership is the most modern and accepted style of leadership these days. Here, the leader takes all the decisions only after consulting his followers. This form of leadership is based upon decentralization of authority. The entire management is run in mutual consultation and the employees are given full opportunities to display their initiative, creative, talent and devotion.

Democratic Leader :- Democratic leader and followers consult with one another and take collective decisions



A, B, C, and D represent followers in this diagram.

Features :-

- (i) There is complete co-operation between employees and the managers.
- (ii) The policies and procedures are determined only after consultation with the followers.
- (iii) There is decentralization of authority.
- (iv) It mostly makes use of the positive incentives
- (v) There is open and simple control on the employees

Advantages :-

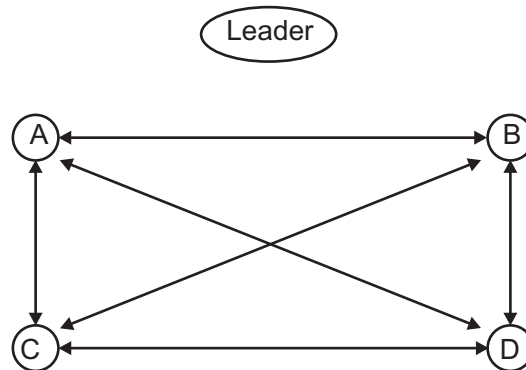
- (i) High Morale
- (ii) Improved quality of decisions
- (iii) High efficiency and productivity
- (iv) Development of employees
- (v) Development and expansion of enterprise
- (vi) Improvement in Industrial Relations

Disadvantages :-

- (i) Delay in decision-making
- (ii) Efforts to evade responsibility by managers
- (iii) Efforts to evade responsibility by subordinates

- (3) **Free-Rein Leadership Style** :- Under this method, a leader takes minimum interest in the administrative work and leaves the follower completely by themselves. The followers determine their own goals and take necessary decisions to achieve these goals, a leader merely hands over the adequate authority to do so. The managers provide the subordinates with the desired resources according to their plans and if need to be give them necessary advice.

Free-Rein Leader :- Leader does not interfere and all decisions are taken by subordinates



A, B, C, and D represent followers in this diagram.

Features :-

- (i) The managers have full faith and trust on the capabilities of their subordinates
- (ii) There is complete understanding between the managers and subordinates
- (iii) All the decisions are taken by subordinates independently
- (iv) There is complete decentralization of authority
- (v) There is two way communications between managers and subordinates.

Advantages :-

- (i) Development of confidence in subordinates
- (ii) Provides high level motivation
- (iii) Helpful in expansion of enterprise

Disadvantages :-

- (i) Difficulty in coordination
- (ii) Decrease in the importance of managerial post.
- (iii) Unsuitable for less educated employees.

Appropriate Style :- Which style out of these three forms of power based leadership styles should be adopted depends very much upon the desires of leader and demand of situations. In the present situations it can be suggested that the leaders should adopt democratic style.

(C) Result Based Styles :- Result based styles are of two types:

- (1) Employee Oriented** :- Under employee oriented style maximum importance is given to the followers. In other words it motivates them by considering their interest, tastes, needs, comforts etc. and by improving their working conditions and environment. Besides this leaders try to understand the needs of the followers, create congenial environment, respect the human feelings and provide quick solution of the complaints. This type of leadership tries to increase productivity by adopting human oriented viewpoint.
- (2) Production Oriented** :- Under this style, the leader's whole attention is focused on increase in productivity rather than human welfare. He believes that he can attain predetermined objectives only through the adoption of new technique of production, keeping the employees always busy and motivating them of work with devotion. The whole focus is on increase in productivity and all the efforts are directed towards it.

Appropriate Style :- A leader should adopt employee-oriented style out of the above mentioned two styles.

Q. What are the essential Elements of Effective Leadership?

Ans. Essential Elements of Effective Leadership :- The importance of leadership is so much in management that efforts must be made to make it more effective. Some of the main theories of leadership are describe below:

- (1) The Trait Theory of Leadership** :- According to the trait theory of leadership, a successful leader is one who possesses certain traits or qualities which include physical, mental and moral traits. According to this theory, an efficient leader is the one who possesses the following qualities:
 - (i) Good Health
 - (ii) Integrity towards objectives
 - (iii) Courage and Interest
 - (iv) Friendly Behaviour
 - (v) Personality
 - (vi) Technical Ability
 - (vii) Quick Decision-making
 - (viii) Intelligence
 - (ix) Ability to teach
 - (x) Trustworthiness

This theory believes that all these qualities are present in a man right from his birth, they cannot be acquired. In other words, "Leaders are born, not made."

- (2) The Situational Theory of Leadership** :- According to this theory 'Situations' also affect leadership. If the situations under which a leader guides his follower are favorable then the leader would be considered to be effective and if the situations are

non-favorable then the leader would be considered to be ineffective. Thus a person who is a successful leader in certain situations may prove to be failure in certain other situations.

- (3) **The Follower Approach Theory** :- The profounder of this theory is F.H. Sansford. He developed this theory to remove the defects of trait theory and situational theory. According to his theory the personality of the followers must also be considered while studying the theory of leadership. While studying the characteristics of leadership we learnt that it is necessary for the leader to have some followers, because without followers a leader has no identity.
- (4) **The Behavioral Approach Theory** :- The behavioral approach theory of leadership is based on the assumptions that leadership's effectiveness depends upon what the leader does. In other words, if the leader's own behavior is appropriate only then he would be able to leader properly, otherwise not. If the leader does not maintain discipline himself and expects his followers to maintain discipline then such expectation is futile.
- (5) **The Functional Approach Theory** :- This theory of leadership lays emphasis on the study of individual and the situation under which leadership is established. This theory emphasizes that rather than studying a leader as an individual he should be studied as a group because a leader is not related to one individual but a number of people. Thus, this theory lays emphasis on both individual and the group.
- (6) **X and Y Theory and Leadership** :- The man behind the origin of this theory is McGregor. This theory has two aspects-X and Y.
- (i) The theory X is based on the traditional thought that an individual shirks work and he is unwilling to work. Show of fear and step by step directions are necessary to make people work.
 - (ii) On the contrary, Theory Y is based on new presumptions. According to this theory every person works according to his own free will and he has natural instincts of creativity.

Q. Discuss the Nature and Process of Control.

Ans. Meaning of Control :- Control is the last step in the process of management because its need arises only after the other managerial steps like planning, organizing and directing etc. are taken. Control in context to management refers to initiating such actions which make the actual progress in accordance with the expected progress. It includes all those activities which direct and motivate the actions to achieve the predetermined objectives of the enterprise.

The managerial function of controlling involves the measurement of actual performance, comparing it with the planned standards and correcting deviations to ensure attainment of predetermined objectives.

Definition of Control :-**According to Joseph L. Massie**

“Control is the process that measures current performance and guides it towards some predetermined goals.”

According to Philip Kotler

“Control is the process of taking steps to bring actual result and desired results closer together.”

Nature of Control :-

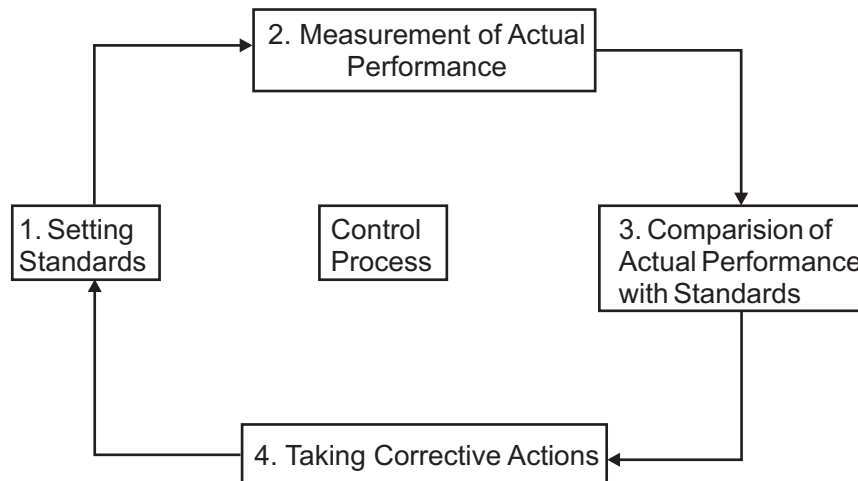
- (1) **Control is a basic Function of Management :-** Basic functions of management are planning, organizing, staffing, leading and controlling. Controlling function is the most important out of all these functions.
- (2) **Control is an Essential Function of all Managers :-** Control is essential for managers at all levels, be it chief manager or any supervisor. However there could be a difference in their method of control
- (3) **It is a Continuous Process :-** Control is not a function which is performed only for once. It is a continuous process because the business situations are forever changing and the work-progress of one individual does not remaining the same forever. Hence, control is dynamic and not static.
- (4) **Control is Both the Beginning and the End of the Process of Management :-** Control is required both at the beginning and at the end of the process of management.
- (5) **Action is the Essence of Control :-** A manager takes the corrective action for any deviations between the actual performance and standard performance. If no corrective action is taken then the whole process of control goes waste
- (6) **Control is an Efficiency Improvement Concept :-** The emphasis of control is towards increasing the efficiency of the organization It aims at removing the disorder and mismanagement in the organization and promotes all the individuals to make efforts for the achievement of organizational goals.
- (7) **Control is Not Necessarily Looking Back, it is Looking Forward also :-** Control is not only looking back but also looking ahead. It has two reasons:
 - (i) First corrective action is one of the ways of looking ahead.
 - (ii) Second, a good control system is the one which indicates the deviations before their occurrence and provides such measures that such deviations do not occur in future.

- (8) **Delegation is the Key to Control** :- An executive can perform the control function only if he is delegated the authority to take corrective action.
- (9) **It has both Positive and Negative Aspects** :- From the positive point of view the object of control is to make effective use of resources of the organization and from negative point of view the object of control is to stop misuse of the resources and prevent unsatisfactory results.
- (10) **Control is Related to Human Activities** :- Control is exercised on alive things and not on the dead ones. It is true that control can be exercised on machines and materials but if observed it will be known that the control is not exercised on the lifeless machines but it is exercised on their use by the individual.

Control Process :- The process of control involves four steps:

- (1) Setting Standards
- (2) Measurement of Actual Performance
- (3) Comparison of Actual Performance with the standards and calculating deviations
- (4) Taking Corrective Actions.

The process of control can be presented by way of a diagram as follows :-



- (1) **Setting Standards** :- The first step in the control process is the setting up of control standards. Standards present the criteria against which actual performance is measured. Standards serve as the benchmarks because they reflect the desired results or performance. The standards of two types:

- (i) Standards can be laid down in terms of physical terms like :
 - Quantities of the Product
 - Units of service
 - Labour-hours
 - Speed, etc.
- (ii) Standards can also be laid down in terms of monetary terms like:
 - Sales Value
 - Capital
 - Costs
 - Expenditure or profits etc.

While setting standards the managers should keep in mind that they are:

- (i) Simple and easily attainable
- (ii) Definite
- (iii) Measurable
- (iv) According to the objectives
- (v) Flexible
- (vi) Timely
- (vii) Economical

(2) Measurement of Actual Performance : – The next step in the process of control is the measurement of actual performance. While measuring actual performance it should be ensured that:

- (i) The data of progress should be prepared regularly and constantly
- (ii) So far as possible measurement should be done during the course of performance
- (iii) The figures or data of measurement should be accurate and reliable
- (iv) Report regarding important deviations should reach the manager very quickly.

(3) Comparison of Actual Performance with Standards and Calculation of Deviations :– The third major step in the control process involves the comparison of actual performance with the standard performance. Such comparison will reveal the deviations between actual and desired results. Steps are taken to find out the reasons for the deviations. There could be many reasons for the deviations like:

- (i) Setting of Wrong Standards.
- (ii) General Hurdles
- (iii) Change in circumstances
- (iv) Human Causes.

Deviations can be divided into following two categories :–

- (i) Controllable Deviations :– Ones which can be controlled
- (ii) Uncontrollable :– Ones which cannot be controlled but can be reduced with the help of good system of forecasting.

(4) Taking Corrective Action :– The final step in the control process is taking corrective action. Actually corrective action is the soul of control process. The managers should consider four things while taking corrective actions:

- (i) Corrective actions should be undertaken immediately.
- (ii) Corrective actions should be based upon a careful inquiry into the causes of deviations.
- (iii) Corrective actions should be compatible with the psychology of the related employees.
- (iv) Corrective actions should be initiated by the managers at the same level at which the deviations are recorded.

Q. Discuss the Pre-Requisites of an Effective Control System.

OR

What are the Various Principles of Control?

Ans. **Meaning of Control** :- Control is the last step in the process of management because its need arises only after the other managerial steps like planning, organizing and directing etc. are taken. Control in context to management refers to initiating such actions which make the actual progress in accordance with the expected progress. It includes all those activities which direct and motivate the actions to achieve the predetermined objectives of the enterprise.

The managerial function of controlling involves the measurement of actual performance, comparing it with the planned standards and correcting deviations to ensure attainment of predetermined objectives.

Definition of Control :-

According to Joseph L. Massie

“Control is the process that measures current performance and guides it towards some predetermined goals.”

According to Philip Kotler

“Control is the process of taking steps to bring actual result and desired results closer together.”

Effective Control System :- Harold Koontz has laid down following fourteen principles of control:

- (1) **Principle of Assurance of Objectives** :- According to this principle, control system should be capable of achieving the objectives of the organization.
- (2) **Principle of Efficiency of Control** :- Control system should be efficient enough to detect and report the deviations quickly so that necessary corrective actions may be taken in time.
- (3) **Principle of Responsibility of Control** :- According to this principle control function should be responsibility of such manager who is responsible for the execution of work according to plan.

- (4) **Principle of Future Control** :- According to this principle the control system should be directed towards future. Objective of control system is not only to detect and remove present deviations and weaknesses but it should also be able to prevent the recurrence of such deviations in future.
- (5) **Principle of Direct Control** :- According to this principle the managers should have a direct relation with their subordinates and must establish a direct control on them.
- (6) **Principle of Reflection of Plans** :- According to this principle, control procedure should be in conformity with the plans of the enterprise. The system of the control must be established in such a way that it would be helpful in clarifying the structure and objectives of the organizational plans.
- (7) **Principle of Organizational Suitability** :- The control system should be suitable to the organizational structure.
- (8) **Principle of Standards** :- Some specific, correct and achievable standards should be laid down for making the control process effective.
- (9) **Principle of Individual Control** :- The control system should not only satisfy the needs of the organization but it should be according to the individual needs of each manager so that he can implement it easily.
- (10) **Principle of Strategic Point Control** :- For effectiveness of control it is also essential that emphasis on the control of the strategic points is given right from the beginning.
- (11) **Principle of Exception** :- The principle of exception emphasizes that the managers should focus on exceptions only. It means that it is neither possible nor economical to control each and every deviation. A manager should focus his attention on such deviations which have a serious impact on the organization. Such control on more important deviations is known as principle of control of exceptions.
- (12) **Principle of Flexibility of Control** :- According to this principle there must be adequate flexibility in the control system so that it is not difficult to control in case of any change in plans.
- (13) **Principle of Review** :- According to this principle the control system must be reviewed and evaluated from time to time. So that adjustments can be made according to the situations
- (14) **Principle of Action** :- This principle indicates that control is beneficial only when the corrective actions are taken to control and remove the deviations detected by it.

Q. Write a short note on kinds of Control System.

Ans. Kinds of Control Systems :- Control system is basically of three types depending upon its suit of implication.

1. **Feed forward control** :- This is also known as preliminary or steering control. In feed forward control there is evaluation of Input and taking corrective action before the starting of the operation. So it removes the limitation of time in taking corrective action.

In this system monitoring of input into a process to determine whether the inputs are as planned if the inputs are not planned corrective action is to be taken to adjust the input according to the plan so that desired results can be obtained.

2. **Concurrent Control** :- It is also known as screening or real time control system. This system is applied during the operation of the programme. It provides the corrective measure to be taken while the is still on. There are certain examples of concurrent control.
- Quality control during the operation.
 - Safety checks in side the factory.

3. **Feedback Control** :- This is a type of post action control system. This is based on measurement of the result of action. If any deviation is found between the actual performance and the standard performance corrective action is to be taken. This is an applied when feed forward and concurrent control is not feasible to apply.

Q. Discuss the Main Techniques of Managerial Control.

Ans. Introduction :- Managers have been using different techniques to control their business since ages. W shall divide these techniques into two categories:

- Conventional (Traditional) Control Techniques
- Contemporary (Modern) Control Techniques

(A) Conventional (Traditional) Control Techniques :- Conventional control techniques are those techniques which are being used by the managers since long time. Some of the important conventional control techniques are as follows:

- (1) Budgetary Control** :- Budgetary control is a system of management control in which all operations are planned ahead in the form of budgets and actual results are compared with budgetary standards and the necessary actions are taken to ensure attainment of organizational objectives.

Process of Budgetary Control :- The Budgetary Control Process: There are four main steps in the process of budgetary control:

- Budget Policy Guidelines** :- Issuing budget policy guidelines to all the people concerned with budgeting is the first step in the budgetary control. The common budget policy guidelines help to ensure that all the departmental managers have a unified vision towards the state of economy, rate of inflation, government policies, etc.

- (ii) **Preparing the Budget** :- The next step in budgetary control is making budgets. Budget is a statement in which a description of all the activities to be performed for the achievement of organizational objectives is given. There are the following types of budgets:
- (a) Sales Budget
 - (b) Production Budget
 - (c) Administrative Budget
 - (d) Cash Budget
 - (e) Capital Expenditure Budget
 - (f) Master Budget
- (iii) **Reporting of Variances** :- Next step in the process of budgetary control is preparing a report of variances. For this purpose, every department manager, from time to time, makes a comparison of actual progress figures with the corresponding budgeted figures and find out the deviations.
- (iv) **Taking Corrective Action** :- Last step in the process of budgetary control is to take corrective action on the basis of deviations reported by departmental managers.
- (2) **Break-Even Point Analysis** :- The volume of sales at which there is no profit or loss is known as break-even point. After the determination of break-even point the enterprise should ensure that its volume of production should not be less than the volume of break-even point, otherwise the enterprise will have to incur huge losses. If the sales are dropping due to changing situations even then the management should make efforts to ensure that it does not drop below the break-even point sale. Moreover, the management should try to lower the level of break-even point.
- (3) **Special Reports and Analysis** :- Another important method of control is special reports and analysis. This technique is normally used in the area of some special problem. Routine reports are able to provide the information about the achievement of the determined objectives. But they fail to tell whether optimum use of the various resources is being done or not. This information is provided only through the special report.
- (4) **Internal Audit** :- Internal audit is also an effective tool of control. It is conducted by an internal auditor, who is an employee of the organization. Internal audit in its broadest sense is the regular and independent appraisal by a staff of internal auditors of the accounting, financial and other operations of the business.
- (5) **Personal Observations** :- Personal observation is perhaps one of the oldest techniques of control. The managers must personally see whether the objectives of his organization are being achieved by his personnel or not.

(B) **Contemporary (Modern) Control Techniques** :- Modern techniques are those which have been recently developed. Some of the important modern techniques of control are as follows:

- (1) **Zero Based Budgeting** :- Zero based budgeting is a newer technique of control with reference to India. The main feature of this technique is that, while preparing a budget it does not use any existing base. An entirely new budget is prepared each time and fresh estimates of costs are made without taking into consideration the cost figures of previous budget. Under traditional method of budgeting, budget for next year is made on the basis of figures of previous year's budget
- (2) **Performance Budgeting or Programme Budgeting** :- One of the important tools of control is performance budgeting. It is also known as Input-Output budgeting In simple terms programme budgeting means making programmes for all the activities to be performed in the organization for the attainment of its goals. In other words, programme budgeting means attachment of every activity of the organization with some programme or the other.
- (3) **Responsibility Accounting** :- Under responsibility accounting, all the activities of the enterprise are divided into separate departments or units and each unit is headed by a manager who is held responsible for the targets fixed for his unit. These units are called 'Responsibility Centers' and costs are assigned to responsibility centers rather than to products. Head of each responsibility centre is responsible for the activities to be performed at that centre.

Procedure of Responsibility accounting :-

- (i) Establishment of Responsibility Centers.
 - (ii) To Develop a System of Accounting
 - (iii) Determination of Goals and Standards
 - (iv) To Take Necessary Action.
- (4) **Management Audit** :- The quality of management is the main determinant for the success or failure of an organization. Management audit focuses attention on evaluation of quality of management. It is an independent and critical examination of total management process of planning, organizing, staffing, directing and controlling. It helps in locating the deficiencies in the performance of these managerial functions and advises the top management for necessary adjustments in order to make the organization more effective.
- (5) **Programme Evaluation and Review Technique (PERT)** :- PERT is a visual network which is most appropriate for planning, monitoring and controlling complex and unique projects. It involves the control on various activities which are interlinked. These various activities of a programme are completed by different people, in different departments and take different time. Some of these activities can be performed only

after completion of some other activities, some activities are such that they are required to be completed before the beginning of some other activities, some activities require to be done along with some other activities whereas some activities can be completed independently. It is the responsibility of the programme manager to make a correct and coordinated plan for all these activities, complete them in correct time and at correct costs.

- (6) **Critical Path Method (CPM)** :- Similar to PERT, CPM is also a technique based on the programme network. According to this technique maximum attention should be given to the critical path while completing any project. A critical path means that path of completing any project which includes maximum obstacles. Such obstacles are more time consumption, increase in costs, scarcity of machines, non-availability of other resources. All other paths of completing the activity are simple and small.

MANAGEMENT PROCESS & SKILL DEVELOPMENT

MBA 1st Semester (DDE)

UNIT – IV

Q. Discuss the Nature, Importance and the Process of Communication.

Ans. Meaning of Communication :- The term 'communication' is derived from the Latin word 'communis' which means common among two or more people in equal terms. Communication means sending of messages and information from one person to another. Thus communication means creating a common base between two or more people for the exchange of ideas. Thus, communication is said to be complete only when two people understand the same expression, thought or saying in the same sense. In other words, communication is creating a common understanding between two people. If a common understanding is not created it is not communication.

Definition of Communication :-

According to Keith Davis

“Communication is the process of passing information and understanding from one person to another”.

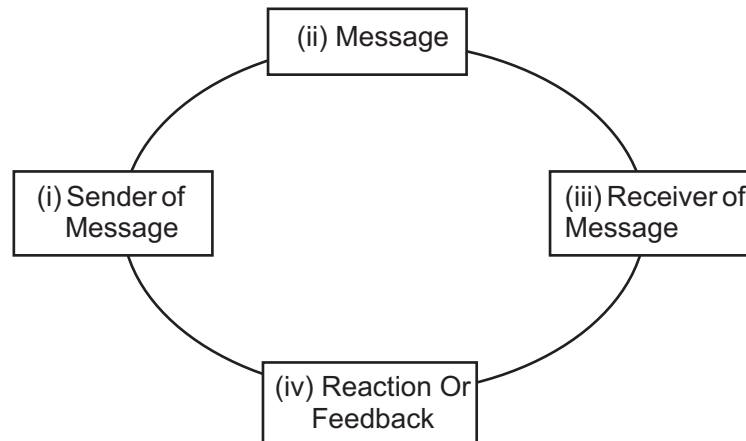
According to Newman and Summer

“Communication is an exchange of facts, ideas, opinions, or emotions by two or more persons”.

Nature of Communication :-

- (1) **Exchange of Ideas :-** Communication implies the exchange of thoughts, messages, opinions, orders or expectations among two or more people.
- (2) **At least Two Persons :-** The process of communication requires the presence of at least two persons because no person can communicate with himself.
- (3) **Mutual Understanding :-** The process of communication is complete only when the other person understands the message in the right perspective. The communication is incomplete if it does not create a correct understanding of the message.
- (4) **Use of Words as well as Symbols :-** Communication is mostly written or oral, but it can also be symbolic.

- (5) **Direct and Indirect Communication** :- Communication can be direct as well as indirect. There is a direct exchange of thoughts or messages between two or more persons in direct communication whereas under indirect communication information is passed from one person to another through other means.
- (6) **Continuous Process** :- Communication is a continuous process. A manager has to be always in touch with his subordinates to assign work, to give directions and to know the progress of the work.
- (7) **Pervasive Function** :- Communication applies to all the functions of management and to all levels of authority.
- (8) **Circular Process** :- It is a circular process. Circular process is depicted in the following figure:

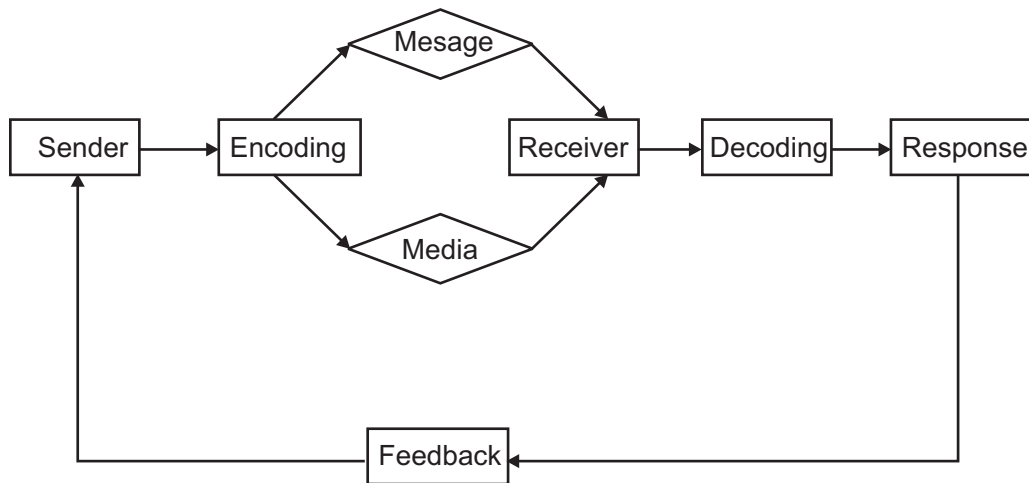


- (9) **Different meanings of words used** :- The words must be chosen cautiously for the purpose of communication because the meaning of the words change according to the changes in time, place, environment, person etc.

Process of Communication :- Management scholars are not unanimous regarding the process of communication. Various scholars mention its various stages. Here we are following the communication process as laid down by Philip Kotler. He mentions the seven stages of communication process-

- | | |
|--------------|--------------|
| (1) Sender | (2) Encoding |
| (3) Message | (4) Media |
| (5) Receiver | (6) Decoding |
| (7) Response | |

This process is depicted in the diagram :-



Process of Communication

- (1) **Sender** :- Sender is the person who sends a message or an idea to another person. In order to communicate, the sender must be quite clear about what he wants to communicate. The message should be clearly formulated in the mind of the sender.
- (2) **Encoding** :- After deciding what to communicate, the sender develops the message into words, symbols, diagrams, or some other form understandable to the receiver. The process of expressing an idea into words or symbols etc. is called encoding.
- (3) **Message** :- Message consists of words, symbols, diagrams etc. that are conveyed by the sender. It is the content or subject-matter of communication.
- (4) **Media** :- The functions of formation of the message and the selection of the media both are done together. The type of message very much depends upon the medium used for conveying it. There are various media like :
 - Personal Contact
 - Writing Letter
 - i) Through Messenger
 - ii) Telephone
 - iii) Telex etc.
- (5) **Receiver** :- Receiver is the person for whom the message is intended for. He reads, listens or observes to get the message.
- (6) **Decoding** :- Understanding the message carefully is called decoding.

- (7) **Response** :- After understanding the message the receiver is likely to give some response. When the receiver sends any reply, or performs certain activity on the basis of the message or sends any indication etc. All these are different forms of response.
- (8) **Feed-back** :- The sender after sending the message wants to know what had been the response or reaction of the receiver. For this he arranges for a system of feed-back. The feedback makes the sender aware of the extent of the success or failure of his message. He prepares for the next message or further procedure on the basis of this feed back.

Q. Explain Various Methods or Types of Communication.

Ans. **Meaning of Communication** :- The term 'communication' is derived from the Latin word 'communis' which means common among two or more people in equal terms. Communication means sending of messages and information from one person to another. Thus communication means creating a common base between two or more people for the exchange of ideas. Thus, communication is said to be complete only when two people understand the same expression, thought or saying in the same sense. In other words, communication is creating a common understanding between two people. If a common understanding is not created it is not communication.

Definition of Communication :-

According to Keith Davis

"Communication is the process of passing information and understanding from one person to another".

According to Newman and Summer

"Communication is an exchange of facts, ideas, opinions, or emotions by two or more persons".

Methods of Communication or Channels of Communication: A communication channel is the route through which messages flow from the sender to the receiver. These channels of communication are also known as the types of kinds of communication. The communication channels are :

(A) Formal and Informal Communication :-

- (1) **Formal Communication** :- Formal communication means such exchange of ideas and information which reach different people passing through the routes formally laid down in the organization structure of the enterprise. Normally orders and directions are sent from top to bottom and progress reports are sent from bottom to top in a formal communication.

Features of Formal Communication :-

- (i) **Written:** Formal communication is generally in writing
- (ii) **Official Information:** Only authorized and official information's are exchanged through the medium of formal communication.
- (iii) **Formal Relations:** There exists formal relationship between the sender and receiver of the message.
- (iv) **Definite Way:** The path of formal communication is definite.

Advantages of Formal Communication :-

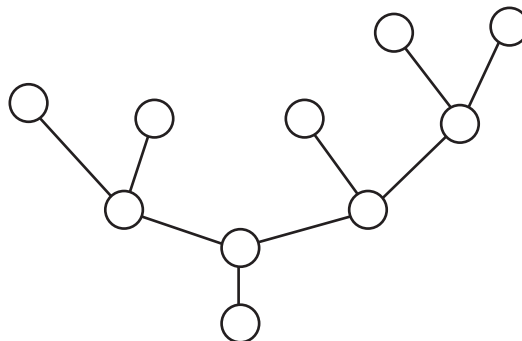
- (i) Maintenance of the Status of the Officers
- (ii) Proper and Sound Communication
- (iii) Helpful to achieve predetermined objectives
- (iv) Full Control

Disadvantages or Limitations :-

- (i) Distortion of Information
- (ii) Delay in Information
- (iii) Formal Actions
- (iv) Increase in Work Load.

- (2) **Informal Communication :-** Informal communication is the one in which exchange of messages does not occur according to the organizational structure but it is based on the various informal and social relations like friendship etc. between the persons working in the organization. It takes place in informal and inter-personal contacts among employees at social events, dinner, parties etc.

Informal communication is also known as **Grapevine Communication** since it does not have any definite channel of communication. It is just like a grapevine whose origin and end are difficult to be traced.



Informal or Grapevine Communication

Features :-

- (i) **Direct and Oral:** Normally it is direct and oral
- (ii) **Uncertain Pathways:** The information communication has no definite paths, thus information flows freely through all directions.
- (iii) **Prompt and Sensational Relay:** Informational communication operates at a fast speed just like a wild fire because it functions through word of mouth or observations.
- (iv) **Distortions:** The possibility of distortions in this form of communication is very high.

Advantages :-

- (i) Fast, Effective and Flexible means of communication
- (ii) Correct knowledge about public opinion
- (iii) Mutual cooperation and goodwill.

Disadvantages :-

- (i) Rumors and Exaggerations
- (ii) Unorganized Communication
- (iii) Flow and direction of communication is difficult to be ascertained.

(B) Downward, Upward and Horizontal Communication:

(1) Downward Communication :- Downward communication refers to the flow of information from a superior (higher level) to a subordinate (lower level). For example, giving of orders by a marketing manager to a salesman. Its subject matter is mainly

- i) orders,
- ii) directions,
- iii) policies,
- iv) rules
- v) procedures etc.

Characteristics :-

- (i) Information flow from upwards to downwards
- (ii) This communication gives due consideration to the Scalar Chain of command.
- (iii) Its subject matter is mainly orders, directions, policies, rules and procedures.
- (iv) It can be verbal as well as written.

(2) **Upward Communication** :- Upward communication refers to the flow of information from lower levels (Subordinates) to higher levels (Superiors) of authority. For example, flow of information from an employee to foreman, foreman to superintendent and from superintendent to production manager. Its subject matters are:

- (i) Progress Reports
- (ii) Information
- (iii) Suggestions
- (iv) Complaints
- (v) Comments
- (vi) Reactions etc.

Characteristics :-

- (i) Information flow from downwards to upwards
- (ii) It may be both formal as well as informal.
- (iii) Its main subject-matters are suggestion, complaints, etc.
- (iv) It may also be verbal as well as written.

(3) **Horizontal Communication** :- Horizontal communication implies exchange of ideas and information among people working at the same level of authority. For example, the communication between the marketing manager and the production manager of a company to fulfil certain orders. Its subject matters are:

- i) Information's
- ii) Requests
- iii) Suggestions
- iv) Mutual difficulties etc.

Characteristics :-

- (i) It is done through direct contact between managers at same levels of authority.
- (ii) It can be formal as well as informal
- (iii) Its main subject-matters are information's, requests, suggestions, mutual difficulties etc.
- (iv) It can be done through various media like direct conversation, telephone, department information, etc.

(C) **Verbal, Written and Gestural Communication :-**

(1) **Verbal or Oral Communication** :- Verbal communication involves exchange of messages through spoken words. The receiver and the sender of the message communicate face to face. Thus they have personal contact. Verbal communication may take place through:

- Conversation
- Group discussions
- Lectures
- Conference etc.
- Interviewing
- Telephone
- Interviews
- Broadcast
- Radio
- Joint consultation

Advantages :-

- (i) Effective
- (ii) Economic
- (iii) Promptness
- (iv) Avoids misunderstanding
- (v) Flexible
- (vi) Knowledge of reaction
- (vii) Mutual faith
- (viii) Increase in efficiency

Disadvantages :-

- (i) Presence of both parties essential
- (ii) Unfit for lengthy communication
- (iii) Lack of written proof
- (iv) Unsuitable for future reference
- (v) Expensive means
- (vi) Inadequate time for thinking.

(2) **Written Communication** :- Written communication is transmitted through written words in the form of letters, magazines, bulletins, newspapers, reports, manuals, hand books etc. It is used frequently to issue specific orders and instructions to the subordinates.

Advantages :-

- (i) Presence of both parties not essential
- (ii) Suitable for lengthy and complicated communication
- (iii) Economy
- (iv) Written proof
- (v) Suitable for future reference
- (vi) Communication to many at a time.
- (vii) Suitable for external parties.

Disadvantages :-

- (i) Unsuitable for uneducated persons
- (ii) Wastage of time, efforts and money
- (iii) Reaction cannot be known
- (iv) Lack of secrecy

- (v) Difficult to rectify
- (vi) Fails to convey feelings
- (vii) Delay.

Media of Written Communication :-

- | | |
|----------------------|------------------------------|
| (i) Correspondence | (ii) Agenda Forms |
| (iii) Bulletins | (iv) Reports |
| (v) Annual Reports | (vi) Magazines |
| (vii) Trade journals | (viii) Official Publications |
| (ix) Notice Board | (x) Posters. |

- (3) **Gestural Communication** :- Communication through show of some signs or through gestures and postures is known as gestural communication. Gestural communication is very useful in conveying feelings, emotions and attitudes.

Advantages :-

- (i) More effective
- (ii) Useful in conveying emotions and attitudes
- (iii) No expense
- (iv) Quick means of sending information's
- (v) Knowledge of reaction

Disadvantages :-

- (i) Useful only for particular type of information
- (ii) Gestures can create misunderstanding
- (iii) Presence of both parties essential
- (iv) Lack of written proof.

Q. What are the common barriers to communication in an organization?

Ans. Barriers to Communication :- The main objective of communication is to influence some person by conveying certain message. But at certain times the sender of the message and the receiver of the message understand different meanings of the same message because of which communication fails to yield desired results. This happens due to certain barriers in the path of communication. For the convenience of study we can divide these barriers into four categories:

- (A) Barriers Related to Sender
- (B) Barriers Related to Receiver
- (C) Barriers Related to Communication Channel
- (D) Barriers Related to Symbols

- (A) **Barriers Related to Sender** :- They are of four types:
- (1) **Unclear Ideas** :- If the sender has unclear ideas about the message then the communication will fail to be effective
 - (2) **Faulty Communication** :- Despite of clarity of ideas if the sender fails to give complete information then it will result in faulty communication.
 - (3) **Delay in Communication** :- Sometimes undue delay is caused in sending the message because of which it is not implemented in time.
 - (4) **Distortion and Filtering in Communication** :- The classical organization structure with long chain of command restricts free and frequent communications. At every layer of the structure the messages get changed which is called distortion.
- (B) **Barriers Related to Receiver** :- These includes the following:
- (1) **Lack of Attention** :- If the receiver does not give due attention to the messages, the message becomes futile.
 - (2) **Haste** :- Sometimes the receiver jumps to a conclusion without properly hearing the message which beats the purpose of communication.
 - (3) **Lack of Confidence** :- Lack of confidence between the sender and receiver acts as a barrier to communication.
 - (4) **Psychological state of the receiver** :- Emotional attitude, feelings and the unhealthy psychological state of the receiver act as a barrier to communication.
- (C) **Barriers Related to Channels of Communications** :- They are mainly of the following types:
- (1) **Organization Structure** :- Too many levels in an organization cause as many troubles because managers at each level may add, subtract or change the original message while forwarding the message.
 - (2) **Mutual Distance** :- The distance between the sender and the receiver creates a barrier
 - (3) **Inappropriate Medium** :- Choice of the inappropriate medium also acts as a barrier to effective communication
 - (4) **Status Barriers** :- Subordinates at lower levels do not like to and feel free take to superiors about everything. They pass on only what superiors would like to hear.
- (D) **Barriers Related to Symbols** :-These includes the following:
- (1) **Faulty Expression** :- One of the main barriers to effective communication is its faulty expression.
 - (2) **Faulty Language** :- Different people derive different meanings from the same words. Thus, sometimes the listener or the receiver of the message takes out the different meaning from what it intends to convey.

- (3) **Assumptions** :- Sometimes the sender of the message presupposes certain facts to be known to the receiver, and thus conveys only main procedural aspects of the message. The lack of understanding of such hidden facts leads to misunderstanding by the receiver.

Q. What are the Essential Elements of An Effective Communication?

Ans. Essentials of Effective Communication :- An effective communication should be based on the following principles:

- (1) **Clarity of Ideas** :- Clarity of thoughts is the first essential of good communication. The communicator should be quite clear about what he wants to communicate.
- (2) **Clarity of Language** :- The language of the message must also be clear enough to be easily understood to the receiver. There should be minimum use of technical words.
- (3) **Attention** :- The message should be able to grab the attention of the receiver. The receiver should also give full attention and take interest in understanding the message.
- (4) **Integration** :- The communication must lead to the integration of the objectives of the individuals with those of the organization.
- (5) **Consistency** :- There must be adequate consistency in the policies, objectives and programmes conveyed through the message.
- (6) **Adequacy** :- The numbers of the information transmitted must not be more or less but adequate.
- (7) **Timeliness** :- Main purpose of communication is to affects the feelings and behavior of the receiver of the message. Hence, it should reach the receiver at the right time.
- (8) **Medium** :- The choice of the medium used for conveying the message should also be made only after careful considerations. Routine or personal message should be conveyed orally whereas policy matters must be delivered in written form.
- (9) **Continuity** :- Continuity of communication is also essential to make it effective. Continuity in communication keeps the organization affective and promotes co-ordination and co-operation.
- (10) **Trust and Confidence** :- Leader Trust and confidence between the sender and receiver is very much necessary for the effective communication. The trust and confidence between them should be such that they are psychologically ready to listen and understand to each other.
- (11) **Flexibility** :- The communication must be flexible enough to adjust itself according to the changing needs and environment.
- (12) **Economy** :- The communication system should not be unreasonably expensive. The cost of communication should be kept under control by avoiding irrelevant messages.

(13) **Feedback** :- Communication is a two- way arrangement and its main objective is to bridge the gap of understanding between two people. It is possible only when the sender is fully assured that the receiver has understood the message in the correct sense and has given reaction affirming it. Thus, feedback is very much necessary to make communication effective.

Q. Write a short note on the following

- (A) **Presentation of Reports**
- (B) **Public Speaking**
- (C) **Negotiation**
- (D) **Conducting Meeting**

Ans. (A) Presentation of Reports: A report is written statement which presents at the end of the period and shows the actual position of the business firms.

Characteristics of a Good Report :-

- (i) The exact purpose of report should be clear.
- (ii) Accuracy of facts
- (iii) It will be relevant according to the purpose
- (iv) A good report is always reader oriented
- (v) Objectivity of recommendation
- (vi) Simple
- (vii) It should be clear
- (viii) It should be grammatical accurate

Format of Report :-

(1) Prefatory Parts :

- (i) Coverage part or title part
- (ii) Acknowledgement
- (iii) Table of contents
- (iv) Executive summary

(2) Main Part :

- (i) Introduction
- (ii) Text

(3) Terminal Section :

- (i) Conclusion
- (ii) Summary
- (iii) Recommendations or suggestions
- (iv) Limitations

(4) Supplementary Parts :

- (i) Annexure
- (ii) Research Instruments (Table, Questionnaire)
- (iii) Bibliography

(B) Public Speaking :- It is a oral type of communication which is required at many times need special efforts from the side of speaker, seminar, conferences, lectures, presentation etc. are some of the example of public speaking.

As a manager one has to speak publically at many occasion of time, one has to control words and body language so as to deliver good speaking, speaker's words, body language, gestures, eye contact and confidence are of great importance. Confident speakers always convince the public.

Speaker has to take the help from making picture, drawing diagrams, making graphs during his speech. All these supportive tools should be arranged well. Speaker always keep it in his mind that what kind of audience he is going to visit. Audience level of understanding their language and their interest should always be considered at priority. The public speech shall be always clear and understandable so that creates the interest of the audience.

Important aspects of effective public speaking

1. Clear and Simple
2. Body Language
3. Eye Contact
4. Confidence
5. Drawing Diagram and Pictures
6. Understanding of the Audience
7. Language matches with the audience's language etc.

(C) Negotiation :- It is the process through which two or more parties attend to reach an agreement even through different viewpoints. More elaborately it is the mode of reaching to an imicable decision by the two parties having differences with each other. As an employee and a manager when two people sit to decide on personal performance goals for the coming year.

Negotiation process is commonly used to resolve differences, allocating resources, and taking decisions it is a decision making process for the two parties with different viewpoints. Negotiation term is very frequently being in practice to resolve the Industrial disputes. It is through negotiation that the party decides what each will give and take in their relationship. Negotiation takes place between labour unions and management of the company or between two companies. As they negotiate in terms of joint venture. There are so many examples where negotiation plays very important role to resolve the problems.

Participants of the Management Negotiation Skills seminar will learn to :-

- (1) Develop an effective plan and strategy for any negotiation
- (2) Know when and when not to negotiate
- (3) Negotiate face-to-face, on the phone, and through e-mail
- (4) Learn to become more persuasive
- (5) Develop a common negotiating language with the other parties
- (6) Use techniques that pull information from the other parties
- (7) Read client and employee behavior style to maximize closure
- (8) Recognize interest and issues and avoid unnecessary positions
- (9) Neutralize manipulative tactics
- (10) Minimize conflicts and deadlocks both internally and externally
- (11) Coordinate negotiations within client organization
- (12) Meet business objectives by focusing on planning rather than tactic

Presentation Skills Training Objectives

How Nervous Energy can be harnessed

- (1) Making the best use of existing strengths
 - (2) Freeing up body language
 - (3) Myths and Rules about presenting
 - (4) What you are and are not allowed to do
 - (5) Developing an Individual Presentation Style
 - (6) How to stimulate easy interaction between Audience
 - (7) Preparing for a non-linear Presentation
 - (8) Ways of getting ideas Across
 - (9) How to be Entertaining and Stimulating
 - (10) How to Create Effective Support Materials
- (D) **Conducting Meeting** :- This is very important method of communicating with the group in the organization. It normally may be depend us gathering or getting together of no. of people to transacting any lawful business and not for entertainment or any other purpose. Their must be two person the conduct a meeting exceptional in certain cases it might be one person.

The purpose of meeting is sharing information about the policies and plans of the organization or for preparing budget or sharing achievements. So meeting is always with having purpose behind it. There are some important aspects of conducting meeting. These should always be considered.

1. **Delivering Notice** :- Normally rules of this procedure is the notice period required for calling up the meeting of smaller groups as well for General body meetings. This thing is ensured that notice should be circulation to all the members within this time period.
2. **Agenda** :- It is an official list of things to be done at a particular meeting it is drawn up by the Secretary in consultation with the Chairman. The entire member should go through the Agenda carefully and prepare a discussion plan. Plan to fixation for all the items, what are the questions to be asked and what showed be the answers to those queries.
3. **Starting the meeting** :- Meeting always starts with shall we begin? Give a brief introduction and then starts discussion, aske the question and wait for the clear answers. If there is not immediate response do not gel impatience. Some time is to be given for the proper response. If the discussion is not developed try to break, in to smaller components.
4. **Meeting Proceedings** :- When meeting starts control it tactfully and lead it in the desired direction but do not rush the group to find out the solution ensures that no speaker is interrupted and that every member will get a chance to speak. Every member has its own way of so it will become easier for the group to reach to solution. Attend the meeting with an open mind be willing to examine the views expressed by others always respects the other views their should not be bombarding from all the sides but when one person speak others should given an examples of good listener. This should always be kept in mind that discussion should move in the desired direction only.
5. **Closing the Meeting** :- Before the meeting to close give a brief review of the discussion and summaries the discussion. All the members when leave the meeting should have a feeling that meeting was something productive.
6. **Minutes** :- The official records of discussion and decision taken in the meeting are called minutes of the meeting. Generally noted by the Secretary of the organization or of a division. Minutes usually contains main points of discussion, the decision taken and the recommendations and the task assigned to the individual members and groups. It is usually a kind of summary of the meeting held.

MANAGEMENT PROCESS & SKILL DEVELOPMENT

MBA-1st SEMESTER, M.D.U., ROHTAK

JAN 2009

UNIT-I

1. Enumerate the role and importance of management in the present society?
2. What is the contribution made by Henry Fayol to management process? Are his administrative principles strictly enforceable in the current trends towards participative management style?

UNIT-II

3. "Forecasting is the essence of planning." In the light of this statement, discuss the relationship between forecasting and planning?
4. What span of management? What are the factors that decide the span of management?

UNIT-III

5. Cite examples of managers who are not leaders and leaders who are not managers? What makes them one and not others? Also, cite examples of both formal and informal leaders?
6. Identify examples from your experience that support, and others that refuse, Maslow's hierarchy of needs theory?

UNIT-IV

7. Why might educators typically focus most communication training on the written and oral methods and pay little attention to the non-verbal methods? Do you think that more training emphasis should be placed on non-verbal communications? Why and why not?
8. What do you understand from negotiation? Discuss with help of examples about the process of negotiation and qualities of an effective negotiator?

JULY 2008

UNIT-I

1. Is management an art or science? What is the importance of management in an organization?
2. What are the features of systems approach? How does it help in effective management?

UNIT-II

3. Discuss the characteristics of management decision making. What are the various elements in decision making?

4. What the advantages and disadvantages of departmentation by customers. Explain the factors affecting span of control.

UNIT-III

5. Why should the human factor be given due recognition in an organization? How can the human factor be better utilized to achieve organizational goals?
6. Bring out the importance of motivation in an organization. Which motivational theory, do you think is more relevant in Indian organization and why?

UNIT-IV

7. What is communication? Explain its for managers & in management decision making.
8. Write notes on barriers in communication?

JAN 2008

UNIT-I

1. What are the four major functions of manager? Is planning the most important function? If so, why?
2. Explain the meaning of social responsibility of a business? What are the obligation of business towards different groups of our society? Also explain the essential of this thought?

UNIT-II

3. Explain in detail the various steps involved in the formation of organizational structure? Also explain flat organization structure?
4. What do you mean by decision-making? Discuss the various steps in the process of decision-making?

UNIT-III

5. What are the advantages of PERT and CPM methods? Give examples?
6. Compare and contrast Mc Gregor's Theory X and Theory Y. What are some examples managerial practices that are consistent with a theory Y philosophy of human nature?

UNIT-IV

7. Is the typical classroom means of transferring information from professor to student an effective form of communication? Where does it break down? Explain the general barriers in communication?
8. a) Write detailed notes on process of conducting meeting?
b) Write detailed notes on Public Speaking?

JAN 2006**UNIT-I**

1. Discuss the functions, skills and roles of managers?
2. Discuss the systems and contingency approach of management critically?

UNIT-II

3. Discuss the nature, elements, stages of planning and also explain various types of plan?
4. a) Write short notes on delegation and decentralization?
b) Write short notes on Models of Decision-making?

UNIT-III

5. What is motivation? Discuss at least three theories of motivation briefly?
6. Discuss management control process in brief? Also state various kinds of control system?

UNIT-IV

7. Explain the nature and process of communication? Also state the barriers in communication?
8. Write notes on Seminar Presentation?

JULY 2005**UNIT-I**

1. What is management? Discuss its nature, scope and functions?
2. Write a brief note on evolution of management thought?

UNIT-II

3. Discuss the meaning, nature of organizing? State also the basis for departmentation?
4. Write short notes on the following:
a) Span of control.
b) Stages of planning and types of plans.

UNIT-III

5. What is effective control system? State its essentials? Discuss various control techniques?
6. Write an essay on leadership styles and leadership effectiveness?

UNIT-IV

7. Discuss the following:
a) Public Speaking
b) Conducting Meeting.
8. State the nature and importance of communication? Also state the process and methods of communications?

