

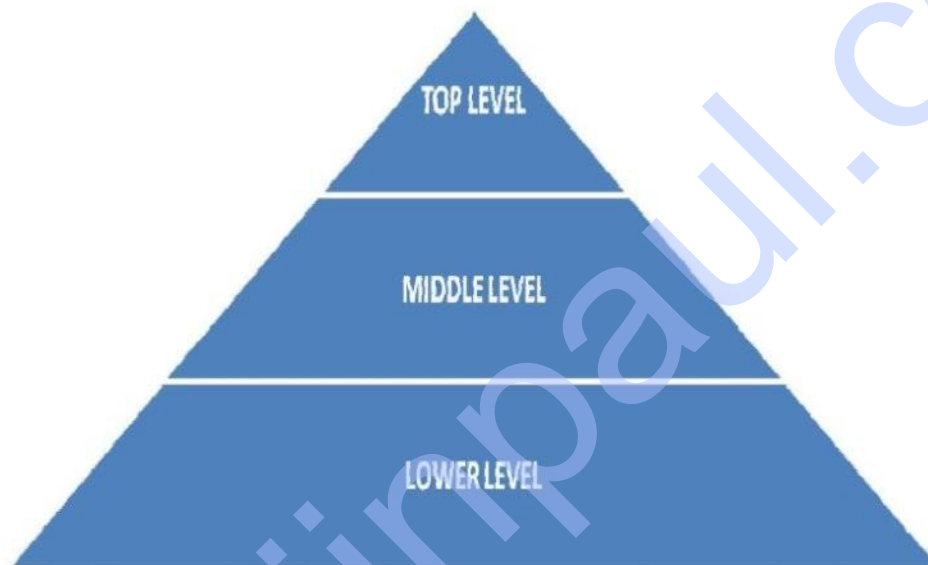
**UNIT I**  
**OVERVIEW OF MANAGEMENT**

**DEFINITION:**

According to Harold Koontz, “Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals”.

**LEVELS OF MANAGEMENT:**

The three levels of management are as follows



**1. The Top Management:**

The role of the top management can be summarized as follows –

- a. Top management lays down the objectives and broad policies of the enterprise.
- b. It issues necessary instructions for preparation of department budgets, procedures, schedules

**2. Middle Level Management:**

Their role can be emphasized as –

- a. They execute the plans of the organization in accordance with the policies and directives of the top management.
- b. They make plans for the sub-units of the organization.

**3. Lower Level Management**

Their activities include

- a. Assigning of jobs and tasks to various workers.
- b. They guide and instruct workers for day to day activities.

**FUNCTIONS OF MANAGEMENT**

According to Henry Fayol, “To manage is to forecast and plan, to organize, to command, & to control”. Whereas Luther Gullick has given a keyword ‘**POSDCORB**’ where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for

reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O'DONNEL i.e. **Planning, Organizing, Staffing, Directing and Controlling**.



### 1. Planning

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, "Planning is deciding in advance – what to do, when to do & how to do. It bridges the gap from where we are & where we want to be".

### 2. Organizing

According to Henry Fayol, "To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel's". Organizing as a process involves:

- Identification of activities.
- Classification of grouping of activities.

### 3. Staffing

According to Kootz & O'Donell, "Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed un the structure". Staffing involves:

- Manpower Planning
- Recruitment, selection & placement.

### 4. Directing

Direction has following elements:

- Supervision
- Motivation
- Leadership
- Communication

- (i) **Supervision-** implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.
- (ii) **Motivation-** means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.
- (iii) **Leadership-** may be defined as a process by which manager guides and influences the work of subordinates in desired direction.
- (iv) **Communications-** is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

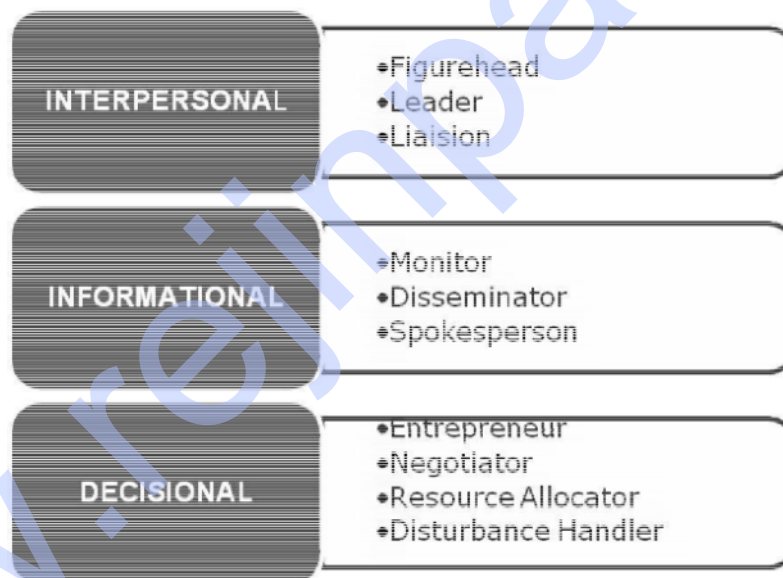
## 5. Controlling

Therefore controlling has following steps:

- (i) Establishment of standard performance.
- (ii) Measurement of actual performance.
- (iii) Comparison of actual performance with the standards and finding out deviation.
- (iv) Corrective action.

## ROLES OF MANAGER

Henry Mintzberg identified ten different roles, separated into three categories. The categories he defined are as follows



### a) Interpersonal Roles

The ones that, like the name suggests, involve people and other ceremonial duties. It can be further classified as follows

- **Leader** – Responsible for staffing, training, and associated duties.
- **Figurehead** – The symbolic head of the organization.

b) **Liaison** – Maintains the communication between all contacts and informers that compose the organizational network.

### c) Informational Roles

Related to collecting, receiving, and disseminating information.

- **Monitor** – Personally seek and receive information.
- **Disseminator** – Transmits all import information received from outsiders.
- **Spokesperson** – The manager transmits the organization's plans, policies and actions to outsiders.

**d) Decisional Roles**

Roles that revolve around making choices.

- Entrepreneur – Basically they search for change, respond to it, and exploit it.
- Negotiator – Represents the organization at major negotiations.
- Resource Allocator – Makes or approves all significant decisions related to the allocation of resources.
- Disturbance Handler – Responsible for corrective action when the organization faces disturbances.

**EVOLUTION OF MANAGEMENT THOUGHT**

The different approaches of management are

- a) Classical approach,
- b) Behavioral approach,
- c) Quantitative approach,
- d) Systems approach,
- e) Contingency approach.

**a) THE CLASSICAL APPROACH:**

The classical approach is the oldest formal approach of management thought. Its roots pre-date the twentieth century. The classical approach of thought generally concerns ways to manage work and organizations more efficiently. Three areas of study that can be grouped under the classical approach are scientific management, administrative management, and bureaucratic management.

**(i) Scientific Management:**

Frederick Winslow Taylor is known as the father of scientific management. Scientific management (also called Taylorism or the Taylor system) is a theory of management that analyzes and synthesizes workflows, with the objective of improving labor productivity. In other words, Traditional rules of thumb are replaced by precise procedures developed after careful study of an individual at work.

**(ii) Administrative Management:**

Administrative management focuses on the management process and principles of management. In contrast to scientific management, which deals largely with jobs and work at the individual level of analysis, administrative management provides a more general theory of management. Henri Fayol is the major contributor to this approach of management thought.

**(iii) Bureaucratic Management:**

Bureaucratic management focuses on the ideal form of organization. Max Weber was the major contributor to bureaucratic management. Based on observation, Weber concluded that many early organizations were inefficiently managed, with decisions based on personal relationships and loyalty. Weber also contended that managers' authority in an organization should be based not on tradition or charisma but on the position held by managers in the organizational hierarchy.

**b) THE BEHAVIORAL APPROACH:**

The behavioral approach of management thought developed, in part, because of perceived weaknesses in the assumptions of the classical approach. The classical approach emphasized efficiency, process, and principles. Thus, the behavioral approach focused on trying to understand the factors that affect human behavior at work.

**(i) Human Relations:**

The Hawthorne Experiments began in 1924 and continued through the early 1930s. A variety of researchers participated in the studies, including Elton Mayo. One of the major conclusions of the Hawthorne studies was that workers' attitudes are associated with productivity. Another was that the workplace is a social system and informal group influence could exert a powerful effect on individual behavior. A third was that the style of supervision is an important factor in increasing workers' job satisfaction.

**(ii) Behavioral Science:**

Behavioral science and the study of organizational behavior emerged in the 1950s and 1960s. The behavioral science approach was a natural progression of the human relations movement. It focused on applying conceptual and analytical tools to the problem of understanding and predicting behavior in the workplace.

**c) THE QUANTITATIVE APPROACH:**

The quantitative approach focuses on improving decision making via the application of quantitative techniques. Its roots can be traced back to scientific management.

**(i) Management Science: (Operations Research)**

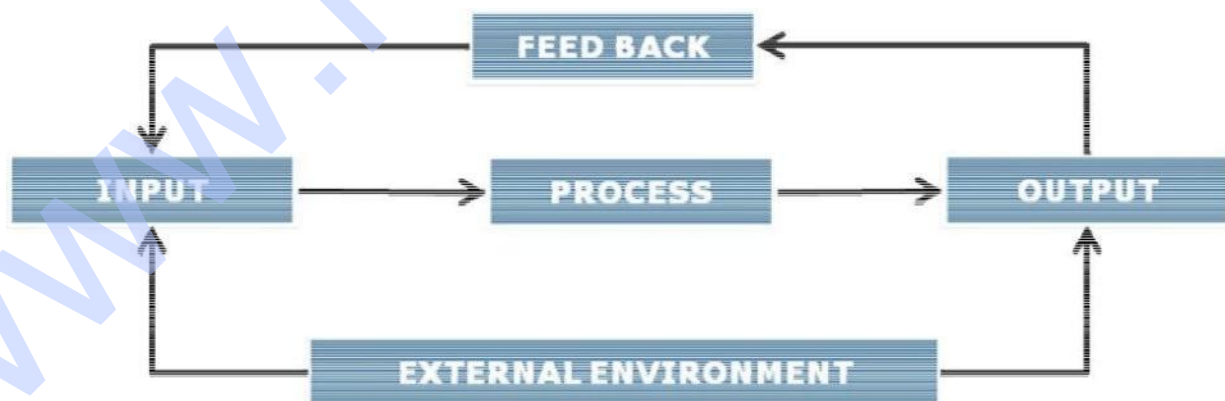
Management science (also called operations research) uses mathematical and statistical approaches to solve management problems. It developed during World War II as strategists tried to apply scientific knowledge and methods to the complex problems of war. Industry began to apply management science after the war. The advent of the computer made many management science tools and concepts more practical for industry.

**(ii) Production and Operations Management:**

Operations management emphasizes productivity and quality of both manufacturing and service organizations. W. Edwards Deming exerted a tremendous influence in shaping modern ideas about improving productivity and quality. Major areas of study within operations management include capacity planning, facilities location, facilities layout, materials requirement planning, scheduling, purchasing and inventory control, quality control, computer integrated manufacturing, just-in-time inventory systems, and flexible manufacturing systems.

**d) SYSTEMS APPROACH:**

The simplified block diagram of the systems approach is given below.



**e) CONTINGENCY APPROACH:**

The contingency approach focuses on applying management principles and processes as dictated by the unique characteristics of each situation. It emphasizes that there is no one best way to manage and that it depends on various situational factors, such as the external environment, technology, organizational characteristics, characteristics of the manager, and

characteristics of the subordinates. Contingency theorists often implicitly or explicitly criticize the classical approach for its emphasis on the universality of management principles; however, most classical writers recognized the need to consider aspects of the situation when applying management principles.

MANAGEMENT APPROACHS	Beginning Dates	Emphasis
<b>CLASSICAL APPROACH</b>		
Scientific Management	1880s	Traditional rules of thumb are replaced by precise procedures developed after careful study of an individual at work.
Administrative Management	1940s	Gives idea about the primary functions of management and 14 Principles of Administration
Bureaucratic Management	1920s	Replaces traditional leadership and charismatic leadership with legal leadership
<b>BEHAVIORAL APPROACH</b>		
Human Relations	1930s	workers' attitudes are associated with productivity
Behavioral Science	1950s	Gives idea to understand human behavior in the organization.
<b>QUANTITATIVE APPROACH</b>		
Management Science (Operation research)	1940s	Uses mathematical and statistical approaches to solve management problems.



Production and Operations Management	1940s	This approach focuses on the operation and control of the production process that transforms resources into finished goods and services
RECENT DEVELOPMENTS		
SYSTEMS APPROACH	1950s	Considers the organization as a system that transforms inputs into outputs while in constant interaction with its' environment.
CONTINGENCY APPROACH	1960s	Applies management principles and processes as dictated by the unique characteristics of each situation.

### Henry Fayol's 14 Principles of Management:

The principles of management are given below:

- 1. Division of work:** Division of work or specialization alone can give maximum productivity and efficiency. Both technical and managerial activities can be performed in the best manner only through division of labour and specialization.
- 2. Authority and Responsibility:** The right to give order is called authority. The obligation to accomplish is called responsibility. Authority and Responsibility are the two sides of the management coin. They exist together. They are complementary and mutually interdependent.
- 3. Discipline:** The objectives, rules and regulations, the policies and procedures must be honoured by each member of an organization. There must be clear and fair agreement on the rules and objectives, on the policies and procedures. There must be penalties (punishment) for non-obedience or indiscipline. No organization can work smoothly without discipline - preferably voluntary discipline.
- 4. Unity of Command:** In order to avoid any possible confusion and conflict, each member of an organization must receive orders and instructions only from one superior (boss).
- 5. Unity of Direction:** All members of an organization must work together to accomplish common objectives.
- 6. Emphasis on Subordination of Personal Interest to General or Common Interest:** This is also called principle of co-operation. Each shall work for all and all for each. General or common interest must be supreme in any joint enterprise.
- 7. Remuneration:** Fair pay with non-financial rewards can act as the best incentive or motivator for good performance. Exploitation of employees in any manner must be eliminated. Sound scheme of remuneration includes adequate financial and nonfinancial incentives.
- 8. Centralization:** There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.
- 9. Scalar Chain:** The unity of command brings about a chain or hierarchy of command linking all members of the organization from the top to the bottom. Scalar denotes steps.
- 10. Order:** Fayol suggested that there is a place for everything. Order or system alone can create a sound organization and efficient management.

11. **Equity:** An organization consists of a group of people involved in joint effort. Hence, equity (i.e., justice) must be there. Without equity, we cannot have sustained and adequate joint collaboration.

12. **Stability of Tenure:** A person needs time to adjust himself with the new work and demonstrate efficiency in due course. Hence, employees and managers must have job security. Security of income and employment is a pre-requisite of sound organization and management.

13. **Esprit of Co-operation:** Esprit de corps is the foundation of a sound organization. Union is strength. But unity demands co-operation. Pride, loyalty and sense of belonging are responsible for good performance.

14. **Initiative:** Creative thinking and capacity to take initiative can give us sound managerial planning and execution of predetermined plans.

### **ORGANIZATION AND ENVIRONMENTAL FACTORS**

An organization is a group of people intentionally organized to accomplish a common or set of goals.

#### **TYPES OF BUSINESS ORGANIZATIONS:**

When organizing a new business, one of the most important decisions to be made is choosing the structure of a business.

##### **a) Sole Proprietorships:**

The vast majority of small business starts out as sole proprietorships . . . very dangerous. These firms are owned by one person, usually the individual who has day-to-day responsibility for running the business. Sole proprietors own all the assets of the business and the profits generated by it. They also assume "complete personal" responsibility for all of its liabilities or debts. In the eyes of the law, you are one in the same with the business.

##### **Merits:**

- Easiest and least expensive form of ownership to organize.
- Sole proprietors are in complete control, within the law, to make all decisions.
- Sole proprietors receive all income generated by the business to keep or reinvest.

##### **Demerits:**

- Unlimited liability and are legally responsible for all debts against the business.
- Their business and personal assets are 100% at risk.
- Has almost been ability to raise investment funds.

##### **b) Partnerships:**

In a Partnership, two or more people share ownership of a single business. The Partners should have a legal agreement that sets forth how decisions will be made, profits will be shared, disputes will be resolved, how future partners will be admitted to the partnership, how partners can be bought out, or what steps will be taken to dissolve the partnership when needed.

##### **Merits:**

- Partnerships are relatively easy to establish; however time should be invested in developing the partnership agreement.
- With more than one owner, the ability to raise funds may be increased.
- The profits from the business flow directly through to the partners' personal taxes.

##### **Demerits:**

- Partners are jointly and individually liable for the actions of the other partners.
- Profits must be shared with others.
- Since decisions are shared, disagreements can occur.



**c) Corporations**

A corporation, chartered by the state in which it is headquartered, is considered by law to be a unique "entity", separate and apart from those who own it. A corporation can be taxed; it can be sued; it can enter into contractual agreements. The owners of a corporation are its shareholders. The shareholders elect a board of directors to oversee the major policies and decisions. The corporation has a life of its own and does not dissolve when ownership changes.

**Merits:**

- Shareholders have limited liability for the corporation's debts or judgments against the corporations.
  - Generally, shareholders can only be held accountable for their investment in stock of the company. (Note however, that officers can be held personally liable for their actions, such as the failure to withhold and pay employment taxes.)
- Corporations can raise additional funds through the sale of stock.

**Demerits:**

- The process of incorporation requires more time and money than other forms of organization.
- Corporations are monitored by federal, state and some local agencies, and as a result may have more paperwork to comply with regulations.
- Incorporating may result in higher overall taxes. Dividends paid to shareholders are not deductible from business income, thus this income can be taxed twice.

**d) Joint Stock Company:**

There are two main types of joint stock Companies.

(i) Private limited company.

(ii) Public limited company

(i) Private limited company: This type company can be formed by two or more persons. The maximum number of member ship is limited to 50. In this transfer of shares is limited to members only. The government also does not interfere in the working of the company.

(ii) Public Limited Company: Its is one whose membership is open to general public. The minimum number required to form such company is seven, but there is no upper limit. Such company's can advertise to offer its share to genera public through a prospectus. These public limited companies are subjected to greater control & supervision of control.

**Merits:**

- The liability being limited the shareholder bear no Rick& therefore more as make persons are encouraged to invest capital.
- Because of large numbers of investors, the risk of loss is divided.
- Joint stock companies are not affected by the death or the retirement of the shareholders.

**Demerits:**

- It is difficult to preserve secrecy in these companies.
- It requires a large number of legal formalities to be observed.
- Lack of personal interest.

**e) Public Corporations:**

**Merits:**

- These are expected to provide better working conditions to the employees & supported to be better managed.
- Quick decisions can be possible, because of absence of bureaucratic control.

- More Hexibility as compared to departmental organization.

**Demerits:**

- Any alteration in the power & Constitution of Corporation requires an amendment in the particular Act, which is difficult & time consuming.
- Public Corporations possess monopoly & in the absense of competition, these are not interested in adopting new techniques & in making improvement in their working.

**f) Government Companies:**

A state enterprise can also be organized in the form of a Joint stock company; A government company is any company in which of the share capital is held by the central government or partly by central government & party by one to more state governments.

**Merits:**

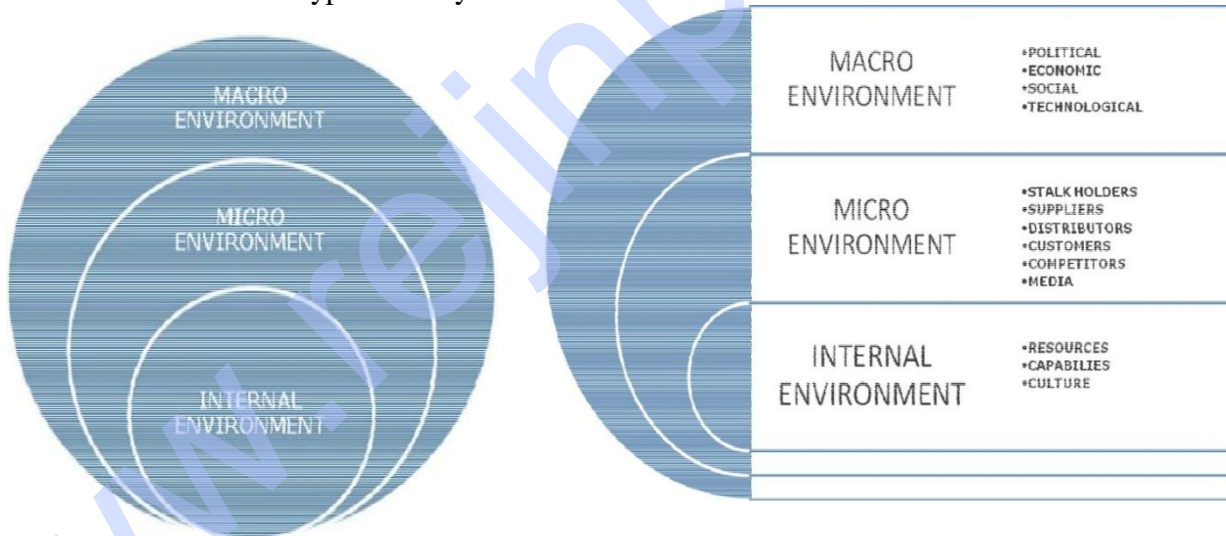
- It is easy to form.
- The directors of a government company are free to take decisions & are not bound by certain rigid rules & regulations.

**Demerits:**

- Misuse of excessive freedom cannot be ruled out.
- The directors are appointed by the government so they spend more time in pleasing their political masters & top government officials, which results in inefficient management.

**ORGANIZATIONAL AND ENVIRONMENTAL FACTORS:**

On the basis of the extent of intimacy with the firm, the environmental factors may be classified into different types namely internal and external.



**1) INTERNAL ENVIRONMENTAL FACTORS**

The internal environment is the environment that has a direct impact on the business. The internal factors are generally controllable because the company has control over these factors. It can alter or modify these factors. The internal environmental factors are resources, capabilities and culture.

**i) Resources:**

Tangible resources are the easiest to identify and evaluate: financial resources and physical assets are identifies and valued in the firm's financial statements.

Intangible resources are largely invisible, but over time become more important to the firm than tangible assets because they can be a main source for a competitive advantage.

**ii) Capabilities:**

Resources are not productive on their own. The most productive tasks require that resources collaborate closely together within teams. The term organizational capabilities are used to refer to a firm's capacity for undertaking a particular productive activity.

**iii) Culture:**

It is the specific collection of values and norms that are shared by people and groups in an organization and that helps in achieving the organizational goals.

**2) EXTERNAL ENVIRONMENT FACTORS:**

It refers to the environment that has an indirect influence on the business. The factors are uncontrollable by the business. The two types of external environment are micro environment and macro environment.

**a) MICRO ENVIRONMENTAL FACTORS:**

These are external factors close to the company that have a direct impact on the organizations process. These factors include:

**i) Shareholders:**

A shareholder may also be referred to as a "stockholder". As organization requires greater inward investment for growth they face increasing pressure to move from private ownership to public. However this movement unleashes the forces of shareholder pressure on the strategy of organizations.

**ii) Suppliers:**

An individual or an organization involved in the process of making a product or service available for use or consumption by a consumer or business user is known as supplier. Increase in raw material prices will have a knock on affect on the marketing mix strategy of an organization. Prices may be forced up as a result.

**iii) Distributors:**

Entity that buys non-competing products or product-lines, warehouses them, and resells them to retailers or direct to the end users or customers is known as distributor. Most distributors provide strong manpower and cash support to the supplier or manufacturer's promotional efforts.

**iv) Customers:**

A person, company, or other entity which buys goods and services produced by another person, company, or other entity is known as customer. Organizations survive on the basis of meeting the needs, wants and providing benefits for their customers. Failure to do so will result in a failed business strategy.

**v) Competitors:**

A company in the same industry or a similar industry which offers a similar product or service is known as competitor. The presence of one or more competitors can reduce the prices of goods and services as the companies attempt to gain a larger market share. Competition also requires companies to become more efficient in order to reduce costs. Fast-food restaurants McDonald's and Burger King are competitors, as are Coca-Cola and Pepsi, and Wal-Mart and Target.

**b) MACRO ENVIRONMENTAL FACTORS:**

An organization's macro environment consists of nonspecific aspects in the organization's surroundings that have the potential to affect the organization's strategies. Macro environment includes political, economic, social and technological factors. A firm considers

these as part of its environmental scanning to better understand the threats and opportunities created by the variables and how strategic plans need to be adjusted so the firm can obtain and retain competitive advantage.

**i) Political Factors:**

Political factors include government regulations and legal issues and define both formal and informal rules under which the firm must operate. Some examples include:

- tax policy
- employment laws
- environmental regulations
- trade restrictions and tariffs
- political stability

**ii) Economic Factors:**

Economic factors affect the purchasing power of potential customers and the firm's cost of capital. The following are examples of factors in the macroeconomy:

- economic growth
- interest rates
- exchange rates
- inflation rate

**iii) Social Factors**

Some social factors include:

- health consciousness
- population growth rate
- age distribution
- career attitudes
- emphasis on safety

**iv) Technological Factors:**

Technological factors can lower barriers to entry, reduce minimum efficient production levels, and influence outsourcing decisions. Some technological factors include:

- R&D activity
- automation
- technology incentives
- rate of technological change

## Entrepreneur Vs Manager

Entrepreneur	Manager
<b>Owner</b> - An entrepreneur is the owner of his own business.	<b>Servant</b> - A manager is a servant of his employer.
<b>Profits</b> - An entrepreneur earns profits from his business which is uncertain and unlimited.	<b>Salary</b> - A manager earns salary which is generally certain and limited.
<b>Full Risk Bearing</b> - An entrepreneur is a person who has to take high risks for starting and running venture.	<b>Less or No Risk Bearing</b> - A manager takes less or no risk while performing his job.
<b>All Functions</b> - An entrepreneur has to look after all the functions of his organization.	<b>Selective Functions</b> - A manager looks after selective functions of an organization.
<b>Innovator</b> - An entrepreneur is always an innovator, in the lookout for new products and services.	<b>Executor</b> - A manager is simply an executor who is responsible for executing the decisions of the owner and entrepreneur.

**TRENDS AND CHALLENGES OF MANAGEMENT IN GLOBAL SCENARIO**

**a) Planning and Decision Making in a Global Scenario**

To effectively plan and make decisions in a global economy, managers must have a broad-based understanding of both environmental issues and competitive issues. They need to understand local market conditions and technological factor that will affect their operations. At the corporate level, executives need a great deal of information to function effectively. Which markets are growing? Which markets are shrinking? Which are our domestic and foreign competitors doing in each market? They must also make a variety of strategic decisions about their organizations. For example, if a firm wishes to enter market in France, should it buy a local firm there, build a plant, or seek a strategic alliance? Critical issues include understanding environmental circumstances, the role of goals and planning in a global organization, and how decision making affects the global organization.

**b) Organizing in a Global Scenario**

Managers in international businesses must also attend to a variety of organizing issues. For example, General Electric has operations scattered around the globe. The firm has made the decision to give local managers a great deal of responsibility for how they run their business. In contrast, many Japanese firms give managers of their foreign operations relatively little responsibility. As a result, those managers must frequently travel back to Japan to present problems or get decisions approved. Managers in an international business must address the basic issues of organization structure and design, managing change, and dealing with human resources.

**c) Leading in a Global Scenario**

We noted earlier some of the cultural factors that affect international organizations. Individual managers must be prepared to deal with these and other factors as they interact people from different cultural backgrounds.

**d) Controlling in a Global Scenario**

Finally, managers in international organizations must also be concerned with control. Distances, time zone differences, and cultural factors also play a role in control.



## UNIT II

### PLANNING

#### DEFINITION

According to Koontz O'Donnel - "Planning is an intellectual process, the conscious determination of courses of action, the basing of decisions on purpose, acts and considered estimates".

#### NATURE AND PURPOSE OF PLANNING

##### **Nature of Planning**

1. **Planning is goal-oriented:** Every plan must contribute in some positive way towards the accomplishment of group objectives. Planning has no meaning without being related to goals.
2. **Primacy of Planning:** Planning is the first of the managerial functions. It precedes all other management functions.
3. **Pervasiveness of Planning:** Planning is found at all levels of management. Top management looks after strategic planning. Middle management is in charge of administrative planning. Lower management has to concentrate on operational planning.
4. **Efficiency, Economy and Accuracy:** Efficiency of plan is measured by its contribution to the objectives as economically as possible. Planning also focuses on accurate forecasts.
5. **Co-ordination:** Planning co-ordinates the what, who, how, where and why of planning. Without co-ordination of all activities, we cannot have united efforts.
6. **Limiting Factors:** A planner must recognize the limiting factors (money, manpower etc) and formulate plans in the light of these critical factors.
7. **Flexibility:** The process of planning should be adaptable to changing environmental conditions.
8. **Planning is an intellectual process:** The quality of planning will vary according to the quality of the mind of the manager.

##### **PURPOSE OF PLANNING**

As a managerial function planning is important due to the following reasons:-

1. **To manage by objectives:** All the activities of an organization are designed to achieve certain specified objectives. However, planning makes the objectives more concrete by focusing attention on them.
2. **To offset uncertainty and change:** Future is always full of uncertainties and changes. Planning foresees the future and makes the necessary provisions for it.
3. **To secure economy in operation:** Planning involves, the selection of most profitable course of action that would lead to the best result at the minimum costs.
4. **To help in co-ordination:** Co-ordination is, indeed, the essence of management, the planning is the base of it. Without planning it is not possible to co-ordinate the different activities of an organization.
5. **To make control effective:** The controlling function of management relates to the comparison of the planned performance with the actual performance. In the absence of plans, a management will have no standards for controlling other's performance.
6. **To increase organizational effectiveness:** Mere efficiency in the organization is not important; it should also lead to productivity and effectiveness. Planning enables the manager to measure the organizational effectiveness in the context of the stated objectives and take further actions in this direction.



### **Features of Planning**

- It is primary function of management.
- It is an intellectual process
- Focuses on determining the objectives
- Involves choice and decision making
- It is a continuous process
- It is a pervasive function

### **Classification of Planning**

On the basis of content

- **Strategic Planning**
  - It is the process of deciding on Long-term objectives of the organization.
  - It encompasses all the functional areas of business
- **Tactical Planning**
  - It involves conversion of detailed and specific plans
  - It is the blue print for current action and it supports the strategic plans.
- **Long term planning**
  - Time frame beyond five years.
  - It specifies what the organization wants to become in long run.
  - It involves great deal of uncertainty.
- **Intermediate term planning**
  - Time frame between two and five years.
  - It is designed to implement long term plans.
- **Short term planning**
  - Time frame of one year or less.
  - It provide basis for day to day operations.

### **PLANNING PROCESS**

The various steps involved in planning are given below



## **Planning Process**

### **a) Perception of Opportunities:**

Although preceding actual planning and therefore not strictly a part of the planning process, awareness of an opportunity is the real starting point for planning.

### **b) Establishing Objectives:**

The first step in planning itself is to establish objectives for the entire enterprise and then for each subordinate unit. Objectives specifying the results expected indicate the end points of what is to be done, where the primary emphasis is to be placed, and what is to be accomplished by the network of strategies, policies, procedures, rules, budgets and programs.

**c) Considering the Planning Premises:**

Another logical step in planning is to establish, obtain agreement to utilize and disseminate critical planning premises. These are forecast data of a factual nature, applicable basic policies, and existing company plans.

**d) Identification of alternatives:**

Once the organizational objectives have been clearly stated and the planning premises have been developed, the manager should list as many available alternatives as possible for reaching those objectives.

**e) Evaluation of alternatives**

Having sought out alternative courses and examined their strong and weak points, the following step is to evaluate them by weighing the various factors in the light of premises and goals.

**f) Choice of alternative plans**

An evaluation of alternatives must include an evaluation of the premises on which the alternatives are based. A manager usually finds that some premises are unreasonable and can therefore be excluded from further consideration.

**g) Formulating of Supporting Plans**

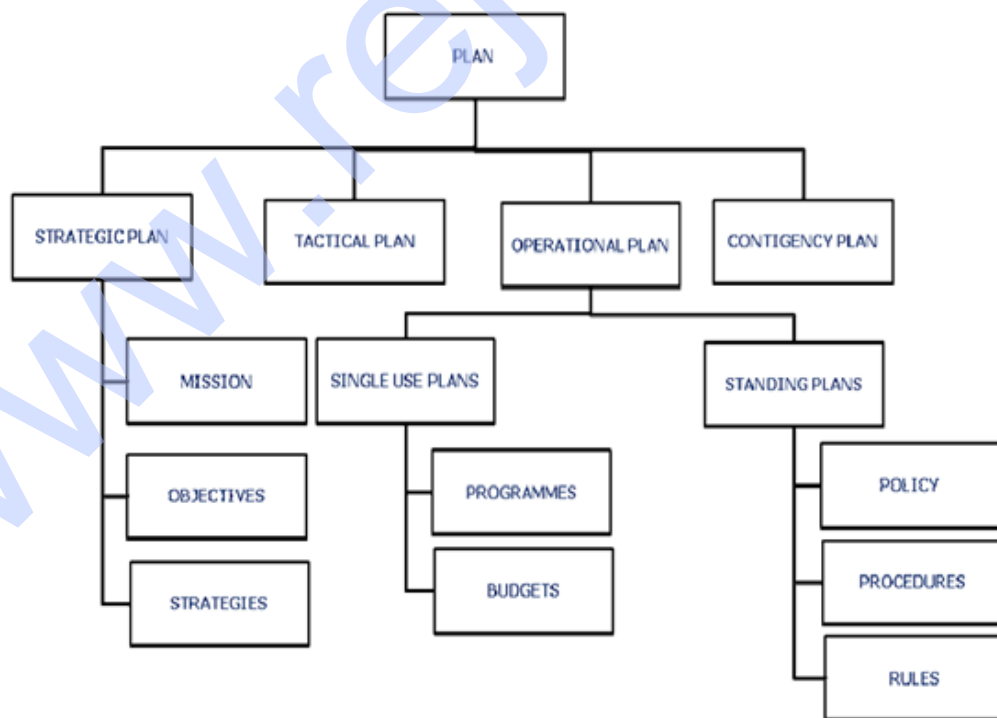
After decisions are made and plans are set, the final step to give them meaning is to numberize them by converting them to budgets. The overall budgets of an enterprise represent the sum total of income and expenses with resultant profit or surplus and budgets of major balance-sheet items such as cash and capital expenditures.

**h) Establishing sequence of activities**

Once plans that furnish the organization with both long-range and short-range direction have been developed, they must be implemented. Obviously, the organization can not directly benefit from planning process until this step is performed.

**TYPES OF PLANS / COMPONENTS OF PLANNING**

In the process of planning, several plans are prepared which are known as components of planning.



Plans can be broadly classified as

- a) **Strategic plans**
- b) **Tactical plans**
- c) **Operational plans**
- d) **Contingency plans**
- a) **Strategic plans**

i) **Mission:**

The mission is a statement that reflects the basic purpose and focus of the organization which normally remain unchanged. The mission of the company is the answer of the question : why does the organization exists?

ii) **Objectives or goals:**

A goal is an abstract and general umbrella statement, under which specific objectives can be clustered. Objectives are statements that describe—in precise, measurable, and obtainable terms which reflect the desired organization's outcomes.

iii) **Strategies:**

Strategy is the determination of the basic long term objectives of an organization and the adoption of action and collection of action and allocation of resources necessary to achieve these goals.

b) **Tactical plans:**

A tactical plan is concerned with what the lower level units within each division must do, how they must do it, and who is in charge at each level. Tactics are the means needed to activate a strategy and make it work.

c) **Operational plans**

The specific results expected from departments, work groups, and individuals are the operational goals. These goals are precise and measurable. "Process 150 sales applications each week" or "Publish 20 books this quarter" are examples of operational goals.

i) **Single-use plans** apply to activities that do not recur or repeat. A one-time occurrence, such as a special sales program, is a single-use plan because it deals with the who, what, where, how, and how much of an activity.

-- **Programme:** Programme consists of an ordered list of events to be followed to execute a project.

-- **Budget:** A budget predicts sources and amounts of income and how much they are used for a specific project.

-- **Standing plans** are usually made once and retain their value over a period of years while undergoing periodic revisions and updates.

-- **Policy:** A policy provides a broad guideline for managers to follow when dealing with important areas of decision making. Policies are general statements that explain how a manager should attempt to handle routine management responsibilities. Typical human resources policies, for example, address such matters as employee hiring, terminations, performance appraisals, pay increases, and discipline.

-- **Procedure:** A procedure is a set of step-by-step directions that explains how activities or tasks are to be carried out. Most organizations have procedures for purchasing supplies and equipment, for example.

d) **Contingency plans**

Contingency planning involves identifying alternative courses of action that can be implemented if and when the original plan proves inadequate because of changing circumstances.

## **OBJECTIVES**

### **Features of Objectives**

- The objectives must be predetermined.
- A clearly defined objective provides the clear direction for managerial effort.
- Objectives must be realistic.
- Objectives must be measurable.
- Objectives must have social sanction.

### **Advantages of Objectives**

- Clear definition of objectives encourages unified planning.
- Objectives provide motivation to people in the organization.
- When the work is goal-oriented, unproductive tasks can be avoided.
- Objectives provide standards which aid in the control of human efforts in an organization.
- Objectives serve to identify the organization and to link it to the groups upon which its existence depends.

## **PROCESS OF SETTING OBJECTIVES**

- Objectives are required to be set by management in every area which directly and vitally affects the survival and prosperity of the business.
- The objectives to be set in various areas have to be identified.
- While setting the objectives, the past performance must be reviewed, since past performance indicates what the organization will be able to accomplish in future.

## **MANAGEMENT BY OBJECTIVES (MBO)**

### **Definition**

“MBO is a process whereby the superior and the managers of an organization jointly identify its common goals, define each individual’s major area of responsibility in terms of results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members.”

### **Features of MBO**

1. MBO is concerned with goal setting and planning for individual managers and their units.
2. The essence of MBO is a process of joint goal setting between a supervisor and a subordinate.
3. Managers work with their subordinates to establish the performance goals that are consistent with their higher organizational objectives.

### **Steps in MBO:**

The typical MBO process consists of:

- 1) Establishing a clear and precisely defined statement of objectives for the employee
- 2) Developing an action plan indicating how these objectives are to be achieved
- 3) Reviewing the performance of the employees
- 4) Appraising performance based on objective achievement

### **1) Setting objectives:**

For Management by Objectives (MBO) to be effective, individual managers must understand the specific objectives of their job and how those objectives fit in with the overall company objectives set by the board of directors.

### **2) Developing action plans**

Actions plans specify the actions needed to address each of the top organizational

issues and to reach each of the associated goals, who will complete each action and according to what timeline.

### 3) **Reviewing Progress:**

Performance is measured in terms of results. Job performance is the net effect of an employee's effort as modified by abilities, role perceptions and results produced. Effort refers to the amount of energy an employee uses in performing a job.

### 4) **Performance appraisal:**

Performance appraisals communicate to employees how they are performing their jobs, and they establish a plan for improvement. Performance appraisals are extremely important to both employee and employer, as they are often used to provide predictive information related to possible promotion.

#### **Advantages**

- Motivation – Involving employees in the whole process of goal setting and increasing employee empowerment. This increases employee job satisfaction and commitment.
- Better communication and Coordination
- Clarity of goals
- Subordinates have a higher commitment to objectives they set themselves than those imposed on them by another person.
- Managers can ensure that objectives of the subordinates are linked to the organization's objectives.

#### **Limitations**

- It over-emphasizes the setting of goals over the working of a plan as a driver of outcomes.
- It underemphasizes the importance of the environment or context in which the goals are set. That context includes everything from the availability and quality of resources, to relative buy-in by leadership and stake-holders.

## **STRATEGIES**

According to Koontz and O' Donnell, "Strategies must often denote a general programme of action and deployment of emphasis and resources to attain comprehensive objectives". Strategies are plans made in the light of the plans of the competitors because a modern business institution operates in a competitive environment.

Characteristics of Strategy

- It is the right combination of different factors.
- It relates the business organization to the environment.
- It is an action to meet a particular challenge, to solve particular problems or to attain desired objectives.

### **Strategic Planning Process / Strategic Formulation Process**

1. **Input to the Organization:** Various Inputs (People, Capital, Management and Technical skills, others) including goals input of claimants (Employees, Consumers, Suppliers, Stockholders, Government, Community and others) need to be elaborated.
2. **Industry Analysis:** Formulation of strategy requires the evaluation of the attractiveness of an industry by analyzing the external environment.
3. **Enterprise Profile:** Enterprise profile is usually the starting point for determining where the company is and where it should go. Top managers determine the basic purpose of the enterprise and clarify the firm's geographic orientation.
4. **Orientation, Values, and Vision of Executives:** The enterprise profile is shaped by people, especially executives, and their orientation and values are important for formulation the strategy.
5. **Mission (Purpose), Major Objectives, and Strategic Intent:** Mission or Purpose is



the answer to the question: What is our business?

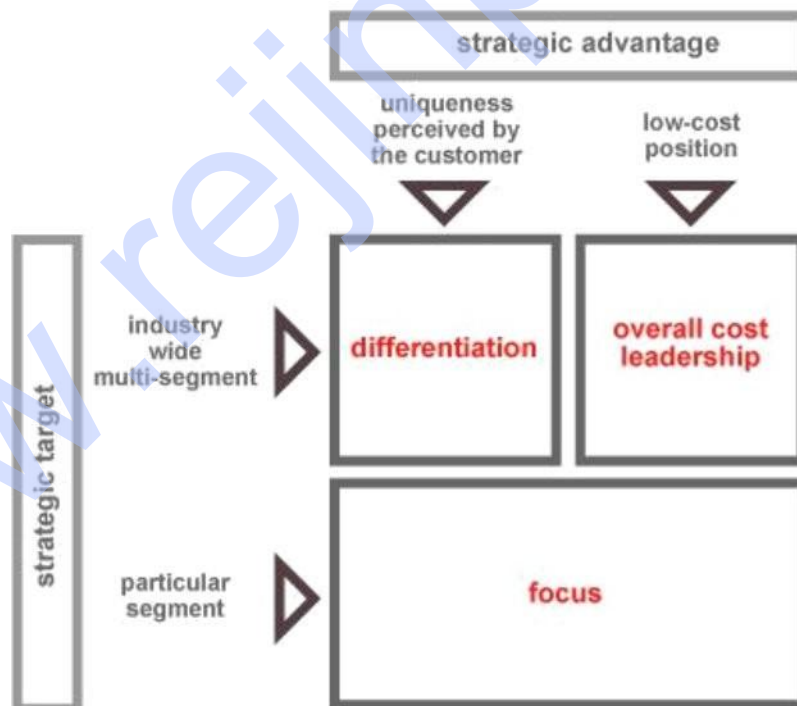
6. **Present and Future External Environment:** The present and future external environment must be assessed in terms of threats and opportunities.
7. **Internal Environment:** Internal Environment should be audited and evaluated with respect to its resources and its weaknesses, and strengths in research and development, production, operation, procurement, marketing and products and services.
8. **Development of Alternative Strategies:** Strategic alternatives are developed on the basis of an analysis of the external and internal environment. Alternatively, a firm may diversify, extending the operation into new and profitable markets.
9. **Evaluation and Choice of Strategies:** Strategic choices must be considered in the light of the risk involved in a particular decision.
10. **Medium/Short Range Planning, Implementation through Reengineering the Organization Structure, Leadership and Control:** Implementation of the Strategy often requires reengineering the organization, staffing the organization structure and providing leadership. Controls must be installed monitoring performance against plans.
11. **Consistency Testing and Contingency Planning:** The last key aspect of the strategic planning process is the testing for consistency and preparing for contingency plans.

### **TYPES OF STRATEGIES**

According to Michel Porter, the strategies can be classified into three types. They are

- a) Cost leadership strategy
- b) Differentiation strategy
- c) Focus strategy

The following table illustrates Porter's generic strategies:



#### **a) Cost Leadership Strategy**

Firms that succeed in cost leadership often have the following internal strengths:

- Access to the capital required to make a significant investment in production assets; this



investment represents a barrier to entry that many firms may not overcome.

- Skill in designing products for efficient manufacturing, for example, having a small component count to shorten the assembly process.
- High level of expertise in manufacturing process engineering.
- Efficient distribution channels.

**b) Differentiation Strategy**

Firms that succeed in a differentiation strategy often have the following internal strengths:

- Access to leading scientific research.
- Highly skilled and creative product development team.
- Strong sales team with the ability to successfully communicate the perceived strengths of the product.

**c) Focus Strategy**

The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. The premise is that the needs of the group can be better serviced by focusing entirely on it. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly.

**A Combination of Generic Strategies**

These generic strategies are not necessarily compatible with one another. If a firm attempts to achieve an advantage on all fronts, in this attempt it may achieve no advantage at all. For example, if a firm differentiates itself by supplying very high quality products, it risks undermining that quality if it seeks to become a cost leader. Even if the quality did not suffer, the firm would risk projecting a confusing image. For this reason, Michael Porter argued that to be successful over the long-term, a firm must select only one of these three generic strategies.

**POLICIES**

**Policies** are general statements or understandings that guide managers' thinking in decision making. They usually do not require action but are intended to guide managers in their commitment to the decision they ultimately make.

The first step in the process of policy formulation, as shown in the diagram below, is to capture the values or principles that will guide the rest of the process and form the basis on which to produce a statement of issues.

**Essentials of Policy Formulation**

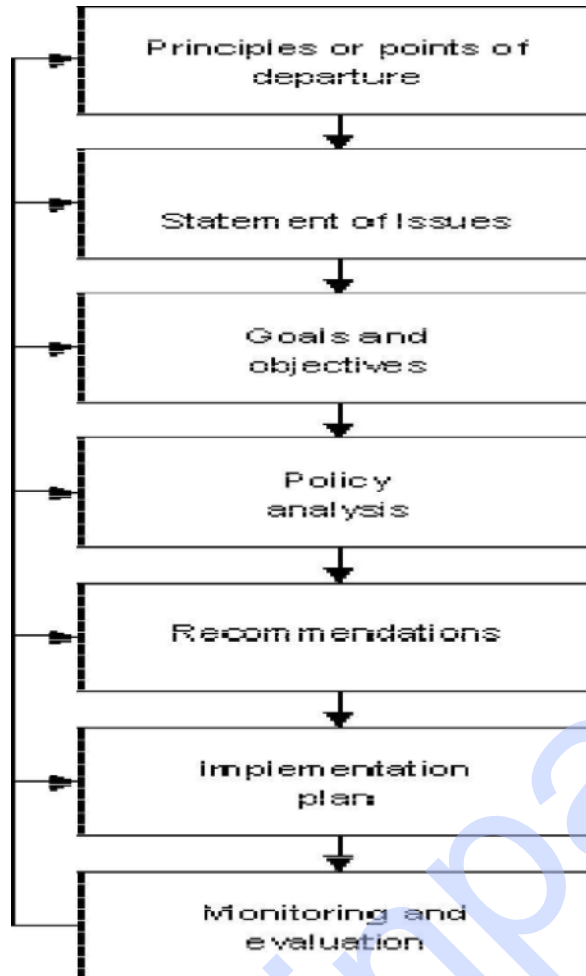
The essentials of policy formation may be listed as below:

- A policy should be definite, positive and clear. It should be understood by everyone in the organization.
- A policy should be translatable into the practices.
- A policy should be flexible and at the same time have a high degree of permanency.
- A policy should be formulated to cover all reasonable anticipatable conditions.

**Importance of Policies**

Policies are useful for the following reasons:

- They provide guides to thinking and action and provide support to the subordinates.
- They delimit the area within which a decision is to be made.



## **DECISION MAKING**

### **Characteristics of Decision Making**

- Decision making implies that there are various alternatives and the most desirable alternative is chosen to solve the problem or to arrive at expected results.
- The decision-maker has freedom to choose an alternative.
- Decision-making may not be completely rational but may be judgment and emotional.
- Decision-making is goal-oriented.

### **TYPES OF DECISIONS**

**a) Programmed and Non-Programmed Decisions:** Herbert Simon has grouped organizational decisions into two categories based on the procedure followed. They are:

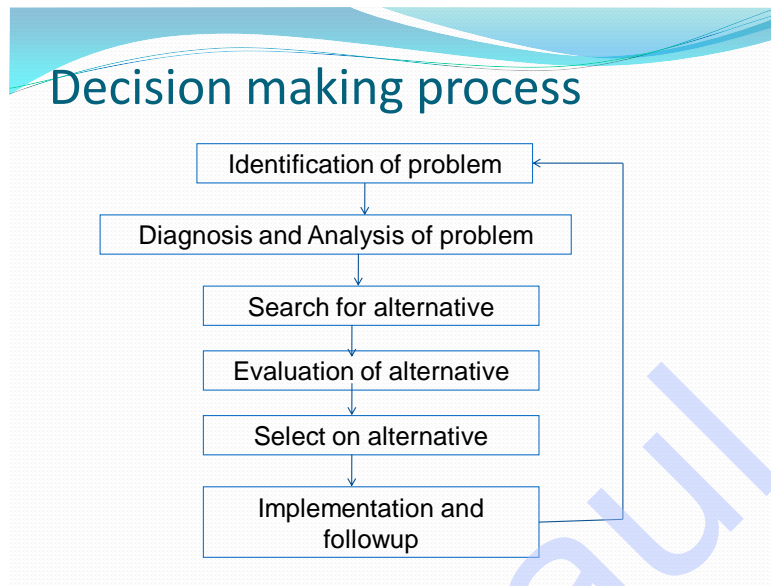
- Programmed decisions:** Programmed decisions are routine and repetitive and are made within the framework of organizational policies and rules.
- Non-Programmed Decisions:** Non-programmed decisions are decisions taken to meet non-repetitive problems.

**b) Strategic and Tactical Decisions:** Organizational decisions may also be classified as strategic or tactical.

- Strategic Decisions:** Basic decisions or strategic decisions are decisions which are of crucial importance. Strategic decisions a major choice of actions concerning allocation of resources and contribution to the achievement of organizational objectives.
- Tactical Decisions:** Routine decisions or tactical decisions are decisions which are routine and repetitive. They are derived out of strategic decisions. The various

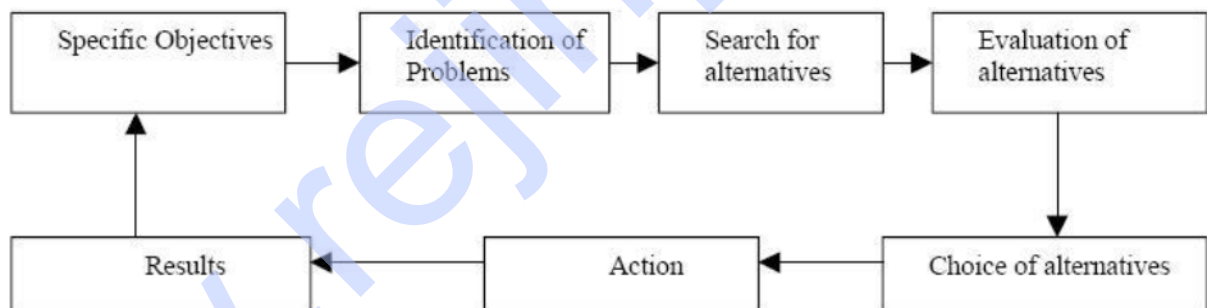
features of a tactical decision are as follows:

- Tactical decision relates to day-to-day operation of the organization and has to be taken very frequently.
- Tactical decision is mostly a programmed one. Therefore, the decision can be made within the context of these variables.



### **DECISION MAKING PROCESS**

The decision making process is presented in the figure below:



1. **Specific Objective:**

2. **Problem Identification:**

**Diagnosis:** Diagnosis is the process of identifying a problem and symptoms.

**Analysis:** Diagnosis gives rise to analysis.

3. **Search for Alternatives:** A problem can be solved in several ways; however, all the ways cannot be equally satisfying. Therefore, the decision maker must try to find out the various alternatives available in order to get the most satisfactory result of a decision. A decision maker can use several sources for identifying alternatives:

4. **Evaluation of Alternatives:**

5. **Choice of Alternative:** The evaluation of various alternatives presents a clear picture as to how each one of them contribute to the objectives under question. A comparison is made among the likely outcomes of various alternatives and the best one is chosen.

6. **Action:** Once the alternative is selected, it is put into action. The actual process of

decision making ends with the choice of an alternative through which the objectives can be achieved.

**7. Results:** When the decision is put into action, it brings certain results. These results must correspond with objectives, the starting point of decision process, if good decision has been made and implemented properly. Thus, results provide indication whether decision making and its implementation is proper.

### **RATIONAL DECISION MAKING MODEL**

#### **The Six-Step Rational Decision-Making Model**

1. Define the problem.
2. Identify decision criteria
3. Weight the criteria
4. Generate alternatives
5. Rate each alternative on each criterion
6. Compute the optimal decision

**UNIT III  
ORGANIZING**

**DEFINITION**

According to Koontz and O'Donnell, "Organization involves the grouping of activities necessary to accomplish goals and plans, the assignment of these activities to appropriate departments and the provision of authority, delegation and co-ordination."

Organization involves division of work among people whose efforts must be co-ordinated to achieve specific objectives and to implement pre-determined strategies.

**NATURE OR CHARACTERISTICS OF ORGANIZING**

From the study of the various definitions given by different management experts we get the following information about the characteristics or nature of organization,

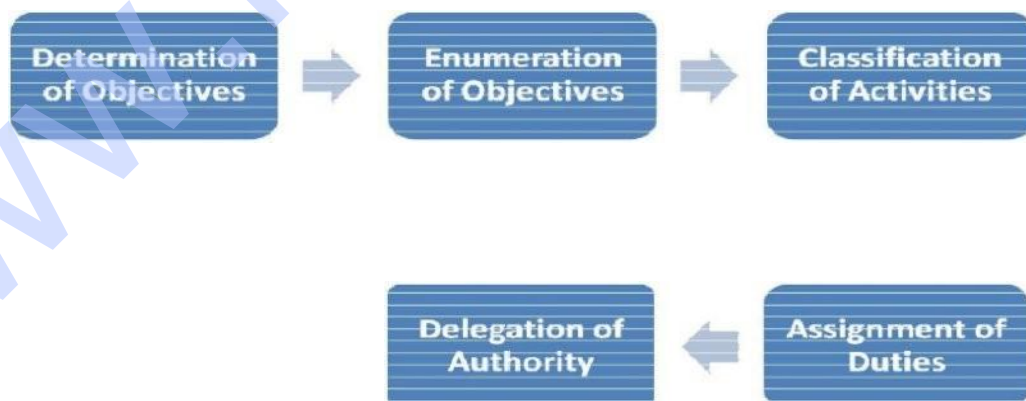
- (1) Division of Work:
- (2) Coordination:
- (3) Plurality of Persons:
- (4) Common Objectives:
- (5) Well-defined Authority and Responsibility:.
- (6) Organization is a Structure of Relationship:
- (7) Organization is a Machine of Management:
- (8) Organization is a Universal Process:

**IMPORTANCE OR ADVANTAGES OF ORGANIZING**

- (1) Increase In Managerial Efficiency:
- (2) Proper Utilization of Resources:
- (3) Sound Communication Possible:
- (4) Facilitates Coordination
- (5) Increase in Specialization:
- (6) Helpful in Expansion:

**ORGANIZING PROCESS**

According to Louis A Allen, "Organizing involves identification and grouping the activities to be performed and dividing them among the individuals and creating authority and responsibility relationships among them for the accomplishment of organizational objectives." The various steps involved in this process are:



**Determination of Objectives:**

It is the first step in building up an organization. Organization is always related to certain objectives. Therefore, it is essential for the management to identify the objectives before starting any activity. Organization structure is built on the basis of the objectives of the enterprise.

### **Enumeration of Objectives:**

Each job should be properly classified and grouped. This will enable the people to know what is expected of them as members of the group and will help in avoiding duplication of efforts. For example, the work of an industrial concern may be divided into the following major functions – production, financing, personnel, sales, purchase, etc.

### **Classification of Activities:**

The next step will be to classify activities according to similarities and common purposes and functions and taking the human and material resources into account. Then, closely related and similar activities are grouped into divisions and departments and the departmental activities are further divided into sections.

### **Assignment of Duties:**

In the words of Kimball and Kimball - "Organization embraces the duties of designating the departments and the personnel that are to carry on the work, defining their functions and specifying the relations that are to exist between department and individuals."

### **Delegation of Authority:**

Everybody should clearly know to whom he is accountable; corresponding to the responsibility authority is delegated to the subordinates for enabling them to show work performance. This will help in the smooth working of the enterprise by facilitating delegation of responsibility and authority.

## **ORGANIZATION STRUCTURE**

March and Simon have stated that-"Organization structure consists simply of those aspects of pattern of behavior in the organization that are relatively stable and change only slowly." The structure of an organization is generally shown on an organization chart. It shows the authority and responsibility relationships between various positions in the organization while designing the organization structure, due attention should be given to the principles of sound organization.

### **Significance of Organization Structure**

- Properly designed organization can help improve teamwork and productivity by providing a framework within which the people can work together most effectively.
- Organization structure determines the location of decision-making in the organization.
- Sound organization structure stimulates creative thinking and initiative among organizational members by providing well defined patterns of authority.

## **PRINCIPLES OF ORGANIZATION STRUCTURE**

### **a) Line and Staff Relationships:**

Line authority refers to the scalar chain, or to the superior-subordinate linkages, that extend throughout the hierarchy (Koontz, O'Donnell and Weihrich). Line employees are responsible for achieving the basic or strategic objectives of the organization, while staff plays a supporting role to line employees and provides services. The relationship between line and staff is crucial in organizational structure, design and efficiency. It is also an important aid to information processing and coordination.

### **b) Departmentalization:**

Departmentalization is a process of horizontal clustering of different types of functions and activities on any one level of the hierarchy. Departmentalization is conventionally based on purpose, product, process, function, personal things and place.

### **c) Span of Control:**

This refers to the number of specialized activities or individuals supervised by one person. Deciding the span of control is important for coordinating different types of activities effectively.



**d) De-centralization and Centralization:**

Every organizational structure contains both centralization and de-centralization, but to varying degrees. The extent of this can be determined by identifying how much of the decision making is concentrated at the top and how much is delegated to lower levels. Modern organizational structures show a strong tendency towards de-centralization.

**FORMAL AND INFORMAL ORGANIZATION**

**FORMAL ORGANIZATION**

Chester I Bernard defines formal organization as -"a system of consciously coordinated activities or forces of two or more persons. It refers to the structure of well-defined jobs, each bearing a definite measure of authority, responsibility and accountability." The essence of formal organization is conscious common purpose and comes into being when persons—

- (i) Are able to communicate with each other
- (ii) Are willing to act and
- (iii) Share a purpose.

The formal organization is built around four key pillars. They are:

- Division of labor
- Scalar and functional processes
- Structure and
- Span of control

Thus, a formal organization is one resulting from planning where the pattern of structure has already been determined by the top management.

**Characteristic Features of formal organization**

- Formal organization structure is laid down by the top management to achieve organizational goals.
- Formal organization prescribes the relationships amongst the people working in the organization.
- The organization structures is consciously designed to enable the people of the organization to work together for accomplishing the common objectives of the enterprise
- Organization structure concentrates on the jobs to be performed and not the individuals who are to perform jobs.
- In a formal organization, individuals are fitted into jobs and positions and work as per the managerial decisions. Thus, the formal relations in the organization arise from the pattern of responsibilities that are created by the management.
- A formal organization is bound by rules, regulations and procedures.
- In a formal organization, the position, authority, responsibility and accountability of each level are clearly defined.
- Organization structure is based on division of labor and specialization to achieve efficiency in operations.
- A formal organization is deliberately impersonal. The organization does not take into consideration the sentiments of organizational members.
- The authority and responsibility relationships created by the organization structure are to be honored by everyone.
- In a formal organization, coordination proceeds according to the prescribed pattern.

**Advantages of formal organization**

- The formal organization structure concentrates on the jobs to be performed. It,

therefore, makes everybody responsible for a given task.

- A formal organization is bound by rules, regulations and procedures. It thus ensures law and order in the organization.
- The organization structure enables the people of the organization to work together for accomplishing the common objectives of the enterprise

#### **Disadvantages or criticisms of formal organization**

- The formal organization does not take into consideration the sentiments of organizational members.
- The formal organization does not consider the goals of the individuals. It is designed to achieve the goals of the organization only.
- The formal organization is bound by rigid rules, regulations and procedures. This makes the achievement of goals difficult.

### **INFORMAL ORGANIZATION**

#### **Characteristics features of informal organization**

- Informal organization is not established by any formal authority. It is unplanned and arises spontaneously.
- Informal organizations reflect human relationships. It arises from the personal and social relations amongst the people working in the organization.
- Formation of informal organizations is a natural process. It is not based on rules, regulations and procedures.
- The inter-relations amongst the people in an informal organization cannot be shown in an organization chart.
- In the case of informal organization, the people cut across formal channels of communications and communicate amongst themselves.
- The membership of informal organizations is voluntary. It arises spontaneously and not by deliberate or conscious efforts.
- Membership of informal groups can be overlapping as a person may be member of a number of informal groups.
- Informal organizations are based on common taste, problem, language, religion, culture, etc. it is influenced by the personal attitudes, emotions, whims, likes and dislikes etc. of the people in the organization.

#### **Benefits of Informal organization**

- It blends with the formal organization to make it more effective.
- Many things which cannot be achieved through formal organization can be achieved through informal organization.
- The presence of informal organization in an enterprise makes the managers plan and act more carefully.
- Informal organization acts as a means by which the workers achieve a sense of security and belonging. It provides social satisfaction to group members.
- An informal organization has a powerful influence on productivity and job satisfaction.
- The informal leader lightens the burden of the formal manager and tries to fill in the gaps in the manager's ability.
- Informal organization helps the group members to attain specific personal objectives.
- Informal organization is the best means of employee communication. It is very fast.
- Informal organization gives psychological satisfaction to the members. It acts as a safety valve for the emotional problems and frustrations of the workers of the organization because they get a platform to express their feelings.
- It serves as an agency for social control of human behavior.

<b>Formal Organization</b>	<b>Informal Organization</b>
1. Formal organization is established with the explicit aim of achieving well-defined goals.	1. Informal organization springs on its own. Its goals are ill defined and intangible.
2. Formal organization is bound together by authority relationships among members. A hierarchical structure is created, constituting top management, middle management and supervisory management.	2. Informal organization is characterized by a generalized sort of power relationships. Power in informal organization has bases other than rational legal right.
3. Formal organization recognizes certain tasks which are to be carried out to achieve its goals.	3. Informal organization does not have any well-defined tasks.
4. The roles and relationships of people in formal organization are impersonally defined	4. In informal organization the relationships among people are interpersonal.
5. In formal organization, much emphasis is placed on efficiency, discipline, conformity, consistency and control.	5. Informal organization is characterized by relative freedom, spontaneity, by relative freedom, spontaneity, homeliness and warmth.
6. In formal organization, the social and psychological needs and interests of members of the organization get little attention.	6. In informal organization the sociopsychological needs, interests and aspirations of members get priority.
7. The communication system in formal organization follows certain pre-determined patterns and paths.	7. In informal organization, the communication pattern is haphazard, intricate and natural.
8. Formal organization is relatively slow to respond and adapt to changing situations and realities.	8. Informal organization is dynamic and very vigilant. It is sensitive to its surroundings.

### **LINE AND STAFF AUTHORITY**

#### **Types of Staff**

The staff position established as a measure of support for the line managers may take the following forms:

1. **Personal Staff:** Here the staff official is attached as a personal assistant or adviser to the line manager. For example, Assistant to managing director.
2. **Specialized Staff:** Such staff acts as the fountainhead of expertise in specialized areas like R & D, personnel, accounting etc.
3. **General Staff:** This category of staff consists of a set of experts in different areas who are meant to advise and assist the top management on matters called for expertise. For

example, Financial advisor, technical advisor etc.

### **Features of line and staff organization**

- Under this system, there are line officers who have authority and command over the subordinates and are accountable for the tasks entrusted to them. The staff officers are specialists who offer expert advice to the line officers to perform their tasks efficiently.
- Under this system, the staff officers prepare the plans and give advice to the line officers and the line officers execute the plan with the help of workers.
- The line and staff organization is based on the principle of specialization.

### **Advantages**

- Staff specialists help the line managers in taking better decisions by providing expert advice. Therefore, there will be sound managerial decisions under this system.
- It makes possible the principle of undivided responsibility and authority, and at the same time permits staff specialization. Thus, the organization takes advantage of functional organization while maintaining the unity of command.

### **Disadvantages**

- Unless the duties and responsibilities of the staff members are clearly indicated by charts and manuals, there may be considerable confusion throughout the organization as to the functions and positions of staff members with relation to the line supervisors.
- There is generally a conflict between the line and staff executives. The line managers feel that staff specialists do not always give right type of advice, and staff officials.

### **DEPARTMENTATION BY DIFFERENT STRATEGIES**

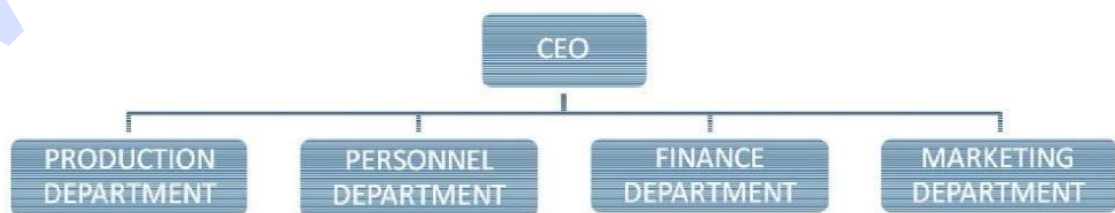
DEPARTMENTATION refers to the process of grouping activities into departments. Departmentation is the process of grouping of work activities into departments, divisions, and other homogenous units.

Key Factors in Departmentation

- It should facilitate control.
- It should ensure proper coordination.
- It should take into consideration the benefits of specialization.
- It should not result in excess cost.
- It should give due consideration to Human Aspects.

Departmentation takes place in various patterns like departmentation by functions, products, customers, geographic location, process, and its combinations.

#### **a) FUNCTIONAL DEPARTMENTATION**



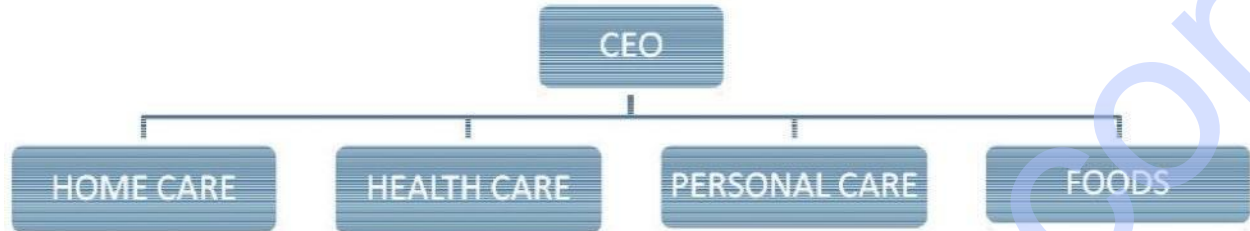
**Advantages:**

- Advantage of specialization
- Easy control over functions

**Disadvantages:**

- Lack of responsibility for the end result
- Overspecialization or lack of general management

**b) PRODUCT DEPARTMENTATION**



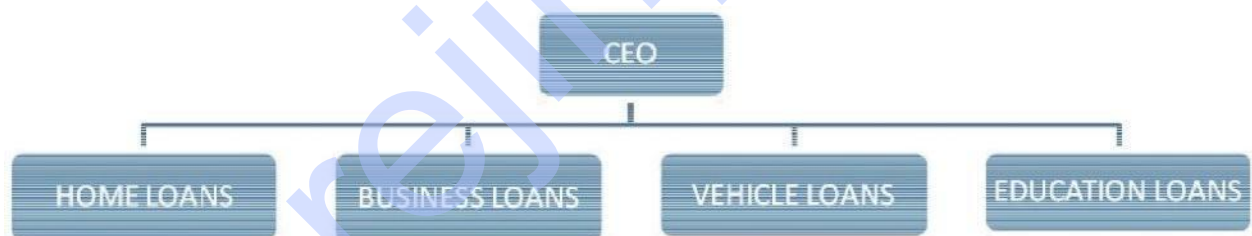
**Advantages**

- It ensures better customer service
- Unprofitable products may be easily determined
- It assists in development of all around managerial talent

**Disadvantages**

- It is expensive as duplication of service functions occurs in various product divisions
- Customers and dealers have to deal with different persons for complaint and information of different products.

**c) CUSTOMER DEPARTMENTATION**



**Advantages**

- It focused on customers who are ultimate suppliers of money
- Better service to customer having different needs and tastes
- Development in general managerial skills

**Disadvantages**

- Sales being the exclusive field of its application, co-ordination may appear difficult between sales function and other enterprise functions.
- Specialized sales staff may become idle with the downward movement of sales to any specified group of customers.

**d) GEOGRAPHIC DEPARTMENTATION**





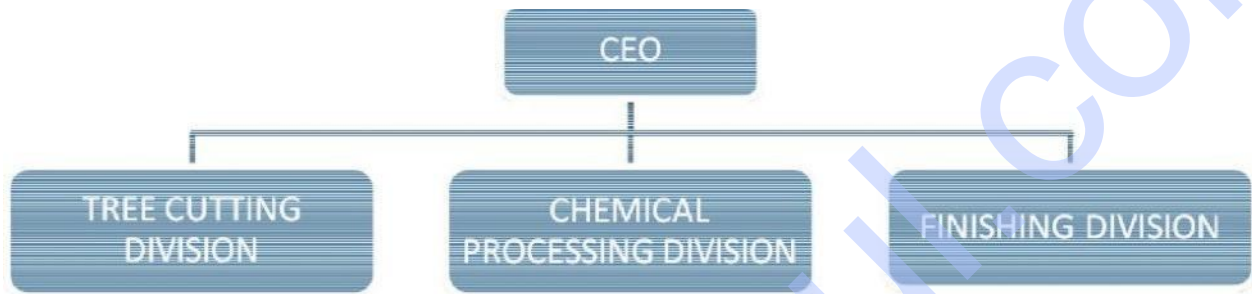
**Advantages**

- Help to cater to the needs of local people more satisfactorily.
- It facilitates effective control
- Assists in development of all-round managerial skills

**Disadvantages**

- Communication problem between head office and regional office due to lack of means of communication at some location
- Coordination between various divisions may become difficult.

**e) PROCESS DEPARTMENTATION**



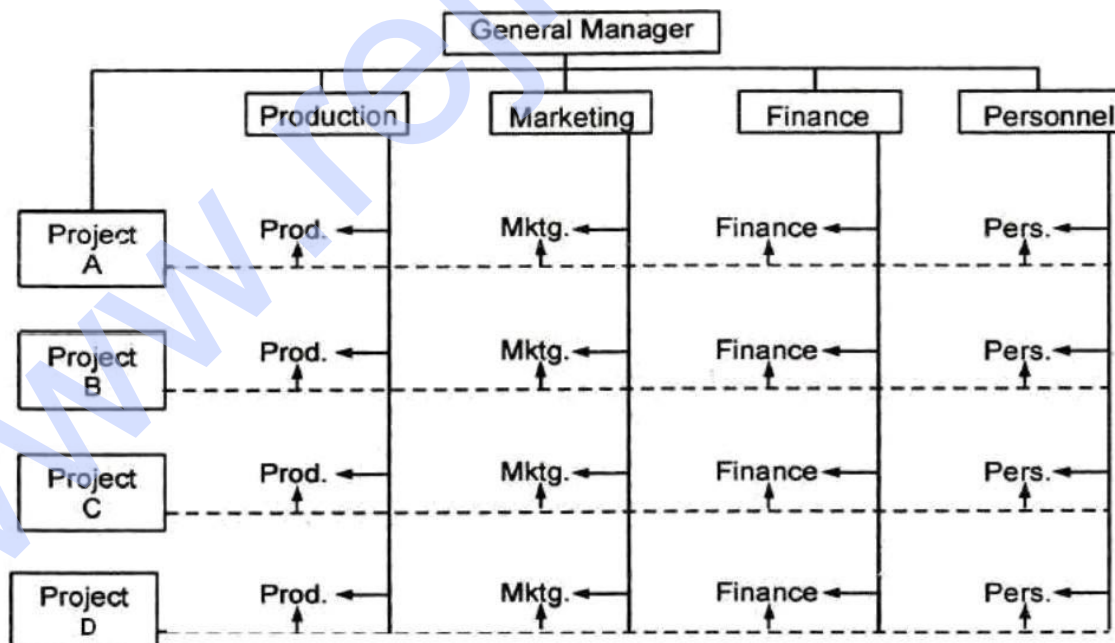
**Advantages**

- Oriented towards end result.
- Professional identification is maintained.

**Disadvantage**

- Conflict in organization authority exists.
- Possibility of disunity of command.

**f) MARTIX DEPARTMENTATION**





### Advantages

- Efficiently manage large, complex tasks
- Effectively carry out large, complex tasks

### Disadvantages

- Requires high levels of coordination
- Conflict between bosses
- Requires high levels of management skills

## CENTRALIZATION AND DECENTRALIZATION

### Characteristics

- Philosophy / emphasis on: top-down control, leadership, vision, strategy.
- Decision-making: strong, authoritarian, visionary, charismatic.
- Organizational change: shaped by top, vision of leader.
- Execution: fast, coordinated. Able to respond quickly to major issues & changes.
- Uniformity. Low risk of dissent or conflicts between parts of the organization.

### Advantages of Centralization

- Provide Power and prestige for manager
- Promote uniformity of policies, practices and decisions
- Minimal extensive controlling procedures and practices
- Minimize duplication of function

### Disadvantages of Centralization

- Neglected functions for mid. Level, and less motivated beside personnel.
- Nursing supervisor functions as a link officer between nursing director and first-line management.

## DECENTRALIZATION:

### Characteristics

- Philosophy / emphasis on: bottom-up, political, cultural and learning dynamics.
- Decision-making: democratic, participative, detailed.
- Organizational change: emerging from interactions, organizational dynamics.
- Execution: evolutionary, emergent. Flexible to adapt to minor issues and changes.
- Participation, accountability. Low risk of not-invented-here behavior.

### Three Forms of decentralization

- **De-concentration.** The weakest form of decentralization. Decision making authority is redistributed to lower or regional levels of the same central organization.
- **Delegation.** A more extensive form of decentralization. Through delegation the responsibility for decision-making are transferred to semi-autonomous organizations not wholly controlled by the central organization, but ultimately accountable to it.
- **Devolution.** A third type of decentralization is devolution. The authority for decision-making is transferred completely to autonomous organizational units.

### Advantages of Decentralization

- Raise morale and promote interpersonal relationships
- Relieve from the daily administration
- Bring decision-making close to action

**Disadvantages of Decentralization**

- Top-level administration may feel it would decrease their status
  - Managers may not permit full and maximum utilization of highly qualified personnel
- Centralization and Decentralization are two opposite ways to transfer decision-making power and to change the organizational structure of organizations accordingly.

**DELEGATION OF AUTHORITY**

**Elements of Delegation**

1. **Authority** - Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.
2. **Responsibility** - Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it.
3. **Accountability** - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'.

**DELEGATION PROCESS**

The steps involved in delegation are given below



1. **Allocation of duties** – The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.
2. **Granting of authority** – Subdivision of authority takes place when a superior divides and shares his authority with the subordinate.
3. **Assigning of Responsibility and Accountability** – The delegation process does not

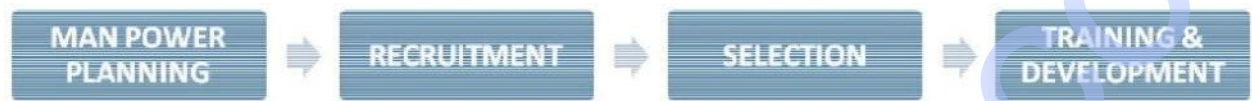
end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them.

4. **Creation of accountability** –Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

### **STAFFING**

Staffing involves filling the positions needed in the organization structure by appointing competent and qualified persons for the job.

The staffing process encompasses man power planning, recruitment, selection, and training.



a) **Manpower requirements:**

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization.

b) **Recruitment:**

Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies.

c) **Selection:**

Selecting a suitable candidate can be the biggest challenge for any organization. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

d) **Training and Development:**

Training and Development is a planned effort to facilitate employee learning of job-related behaviors in order to improve employee performance. Experts sometimes distinguish between the terms “training” and “development”.

### **RECRUITMENT PROCESS**

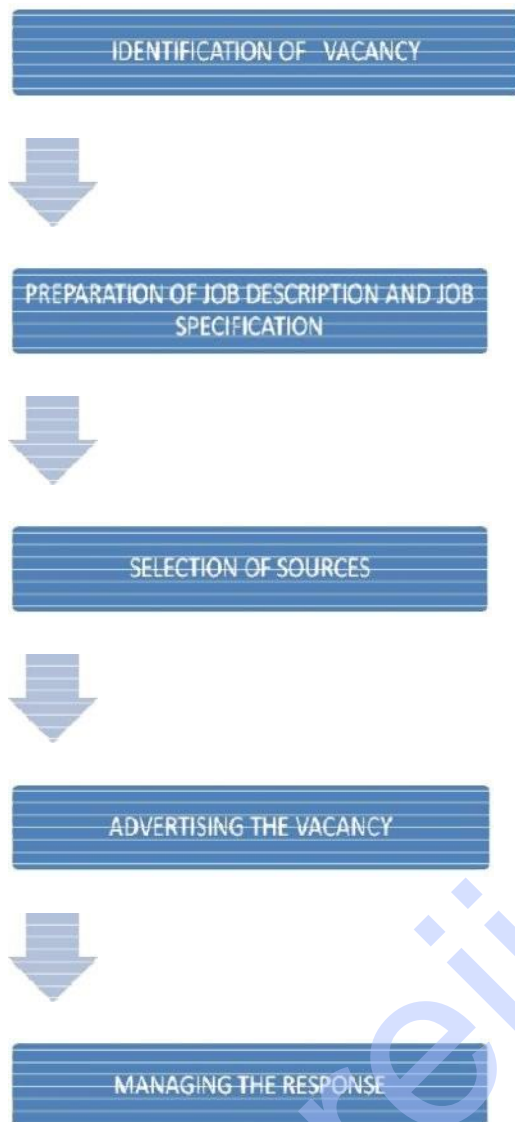
Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. The recruitment process consists of the following steps

- Identification of vacancy
- Preparation of job description and job specification
- Selection of sources
- Advertising the vacancy
- Managing the response

a) **Identification of vacancy:**

These contain:

- Posts to be filled
- Number of persons
- Duties to be performed
- Qualifications required



**b) Preparation of job description and job specification:**

A job description is a list of the general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or a salary range. A job specification describes the knowledge, skills, education, experience, and abilities you believe are essential to performing a particular job.

**c) Selection of sources:**

Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment.

**d) Advertising the vacancy:**

After choosing the appropriate sources, the vacancy is communicated to the candidates by means of a suitable media such as television, radio, newspaper, internet, direct mail etc.

**e) Managing the response:**

After receiving an adequate number of responses from job seekers, the sieving process of the resumes begins. This is a very essential step of the recruitment selection process, because selecting the correct resumes that match the job profile, is very important

**JOB ANALYSIS**

**Job Analysis** is the process of describing and recording aspects of jobs and specifying the skills and other requirements necessary to perform the job.

The outputs of job analysis are

- a) Job description
- b) Job specification

**Job Description**

A job description (JD) is a written statement of what the job holder does, how it is done, under what conditions it is done and why it is done.

**Contents**

A job description usually covers the following information:

Job title: Tells about the job title, code number and the department where it is done.

Job summary: A brief write-up about what the job is all about.

Job activities: A description of the tasks done, facilities used, extent of supervisory help, etc.

**Job Specification**

Job specification summarizes the human characteristics needed for satisfactory job completion. It tries to describe the key qualifications someone needs to perform the job successfully.

**Contents**

A job specification usually covers the following information:

- Education
- Experience
- Skill, Knowledge, Abilities
- Work Orientation Factors
- Age

**SELECTION PROCESS**

Selecting a suitable candidate can be the biggest challenge for any organisation. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

Though there is no fool proof selection procedure that will ensure low turnover and high profits, the following steps generally make up the selection process-

- a) Initial Screening
- b) Preliminary Interview
- c) Filling Application Form
- d) Personal Interview
- e) References check
- f) Background Verification
- g) Final Interview
- h) Physical Examination
- i) Job Offer



### **Employee Induction / Orientation**

Orientation or induction is the process of introducing new employees to an organization, to their specific jobs & departments, and in some instances, to their community.

Purposes of Orientation

Orientation isn't a nicety! It is used for the following purposes:

1. To Reduce Startup-Costs:  
Proper orientation can help the employee get "up to speed" much more quickly, thereby reducing the costs associated with learning the job.
2. To Reduce Anxiety:  
Any employee, when put into a new, strange situation, will experience anxiety that can impede his or her ability to learn to do the job. Proper orientation helps to reduce anxiety that results from entering into an unknown situation, and helps provide guidelines for behaviour and conduct, so the employee doesn't have to experience the stress of guessing.
3. To Reduce Employee Turnover:  
Employee turnover increases as employees feel they are not valued, or are put in positions where they can't possibly do their jobs. Orientation shows that the organization values the employee, and helps provide tools necessary for succeeding in the job.
4. To Save Time for Supervisor & Co-Workers:  
Simply put, the better the initial orientation, the less likely supervisors and co-workers will have to spend time teaching the employee.
5. To Develop Realistic Job Expectations, Positive Attitudes and Job Satisfaction:  
It is important that employees learn early on what is expected of them, and what to expect from others, in addition to learning about the values and attitudes of the organization. While people can learn from experience, they will make many mistakes that are unnecessary and potentially damaging.



An orientation program principally conveys 3 types of information, namely:

- a) General information about the daily work routine to be followed
- b) A review of the organization's history, founders, objectives, operations & products or services, as well as how the employee's job contributes to the organization's needs.
- c) A detailed presentation of the organization's policies, work rules & employee benefits.

### **Two Kinds of Orientation**

There are two related kinds of orientation. The first we will call Overview Orientation, and deals with the basic information an employee will need to understand the broader system he or she works in.

Overview Orientation includes helping employees understand:

- Management in general
- Department and the branch
- Important policies
- General procedures (non-job specific)
- Information about compensation
- Accident prevention measures
- Employee and union issues (rights, responsibilities)
- Physical facilities

To help employees understand:

- Function of the organization
- Responsibilities
- Expectations
- Duties
- Policies, procedures, rules and regulations
- Layout of workplace
- Introduction to co-workers and other people in the broader organization.

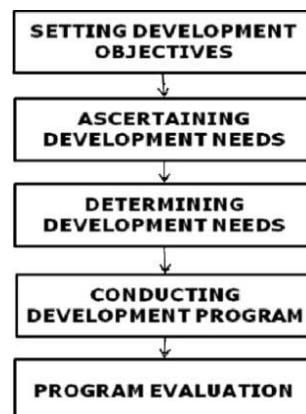
### **CARRER DEVELOPMENT**

Management development attempts to improve managerial performance by imparting

- Knowledge
- Changing attitudes
- Increasing skills

The major objective of development is managerial effectiveness through a planned and a deliberate process of learning. This provides for a planned growth of managers to meet the future organizational needs.

**Development Process:**



The development process consists of the following steps

**1. Setting Development Objectives:**

It develops a framework from which executive need can be determined.

**2. Ascertaining Development Needs:**

It aims at organizational planning & forecast the present and future growth.

**3. Determining Development Needs:**

This consists of

- Appraisal of present management talent
- Management Manpower Inventory

The above two processes will determine the skill deficiencies that are relative to the future needs of the organization.

**4. Conducting Development Programs:**

It is carried out on the basis of needs of different individuals, differences in their attitudes and behavior, also their physical, intellectual and emotional qualities. Thus a comprehensive and well conceived program is prepared depending on the organizational needs and the time & cost involved.

**5. Program Evaluation:**

It is an attempt to assess the value of training in order to achieve organizational objectives.

**TRAINING**

Purpose of Training:

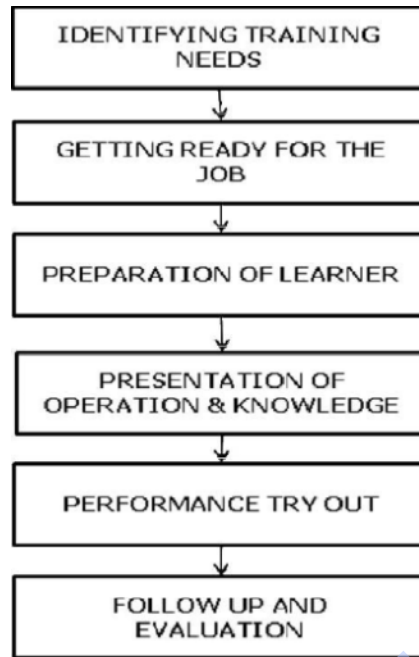
- 1) To improve Productivity: Training leads to increased operational productivity and increased company profit.
- 2) To improve Quality: Better trained workers are less likely to make operational mistakes.
- 3) To improve Organizational Climate: Training leads to improved production and product quality which enhances financial incentives. This in turn increases the overall morale of the organization.
- 4) To increase Health and Safety: Proper training prevents industrial accidents.
- 5) Personal Growth: Training gives employees a wider awareness, an enlarged skill base and that leads to enhanced personal growth.

Steps in Training Process: I

- 1) **identifying Training needs:** A training program is designed to assist in providing solutions for specific operational problems or to improve performance of a trainee.
  - Organizational determination and Analysis: Allocation of resources that relate to organizational goal.
  - Operational Analysis: Determination of a specific employee behaviour required for a particular task.
- 2) **Getting ready for the job:** The trainer has to be prepared for the job. And also who needs to be trained - the newcomer or the existing employee or the supervisory staff.

Preparation of the learner:

- Putting the learner at ease
- Stating the importance and ingredients of the job
- Creating interest



- 3) **Presentation of Operation and Knowledge:** The trainer should clearly tell, show, illustrate and question in order to convey the new knowledge and operations. The trainee should be encouraged to ask questions in order to indicate that he really knows and understands the job.
- 4) **Performance Try out:** The trainee is asked to go through the job several times. This gradually builds up his skill, speed and confidence.
- 5) **Follow-up:** This evaluates the effectiveness of the entire training effort

### **TRAINING METHODS**

Training methods can be broadly classified as on-the-job training and off-the-job training

#### **a) On-the-job training**

On the job training occurs when workers pick up skills whilst working along side experienced workers at their place of work. For example this could be the actual assembly line or offices where the employee works.

#### **b) Off-the-job training**

The various types of off-the-job training are

- (i) **Instructor presentation:** The trainer orally presents new information to the trainees, usually through lecture. Instructor presentation may include classroom lecture, seminar, workshop, and the like
- Group discussion:** The trainer leads the group of trainees in discussing a topic.
- (ii) **Demonstration:** The trainer shows the correct steps for completing a task, or shows an example of a correctly completed task.
- (iii) **Assigned reading:** The trainer gives the trainees reading assignments that provide new information.
- (iv) **Exercise:** The trainer assigns problems to be solved either on paper or in real situations related to the topic of the training activity.
- (v) **Case study:** The trainer gives the trainees information about a situation and directs them to come to a decision or solve a problem concerning the situation.
- (vi) **Role play:** Trainees act out a real-life situation in an instructional setting.
- (vii) **Field visit and study tour:** Trainees are given the opportunity to observe and interact with the problem being solved or skill being learned.

### **PERFORMANCE APPRAISAL**

Performance appraisal is the process of obtaining, analyzing and recording information about the relative worth of an employee. The focus of the performance appraisal is measuring and improving the actual performance of the employee and also the future potential of the employee. Its aim is to measure what an employee does.

Objectives of Performance appraisal:

- To review the performance of the employees over a given period of time.
- To judge the gap between the actual and the desired performance.
- To help the management in exercising organizational control.
- Helps to strengthen the relationship and communication between superior – subordinates and management – employees.
- To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.
- To provide feedback to the employees regarding their past performance.
- Provide information to assist in the other personal decisions in the organization.
- Provide clarity of the expectations and responsibilities of the functions to be performed by the employees.
- To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development.
- To reduce the grievances of the employees.

**Process of performance appraisal:**

- a) Establishing performance standards:
- b) Communicating the standards:
- c) Measuring the actual performance:
- d) Comparing the actual with the desired performance:
- e) Discussing results:
- f) Decision making:

**UNIT IV  
DIRECTING**

**DEFINITION**

**"Activating deals with the steps a manager takes to get sub-ordinates and others to carry out plans" - Newman and Warren.**

Directing concerns the total manner in which a manager influences the actions of subordinates. It is the final action of a manager in getting others to act after all preparations have been completed.

**Characteristics**

- Elements of Management
- Continuing Function
- Pervasive Function
- Creative Function
- Linking function
- Management of Human Factor

**Scope of Directing**

- Initiates action
- Ensures coordination
- Improves efficiency
- Facilitates change
- Assists stability and growth

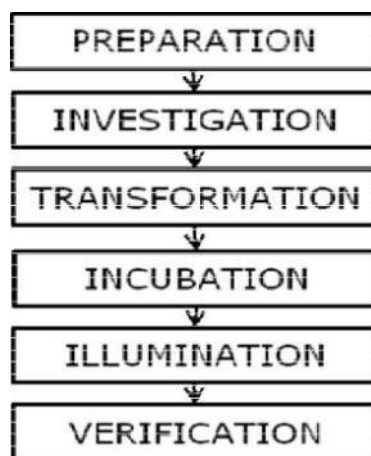
**Elements of Directing**

The three elements of directing are

- Motivation
- Leadership
- Communication

**CREATIVITY AND INNOVATION**

Steps involved in creativity



**a) Preparation:** This is the first stage at which the base for creativity and innovation is defined; the mind is prepared for subsequent use in creative thinking. During preparation the



DEPARTMENT OF ELECTRONICS AND COMMUNICATION ENGINEERING

individual is encouraged to appreciate the fact that every opportunity provides situations that can educate and experiences from which to learn.

**b) Investigation:** This stage of enhancing entrepreneurial creativity and innovation involves the business owner taking time to study the problem at hand.

**c) Transformation:** The information thus accumulated and acquired should then be subjected to convergent and divergent thinking which will serve to highlight the inherent similarities and differences.

-- One will be able to skim the details and see what the bigger picture is the situation/problem's components can be reordered and in doing so new patterns can be identified.

-- It will help visualize a number of approaches that can be used to simultaneously tackle the problem and the opportunity.

**d) Incubation:**

-- Engages in an activity completely unrelated to the problem/opportunity under scrutiny.

-- Takes time to daydream i.e. letting the mind roam beyond any restrictions self-imposed or otherwise.

-- Relax and play

-- Study the problem/opportunity in a wholly different environment

**e) Illumination:** This happens during the incubation stage and will often be spontaneous. The realizations from the past stages combine at this instance to form a breakthrough.

**f) Verification:** This is where the entrepreneur attempts to ascertain whether the creativity of thought and the action of innovation are truly effective as anticipated.

**MOTIVATION AND SATISFACTION**

**MOTIVATION**

"Motivation" is a Latin word, meaning "to move".

According to Koontz and O'Donnell, "Motivation is a class of drives, needs, wishes and similar forces".

**NATURE AND CHARACTERISTICS OF MOTIVATION**

The characteristics of motivation are given below:-

-- **Motivation is an Internal Feeling**

Motivation is a psychological phenomenon which generates in the mind of an individual the feeling that he lacks certain things and needs those things. Motivation is a force within an individual that drives him to behave in a certain way.

-- **Motivation is Related to Needs**

Needs are deficiencies which are created whenever there is a physiological or psychological imbalance. In order to motivate a person, we have to understand his needs that call for satisfaction.

-- **Motivation Produces Goal-Directed Behaviour**

Goals are anything which will alleviate a need and reduce a drive. An individual's behavior is directed towards a goal.

-- **Motivation can be either Positive or Negative**

Positive or incentive motivation is generally based on reward. According to Flippo - "positive motivation is a process of attempting to influence others to do your will through the possibility of gain or reward".

**IMPORTANCE OF MOTIVATION**

- Motivation is one of the important elements in the directing process. By motivating the

## DEPARTMENT OF ELECTRONICS AND COMMUNICATION ENGINEERING

workers, a manager directs or guides the workers' actions in the desired direction for accomplishing the goals of the organization.

- Workers will tend to be as efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the organization thereby increasing productivity.

- For performing any tasks, two things are necessary.

They are: (a) ability to work and (b) willingness to work. Without willingness to work, ability to work is of no use. The willingness to work can be created only by motivation.

- Organizational effectiveness becomes, to some degree, a question of management's ability to motivate its employees, to direct at least a reasonable effort towards the goals of the organization.

- Motivation contributes to good industrial relations in the organization. When the workers are motivated, contented and disciplined, the frictions between the workers and the management will be reduced.

- Motivation is the best remedy for resistance to changes. When changes are introduced in an organization, generally, there will be resistance from the workers.

- Motivation promotes a sense of belonging among the workers. The workers feel that the enterprise belongs to them and the interest of the enterprise is their interests.

- Many organizations are now beginning to pay increasing attention to developing their employees as future resources upon which they can draw as they grow and develop.

## SATISFACTION

Employee satisfaction (Job satisfaction) is the terminology used to describe whether employees are happy and contented and fulfilling their desires and needs at work. Many measures purport that employee satisfaction is a factor in employee motivation, employee goal achievement, and positive employee morale in the workplace.

- management,
- understanding of mission and vision,
- empowerment,
- teamwork,
- communication, and
- Coworker interaction.

## JOB DESIGN

It is the process of Work arrangement (or rearrangement) aimed at reducing or overcoming job dissatisfaction and employee alienation arising from repetitive and mechanistic tasks.

**Approaches to job design include:**

-- **Job Enlargement:** Job enlargement changes the jobs to include more and/or different tasks. Job enlargement should add interest to the work but may or may not give employees more responsibility.

-- **Job Rotation:** Job rotation moves employees from one task to another. It distributes the group tasks among a number of employees.

-- **Job Enrichment:** Job enrichment allows employees to assume more responsibility, accountability, and independence when learning new tasks or to allow for greater participation and new opportunities.

## TYPES OF MOTIVATION TECHNIQUES

### a) Positive Motivation:

According to Flippo - "Positive motivation is a process of attempting to influence others to do

**DEPARTMENT OF ELECTRONICS AND COMMUNICATION ENGINEERING**

your will through the possibility of gain or reward". Incentive motivation is the "pull" mechanism. Positive motivation include:-

- Praise and credit for work done
- Wages and Salaries
- Appreciation

**b) Negative Motivation:**

It is a "push" mechanism. The imposition of punishment frequently results in frustration among those punished, leading to the development of maladaptive behaviour. It also creates a hostile state of mind and an unfavourable attitude to the job. However, there is no management which has not used the negative motivation at some time or the other.

**MOTIVATION THEORIES**

Some of the motivation theories are discussed below

**a) McGregor's Theory X and Theory Y:**

McGregor states that people inside the organization can be managed in two ways. The first is basically negative, which falls under the category X and the other is basically positive, which falls under the category Y.

Under the assumptions of theory X :

- Employees inherently do not like work and whenever possible, will attempt to avoid it.
- Because employees dislike work, they have to be forced, coerced or threatened with punishment to achieve goals.
- Employees avoid responsibilities and do not work if formal directions are issued.
- Most workers place a greater importance on security over all other factors and display little ambition.

In contrast under the assumptions of theory Y :

- Physical and mental effort at work is as natural as rest or play.
- People do exercise self-control and self-direction and if they are committed to those goals.
- Average human beings are willing to take responsibility and exercise imagination, ingenuity and creativity in solving the problems of the organization.

**b) Abraham Maslow's "Need Hierarchy Theory":**

As per his theory these needs are:

**(i) Physiological needs:**

These are important needs for sustaining the human life. Food, water, warmth, shelter, sleep, medicine and education are the basic physiological needs which fall in the primary list of need satisfaction. Maslow was of an opinion that until these needs were satisfied to a degree to maintain life, no other motivating factors can work.

**(ii) Security or Safety needs:**

These are the needs to be free of physical danger and of the fear of losing a job, property, food or shelter. It also includes protection against any emotional harm.

**(iii) Social needs:**

Since people are social beings, they need to belong and be accepted by others. People try to satisfy their need for affection, acceptance and friendship.

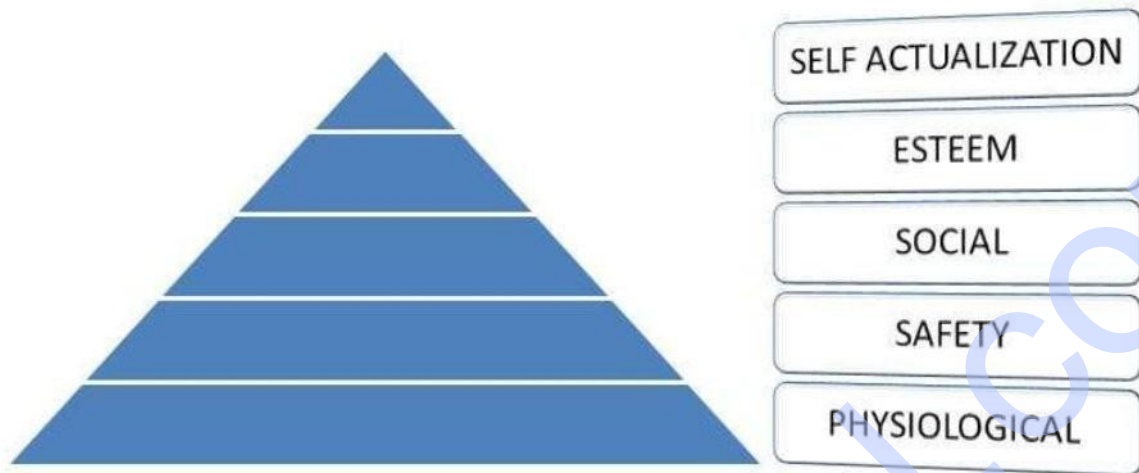
**(iv) Esteem needs:**

According to Maslow, once people begin to satisfy their need to belong, they tend to want to be held in esteem both by themselves and by others. This kind of need produces such satisfaction as power, prestige status and self-confidence.

**(v) Need for self-actualization:**

Maslow regards this as the highest need in his hierarchy. It is the drive to become what one is

capable of becoming; it includes growth, achieving one's potential and self-fulfillment. It is to maximize one's potential and to accomplish something.



All of the needs are structured into a hierarchy and only once a lower level of need has been fully met, would a worker be motivated by the opportunity of having the next need up in the hierarchy satisfied. For example a person who is dying of hunger will be motivated to achieve a basic wage in order to buy food before worrying about having a secure job contract or the respect of others.

**c) Frederick Herzberg's motivation-hygiene theory:**

Examples of Hygiene factors are:

Security, status, relationship with subordinates, personal life, salary, work conditions, relationship with supervisor and company policy and administration.

Examples of Motivational factors are:

Growth prospectus job advancement, responsibility, challenges, recognition and achievements.

**d) Victor Vroom's Expectancy theory:**

The most widely accepted explanations of motivation have been propounded by Victor Vroom. His theory is commonly known as expectancy theory. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual to make this simple, expectancy theory says that an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance appraisal and that this shall result into realization of personal goal in form of some reward. Therefore an employee is:

Motivation = Valence x Expectancy. The theory focuses on three things:

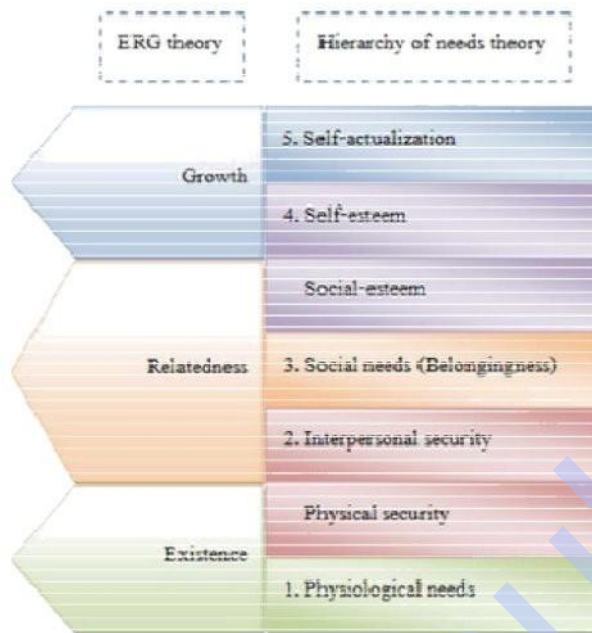
- Efforts and performance relationship
- Performance and reward relationship
- Rewards and personal goal relationship

**e) Clayton Alderfer's ERG Theory:**

The major conclusions of this theory are :

- In an individual, more than one need may be operative at the same time.
- If a higher need goes unsatisfied than the desire to satisfy a lower need intensifies.

- It also contains the frustration-regression dimension.



#### f) McClelland's Theory of Needs:

David McClelland has developed a theory on three types of motivating needs :

- Need for Power
- Need for Affiliation
- Need for Achievement

#### g) Stacey Adams' Equity Theory:

As per the equity theory of J. Stacey Adams, people are motivated by their beliefs about the reward structure as being fair or unfair, relative to the inputs. People have a tendency to use subjective judgment to balance the outcomes and inputs in the relationship for comparisons between different individuals. Accordingly:

$$\frac{\text{Out comes by a person}}{\text{Inputs by a person}} = \frac{\text{Out comes by another person}}{\text{Input by another person}}$$

## LEADERSHIP

### Definition

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

- Leaders act to help a group attain objectives through the maximum application of its capabilities.
- Leaders must instill values – whether it be concern for quality, honesty and calculated risk taking or for employees and customers.

### Importance of Leadership

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



### **LEADERSHIP STYLES**

The leadership style we will discuss here are:

- a) Autocratic style
- b) Democratic Style
- c) Laissez Faire Style

#### **a) Autocratic style**

Autocratic leadership is a classical leadership style with the following characteristics:

- Manager seeks to make as many decisions as possible
- Manager seeks to have the most authority and control in decision making
- Manager seeks to retain responsibility rather than utilize complete delegation
- Consultation with other colleagues in minimal and decision making becomes a solitary process
- Managers are less concerned with investing their own leadership development, and prefer to simply work on the task at hand.

Advantages

- Reduced stress due to increased control
- A more productive group 'while the leader is watching' Improved logistics of operations
- Faster decision making

Disadvantages

- ☐ Short-termistic approach to management.
- ☐ Manager perceived as having poor leadership skills Increased workload for the manager
- ☐ People dislike being ordered around
- ☐ Teams become dependent upon their leader

#### **b) Democratic Style**

The style has the following characteristics:

- Manager seeks consultation on all major issues and decisions.
- Manager effectively delegate tasks to subordinates and give them full control and responsibility for those tasks.

Advantages

- ☐ Positive work environment Successful initiatives

Disadvantages

- ☐ Takes long time to take decisions Danger of pseudo participation

#### **c) Laissez-Faire Style**

Advantages

- No work for the leader
- Frustration may force others into leadership roles

Disadvantages

- ☐ It makes employees feel insecure at the unavailability of a manager.
- ☐ The manager cannot provide regular feedback to let employees know how well they are doing.

### **LEADERSHIP THEORIES**

The various leadership theories are

#### **a) Great Man Theory: Assumptions**

- Leaders are born and not made.

- Great leaders will arise when there is a great need.

### Discussion

Gender issues were not on the table when the 'Great Man' theory was proposed. Most leaders were male and the thought of a Great Woman was generally in areas other than leadership. Most researchers were also male, and concerns about androcentric bias were a long way from being realized.

### b) Trait Theory:

#### Assumptions

- People are born with inherited traits.
- Some traits are particularly suited to leadership.
- People who make good leaders have the right (or sufficient) combination of traits.

Admitting error: Owning up to mistakes, rather than putting energy into covering up.

Good interpersonal skills: able to communicate and persuade others without resort to negative or coercive tactics.

Intellectual breadth: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise.

### c) Behavioral Theory:

#### Assumptions

- Leaders can be made, rather than are born.
- Successful leadership is based in definable, learnable behavior.

### d) Participative Leadership: Assumptions

- Involvement in decision-making improves the understanding of the issues involved by those who must carry out the decisions.
- People are more committed to actions where they have involved in the relevant decision-making.

### e) Situational Leadership: Assumptions

- The best action of the leader depends on a range of situational factors.

### f) Contingency Theory: Assumptions

- The leader's ability to lead is contingent upon various situational factors, including the leader's preferred style, the capabilities and behaviors of followers and also various other situational factors.

### g) Transactional Leadership: Assumptions

- People are motivated by reward and punishment.
- Social systems work best with a clear chain of command.
- When people have agreed to do a job, a part of the deal is that they cede all authority to their manager.
- The prime purpose of a subordinate is to do what their manager tells them to do.

### h) Transformational Leadership: Assumptions

- People will follow a person who inspires them.
- A person with vision and passion can achieve great things.
- The way to get things done is by injecting enthusiasm and energy.

## **COMMUNICATION**

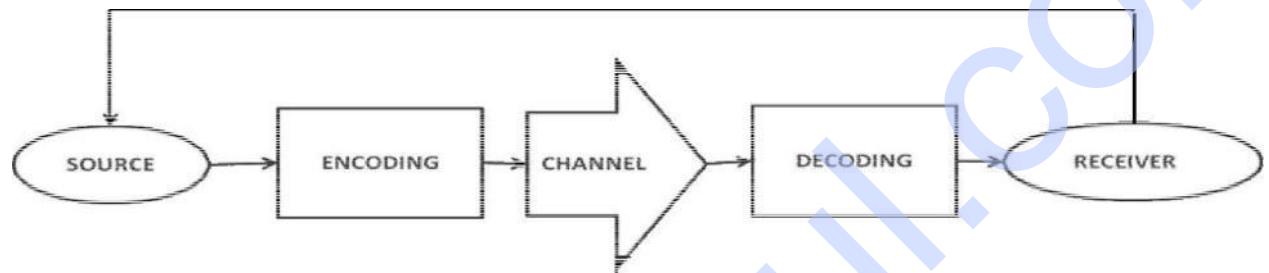
### **DEFINITION**

According to Koontz and O'Donnell, "Communication, is an intercourse by words, letters symbols or messages, and is a way that the organization members shares meaning and understanding with another".

### **THE COMMUNICATION PROCESS**

The figure below depicts the communication process. This model is made up of seven parts:

(1) Source, (2) Encoding, (3) Message, (4) Channel, (5) Decoding, (6) Receiver, and (7) Feedback.



**Source:** The source initiates a message.

**Encoding:** Once the source has decided what message to communicate, the content of the message must be put in a form the receiver can understand.

**Skill:** total communicative success includes speaking, reading, listening and reasoning skills.

- **Attitudes:** Our attitudes influence our behaviour. We hold predisposed ideas on a number of topics and our communications are affected by these attitudes.
- **Knowledge:** We cannot communicate what we don't know. The amount of knowledge the source holds about his or her subject will affect the message he or she seeks to transfer.

#### **b) The Channel:**

The actual means by which the message is transmitted to the receiver (Visual, auditory, written or some combination of these three) is called the channel.

#### **f) Decoding:**

Decoding means interpreting what the message means. The extent to which the decoding by the receiver depends heavily on the individual characteristics of the sender and receiver.

#### **g) The Receiver:**

The receiver is the object to whom the message is directed. Receiving the message means one or more of the receiver's senses register the message - for example, hearing the sound of a supplier's voice over the telephone or seeing the boss give a thumbs-up signal.

#### **h) Feedback:**

If the sender pays attention to the feedback and interprets it accurately, the feedback can help the sender learn whether the original communication was decoded accurately.

### **Guidelines for effective Communication**

- (i) Senders of message must clarify in their minds what they want to communicate. Purpose of the message and making a plan to achieve the intended end must be clarified.
- (ii) Encoding and decoding be done with symbols that are familiar to the sender and the receiver of the message.
- (iii) For the planning of the communication, other people should be consulted and encouraged to participate.
- (iv) It is important to consider the needs of the receivers of the information. Whenever appropriate, one should communicate something that is of value to them, in the short run as well as in the more distant future.

**DEPARTMENT OF ELECTRONICS AND COMMUNICATION ENGINEERING**

- (v) In communication, tone of voice, the choice of language and the congruency between what is said and how it is said influence the reactions of the receiver of the message.
- (vi) Communication is complete only when the message is understood by the receiver. And one never knows whether communication is understood unless the sender gets a feedback.
- (vii) Effective communicating is the responsibility not only of the sender but also of the receiver of the information.

**CHANNELS OF COMMUNICATION**

**a) Formal Communication**

Formal communication follows the route formally laid down in the organization structure. There are three directions in which communications flow: downward, upward and laterally (horizontal).

**i) Downward Communication**

Downward communication involves a message travelling to one or more receivers at the lower level in the hierarchy. The message frequently involves directions or performance feedback.

**ii) Upward Communication**

In upward communication, the message is directed toward a higher level in the hierarchy. It often takes the form of progress reports or information about successes and failures of the individuals or work groups reporting to the receiver of the message.

**iii) Horizontal Communication**

When takes place among members of the same work group, among members of work groups at the same level, among managers at the same level or among any horizontally equivalent personnel, we describe it as lateral communications.

**b) Informal Communication or Grapevine**

Informal communication, generally associated with interpersonal communication, was primarily seen as a potential hindrance to effective organizational performance. This is no longer the case. Informal communication has become more important to ensuring the effective conduct of work in modern organizations.

**ORGANIZATIONAL CULTURE**

**Organizational culture** is an idea in the field of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization."

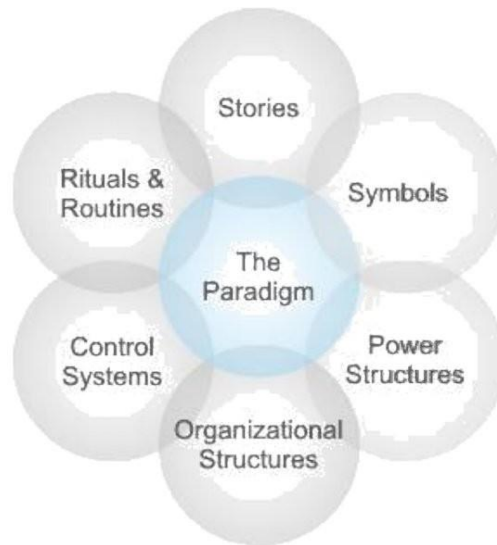
**ELEMENTS OF ORGANIZATIONAL CULTURE**

Johnson and Scholes described a cultural web, identifying a number of elements that can be used to describe or influence Organizational Culture:

The six elements are:

- a) Stories: The past events and people talked about inside and outside the company. Who and what the company chooses to immortalize says a great deal about what it values, and perceives as great behavior.
- b) Rituals and Routines: The daily behavior and actions of people that signal acceptable behavior. This determines what is expected to happen in given situations, and what is valued by management.

- c) Symbols: The visual representations of the company including logos, how plush the offices are, and the formal or informal dress codes.



- d) Organizational Structure: This includes both the structure defined by the organization chart, and the unwritten lines of power and influence that indicate whose contributions are most valued.
- e) Control Systems: The ways that the organization is controlled. These include financial systems, quality systems, and rewards

### **TYPES OF ORGANIZATIONAL CULTURE**

Deal and Kennedy argue organizational culture is based on based on two elements:

1. **Feedback Speed:** How quickly are feedback and rewards provided (through which the people are told they are doing a good or a bad job).
2. **Degree of Risk:** The level of risk taking (degree of uncertainty). The combination of these two elements results in **four types of corporate cultures**:

a) **Tough-Guy Culture or Macho Culture** (Fast feedback and reward, high risk):

- Stress results from the high risk and the high potential decrease or increase of the reward.
- Focus on now, individualism prevails over teamwork.
- Typical examples: advertising, brokerage, sports.

b) **Work Hard/Play Hard** (Fast feedback and reward, low risk):

- Stress results from quantity of work rather than uncertainty.
- Focus on high-speed action, high levels of energy.
- Typical examples: sales, restaurants, software companies.

c) **Bet Your Company Culture** (Slow feedback and reward, high risk):

- Stress results from high risk and delay before knowing if actions have paid off.
- Focus on long-term, preparation and planning.
- Typical examples: pharmaceutical companies, aircraft manufacturers, oil prospecting companies.

d) **Process Culture** (Slow feedback and reward, low risk):

- Stress is generally low, but may come from internal politics and stupidity of the system.
- Focus on details and process excellence.
- Typical examples: bureaucracies, banks, insurance companies, public services.



**UNIT V  
CONTROLLING**

**DEFINITION**

Control is the process through which managers assure that actual activities conform to planned activities.

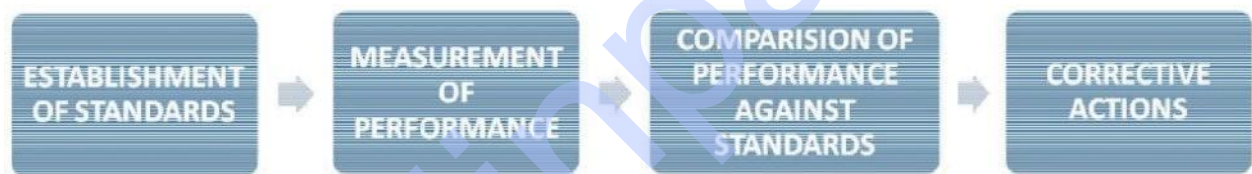
In the words of Koontz and O'Donnell - "Managerial control implies measurement of accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans."

**Nature & Purpose of Control**

- Control is an essential function of management
- Control is an ongoing process
- Control is forward – working because past cannot be controlled
- Control involves measurement
- The essence of control is action
- Control is an integrated system

**CONTROL PROCESS**

The basic control process involves mainly these steps as shown in Figure



**a) The Establishment of Standards:**

Because plans are the yardsticks against which controls must be revised, it follows logically that the first step in the control process would be to accomplish plans. Plans can be considered as the criterion or the standards against which we compare the actual performance in order to figure out the deviations.

**b) Measurement of Performance:**

The measurement of performance against standards should be on a forward looking basis so that deviations may be detected in advance by appropriate actions. The degree of difficulty in measuring various types of organizational performance, of course, is determined primarily by the activity being measured.

**c) Comparing Measured Performance to Stated Standards:**

When managers have taken a measure of organizational performance, their next step in controlling is to compare this measure against some standard.

**d) Taking Corrective Actions:**

Corrective action is managerial activity aimed at bringing organizational performance up to the level of performance standards.

**BARRIERS FOR CONTROLLING**

There are many barriers, among the most important of them:

- Control activities can create an undesirable overemphasis on short-term production as opposed to long-term production.
- Control activities can increase employees' frustration with their jobs and thereby reduce

morale. This reaction tends to occur primarily where management exerts too much control.

### **REQUIREMENTS FOR EFFECTIVE CONTROL**

The requirements for effective control are

- Control should be tailored to plans and positions
- Control must be tailored to individual managers and their responsibilities
- Control should point up exceptions as critical points
- Control should be objective
- Control should be flexible
- Control should be economical
- Control should lead to corrective actions

### **TYPES OF CONTROL SYSTEMS**



- Feed forward controls:** They are preventive controls that try to anticipate problems and take corrective action before they occur.
- Concurrent controls:** They (sometimes called screening controls) occur while an activity is taking place.
- Feedback controls:** They measure activities that have already been completed. Thus corrections can take place after performance is over.

### **BUDGETARY CONTROL**

#### **Salient features:**

- Objectives:** Determining the objectives to be achieved, over the budget period, and the policy(ies) that might be adopted for the achievement of these ends.
- Activities:** Determining the variety of activities that should be undertaken for achievement of the objectives.
- Plans:** Drawing up a plan or a scheme of operation in respect of each class of activity, in physical as well as monetary terms for the full budget period and its parts.
- Performance Evaluation:** Laying out a system of comparison of actual performance by each person section or department with the relevant budget and determination of causes for the discrepancies, if any.
- Control Action:** Ensuring that when the plans are not achieved, corrective actions are taken; and when corrective actions are not possible, ensuring that the plans are revised and objective achieved

### **CLASSIFICATION OF BUDGETS**

Budgets may be classified on the following bases –

<b>TIME PERIOD</b>	<ul style="list-style-type: none"><li>• LONG-TERM BUDGET</li><li>• SHORT-TERM BUDGET</li></ul>
<b>CONDITIONS</b>	<ul style="list-style-type: none"><li>• BASIC BUDGET</li><li>• CURRENT BUDGET</li></ul>
<b>CAPACITY</b>	<ul style="list-style-type: none"><li>• FIXED BUDGET</li><li>• FLEXIBLE BUDGET</li></ul>
<b>COVERAGE</b>	<ul style="list-style-type: none"><li>• FUNCTIONAL BUDGET</li><li>• MASTER BUDGET</li></ul>

#### **a) BASED ON TIME PERIOD:**

##### **(i) Long Term Budget**

Budgets which are prepared for periods longer than a year are called LongTerm Budgets. Such Budgets are helpful in business forecasting and forward planning. Eg: Capital Expenditure Budget and R&D Budget.

##### **(ii) Short Term Budget**

Budgets which are prepared for periods less than a year are known as ShortTerm Budgets. Such Budgets are prepared in cases where a specific action has to be immediately taken to bring any variation under control.

Eg: Cash Budget.

#### **b) BASED ON CONDITION:**

##### **(i) Basic Budget**

A Budget, which remains unaltered over a long period of time, is called Basic Budget.

##### **(ii) Current Budget**

A Budget, which is established for use over a short period of time and is related to the current conditions, is called Current Budget.

#### **c) BASED ON CAPACITY:**

##### **(i) Fixed Budget**

It is a Budget designed to remain unchanged irrespective of the level of activity actually attained. It operates on one level of activity and less than one set of conditions. It assumes that there will be no change in the prevailing conditions, which is unrealistic.

##### **(ii) Flexible Budget**

It is a Budget, which by recognizing the difference between fixed, semi variable and variable costs is designed to change in relation to level of activity attained. It consists of various budgets for different levels of activity

#### **d) BASED ON COVERAGE:**

##### **(i) Functional Budget**

Budgets, which relate to the individual functions in an organization, are known as Functional Budgets, e.g. purchase Budget, Sales Budget, Production Budget, plant Utilization Budget and Cash Budget.

**(ii) Master Budget**

It is a consolidated summary of the various functional budgets. It serves as the basis upon which budgeted forecasted Balance Sheet are built up.

**BUDGETARY CONTROL TECHNIQUES**

The various types of budgets are as follows

- i) Revenue and Expense Budgets:**
- ii) Time, Space, Material, and Product Budgets:**
- iii) Capital Expenditure Budgets:**
- iv) Cash Budgets:**
- v) Variable Budget:**
- vi) Zero Based Budget:**

**Advantages**

There are a number of advantages of budgetary control:

- Promotes coordination and communication.
- Enables remedial action to be taken as variances emerge.
- Motivates employees by participating in the setting of budgets.
- Improves the allocation of scarce resources.
- Economises management time by using the management by exception principle.

**Problems in budgeting**

- Whilst budgets may be an essential part of any marketing activity they do have a number of disadvantages, particularly in perception terms.
- Budgets can be seen as pressure devices imposed by management, thus resulting in:
  - a) bad labour relations
  - b) inaccurate record-keeping.
- Departmental conflict arises due to:
  - a) disputes over resource allocation
  - b) departments blaming each other if targets are not attained.
- It is difficult to reconcile personal/individual and corporate goals.
- Responsibility versus controlling, i.e. some costs are under the influence of more than one person, e.g. power costs.
- Managers may overestimate costs so that they will not be blamed in the future should they overspend.

**NON-BUDGETARY CONTROL TECHNIQUES**

**i) Statistical data:**

Statistical analyses of innumerable aspects of a business operation and the clear presentation of statistical data, whether of a historical or forecast nature are, of course, important to control. Some managers can readily interpret tabular statistical data, but most managers prefer presentation of the data on charts.

**ii) Break- even point analysis:**

An interesting control device is the break even chart. This chart depicts the relationship of sales and expenses in such a way as to show at what volume revenues exactly cover expenses.

**iii) Operational audit:**

Another effective tool of managerial control is the internal audit or, as it is now coming to be called, the operational audit.

**iv) Personal observation:**

In any preoccupation with the devices of managerial control, one should never overlook the importance of control through personal observation.

**v) PERT:**

The Program (or Project) Evaluation and Review Technique, commonly abbreviated PERT, is a method to analyze the involved tasks in completing a given project, especially the time needed to complete each task, and identifying the minimum time needed to complete the total project.

**vi) GANTT CHART:**

A Gantt chart is a type of bar chart that illustrates a project schedule. Gantt charts illustrate the start and finish dates of the terminal elements and summary elements of a project.

**PRODUCTIVITY**

Productivity refers to the ratio between the output from production processes to its input. Productivity may be conceived of as a measure of the technical or engineering efficiency of production. As such quantitative measures of input, and sometimes output, are emphasized.

**Typical Productivity Calculations**

Measures of size and resources may be combined in many different ways. The three common approaches to defining productivity based on the model of Figure 2 are referred to as physical, functional, and economic productivity.

**a) Physical Productivity**

This is a ratio of the amount of product to the resources consumed (usually effort). Product may be measured in lines of code, classes, screens, or any other unit of product. Typically, effort is measured in terms of staff hours, days, or months. The physical size also may be used to estimate software performance factors (e.g., memory utilization as a function of lines of code).

**b) Functional Productivity**

This is a ratio of the amount of the functionality delivered to the resources consumed (usually effort). Functionality may be measured in terms of use cases, requirements, features, or function points (as appropriate to the nature of the software and the development method). Typically, effort is measured in terms of staff hours, days, or months.

**c) Economic Productivity**

This is a ratio of the value of the product produced to the cost of the resources used to produce it. Economic productivity helps to evaluate the economic efficiency of an organization. Understanding economic productivity is essential to making good decisions about outsourcing and subcontracting. The basic calculation of economic productivity is as follows:

Economic Productivity = Value/Cost

**COST CONTROL**

Cost control is the measure taken by management to assure that the cost objectives set down in the planning stage are attained and to assure that all segments of the organization function in a manner consistent with its policies.



**Steps involved in designing process of cost control system:**

- **Establishing norms:** To exercise cost control it is essential to establish norms, targets or parameters which may serve as yardsticks to achieve the ultimate objective. These standards, norms or targets may be set on the basis of research, study or past actual.
- **Appraisal:** The actual results are compared with the set norms to ascertain the degree of utilization of men, machines and materials. The deviations are analyzed so as to arrive at the causes which are controllable and uncontrollable.
- **Corrective measures:** The variances are reviewed and remedial measures or revision of targets, norms, standards etc., as required are taken.

**Advantages of cost control**

- Better utilization of resources
- To prepare for meeting a future competitive position.
- Reasonable price for the customers
- Firm standing in domestic and export markets.
- Improved methods of production and use of latest manufacturing techniques which have the effect of rising productivity and minimizing cost.

**PURCHASE CONTROL**

Purchase control is an element of material control. Material procurement is known as the purchase function. The advantages derived from a good and adequate system of the purchase control are as follows:

- Continuous availability of materials:** It ensures the continuous flow of materials. so production work may not be held up for want of materials. A manufacturer can complete schedule of production in time.
- Purchasing of right quantity:** Purchase of right quantity of materials avoids locking up of working capital. It minimizes risk of surplus and obsolete stores. It means there should not be possibility of overstocking and understocking.
- Purchasing of right quality:** Purchase of materials of proper quality and specification avoids waste of materials and loss in production. Effective purchase control prevents wastes and losses of materials right from the purchase till their consumptions. It enables the management to reduce cost of production.
- Economy in purchasing:** The purchasing of materials is a highly specialized function. By purchasing materials at reasonable prices, the efficient purchaser is able to make a valuable contribution to the success of a business.
- Works as information centre:** It serves as a function centre on the materials knowledge relating to prices, sources of supply, specifications, mode of delivery, etc. By providing continuous information to the management it is possible to prepare planning for production.
- Development of business relationship:** Purchasing of materials from the best market and from reliable suppliers develops business relationships. The result is that there may be smooth supply of materials in time and so it avoid disputes and financial losses.
- Finding of alternative source of supply:** If a particular supplier fails to supply the materials in time, it is possible to develop alternate sources of supply. the effect of this is that the production work is not disturbed.
- Fixing responsibilities:** Effective purchase control fix the responsibilities of operating units and individuals connected with the purchase, storage and handling of materials.

### **QUALITY CONTROL**

Quality control refers to the technical process that gathers, examines, analyze & report the progress of the project & conformance with the performance requirements

**The steps involved in quality control process are**

- 1) Determine what parameter is to be controlled.
- 2) Establish its criticality and whether you need to control before, during or after results are produced.
- 3) Establish a specification for the parameter to be controlled which provides limits of acceptability and units of measure.
- 4) Produce plans for control which specify the means by which the characteristics will be achieved and variation detected and removed.
- 5) Organize resources to implement the plans for quality control.
- 6) Install a sensor at an appropriate point in the process to sense variance from specification.
- 7) Collect and transmit data to a place for analysis.
- 8) Verify the results and diagnose the cause of variance.
- 9) Propose remedies and decide on the action needed to restore the status quo.
- 10) Take the agreed action and check that the variance has been corrected.

### **Advantages and disadvantages**

- Advantages include better products and services ultimately establishing a good reputation for a company and higher revenue from having more satisfied customers.
- Disadvantages include needing more man power/operations to maintain quality control and adding more time to the initial process.

### **PLANNING OPERATIONS**

An **operational planning** is a subset of strategic work plan. It describes short-term ways of achieving milestones and explains how, or what portion of, a strategic plan will be put into operation during a given operational period, in the case of commercial application, a fiscal year or another given budgetary term.

Like a strategic plan, an operational plan addresses four questions:

- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we measure our progress?

Operational plans should contain:

- clear objectives
- activities to be delivered
- quality standards
- desired outcomes
- staffing and resource requirements
- implementation timetables
- a process for monitoring progress.