

MANAGEMENT NOTES

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Management Notes, First Edition

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1. Management is the art of getting things done through others.

2. To manage is to forecast & plan, to organise, to command, to control. ^{Henri Fayol}
→ a trigger to start → ensure everything is as per plan.

• Organisation has: centre of power } doing this is
division of labour } organising
relationship b/w them }

• control: see if everything is as per plan
identify the problem
rectify it

3. Management is not direction of things, rather, it is development of people. We do not build refrigerators, aeroplanes etc. Rather, we build people who in turn build all these things for us.
Lawrence Appley

4. Management is synonymous with decision-making.
Herbert A. Simon

* Development :

- It means bringing a significant change
- Progressing from a simpler or lower level to a more advanced form or stage
- Gradual advancement or growth through a series of progressive changes
- Improvement of the current system of work.

* Management is behavioural science. We don't tell what has to be done. We tell what all is done.

Q. Difference between nature, characteristics & features of Management

* Nature of Management

- Multi-disciplinary in nature

Management has been taken as a course in every discipline

- Principles are dynamic, not static; ^{change with time} relative _{depends from person to person.} (not absolute)

• It that affects / guides our way of doing things

- Management is science as well as an art

• Science : reasoning ; any skill or technique that reflects a precise applicⁿ of facts or a ^{fact} _{can}

• How management is science? ex: production, can be corrected.

→ Management is both science & art. It is the art of making people more effective than they would have been without you. The science is in how you do that.

Puffin

Date _____

Page _____

- Art: skill in conducting any human activity.
- How management is art
- Difference between mgt in science & art
- Universal; its principles are not universes universal.
- Not a profession but gradually tending to be.

job \neq employment
group of tasks that are done (similar kind of things grouped together)

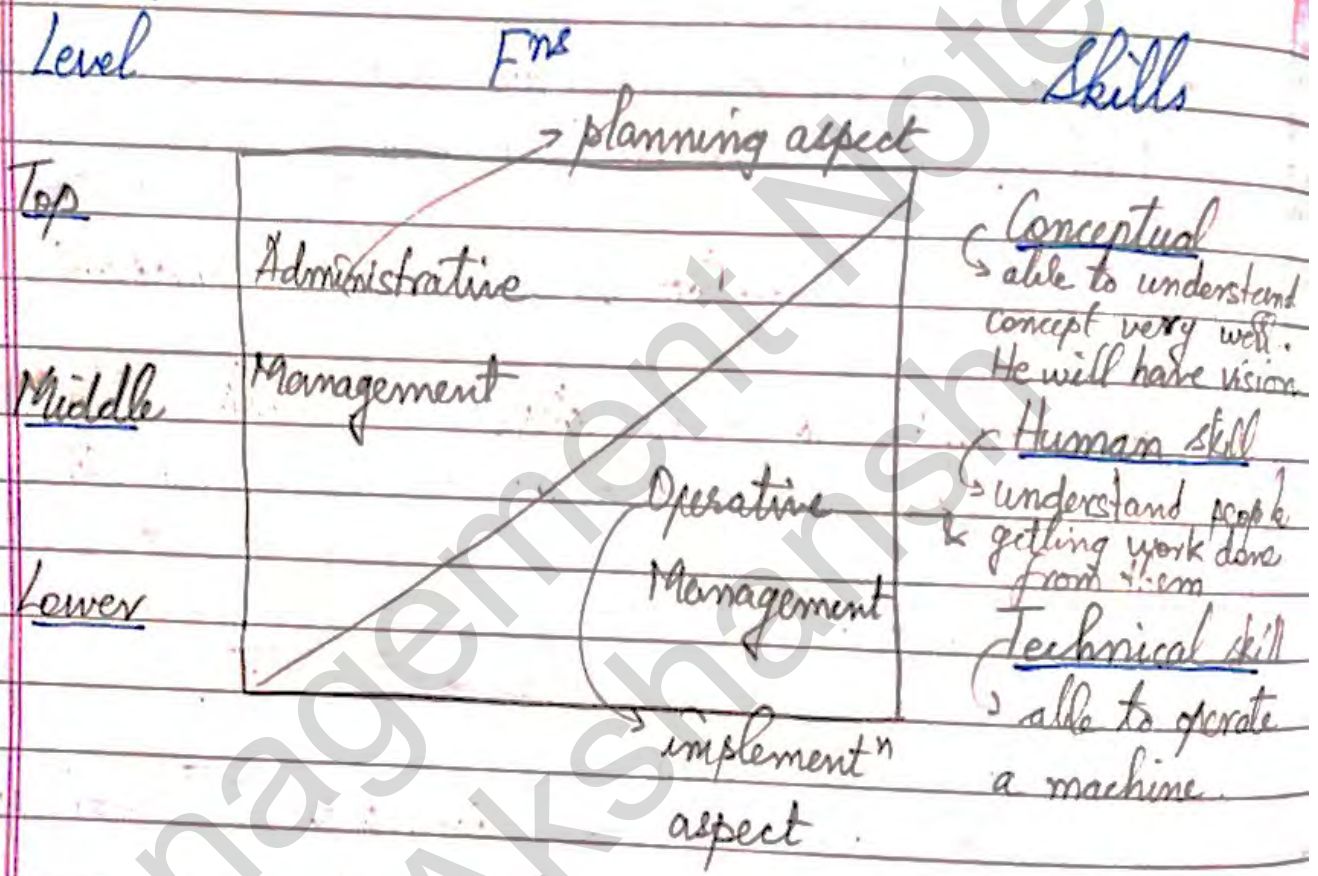
(economic & non economic activity)
• activities giving return, maybe in cash → economic. People engaged in such activity to sustain livelihood is called occupation.

<u>employment</u>	<u>business</u>	<u>profession</u>
entering into contract with someone to work for him under certain cond ^{ns} to get return of your inputs. Thing got in return → salary.	investment is i/p, we get o/p & investment & return: difference is profit & live through that	we have some specialised skills certified by a body. You can charge for service & live

- How management not a profession. The service that other people do & what a manager does → is different: ∴ no certifiⁿ for being manager.

It is tending to be ∴ its coming up as a degree.

* Managerial Levels & Skills



* Managerial Functions & Functional Areas

- | | |
|--|--|
| <ul style="list-style-type: none"> → Planning → Organising → Directing → Controlling | <ul style="list-style-type: none"> → Marketing → Production → HR → Finance → Legal etc. |
|--|--|

* Approaches to Management

- Empirical Approach : Go → see → wherever mgt's taking place → record it → understand it.

- Case study approach
Everyone is a case (Gandhi ji) → studied him & understood
Every activity recorded → studied (what happened → situations & all)
- can be of success or failure.
- Individual behaviour approach
↳ view of psychologist
↳ studying & what & why does an individual do.
- Group Behaviour Approach
↳ individual & group behaviour differs
↳ any organisⁿ has major groups → so their study is imp
- Systems Approach
↳ combinⁿ of diff^t parts: inter-related, interconnected & complex
↳ Mgt is also a sys.
↳ every sys has internal boundary & mgt has external body → which influences.
- Socio-Technical Systems Approach
↳ improvement of systems approach.
↳ mgt is both social & technical sys.
- Decision making approach
↳ Mgt is making decision making skill perfect. That's a good manager.
- Quantitative / Management Science Approach
↳ developed in war time: when to attack, how to plan, → all this is science.
↳ i.e., do things like this — only then you'll get best result.

Operational Approach

↳ Seeing & understanding the oper^{ns} that take place in any work

Managerial Role Approach

↳ the part that I play

↳ must understand your role.

↳ Henry Mintzberg et al.

Interpersonal role

Informational role

Decision Roles

Roles that a manager plays	Interpersonal role	Informational role	Decision Roles
1. Figure head	4. Monitor/Receiver	7. Entrepreneur	
2. Leader	5. Disseminator	8. Disturbance Handler	
3. Liason	6. Spokesperson	9. Resource Allocator	
		10. Negotiator	

1. He is invited in every ceremony & social duties as he is figurehead.
2. Someone who provides leadership (who influence behaviour)
3. Liason (playing part of intermediate b/w 2 orgs)
4. Recipient: has access to every info
5. Breaking & filtering what info. has to be shared
6. Thinking how much my info has to be told to work
7. Entrepreneurship (capacity in an individual to take risks. He has vision & brings into action. Dreaming about an idea & trying to implement it. One who GENERATES an idea)
8. If \exists some disturbance in organsⁿ, you have to take care of it (eg. resignation)
9. Give funds/resources to dept. & subordinates etc.
10. Negotiation & Bargaining: Negotiation (exercisinga freely)

power: anything through which I can influence behavior of others.

Openⁿ done in a framework. Reaching consensus within boundaries. It is dealing with individual & groups.

* Evolution of Management Thought:

→ Classical Period

1. Bureaucracy	1900	Max Weber/Gourney
2. Scientific Management	1910	Fredrick Winslow Taylor
3. Process management	1910	Hemsi Fayol

→ Neo-Classical Period

4. Human Relations Theory

→ Modern Period

1. Bureaucracy (coined by Gourney): Chinese office called as Bureau. Things done by them ⇒ Bureaucracy)

→ Features

Legal Rational Authority (here)

• Hierarchy of authority involving superior-subordinate relationship and a chain of command

• authority: its power.

• power: its related to physical force

Difference • authority changes upon the posⁿ in which you are. Authority is based upon people by which it is exercised. father says.

• authority can be of diff^t types :- Traditional authority, Charismatic authority (listening to people eg Baba Ramdev) & Legal Rational Authority

Q. Is there any problem that comes under bureaucracy?

Puffin

Date _____

Page _____

- Rigidity ←
- Clear cut division of work based on competence & final specialisation.
 - System of rules, regul^{ns} & procedures. Behaviour of individual is subject to strict discipline & control (every individual behaves as per rules)
 - Separⁿ of officials from ownership of enterprise
 - Interpersonal rel^{nships} are based on pos^{ns}, not on personalities. (in office all rel^{ns} are related to pos^{ns}. It's not a husband talking to wife)
 - Powers & posⁿ rest in office.
↳ some part may come under trad^{nl} authority.

*2. Scientific Management

↳ the one best possible way of doing things.

↳ why Scientific Mgt was started?

- Industrial setup → production not upto mark
- Problem: Mgt don't know how to use labour & Realizⁿ. labourer don't know how to do job
- Soldiering: every individual wants to put min. efforts. They don't want to do extra efforts. People intentionally do this.
- Ideas on improvement
- Philosophy of Scientific Mgt
- Principles. "
- Features. "

* rule of thumb: when I don't have any logic.

• Philosophy of Scientific Management

It generates principles.

• Science; not a rule of thumb

• Harmony; not discord.

↳ whatever we do it is for harmony. If Leo gets award, she is happy, not envy.

• Cooperⁿ; not individualism

↳ in an organisⁿ, everything works by team effort

• ~~Maximum o/p; not restricted ones~~

• efficiency: getting things done with least resource

• effective: if work is done by time schedule

& on time. So, manager needs to be effective.

First. Efficiency also req^d: otherwise, there will be a time when juniors stop listening.

• Maximum o/p; not restricted ones

• always try giving your potential (100%)

• Mental revolution

• If a gap b/w labour & mgt. Needs to be changed. (It's not for labour, it's for me: Such kind of thinking)

• Change your approach that this is for us.

• Principles of Scientific Mgt

• Development of a true science of work

Reason whatever you do, why do it?

• Scientific selection & progressive training of workers

↳ choose the best

↳ person should be trained as they live for yrs. in an organisⁿ (change ^{comes} with time)

- Division of work & responsibility b/w management & worker

Divide work b/w people so that they have clear cut idea of what they have to do.

- Features of Scientific Mgt

- Separation of planning from doing.

everytime what work has been done, someone plans for it, someone else does.

- Functional Foremanship (supervision)

Atleast 8 diff^t supervisors should exist for every person. 4 → planning, 4 → implement

- Job analysis

Group of activities → tasks

Group of tasks → job

Do every activity in best way → best job
o/p comes out

3 studies to analyse a job :-

1. Time Study & Optimising time

2. Motion Study: s.p.m study

3. Fatigue study:

Tiredness: physical loss of energy.

Fatigue: mental tiredness.

- Standardisation of Work & Workplace

eg: our Indian food, not standardised

Work should be defined & intimated to workers

Max. work is standard work.

O/P quantified in
no.

Puffin

Date _____

Page _____

* Differential Piece-Rate Sys :-

"Workers who produce below normal should be paid wages at a rate which is lower than those who produce at normal"

→ If someone produces above normal, then that is the std.

→ Talks about how to give

* CRITICISM ON TAYLOR

* We are dividing work in Mgt. An economist criticizes that eg: an agricultural land if divided, productivity less.

- 2nd criticism: Psychologist: Why would someone do the same work all time. It's a man, not a machine

- 3rd :- Sociologist :- If we're going for Scientific Mgt, want people's improvement. Seemed like Taylor wanted to abolish Trade Unionism

3

PROCESS MANAGEMENT (Henri-Fayol 1841-1925)

• What are the original activities :

1. Technical (related to production)
2. Commercial (marketing, trading, selling)
3. Financial (inflow & outflow of FUNDS)
4. Accounting (keeping record of anything)
5. ^{Safety} Security & activities (precautions to take & safeguard interests of people, eg: insurance)
6. Managerial activity

what activities qualify
to be a manager

Puffin

Date

Page

g. loyalty

• Who qualifies for this activity?

Managers having qualities :- Physical, Mental, Moral, Educa^{tion}, Technical, Experience

• Physical: As I have seen ... I have never seen any person who is not physically fit as a manager

• Experience: It counts as you must have seen situations. Comes with age.

• What do they do?

✓ Plan, organise, lead & control.

• How to they do it?

14 principles

1) Division of labour work

2) Authority & Responsibility

3) Discipline

4) Unity of command

5) Unity of direction

6) Scalar chain

7) Remuneration

8) Centralisation & decentralisation

9) Subordinⁿ of individual interest to general interest.

10) Order

11) Equity

12) Stability of tenure of personnel

13) Initiative

14) Esprit de Corps

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1. Grouping similar work & then assigning it to those who are capable
2. When I am given some work, I should have the requisite authority req^d to complete the job. eg. a driver has authority to fill fuel \Rightarrow gives responsibility to the person ensuring that job is completed.
3. It is sticking to what is planned.

Command discipline Self discipline.
 When commanded what to do & what not to do. It has to be installed.
 eg: when as a child

4. One person should receive orders from only one person AT ONE TIME. They may take orders from many, but at diff^t times.

5. Activities/tasks which are similar in nature must be grouped as one, having 1 single head & 1 single plan.

6. Take any decision that is beneficial to group. Not as per interests of one subordinate.

7. Monetary benefits that I you draw "of your work in an orgⁿ". It includes wage, salary. Compensation is above remuneration. "compensⁿ" in terms of work is remunerⁿ"; Principle: equal remunerⁿ for equal work. eg: Teachers at diff^t levels get diff^t pay because how do they do their job of teaching

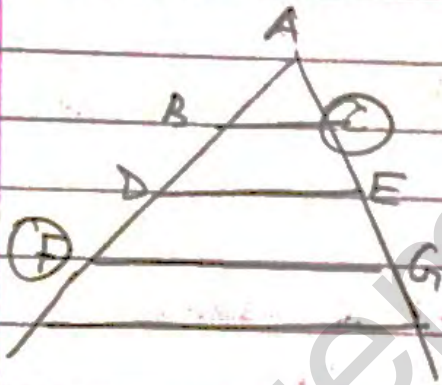
8. Authority at the top & delegated till bottom of structure :- Decentralisⁿ

Principle :- Initially company starts with centralisⁿ, as grows \rightarrow decentralisⁿ

eg :- In our college \rightarrow dean centralisⁿ

In for our PM, he cannot get job done from lowers even if he takes decision \because structure is decentralised

6. Scalar chain :- At same level in a chain, info can be communicated.



eg :- I as a dean can write to any dean. No need to go through director

10. Order :- Principle :- For everything \exists a place & everything must be at its right place

11. Equity :- Equality in your treatment & behaviour with everyone as being a manager.

13. Principle :- As a manager, your job is to take initiative & make others ready to take initiative

12. When you appoint a person, give him sometime to prove himself

14) United we stand, divided we fall.

4 HUMAN Relationships Theory (1920-1960)

→ Conclusions that came up: ^{by} ELTON MAYA
→ Hawthorne Study (Chicago)

① SOCIAL FACTOR IN O/P :-

• eg: a teacher praising a student's presentⁿ matters a lot for him

eg: a person works well if their his children are healthy.

→ Basically give a good work environment

② GROUPS :-

An individual is a part of group so, in that organizⁿ, he works like that. Being feeling of group within people.

③ CONFLICT :-

Conflict :- sth where person A is trying to do all sorts of behavior on the basis of which B knows & not able to follow it

eg: you block st. outcome of other person is less than yours.

He said - try to remove conflict.

④ Lead Leadership

⑤ Motivation

⑥ Goal → It should be clear to everyone

People should see what is their purpose of ^{while} joining. If they know their purpose, they'll perform accordingly.

16] E - $f(x, y)$: Mathematical model can be used for problem solving
E: effectiveness of sys.
x: variables of sys that are controllable
y: " " " " non-controllable

Puffin
Date _____
Page _____

5] BEHAVIOURAL SCIENCE THEORY

↳ One step above human relnd
↳ combined theory from diff^t people
Goal to know more about how to understand individual behaviour

6] QUANTITATIVE/MGT SCIENCE THEORY

↳ started at the time of world war.
↳ military people came out with this.
Do everything in a logical way i.e. I just want o/p. So, use I/p correctly so that how to use resources in optimized manner.
eg; taking decision on how many tanks to be put in petrol pumps → doing all these calculations

7] SYSTEMS THEORY

↳ Research on: Is Mgt a Sys?
Ans. came out: Yes
↳ Structure everything
↳ be systematic

8] CONTINGENCY/SITUATIONAL THEORY (see sir's notes to understand)

sth that cannot be foreseen or predicted

It says that: do right thing at the right time, being at the right place.
How you have judged the situation you are in, is much imp.

eg: If start business & can't say will go in profit or not

FUNCTIONS of MGIT

1. PLANNING

- (a) → Nature of Planning
- (b) → Significance Importance Advantages
- (c) → Limitations
- (d) → Steps in Planning
- (e) → Planning types

(a) NATURE OF PLANNING

Defin^{ns} :-

- Deciding in advance, bridges the gap, makes possible for certain things to occur.
 - we have to plan as certain things don't occur by themselves
 - gap b/w where I am & where I want to be
- Basic to and logically precedes all managerial f^{ns}
 - all other f^{ns} like controlling, organising & directing.
 - everything starts with planning.
- Largely a mental process
 - we think & plan before any process.
 - in terms of work, done in the mind of a person

& collect info from everywhere

Puffin

Date _____

Page _____

- An intellectual activity
Those whose minds are more clear conceptually they'll plan better
- Goal directed
We plan to ensure that we achieve our goal
- All pervasive
In an organizⁿ \exists many depts, and planning is seen everywhere.
- Cts process :-
We are not talking about planning for a single goal.
We are talking about planning as an activity in an organizⁿ. Activity planning is cts always.

(b) SIGNIFICANCE

- reduces uncertainty, ~~low~~ risk & confusion
- sense of dirⁿ
- improves innovⁿ & control
eg: If I plan on removing an error in a product, then all things done by R & D team towards the product would be innovating it.
- helps in coordinⁿ & facilities control.
°° everyone should know their task (not more) & how that task has to be done. Tell them after you plan. This is coordinated
eg. time table given to everyone -- lab people get ready. . . .
- Provides efficiency in oper^{ng}

(c) LIMITATIONS

- \exists a margin of error in future forecasts.
- Nature of industry matters. eg: dynamic change in the industry can play havoc for the firm
 → where manufacturing goes on (need not be a workplace all time)
 Factory: always a workplace
 eg: if I sell gold & trend & fashion changes. So, it may be not successful, \Rightarrow planning fails
- Certain philosophies of mgt are sometimes so deeply embedded in the minds of individuals that it threatens internal flexibility
 eg: parents want a bride from same cast. So, marriage doesn't take place i.e., their philosophy is there in their mind
 eg: BITS won't shut PS. So, internal flexibility is threatened \rightarrow dynamics reduced, i.e., I have been planning like this, & I'll continue like this. I won't change.
- It requires time - emergencies.
- Limits subordinate initiative
 Planning mostly done at top level. So, at subordinate level, only implementation part is left. He doesn't get to share his views on planning.
- Influenced by general industrial climate.

(d) STEPS IN PLANNING

↳ establish OBJECTIVES (certain goals that need to be achieved so that bigger goal is achieved)

O • Establish objectives: clear & quantifiable

F • Make a forecast:
eg: If I consult 100 companies for PS, 5 will give replies

PP • Developing planning premises: expected plans in which plans are expected to operate; deals with pre-requisites to planning.

eg suppose I start with a business in demand. when that industry gets set up, I see that the demand is gone. So plan about future (when the plan will actually be operative)

- Internal & external
in terms of finance & employees in terms of what sort of govt. & govt. policies will be there

- Controllable, semi-controllable, non-controllable

most of internal envt. is controllable few internal few external (very rare internal environment)
↳ very few external environment is controllable ↳ most external environment.

A • Developing alternatives & evaluating them.

Alternatives, not after planning fails. But, finding other ways of increasing sales (if that is my goal, say)

eg: If I'm launching a product, then, alternatives as in, which product to launch A or B or C.

A • Choice of best alternative
 You have diff^t alternatives regarding which one to confirm (& start planning). So, out of these alternatives, & seeing all the steps of planning, I choose for best alternative.

(e) PLANNING TYPES ✓
 क्या तरह में Planning की जाती है
 Planning किस किस तरह की होती है X

↳ the various processes through which planning is done

→ On the basis of LEVEL:

- (a) Corporate
- (b) Divisional / f^{nal} / Departmental
- (c) Sectional / Unit

→ On the basis of FOCUS:-

Always at top level

- (i) Strategic
- (ii) Operational
- (iii) Tactical (day to day plan)

→ On the basis of TIME:

- 1) Long range (Time \geq 5 yrs)
- 2) Medium range (Time 1-5 yrs)
- 3) Short range (Time \leq 1 yr)

How do consider Planning period?
 Ans - It varies with nature & organisation. But for India, in general, that is.

↳ bridging the gaps b/w where I am & where I want to be after that time
 • making deadlines on when I'll finish planning.
 So, planning period is decided.

* Scheme: Not a managerial plan
It's a strategy.

↳ 2) & 3) Every division & dept make separate plans (routine plans) for successful working of their dept.

(iii) & (ii) Tactical & Oper^{nal}:-

- focus: what are equipments & processes req^d so that production is not hampered.
- eg: for PS, if placement is a division & if by other divisions. Their organizⁿ is oper^{nal} planning.
Now under Placement, seeing inside that is Tactical planning.

(i) Strategic & (a) Corporate -

Corporate } I'm considering only the part I'm good at
(eg, If I make mushrooms) → in long range
I'm not looking into ext. environment.
For the good of the organizⁿ, looking into all other ^{external} environment. How should I try to extend (a broader view)
eg: LNT

Strategic:-

If planning is done without seeing ext. environment, planning may fail. So, look into environment. → See: opportunities, threats →

Plan involving considering environment in detail.
• Strategic planning is a part of corporate planning.

* Complete plan of action :- One plan which has everything i.e. which has standing plans as well as single use plans

Types of Plans

Standing Plan

↳ plan repeated again & again

Single Use plans

↳ plans used just once
eg. time table.

- Policy
- Procedure
- Methods
- Rules
- Strategy

- Schedule
- Programme
- Budget
- Project

Talks about my revenue & expenditure. As single use it's for one financial yr. or one project.

eg Sparks Convocation
Always short term. We see budget always. Schedule is there. Rules, procedure, method, all is there. It's a complete plan of action.

• **Policy**: sth that guides us to take a decision. Always in the form of a statement. A boundary in which decisions are made.

• It stays for a longer period as compared to Programme.
• We talk about sequence of activities in a day. Project is the o/p of the day.
• Programme has aim of its completion of tasks. We focus on product in project.

both tell what is supposed to be done
 ↳ Rules guides ACTIONS
 ↳ Policy guides Decision making
 eg. college 1pm rule → Policy
 3:40 pm time → Rule

↳ Code of conduct - Guidelines (kind of a plan) to see how normally things work. It's not futuristic in nature. Codes, ethics come under sociological sys., not managerial. Code makes us learn eth.

• **Procedure**: guides us how to complete a particular job, a step by step way. It just guides me, not tells me what to do & what not to (how to). Doesn't talk about exactly how things are done.
eg. get NOC from college.

* We lead a kind of reactive living. जो कहे, वही कैसे, वही कैसे

Puffin

Date _____

Page _____

- **Method**: Exactly tells how things are done.
- **Strategy**: Strategy is a contingent (depending on situation) plan. i.e., I plan as per my influence with environment.
It is pattern of organization with environment.
Why it's a standing plan?
∴ If same decision req^d in future
∴ we consider current situations & analyse them before they come.
Hence, it has stayed with us like this.

2 ORGANISING

- ↳ when we try providing a structure to a corp.
- ↳ every organizⁿ is viewed as a structure.
- ↳ Source of power + Division of authority + relⁿ b/w them ∴ combinⁿ gives me an Organizⁿ.

- group activities (streamline in one dirⁿ)
- part of an organizⁿ taken care of.
- * Organising is the process of arranging people & other resources to work together to accomplish goal.
 - determine group & structure activities.
 - Devise & allocate roles thereafter.
 - Design accountability for results.
 - Determine detail system of working.

• Diff b/w role & task?

Task: attention towards completion of job

Role: striving for completion of the job even if it's not becoming possible

eg: If \exists no companies for PS

Task \rightarrow Say, no companies

Role \rightarrow try for other companies. Won't let this happen.

Q Why organizⁿ?

- Facilitate administrⁿ & operⁿ
- \uparrow productivity
- Growth & diversificⁿ of enterprise

Q PROCESS OF ORGANISING

\rightarrow includes of features

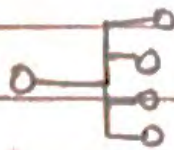
- 1 • Organizⁿ structure \rightarrow sth which is visible when we are inside an organizⁿ, not outside. \therefore Organizⁿ chart
- 2 • Organizⁿ chart
- 3 • Span of Mgt (or span of control or span of supervision)
- 4 • Departmentⁿ
- 5 • Delegⁿ
- 6 • Centralisⁿ & Decentralisⁿ
- 7 • Line & Staff Relⁿships

1. Organisⁿ Structure

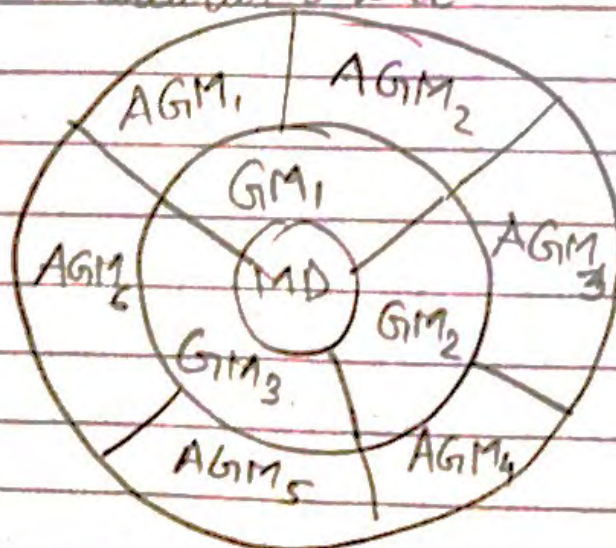
- It shows sys. of rel^{nship} governing superior-subordinate, communicⁿ channel etc
- Also called formal array of jobs wth within an organisⁿ
- While making structure, process involves 6 key elements :- (always)
 - * Work specialisⁿ, Departmentalisⁿ, Chain of cmd,
 - Span of control, Centralisⁿ & Decentralisⁿ & Formalisⁿ

2. Organisⁿal chart

- diagramatic structure
- has ranks, names, titles & line of cmd
- Top to bottom
- Left to right



• Circular chart



3. Span of Mgt

→ How many persons I can manage under me effectively
(People directly reporting to me)

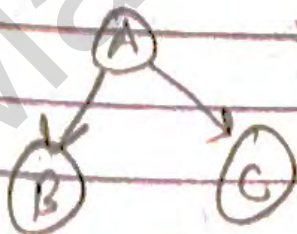
→ Factors affecting determinⁿ of span:

1. Trained managers & subordinates
2. If given clarity of plans, policies & delegⁿ
3. Effective communicⁿ
4. Natural ability of handling people.

* Note: Wider spans are not effective, but suffers
∴ lack of time to provide leadership & support.

Q. How much should be a span?

1 supervisor & 2 subordinate
Relⁿ that occur when a particular work in
an organisational setup.
How many relⁿs can be established?



- A ~ B
- A ~ C
- B ~ C } not same.
- C ~ B }

A ~ B/C i.e. A is in relⁿ with B
in presence of C.
A ~ C/B

In general, for n subordinates, total relⁿs.

$$F = n + n(n-1) + n(n-1)(n-2) + \dots$$

$$R = n \left[\frac{2^n}{2} + (n-1) \right] \quad \star$$

* Formula for finding span, $R = n \left[\frac{2^n}{2} + (n-1) \right]$

* In organisⁿ, span should not exceed 5 : top level
25 : lower level

* Graicunas Theory

• 3 types of relⁿships :

1. Direct single Relⁿships
2. Direct group " "
3. Cross " "

* DEPARTMENTATION

• Dept : A small organisⁿ within an organisⁿ
It has features of organisⁿ

→ division of labour, authority, relⁿship

• eg: a teacher teaching a class doesn't have superior-subordinate relⁿ. So, it's NOT under SPAN.

It can thus be said as a dept.

• we make depts ∴ administrⁿ becomes easier.

• It means dividing the large & monolithic organisⁿ into smaller, flexible administrative units.

Q. How a dept is created?

1. By nos.

2. By fns : common fns are grouped to form a dept.

3. by products

- 4. By customer
- 5. by geographical loc^{ns} / territory
- 6. by process or equipment
- 7. by time
- 8. by product :-

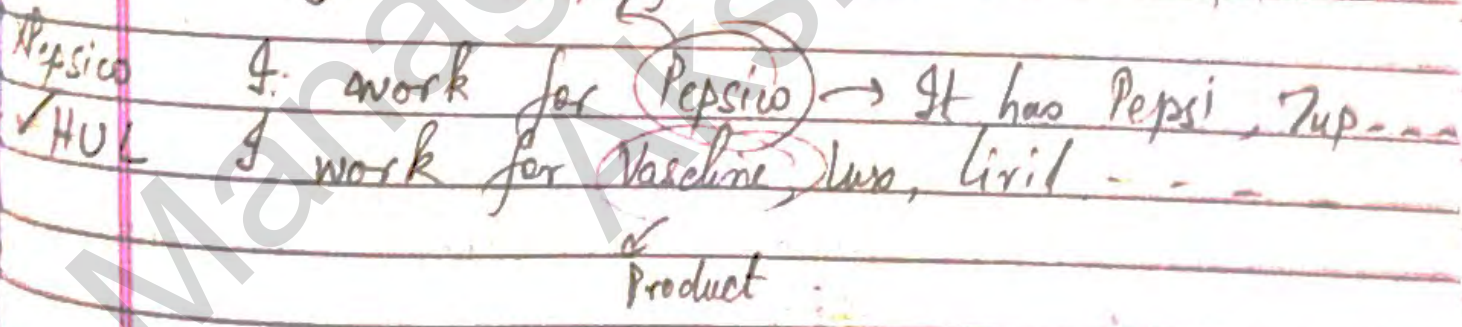
eg. Railways → make dept. for every locⁿ

eg: Pepsi, 7up → by Pepsico → They are brands, not products. So, we cannot say these drinks come under different depts

eg: HUL → Vaseline, Lux, Taj Mahal.

different products → different resources, different resource allocⁿ. Person working in one product has no relⁿ with other.

So, for HUL, diff^t depts have been created on bases of product



4. By customer :-

Dept. based on the type of customer → make dept

→ eg: wholesaler, retailer

→ eg: daily transaction, loan dept → in banks

* Mostly seen in financial sector

loan, mutual funds, insurance. diff^t depts.

made to satisfy TYPE of customers.

6. by process or equipment :

Dept. created on basis of what kind of work is being done over there

eg: diff^t processes & equipment used
 ↳ as in manufacturing processes
 (blast furnace, ...)

7. by time

↳ eg: Working in diff^t shifts
 ↳ morning shifts, evening shifts

diff^t type / same work maybe done in diff^t departments (that are divided as per shift)

• The shifts will have their separate accounts & everything separate
 ↳ In that sense → dept divided by time

8. by numbers

↳ divided on based on nos

not into administration

eg: max. no. of students in class = 30
 ↳ If no. > 30
 ↳ make 2 sections

into administration

eg: an army → has regiments
 (a group having fixed no. of soldiers)

every job posⁿ is made on basis of some authority.

Puffin

Date _____

Page _____

DELEGATION & EMPOWERMENT.

when I ^{do} part with my responsibilities & authorities & give it to someone else
eg: If company vehicle given to me to take guests from airport.

Authority: use car

Responsibility: see that I reach on time

If that work is not done

I am answerable/accountable

Even if I delegate my authorities & responsibilities

So, \exists 2 things: do the work & check that it done.

* Delegation: Delegation refers to the process of entrustment of responsibility and authority to another and creation of an accountability of performance. 3 pillars:-

1. Authority
2. Acc Accountability
3. Responsibility

Q Son joins company. After 1-2 yrs, he wants to leave the company. What might have happened?

* Sometimes due to attachment of my work, If that is delegated it to someone else. That will remove creativity.

* I have to take permission before taking decision. So basically, I have no authority.

* A lot of responsibilities given to me & held accountable for that. Can't handle.

- Recruit people accordingly.

* controlling: sth has been planned & its supposed to happen.

* Recruitment: Take care of 2 things
— she can do sth } see both factors
— she will do sth. } while delegating work

* EMPOWERMENT

It involves allowing and helping others to do things, even if you might be very good at doing them.

eg: When I make someone empowered, I am trying to make him better than me. When this feeling, he stays.

* SYNERGY

my o/p in a group is much higher than as an individual.

* Centralisⁿ

Max authority at top

Decentralisⁿ

At bottom

* When Decentralisⁿ happens?

1. Size: bigger the size, more the decentralisⁿ.
2. Growth: from within centralisⁿ; through acquisⁿ & merges, decentralisⁿ
3. Management style: owner managed enterprises centralised; professionally managed, decentralised
4. Efficient & capable lower management: decentralised

LINE & STAFF

Diff. b/w line & staff lies in assignment & roles.
 who is Directly responsible ^{for goal attainment} for decision & who provides advice & service.

Line: Those pos^{ns} having responsibility & authority & accountable for accomplishment of objectives.

Staff: Elements in organisⁿ who provide advice & service to line to attain goal.

eg: Job of a finance manager is a staff.

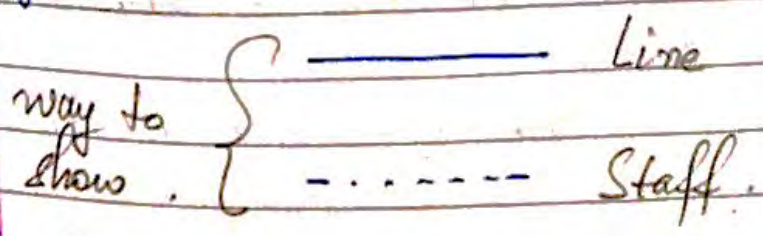
majority is that

eg: Accounts dept. of college. Cannot do anything on their own.

Suppose making budget → every dept. has to stick to that. They have to advise other depts.

If CEO tells finance dept. to set budget & I see that everyone to stick to that so, on the basis of what job you do, it can be line / staff.

Organisⁿ structure:-



So,

1. Line managers cannot be commanded by staff. Also, they cannot don't have authority over staff.
2. Line should consider staff suggestions. They may/may not apply to that.
3. Line relⁿ is looked up as chain of cmd, communication & accountability.
4. \exists line relⁿship in staff line.

★ Chain of formalisⁿ.

Refers to degree of standardisⁿ of jobs & degree to which employee behaviour is guided by rules & procedures.
everything is defined & standardised.

≈ Other

★ Contemporary Organizational Structure -

To bring solid stability

TEAM STRUCTURE

What it is • A structure in which entire organisⁿ is made of work groups or teams

Advantages • Employees are involved & empowered
Barriers are reduced among final areas

Disadvantages • No clear chain of cmd. Pressure on teams to perform
eg: done where people get same posⁿ in a team. No conflict like that.

Team Structure: Just another kind of structure

MATRIX STRUCTURE

What it is • Matrix is structures that assigns specialists from diff't functional areas to work on projects but who return to their areas when project is done

Advantages • Fluid & Flexible design that can respond to environmental changes.
Faster decision-making

Disadvantages • Complexity of assigning people to projects. Task & personality conflicts
eg: People with specific skill are gathered to complete project.

PROJECT STRUCTURE

What it is • Project is a structure in which employees continuously work on projects. As one project is completed, employees move on to a new project.

Advantages • Fluid & flexible design that can respond to environmental changes.
Faster decision making.

Disadvantages • Complexity of assigning people to projects.
Task & personality conflicts.

eg: diff't projects in organisⁿ. People from Vipro & all can be hired for completing that job.

NETWORK STRUCTURE

What it is A structure that operates with a central core that is linked through 'networks' of relationships with outside contractors & suppliers of essential services.

Advantages Lean & competitive through outsourcing & strategic alliance.

Disadvantages Lack of control & coordination
eg: event management → they have networks & can arrange for things.

BOUNDARYLESS STRUCTURE

What it is A structure that is not defined by or limited to artificial horizontal, vertical or external boundaries, includes virtual & network type of organisations.

Advantages Highly flexible & responsive. Draws in talents wherever found.

Disadvantages Lack of control. Communication difficult.

* Logic: sth that can be validated through reasoning.

Ph: Human Resource Management

ways of
managing
them

If you appoint a person & given a posⁿ, then its
of its job to take care of him (how is he
working, improving/not, increment to be given/not,
how is he behaving...)

For this, \exists a dept \rightarrow HR Dept
(HR: Human Resources): A STAFF Dept.

* Staffing :- Filling places after organising is done.
Its a f^m

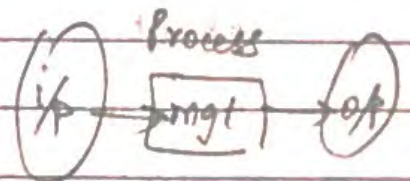
• Staffing
As a f^m of mgt. HR Mgt
As a f^{nal} area of mgt.

• Personnel Mgt
Personnel \equiv employees.

Why manage employees?

Ans:- employees are like inputs

If manage other i/p, then why not employees.



• Human Resource Management

- Diff. in approach: eg: how does a teacher
treat you — just as a student, or more.

If a teacher looks at someone as a resource, way of
dealing / approach is diff^t.

If he sees someone as a student / employee,
approach is diff^t.

Resource :- A source through which I handle other sources. eg: job material - it'll finish itself who will constantly give up.

eg: If I am an employee asking for leave to my G.M.

Who will give the leave?

↳ a Personnel Manager

↳ a HR Manager

It doesn't matter whether leave is given/not. What matters is the approach in which he is dealt. He should be considered as an asset & we take care of them. "Book: Employees first customer second" talks about who is supreme.

Functions of PM / HRM

FLIPPO:

Its planning, organising, directing & controlling of the procurement, development, compensation, "Integr" maintenance & reproduction of HR to the end that individual, organisational & societal objectives are achieved.

Procurement
- recruitment and selection of people

Dev't.
- Developing & training people

Compensⁿ
- give person to compensate of his work for me.

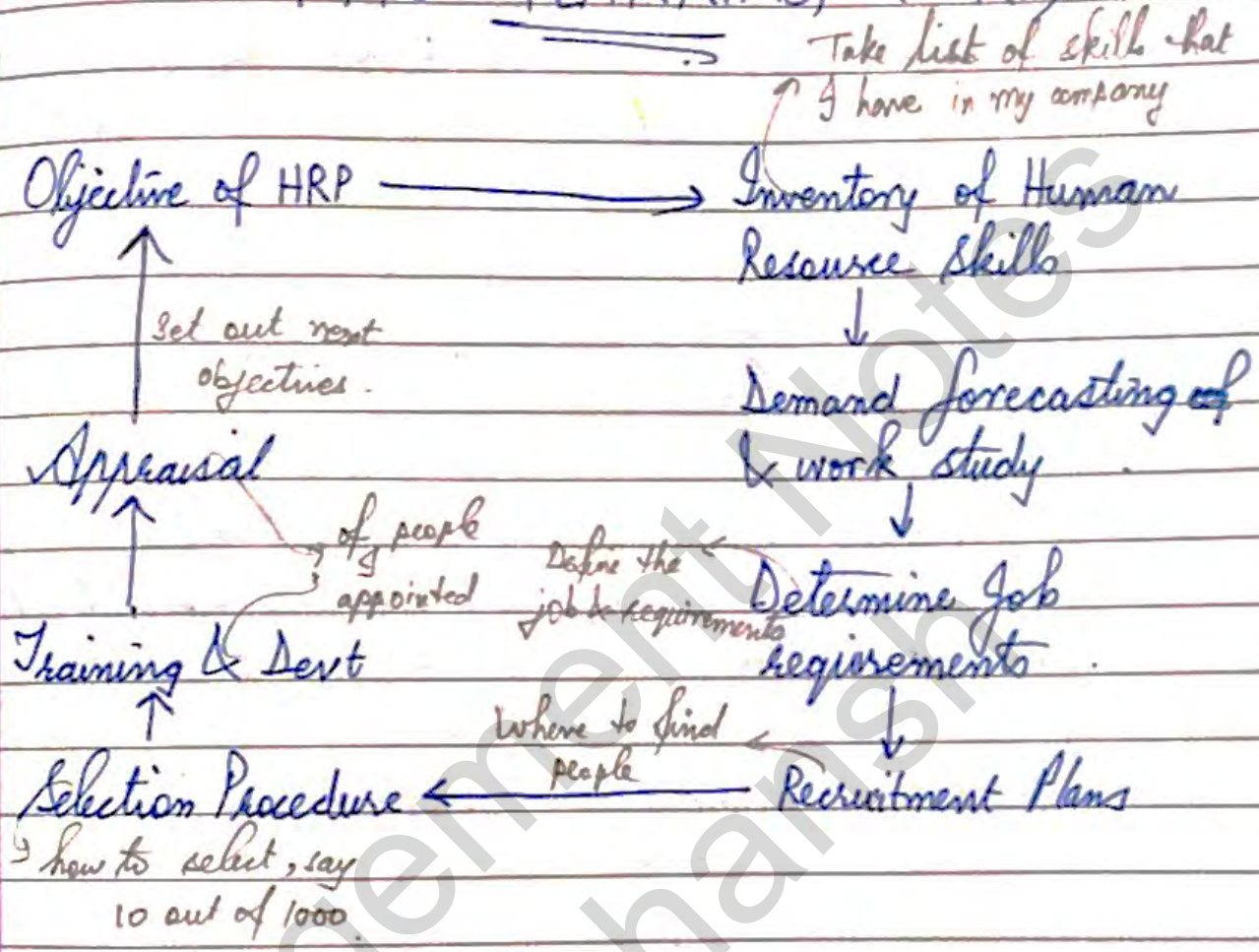
Maintenance
- just like car requires service, so do employees require it.

How maintain them so that they're happy.

Integrⁿ
Integrating everything with them & their characteristics of the work of everyone

Job
 ↓
 Task → Assimilation of
 ↓
 Activities

HR PLANNING (HRP)



Overview

- To ensure right no. & kind of ^{capable} people in the right place at the right time
- Done through - assessing current HR & meeting future HR needs. i.e. what I have now & what would I need in future
- place people where they'll do best on basis of their type of work, not number.
- Job analysis - studies ~~exactly~~ exactly what is done in a job and why?
- Job description - details the duties and responsibilities associated in a particular job.
- Job specificⁿ - lists the qualificⁿ req'd to perform the job.

★

Recruitment

It's NOT selection. It's an ongoing process.

It is making a list of people who are ready/are working for me.

- If we say it's a specific plan. → eg: 4/2 new course professors are reqd → find them by advertising / anything so, basically I'm finding how many / which all people are available to work for me globally.

- A process of attracting qualified people to organisations and creating a pool of available candidates.

- +ve process: we keep on adding applications. Rejecting them is selection.

Focus on that

Sources of recruitment: Internal, External

reference from people internal to organisation like employees

newspapers
campus placement
websites

External :- Media advertising

- Placement agencies

- Campus placement

- Career fairs

- Advertisements at Factory Gate

- Forced application

Private: eg: employment exchange

Public: by govt

have data bank of people who have list of people

for local people who roam around working class

Man in port & docks

Spams (kind of received, even if not advertised)

Decreruitment: People more than required.

When you're really grown big (oversize), we go for downsizing → i.e. seeing how many actual people I require to make company healthy.

Decruitment

Efforts that I made to reduce size of workforce of organisⁿ

- Firing: permanent involuntary terminⁿ of contract

- Layoffs: temporary " "

- Attrition: not filling vacancies created by voluntary

It's temporary. → Someone resigned / people retired, popul^m reduced → I'm fine with it.
because you can come back when need comes.

Resignations or normal retirements

- Transfers - moving employees laterally

→ no requirement at one place, move/transfer somewhere else
or If you do some work at place ① go to place ② so that you are more experienced

- Reduced workweeks - having employees work fewer hours

→ in working class: I don't want to pay people fully when work is less. eg: people working only on Friday & Sat in corridor

Per weeks, lesser days in a week or doing part time.

- Early Retirement: Voluntary Retirement Scheme (VRS)

A scheme given by company prompting people to take early retirement. Certain terms & cond^{ns} that we can get VRS (eg. min 15 yrs work)

- Job sharing: having employees share on full time

employee 1 doing his work → made to work by sharing the req^d work

employee 2 doing his other work

work requiring employee

⇒ no need for getting new person

temporarily
reduced
not to
work
2000 in
working
class. eg.
temporary work
at post. You
get no security
of job &
no benefits
like pension

Selection

✓ A process of eliminⁿ.

eg: people sitting for IIT → 15 lakh → 5000 selected.

✓ -ve process

eg: we keep on subcontracting.

If we are not following a right eliminⁿ procedure (i.e. eliminating more) ⇒ we are adopting process of eliminⁿ & not selection.

eg: recruiting people : others are not there

✓ Types of selection devices :-

✓ Employer has chance to reject the employee.

1- Applicⁿ forms :- we can eliminate through it.
eg: I want person > 5 yr experience - In form 2 yrs person → eliminate him.

2- Tests - written, assessment centres.

3- Interview → oral test : face to face communicⁿ
↳ 2 way interaction process → Rejection possible.

✓ INTERVIEW
↳ only one where employee can reject employer
∴ its 2 way process. It is itself not sufficient.

4- Background investigⁿ
↳ seeing background of person

✓ Reference check :- Person said I worked for this company. Call & check that company.

✓ Verificⁿ & police verificⁿ → criminal intent

5- Physical examinⁿ :- eg in military for rejecting
----- other may also be there.

2. TESTS

Test is a sample of an aspect of an individual's behaviour, performance or attitude.

• what kind of questions to ask to test you these features & how you feel about entire life, work & your job

↳ the way you feel about sth
It can be favourable/unfavourable

+ Purpose to :

- measure the job related abilities & skills
- eliminate the possibility of prejudice.
 - doesn't matter where he comes from.
 - Don't take person on basis of where he comes from.
- to uncover new talents & qualific^{ns} ~~ms~~ which are not detected by interview or any other method.
 - eg: give a problem solving question can be asked in a test. → the way you solve it.
- to crosscheck the inf provided.
 - eg: listing a person → say 10 painter. Take a test → get to know if he is really knowing.

* Types of Tests

1. Intelligence / ^{potential to} Achievement / ^{expert in an area} Proficiency tests.

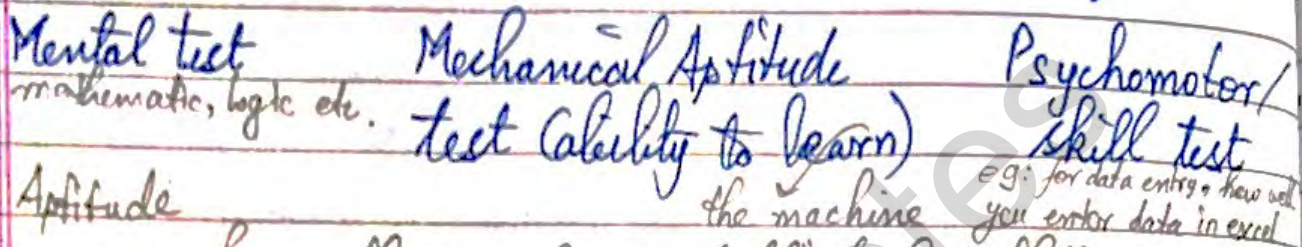
Trade Test

Knowledge based on the kind of job to be done is tested.

Work Sample Test

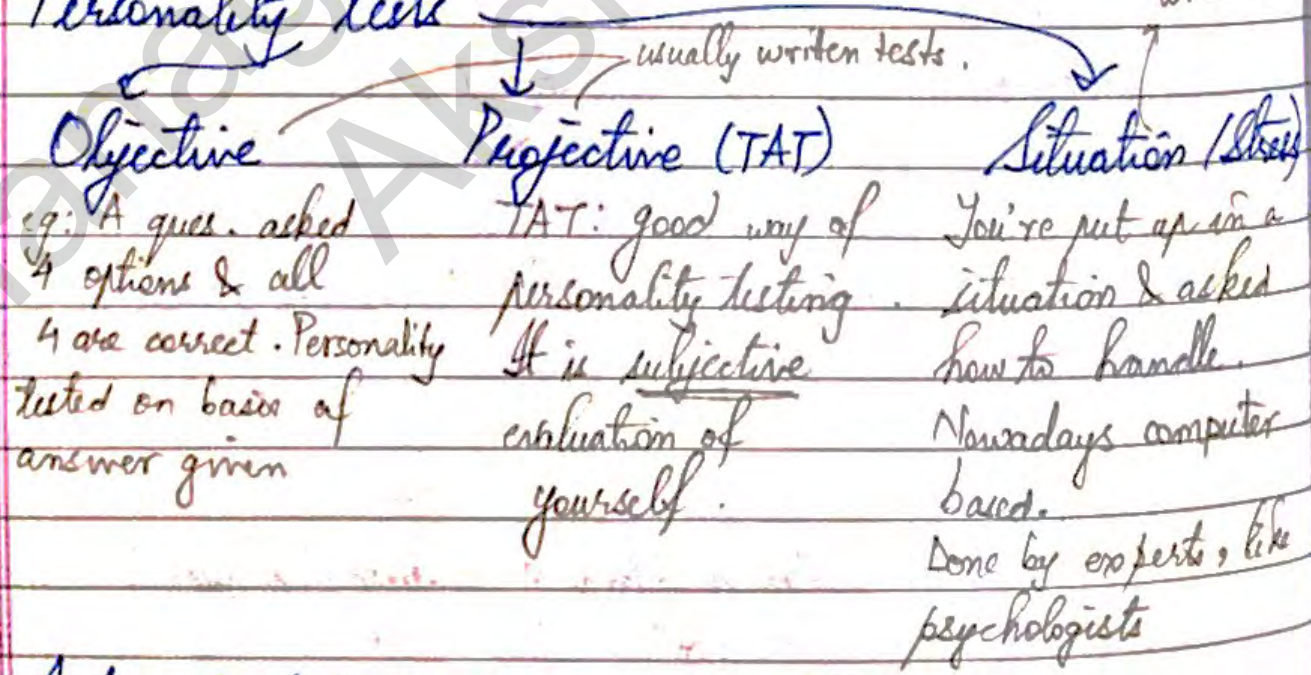
More specific than trade test. Whatever work you're expected to do, you're given a sample / demo of it to see how you do it.

2. Aptitude/Potential/Ability tests (Non managerial class)



- Aptitude → + "how well you know stuff technically"
- * Technical abilities are tested in a person by testing his logical, quantifying & analysing abilities.
 - * Mostly such tests occur at worker level.
 - * They don't occur at managerial level ∴ the aptitude tests are taken only at the starting of a person's career & not later.
 - * It helps predicting potential.

3. Personality tests



4. Interest tests :-

Seeing the interests of a person :- The interest areas are good for company or a misfit.

★ Reliability & Validity

every selection instrument or document must have reliability and validity

→ Means consistency. The selection instruments must show consistent results over repeated measures

If consistency of responses is there, then reliability is there. No contradictions.

eg. Q. what do you like to eat?

unreliable
→ Can elicit diff^t responses.

Means it measures what its supposed to measure. The proven relationship b/w selection device and some relevant criterion.

i.e., whether ques is measuring what its expected to measure.

★ Selection Interview

difficult to conduct

• 3 unique contributions:

a. Only way to see an applicant in person

b. Only way to see an applicant in action.

c. Only way to find out "will do" factors.
whether after joining, the person will work as per employer's needs or not

Types

Planned/Depth

Touch up few areas as decided.

Go in their depth.

Probing is done by asking ques.

Ques. not same & generated as per candidate's response.

Patterned/Structured

Typical pattern & candidates. Same ques &.

Only order of ques. changes.

Stress

Stress a person & observe how he reacts when harassed.

Panel

• Largely followed
• Many persons from diff^t fields are sitting your into on each & each field is weighed to pass a person.

TRAINING

Learning

Knowledge
(to know/understand sth)

Skill
how to do things

gaining both of these is educating

* Training & Devt. are both parts of educⁿ
So, if we say Training or Devt. or Educⁿ
knowledge & skill.

• Training:

- ✓ focus more on technical skills (how to do job well)
- ✓ step by step process.
- ✓ Purpose is to acquire a new skill

• Development - More technical & hence done more at lower level.

- ✓ It's the art of increasing knowledge & skills of an employee as well as developing an attitude for doing a particular job

• Development:

- ✓ more focus on conceptual skill so that knowledge can be acquired much faster than others (may come in use for future)
- ✓ giving knowledge & skill to taken on future responsibilities.

* eg: giving manuals or books for reading is also training.

• Educⁿ

Formal & given in schools or colleges.

Training

Vocationally oriented & given at a workplace.

• Training

✓ Short term

✓ Non managerial

✓ Technical Skill

✓ Improve current job performance.

Development

✓ long term

✓ Managerial

✓ Conceptual skill

✓ Improve future job performance.

Q. Why training is done?

1. To provide detail instructions to new recruits.
2. Even if people know how to work, they must know how to work efficiently.
3. ~~All~~ Already employed ones need training to be refreshed, updated.
4. Fast changing techniques of production & operations.

* Training Objectives.

↳ prepare employees for the job.

↳ to improve employees in present job.

↳ to build a second line of competent officials

↳ when first line is absent, 2nd line must be

qualified enough to see. ^{happen when} (Old ones might have to leave organisⁿ or so)

* Types of Training

- on basis of :
- purpose of training
 - when it is given
 - where its given

1. Induction/Orientⁿ :- (for new people)

- for someone who is getting into an organisⁿ.
- what are the various processes in an organisⁿ.
- equipment efficient.
- what equipments are used, how to use productively.
- Such a training is given at a workplace.

2. Apprenticeship : (by 1st person only)

- learning technical skills from a skilled person by a person who is semi or unskilled at workplace or ANYWHERE.
- done under someone & at various levels by a person at a very high or a very low post.

3. Internship

- given to students joining a formal organisⁿ.
- learning practical aspect of organisⁿ (i.e. programmes).

4. Learners

- when learning sth for the first time.
- eg: driving schools / labs.

5. Refresher

- already competent person being updated / upgraded with recent developments.
- given to existing employees.

6. Training for Promotion

↳ rarely given

↳ given so that they can go for higher (next) level

★ Methods of Training

On the job ^{learning while doing}

Off the job ^{not learning while doing}

- Job Rotation
- Coaching / mentoring
- Vestibule school
- Simulations

- Lectures
- Conferences
- Case study
- Role playing etc.

Here, job \Leftrightarrow employment

It refers to "assimil" of various tasks

→ Evaluation period: Job rotation occurs, like in financial institutions

→ What supervisors do:

→ Few learning places where actual work situation is duplicated in another place so that while practicing, production isn't affected & while working on machines, no wastage / damage is there

eg: mechanical workshop.

→ When duplicating becomes too tough, simul^{ns} are done

eg: Airplane simulⁿ → pilots get a feeling that they are actually flying.

• Mostly computers are used.

example for without comp: - Alarms: to simulate warlike situation.

★ Performance Appraisal

A formal process of evaluating performance & providing feedback to the employee.

★ • Techniques/Methods of Appraisal

1. Essay Method / C.R.

- The immediate boss writes an essay about you, very subjective.
- subject to bias of the person writing it.
- one individual assesses.
- has drawbacks.

2. Interpersonal comparison:

Ranking, Paired comparison, forced distribution.
1st, 2nd... one to one comparison. Distⁿ broken into parts. Similar another. Rating comes ones grouped together up.

A is compared to A is LESS

B is compared to A is + : more

	A	B	C	D	E	Rank
A	(-)	-	-	+	+	3
B	(+)	(-)	-	+	+	2
C	+	+	(-)	+	+	1
D	-	-	-	(-)	+	4
E	-	-	-	-	(-)	5

} So, ranking occurs

3. Rating scales.

Various traits/qualities are rated.

4. Behaviourally Anchored Rating Scales (BARS)

Appraisal done on the basis of how a person's behaviour is while he is working, not by the qualities he possesses.

eg:- how salesman treats customers, his responses ^{etc}
 eg: If a customer has a defective merchandise that is not the responsibility of the store, you can expect the representative (salesman) to :-

- help the customer arrange for needed help elsewhere
- treat customer rudely and with disrespect
- help by sharing complete info. on ^{store's} policies on returns
- take a request and pleasantly encourage the customer to 'shop again' in the store
- Delay the customer without explanation while working on other things

4. Critical Incident Method

- creating a written record on positive and negative performance.

when an employee has either performed exceptionally well or has brought a bad name to the organisation. In either case, incident must be recorded.

5. Self appraisal.

Telling yourself to the organisation, where do you stand or have done so far for the organisation.

6. 360° feedback

Assessment done by : peers, suppliers, customers, superiors, subordinates --> everyone!

3 DIRECTING

↳ before this st. all planning, organising is done.
↳ No, we need to give dirⁿ & have to say sth like → GO! → now start your work.

→ Things to be done if you direct anyone

- 1) → Supervision
 - 2) → Communicⁿ
 - 3) → Motivⁿ
 - 4) → Leadership
 - 5) → Controlⁿ
- } dirⁿ is hopeless without it

170 Supervision

(≡ Come in Scientific mgt → every worker should have 2 supervisors
↳ 1 : planning of worker's job
↳ 1 : implementation

- make worker understand how a particular activity is done in a particular job
- person is there to see how I'm doing it
- person there to help if any error comes (to rectify)

• So, whenever someone asks me to do sth, he will tell me how to do it. He will see how I'm doing it & check me.

Supervision \equiv seen in case of (activities)

technical or productional
(rather than conceptual)

eg: Strategising growth of a company is a conceptual activity \rightarrow not under supervision (job of managers)

• technical / prod^{nal} activities \rightarrow job of workers

Supervised by
managers

• Supervision is not included in today's books

\hookrightarrow it includes job of workers

• Ques. : Why we have taken supervision under directing when its not used?

Note that an element of supervision is there (some sort of dirⁿ is given) although, we don't directly supervise

27 Communication

\rightarrow what I will convey to other person that he will understand it " the way I want him to understand "

\rightarrow a process which can be correct, can go wrong also. We will try correcting it. I want no barrier in communicⁿ.

\rightarrow Sender & receiver

• I know there are receivers & don't know them \rightarrow I don't know \exists receivers but am still communicating. eg: searching for others

• don't matter if receiver is there or not. But communicⁿ completes with receiver. \rightarrow transmit signals

3) Motivation

- whatever you do is reflected in your activity regarding what is the basis that you're doing it (what is your motive)
- how to make people voluntarily ready to do work.
- sth that initiates, directs & sustains the actions.

or triggers.
or arouses

or channels

• Diff :-

react & sustain

If someone uses foul lang. with me, what do I do?

A) I slap him. ∴ I'm reactive

B) I wait patiently & kick him when he's alone. ∴ his behaviour made me sustain my feelings

✓ In an organiⁿ, sustenance needs to be set up

• eg :- brushing when I wake up in the morning
↳ reaction (not motivⁿ)

4) Leadership :

↳ a person is a leader if he has followers irrespective of what he does

↓
i.e. I am able to influence them.

*Q Diff. b/w Leader & Manager (done later)

Puffin

Date _____

Page _____

student

• what you're ^{not} supposed to do & what I make you do → leader teacher

• Note that you may not know the person who is leading you (i.e., influencing you)
eg: if at an accident spot, I am trying to tell people to be careful with others listening to me (followers), then, I am a leader at that pt.

5) Correlation

Every job has diff^t tasks & every task has diff^t activities

Every person is not supposed to complete every task to complete a job

eg. If teaching is a job,

teacher does task of teaching

security opens the class doors → another task.

→ needs to be done in any orgⁿ when we know all the tasks that need to be done and we assign that task

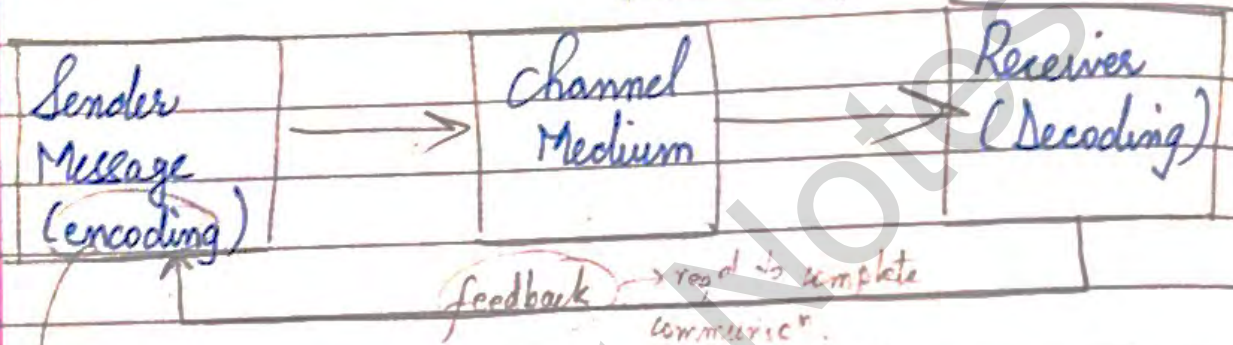
→ when work is very much structured & work is divided with pr in people

→ req^d in directing ∴ we should know the what/how job is distributed

* Stupid man behaves stupidly, not because he ~~is~~ is intended to, but because of the way he is.

2.4 Communicⁿ

* Process of Communicⁿ



↳ Changing message into form that the "Channel Medium" understands.

• What affects encoding?

- the skill, knowledge & attitude of sender, (eg. writing & speaking skill)
eg: I have skill, knowledge if students understood what I say
- the socio-cultural system :- eg: Sir teaching us in Hindi often to make communicⁿ better.
- the message itself (a written document, an oral speech, symbols used, expressions etc)
→ eg. when I write a project report, check for whom I'm writing: writing style changes. eg. If a technical person has to show his status to a non-technical boss, he won't include technical terms in it.

★ What affects channel?

- the channel or medium itself.

- NOISE (any disturbance that interferes with the transmission, receipt or feedback of message)

• What affects receiver?

- his skills

- his knowledge

- attitude & socio-cultural background

• What affects feedback loop?

- as same as channels.

★ Types of Communication

- Verbal & non verbal.

★ tone, pitch of voice gives diff^t meaning.

Q. Emotion is good/bad. Do you want to have emotions/not.
Emotion is good. Yes.

Q

* Barriers to Communicⁿ

- Filtering - deliberately condensing or manipulating information to make it appear more favourable to receiver.
- Emotions - interpreting info depends on state of mind.
// x feelings
- Informⁿ overload (one person given lot of work to do → happens in corporates (newsdays))
- Language - Jargon / Argots
↓ ↓
ambiguous words lang. used by specific groups.
- Cultural differences.

Q

* Overcoming barriers to Communicⁿ

- Use of feedback
- Simplifying language
- Listening Actively
- Checking emotional status
- Balancing the non verbal ~~see~~ ^{Cues} while communicating.

* Diff. b/w Feelings and emotions

- | Feelings | Emotions |
|--------------------------------------|---------------------------------------|
| - Tell us how to live | - Tell us what to like/dislike |
| - \exists right/wrong way | - \exists good/bad actions |
| - long term attitude towards reality | - short term attitude towards reality |
| - eg: Happiness | - Joy |
| - Worry | - Fear |
| - Depression | - Sadness |

* Diff. b/w Leader & Manager

Subject	Leader	Manager
• Essence	bring change	bring stability
• Focus	Leading people	managing work
✓ Have	followers	subordinates
• Looks	have a vision	have an objective
• Decision	facilitates	makes
• Approach	sets dir ⁿ	plans detail
• Wants	Achievement	results
• Truth	Seeks	establishes
• Risk	Takes	Minimizes
• Conflict	uses	avoids
• Dir ⁿ	new roads	existing roads
• Concern	what is right	being right
• Credit	gives	takes
• Blame	takes	blames
✓ ✓ Setup	Work anywhere <small>or: at any place</small>	Formal organic ^{nat} _{some}
✓ ✓ Fr ^m of orgt	Primary focus - leading	Focus on all 5
✓ ✓ Take care of	followers.	goals.

<3> * MOTIVATION

a. Traditional Model → Different models

↳ carrot & stick operⁿ

↳ way donkey carries load

- every model works at diff^t kind of situations
- eg: If you score well, I'll give PSP. (carrot)
- If not achieved, scolding (stick)

b. Need based model (developed by # Abra Maso)

↳ Every man works for sth to take care of need.

↳ Idea: I'll be motivated for sth, if I need to do that.

⊙ Diff. b/w need, want, desire, demand

If I have to move a beer box from place A to B.

(Need): commutation

(eg: food isn't a need, hunger is a need)

(Want): car

↳ which I like (BMW): desire

↳ which pocket can afford: demand

feeling for lackness of sth.

↳ req^d to take care of your need

✓ It is criticised, but accepted.

- Need hierarchy theory (by ~~Abra Maslow~~)
Every individual has 5 types of needs. These needs are in a hierarchical order from 1st to 5th.
- Individual always tries to satisfy his first order need first, as it ~~is~~ has the max. potential to motivate an individual.
- A need, once satisfied, no longer motivates.

1st order: Physiological needs

2nd order: Safety / Security needs write both

3rd order: Social / Love needs.

4th order: Ego / Esteem / Status needs.

5th order: Self actualizⁿ needs.

→ any need req^d for survival

physiological: survival in a society

eg: cloth not req^d to survive.

But, req^d to survive in a society

eg: sleep.

→ when person tries to keep himself safe.

eg: working in a company where firing \nexists

Security: when person wants to safeguard his interests. eg: do insurance, my own house.

3rd: Social: need for affiliation
- a circle/group should exist for you

- I need to have a group

Love: need for belongingness
- my family, my children

4th Status: - eg: when I see someone & say that yes he is sth

- sth which is visible & SHOWN

- eg: In a restaurant, if after having dinner, 1 person: thinks & give 10 Dhs.

Status visible

Another: - doesn't think & gives 200 Dhs

- eg: why do you want to stay in an elegant locality

Ego: - I know everything

- Bossing → everyone should be under me

Esteem: - Related to our self respect

- eg: person writing a book, going for social service

- raise self respect for himself

5th status: - Anything that humans do to take care of his potential → as said by him

Continued →

eg: a person 18 yrs. of age. After 62 yrs of age, her friend finds her learning guitar.

eg: old parents in a village sending their children to USA, remaining themselves in India.

→ what are they trying to do?

they feel they have the potential to do & are doing it

eg: S.N. Gupta, Chairman of HUL

- 1990s "liberalisation" started in India

↳ liberal policies made for foreign companies to invest in India
i.e. P & G can come in India

- HUL had been in India since 1800s

S.N. Gupta was thinking what would happen when P & G comes.

What he did? → lifebuoy soap → he changed it → Packaging, product

- everything → he launched handwash (first time introduced). Aamilk also enhanced & introduced

By the time Pantene came (P & G), Chairman of P & G thought what's the point coming to India

- What was he trying to do?

↳ he knows it was as per his potential & was trying to do that

4 LEADERSHIP

↳ Diff. b/w leader & manager written before

diff. comes when a manager doesn't want to become a leader

(The pts. with ✓ exist when a manager's & leader's behaviour/role are mixed)

* Research made on Leadership. Many hypothesis were made. Questions were asked

Q1) What makes a leader?

Many traits - - - The Trait Approach

"qualities"

✓
✓
✓

traits/
qualities

≈ 3000

2 basic criticisms

↳ No trait could differentiate b/w leader & non leader

↳ Some traits were found with leader, but were also there with non leader

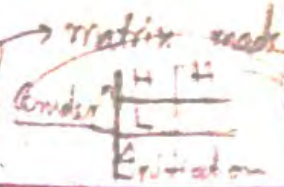
Further research

↳ What a person does (shows his behaviour) matters more → Behavioural Approach

↳ seeing various behavioural dimensions.

↳ how leader behaves with his followers.

OHIO State University
University of MICHIGAN



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Puffin
Date _____
Page _____

- * (2) US universities gave ^{this} approach. Both of them gave it separately → both were same
- Aspects / Behavioural dimensions suggested →
 - ① While dealing with employees → how in connection of task
 - ② with followers → how on people

* Another university came up with another dimension
↳ Leadership style

↳ The way someone chooses to do things
↳ pattern of someone's behaviour which you consider then to people who perceive it as your style

Autocratic

Democratic

Laissez-faire style

When a person is completely focused on task rather than on people

- leader blames
- he provides -ve motivⁿ → getting work done through stress

2-way communication. Person given chance to express views.

- Emphasis on ego satisfaction of workers.

When = a leader but he provides leadership only when asked

- complete freedom in decision making
- No appraisal / control of when organized events

Other theories of

Motivⁿ

(done later)

Ph: ACCOUNTING

seen in shares, budgeting

★ INTRODUCTION

- Accounting is the lang. of business.
- Accounting is the art of recording, summarizing, reporting and analysing financial transactions.
- An accounting sys. can be simple, utilitarian check registers, or, it can be a complete record of all the activities of a business, providing details of every aspect of business, allowing the analysis of business trends & providing insight into future prospects.

Recording: the 1st of diarizing the economic events chronologically. eg: journal → debt + flow of money

Draw assets & liabilities
what is our financial status

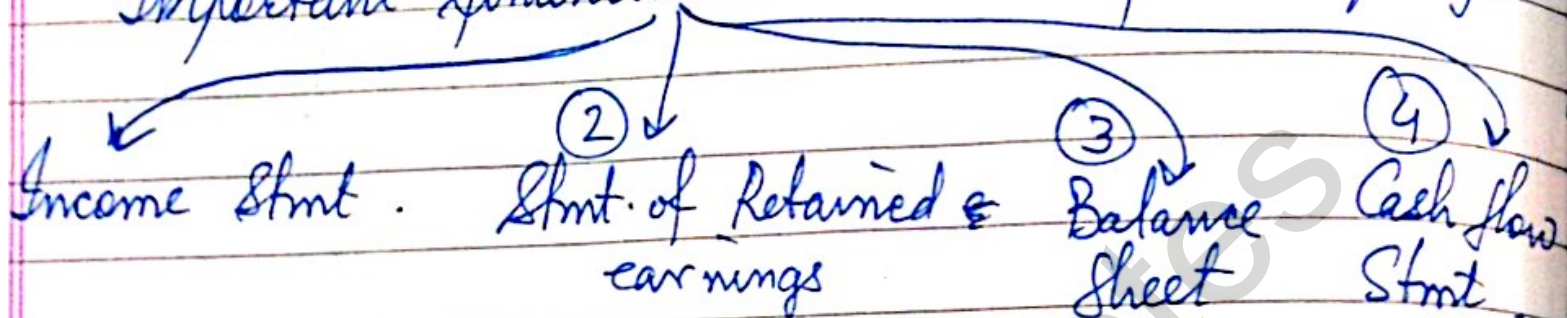
Summarizing: the diarized events are summarized after a fixed time period called accounting period, usually an year ending

Creating a Ledger
Cash, Receivable, Rent, Wages payable

Reporting: Classified economic transactions reported in the annual accounts in the form of financial statements
Created seeing Trial balance (Assets & liabilities)

- ★ Asset: Sth. which you own
- ★ Liabilities: Sth. which you owe.

Important financial statements of a company



Income statement of a company

- ✓ It's the report of all revenues and expenses pertaining to a specific period.
- ✓ It shows how net profit & retained earnings of a company are calculated.
- ✓ Revenue: The price of goods sold & services rendered during a given accounting period.
- ✓ Earning revenue increases the owners' equity.
- ✓ When a business renders service or sells merchandise to its customers, it usually receives cash or acquires an account receivable from the consumer.
- ✓ Expenses: Cost of goods and services used up in the process of earning revenue.

→ basically, what exactly you earned after removal of all taxes. (cash in hand)

* Profit = Selling price - cost price.

* Earning \equiv Profit (theoretically)

* Merchandising company :-

Bring material (cost price) & sell it off.

Trading in terms of commodity (eg: goods, gold, food)

eg: A college sys. :-

(Physical commodity) \rightarrow NOT SHARE

Students pay fee

\rightarrow Its revenue for college expenses - salaries of teachers, utilities, miscellaneous

$$\text{Revenue} - \text{Expenses} = \text{Income}$$

Gross Income
(EBIT)

Earning Before
Interest & Tax

Reduce Tax

what left with
college.

Net Income

* Stakeholder

anyone directly connected to business

Impact on functioning

Everyone involved into the activities of company

* Shareholder

Who have impact on income \rightarrow profit & loss

\rightarrow anyone who has invested his stakes.

* PDC: Post Dated Cheque.

Puffin

Date _____
Page _____

→ earning by selling product, service, face (like celebrity), capability, donation (for trust)

★ Income Stmt (Tells about profit & loss of owner)

शुद्धि * Note: Effort is necessary for income

Terms

Revenue Revenue (generated due to ^{NOT requiring effort} goods services) → non income

(-) Expenses (machines, wages, cost of goods) → operating income

Subtract - Taxes

Net Income → +ve: Profit
→ -ve: loss. } Pay tax
net income

any money without interest (अपना पैसा)

• Equity of owner: You have equal participⁿ in profit & loss of company

• Investors / shareholders (if share allotted)

• Dept Shareholders: fixed rate of interest. they need fixed money or Preference.

★ Statement of Retained earnings (Reflects how much investor has earned) → owner's equity stmt

★ Cash flow Stmt → movement of cash → how it came, how it went → no talk about profit or loss
(reflects what are my receipts), payments/disbursements
tells inflow of cash to me. outflow of cash from me.

→ Operating activity

→ cut short / monitor (Revenue & expenses)
→ what happened / what to monitor in case of recession including how to generate revenue.

* Dividend: sth on which you have earned
* (PTO)

* Capital \equiv Equity + (Reserve & Surplus)

Puffin
Date _____
Page _____

↳ Investing Activity

eg: machines in Mech lab, library of BITS

↳ are assets with which will generate revenue later

↳ Financial activity

↳ borrowing (debtor) / lending money (creditor)

* Balance Sheet → reflects the company's current status

↳ egⁿ followed: Assets = Liabilities + Owner's equity
(own) (owe) (Share capital)

Format Accounting LHS = RHS (always)
egⁿ

↳ Assets (anything which you own)

diff in time }
period } ↳ Current (cash in hand) Receivables + Short term/Quick

↳ Non Current (eg: bonds bought, long term → buildings, equipments, inventories)

↳ Liabilities (anything that's not mine & I have to give back)

↳ Current (eg: loan borrowed from bank, things brought on credit, not on cash) → To be repaid within an year

↳ Long term

↳ Installments sum for long term (> 1 yr)

↳ liabilities arising for more than 1 yr.

eg* If I give my product on credit, then, what cash I get back is Receivable (comes under Current Asset)

Ch. - CORPORATE SOCIAL RESPONSIBILITY

☆ Social Responsibility of Mgt & Managerial Ethics
things req^d for a society to thrive with & we try to follow it.

Q. Is there any connection b/w business & society?

Yes

Stake: for a person, i.e. his survival in society
↳ stakeholders :- parents → responsible for existence
teachers → influence how you are
govt → where you live, passport

In respect for a company

↳ stakeholders :- govt → makes rules
Society → accepts you
shareholders
Suppliers
employees

☆ We always have responsibilities towards all our stakeholders.

5. I am managing for whom?
Interest groups
Stakeholders.

✓ Govt

✓ Customers

✓ Society

✓ Employees
- - -

80

Social Responsibility

• Classical View

- ✓ As a business point of view, I want to cater to the stock holders → giving them profit
- If they do any social good, the cost has to be passed to consumers

• Socio-economic view

- encompass stakeholders

• What to do?

- Is it charity?

When I give someone charity, I'm not bothered about in what condⁿ is that person ~~is~~ is

- Can it be welfare for one & ill fare for another?

When I see what put you in that condⁿ.
i.e., social responsibility is doing sth for welfare so that no bad condⁿ arises. It's not ill fare for others ∴ I'm not putting my cost to others.

Net
for owners -

for employees - getting profit through legal means

other Stakeholders: - working cond^{ns}, job security, compensⁿ

broader society: - fair price, quality product, supplier relⁿ etc

preserving environment, promotion of social justice, innovations, so support social, cultural & academic activities

- you get respect if you do your social responsibility well
eg: Bill Gates Foundⁿ & Coca cola (pesticide issue solved → rainwater harvesting), Mc Donalds (no antibiotic, all organic chicken; trans fat free oil; paper bags used - - - -)

STAGES

comes when we start a business

- 1st stage: - Social obligⁿ → obligⁿ to meet legal responsibility enforced by law
framing rules & regul^{ns} (∴ adhering to that will make one socially responsible)
eg: when I start a company, people come with a list of rules → min employee pay - - - -

next stage of business

- 2nd stage: - Social responsiveness
we won't do if no capacity → capacity to adapt to changing needs
responding to society. eg: if someone comes to me, buy a plant /sth ∴ everyone is buying it. I buy it thinking that everyone did.

Proactive & Reactive way

99% of our behaviour is like that
do this, do that

- 3rd stage: Social Responsibility → obligⁿ or creating capabilities to do meet certain responsibilities beyond requirements by law

I'm doing myself for betterment of society (no one forced me) eg: what Mc donalds did

★ Corporate Social Responsibility

◦ Evaluating CSR:-

from Compliance to Conviction

↳ acting to avoid adverse consequences to, acting to create +ve impact

Stages:

1. Be profitable: Meet economic responsibility
2. Obey the law: " legal "
3. Do what is right " ethical "
4. Contribute to community: " discretionary "

Strategies adopted.

- Obstructionist → doesn't matter unless someone says.

- Defensive → do min. legally reqd,

- Accommodative → do min. ethically reqd. (Meet 1, 2 & 3)

- Proactive → take leadership in social initiatives meet all 4

Other theories of
Motivⁿ

Continued - - -

(PTO)

3 MOTIVATION

OTHER THEORIES

§ TWO FACTOR THEORY

— Frederick Herzberg

Factors that can motivate an individual

∃ few factors in the organiⁿ, which, if absent, is going to disturb the individuals (or employees) or makes them dissatisfied. However, their presence, do not as such motivate.

∃ few factors in the organiⁿ, if absent, not going to demotivate the employees, however, their presence highly motivates.

eg: time table, rules in an organiⁿ, better working environment, money

eg: ~~free trips~~, scholarships, ^{like in schools/colleges to go out to students} more C/H hours in the time table, appreciation giving in a job

Motivⁿ :- Sth through which, people are willing to contribute

If ∃ no time table, what is this... All Ruckus So, dissatisfied. But if time table ∃, its okay. Doesn't matter to me. (eg classes bunked)

→ cannot be an eg. because field trips don't motivate me.

eg. company policy & administration.

1's factor

Maintenance / Hygiene / Extrinsic factors :

Cleanliness, good environment

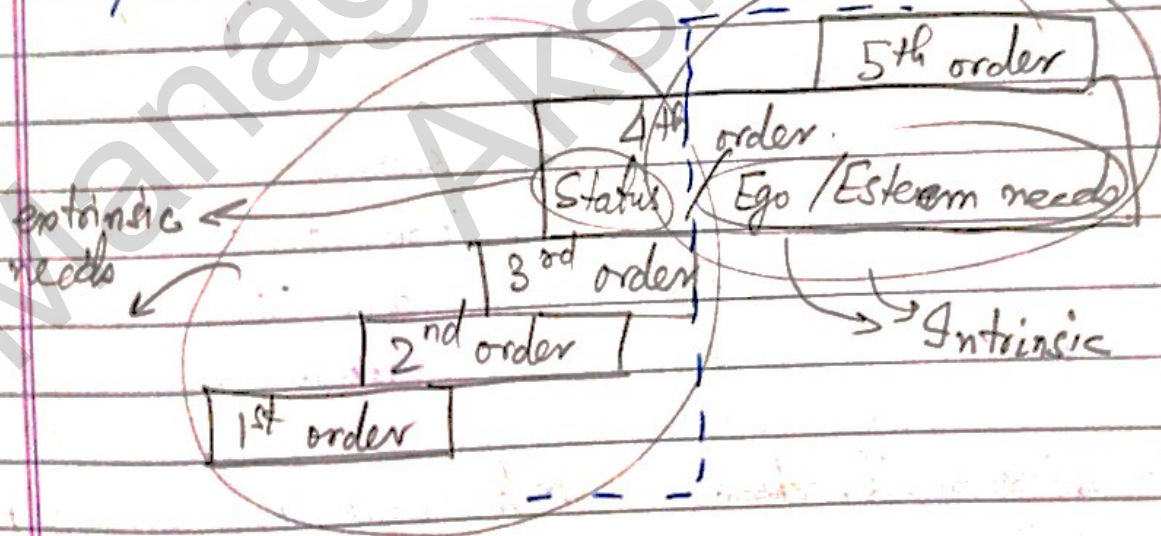
eg: washrooms presence.

2nd factor :-

Motivators / Intrinsic factors

eg: Achievement of task, recognition of accomplishment, challenging work, ↑ responsibility & opportunity for growth & devt

★ Comparison with Maslow's theory



THEORY X THEORY Y — Douglas Mc Gregor

If we try to look in kind of employees in organisⁿ, very broadly, we classify into 2 varieties —

X & Y. (Intensity in each variety vary)
Mgt style & behaviour in both theories (X & Y) completely differs.

Theory X: Assumptions about Human Personality

↳ assume about type of my employees
(can get exactly, obviously)

one kind
of
individuals -
We have
to manage
them in a
diff^t
Mgt style

- ↳ the avg. human being has inherent dislike for work & will try to avoid it.
- ↳ he is self-centered & indifferent to organisⁿ goals.
- ↳ by nature he is resistant to change
(eg. change time table, I don't like, I don't want any change)
- ↳ he prefers to be directed or led
- ↳ he isn't very bright, lacks creativity, lack ambition, avoid responsibility — but, they want security.

✓ Theory talks about personality, not needs

- Mgt style req^d: Strict control & supervision & punishment for non performance.

never I'm doing, I keep doing the same thing \Rightarrow I'm not ambitious.

Puffin

Date _____

Page _____

Theory Y: Assumptions about Human Personality

- \rightarrow avg human likes work as a game or play
- \rightarrow he is ambitious & seeks responsibility
- \rightarrow he is dynamic & flexible
- \rightarrow self directed & has self control.
- \rightarrow recognises & accepts organisational needs.

Mgt Style req'd :- general supervision, ^{involving them in decision making} participative mgt, MBO (mgt by objective), job enrichment etc.

* Participative mgt :- \Rightarrow superior subordinate decision making. (board of director taking group decision is NOT participative)

eg: Students in disciplinary committee of college

* MBO: Me & my team will decided on one goal & we sit together & decide how we'll do that by making objectives. Any correction is done togetherly

* job enrichment :- Broadening their kind of work \rightarrow giving more responsibilities (\because they are interested).

eg: If I am teaching & I am given a task of editing a newsletter say, then its job enrichment (PTO)

* when jobs are allotted in an organisⁿ \exists a few which are tasks which require to be done to complete job (i.e. additions to my tasks).

- Now, new tasks given to me
 - of same type as I was doing
 - ↳ job enlargement (Horizontal)
 - of other type / one level up in terms of my activities (eg. when I get promoted, I acquire more power, more freedom in making decision)
 - ↳ job enrichment (Vertical)

* Theory X

Theory Y

	One way communication	2 way
In terms of	Autocratic mgt style	Participative
of	Mgt. by dir ⁿ & control	objectives
Mgt	external control	self control
style	min. deleg ⁿ .	effective mgt devt.
	Punishment / -ve motiv ⁿ	Rewards
	Lower order needs are met	Higher order needs are met

An terms
of
assumptions

Theory X

less dynamic
for growth

Theory Y

More dynamic &
optimistic

However, none is good/bad

→ environment in which theory X couple with hygiene rewards works best is exactly opp. to envt. where theory Y couple with job enrichment works best

end of Mater³n



MARKETING

— a final area
(like personnel)

- ✓ advertising a product
 - ✓ convincing people
 - ✓ it starts much before selling product
- } X its not simply this role..

↳ Its an activity

1. ✓ If I talk about product, marketing man says — what exactly product should look like
2. What price — he decides
3. Where / who will buy — he decides.
eg - Ralph Lauren shirts made in Shwasa (not a single item sold in India, all us ---)
4. How sale will go

* Selling is a part / fraction of marketing

✓ In marketing, we take all measures, so that selling becomes superfluous → eg. Harry Potter Series → people go & see if new series came
eg: Hero come to some place (like they came in BITS), so that people & keen to look into any new movie coming.

* I won't need to go everywhere & market. People will come to me.

BasicsSelling conceptMarketing concept

Meaning

This is what I make,
would you buy it?
That's what I ask

This is what I
want, would you
please make it

↓
I'm knowing envt.
or need of customers.

Continuously developing
They don't sell product,
they sell need.

Starting pt

Factory

Target market
for whom am I
making

Focus

Product

Customer needs
(worrying about
what people want)

Means

Selling & Promotion
eg. way products sold
in Carrefour (bulk,
discounts, buy 1, get 1)

Integrated marketing
we talk about 4 P's

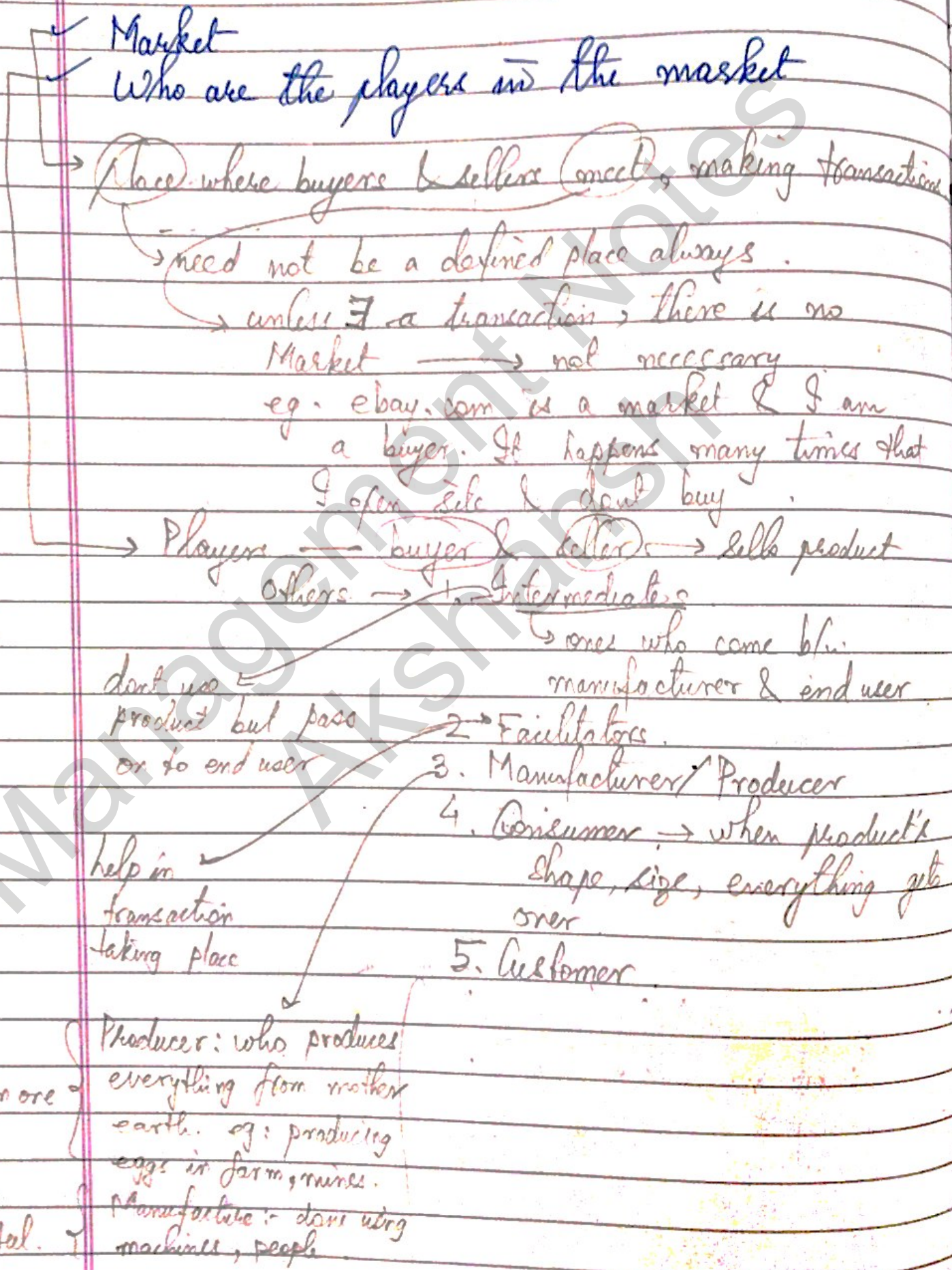
Product } I have to
Place } coordinate
Price } all these
Promotion }

Ends

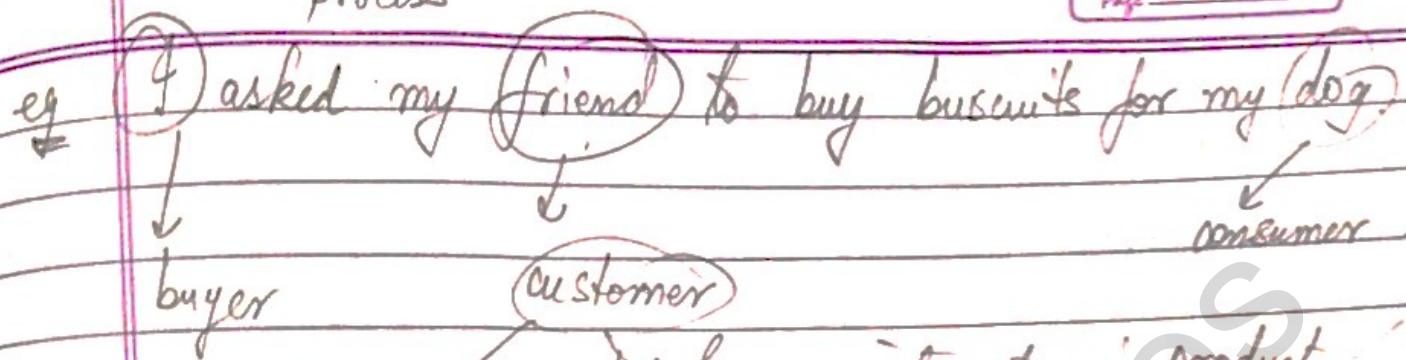
Profits through sales
volume.
(as much sold, that
much profit)

Profit through
customer satisfaction
∴ if customer is
satisfied, he'll come
back to me. (eg.
Sony)

* Terms in Marketing



Transaction: exchange of money for goods.
Buyer is involved in transaction process



discounts on any product matters to them

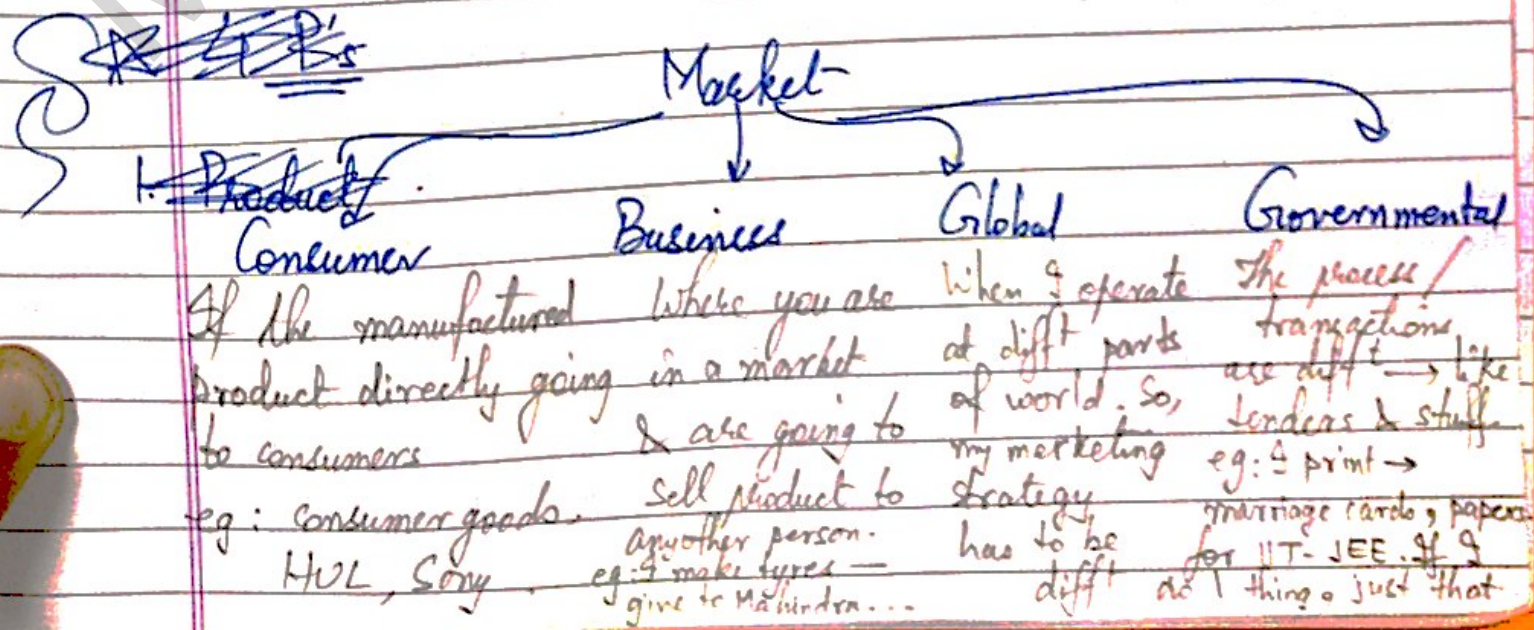
WHO HAS TAKEN THE BUYING DECISION

- has no interest in product
- who pays money

★ As a marketing manager, I am mainly focused on consumers & customers.

eg: I want to sell tractor of TATA in a village.
Who takes buying decision? → say Sarpanch
Customer.

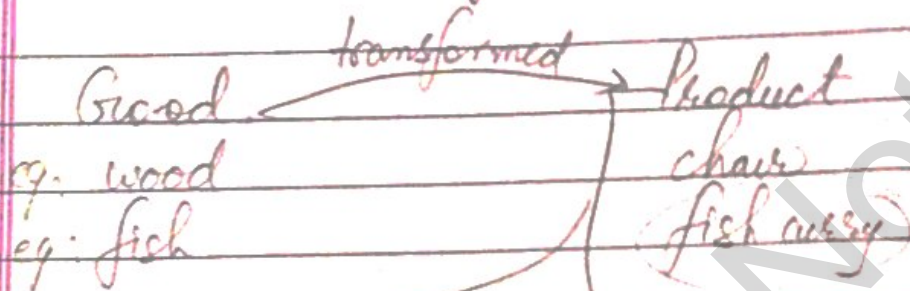
Bank → gives money
↳ I go to him & tell him to recommend this to others. → he will be my customer for me.



★ 4 P's

1. Product

↳ understanding it, what is it?



↳ It is the same always.
What you make to a product,

depends upon what a marketer can do to it.
Then, it's an offer, not a product.
eg: is a 5 star, everything given to me is decorated & given.

✓ Creating a product which is adaptable.
eg: Indica made: nylon
Jeld Rotan Tata that you'll be able to make any car out of it without changing your plant or anything.

- ↳ durable, non durable, staple, convenience good.
- ↳ continuous alter^{ns} reqd.

2. Price

Pricing that you adopt to sell → done by marketer

3. Promotion

Advertising
to make people know

Sales Promotion
Motivating people to buy more of my stock

4. Place

availability of product at right place.
- how should I go by selling it,

- internet
 - myself
 - wholesaler
 - retailer
 - distributor
 - dealer
 - merchandiser
 - agents
- } diff channels