

"PRINCIPLES OF MANAGEMENT"

UNIT-I

OVERVIEW OF MANAGEMENT

Definition - Management - Role of managers - Evolution of management thought organization and the environmental factors - Trends and challenges of management in global scenario.

MANAGEMENT:

* "Management is the process of designing & maintaining an environment in which individuals working together in groups, efficiently accomplish selected aims".

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

Nature of management:

The following are the salient characteristics of management.

1. management is multidisciplinary in nature.
management is an interdisciplinary study. It draws ideas &

concepts from various disciplines.

2. management is a continuous process.

management process continues till the objectives set by administration are actually achieved.

3. management is a universal activity.

management is not applicable to business undertakings only.

4. management is a science as well as an Art.

management is an art because there are definite principles of management. It is also a science because by the application of these principles predetermined objectives can be achieved.

5. management is dynamic and not static.

The principles of management are dynamic and not static. It has to adapt itself according to social changes.

6. management is a profession.

management is gradually becoming a profession because there

are established principles of management which are being applied in practice and it involves specialised training and is governed by ethical code arising out of its social obligations.

7. management is a group activity:

Management comes into existence only when there is a group activity towards a common objective.

8. management aims at obtaining wealthy results.

manager's primary job is to assure the productive performance through planning, direction & control.

9. management implies skill and experience in getting things done through people.

management involves doing the job through people. The economic function of earning profitable return cannot be performed without enlisting co-operation & securing positive response from people.

10. management is a system of authority:

Authority means power to make others act in a predetermined manner.

11. management is intangible:

It cannot be seen with the eyes, it is evidenced only by the quality of the organization & the results.

12. management implies good leadership:

A manager must have the ability to lead and get the desired course of action from the subordinates.

Scope of management:

It is difficult to precisely state the scope of management. However, the management includes the following scopes.

- * Functional areas of management
- * subject matter of management
- * management is an inter-disciplinary approach.

- * Principles of management
- * management is an agent of change.
- * The essentials of management

Functions of management:

The following are five basic functions of management.

1. Planning.
2. Organising.
3. Staffing.
4. Directing.
5. Controlling.

1. Planning:

* Planning is the management function that involves setting of goals & deciding the best method to achieve them.

* It is the process of preparing for the future.

There are two types of planning.

1. Strategic planning.
2. Operational planning.

The planning process involves the following activities.

(i) Determination of the goal of the organisation.

(ii) Formulating Policies, rules, Procedures etc. for the organisation.

(iii) Forecasting the future based on Past & present activities.

2. Organising:

* Organisation involves identification & grouping the activities to be performed and dividing them among the individuals and creating authority & responsibility relationships among them for the accomplishment of organisational objectives.

Organisation process involves the following activities.

(i) Identification & analysis of activities required for the attainment of organisational activities.

(ii) Assignment of duties to the individuals concerned.

(iii) Follow-up the activities.

3. Staffing:

Staffing process involves selecting candidates for positions, fixing salary, training & developing them for effective organisational functions. The manager performs

the duties of job analysis, job description etc. which come under the staffing function.

4. Directing:

Directing involves activities, such as guiding, supervising, communicating & motivating the subordinates in their jobs. Motivation, leadership & communication are three important subfunctions of directing. Motivation helps to increase the performance of workers.

5. Controlling:

Controlling deals the checking and verifying the activities against the pre-determined standards. It is the process of ensuring that the actual activities confirm to the planned activities. Controlling process involves the following steps.

- * Establishing standards.
- * measuring current performance.
- * comparing this performance to the established standards.
- * Taking corrective actions if deviation are detected.

ROLES OF MANAGER:

Henry Mintzberg describes a set of ten roles that a manager performs. These roles fall into three categories.

1. Interpersonal roles.
2. Informational roles.
3. Decisional roles.

Interpersonal roles:

The three interpersonal roles include;

1. Figurehead role:

perform ceremonial & symbolic duties, such as greeting visitors & signing legal documents.

2. Leader:

- * Direct & motivate subordinates.
- * counsel & communicative with subordinates.
- * responsible for staffing & training.

3 Liaison:

* maintain information links both inside & outside organisation via mail, phone calls & meetings.

Informational roles:

The three informational roles include;

1. Monitor:

- * seek & receive information.
- * scan periodicals & reports.
- * maintain personal contact with stakeholders.

2. Disseminator:

It is forward information to organization members, via memos, reports & phone calls.

3. Spokes person:

Transmit information to outsiders via reports, memos & speeches.

Decisional roles:

The four decisional roles are,

1. Entrepreneur:

Initiate improvement projects; identify new ideas & delegate idea responsibility to others.

2. Disturbance Handler:

Take corrective action during disputes or crises. resolve conflicts among

subordinates; adapt to environments.

3. Resource allocator:

Decide who gets resources; prepare allocator budgets; set schedules & determine priorities.

4. Negotiator:

Represent department during negotiations of union contracts, sales, purchases and budgets.

EVOLUTION OF MANAGEMENT THOUGHT.

Evolution of management thought is divided into following four stages:

1. pre-scientific or pre-classical management period.

2. classical management theory.

(a) scientific management of Taylor.

(b) Administrative management of Fayol.

(c) Bureaucratic model of Max Weber.

3. Neo-classical theory or behavioural theory.

4. modern theory.

classical management theory.

A classical management theory is made up of three parts;

- * Scientific management theory.
- * Administrative management theory.
- * Bureaucratic management theory.

Scientific management theory

Scientific management is defined as the use of the scientific method to define the "one best way" for a job to be done.

F.W. Taylor's scientific management

* He was often called the "father of scientific management".

* Taylor attempted a more scientific approach to management as well as the problems & the approach was based upon four basic principles:

1. Study each part of the task scientifically and develop the best method to perform it.

2. Carefully select workers & train them to perform a task using the scientifically developed method.

3. cooperate fully with workers to ensure they use the proper method.

4. Divide work & responsibility. So, management is responsible for planning work methods using scientific principles & workers are responsible for executing the work accordingly.

Elements of scientific management:

The following are the elements or features of Taylor's scientific management

1. Planning the task:

- * Taylor suggests the separation of planning from actual doing
- * Taylor says that supervisor should do the planning
- * The workers only concentrate on doing the work.

2. scientific task & Rate setting: (work study)

It is defined as the systematic, objective & critical examination of all factors governing the efficiency of any specified activity in order to obtain effect improvement. This can be determined by method, motion, time & fatigue studies.

A. method study:

The management should try to ensure that the plant is laid out in the best manner & is equipped with the best tools & machinery.

B. motion study:

It is a study of the movement of an operator in performing an operation with the purpose of eliminating useless motions.

C. Time study:

It determines the proper time for performing the operations. The movement which takes minimum time, is the best one.

d. Fatigue study:

Employees get both physical as well as mental fatigue easily. Fatigue study indicates the amount & frequency of rest required in completing the job.

e. Rate-setting:

Taylor recommended the differential piece wage system, under which workers performing the standard task within prescribed time are paid much

higher rate per unit than inefficient workers who are not able to come up to the standard set.

3. scientific selection & training:

* Taylor has suggested that workers should be selected scientifically by a central personnel department.

* A worker should be physically & technically most suitable for the selected post.

* After selection workers should be given a proper training which makes them more efficient & effective.

4. standardisation:

* Standards must be maintained in respect of the equipments and tools, materials, period of work, amount of work, working conditions, cost of production...etc

5. specialization:

* Under this plan, the two functions of planning & doing are separated in the organisation of the plant. In this system eight functional foreman were involved to direct & control the activities of the workers.

- * Route clerk.
- * Instruction card clerk.
- * Time & cost clerk.
- * Shop disciplinarian.
- * Gang Boss.
- * Speed Boss.
- * Repair Boss.
- * Inspector.

6. Financial Incentives:

- * Financial incentives can motivate the workers to put up their maximum efforts.
- * According to this scheme, a worker who completes the normal work gets wages at higher rate and who does not complete gets at lower rate.

7. Economy:

- * Scientific management enhances profit & economy.
- * The economy & profit can be achieved by making the resources more productive as well as by eliminating the wastages.

8. mental revolution.

- * It is based on co-operation between management & workers.
- * Co-operation enhances the effective managerial activities.
- * Mutual conflict should be replaced by mutual co-operation which is beneficial to both.

Benefits of scientific management:

- * Replacement of traditional rule of thumb method by scientific techniques.
- * Proper selection & training of workers.
- * Incentive wages to the workers for higher production.
- * Elimination of wastes & rationalization of system of control.
- * Standardization of tools, equipment, materials & work methods.
- * Detailed instructions & constant guidance of the workers.
- * Establishment of harmonious relationship between the workers.
- * Better utilization of various resources.

Henry Fayol's Administrative management theory.

Fayol divided the total industrial activities into six categories which are given below,

1. Technical
2. Commercial
3. Financial
4. Security
5. Accounting.
6. management.

The second part is concerned with the fourteen principles of management. They are,

- * Division of work.
- * Authority & responsibility.
- * Discipline.
- * Unity of command.
- * Unity of direction.
- * subordination of individual interest to general interest.
- * Remuneration of personnel.

- * Centralisation.
- * scalar chain.
- * order.
- * Equity.
- * stability of tenure of personnel.
- * Initiative.
- * Esprit de corps.

Organization & environmental factors:

All organizations whether they are engaged in business or non-business activities draw input from the environment & convert it into output & send them back to the environment. The environment of the business consists of two components.

① Internal environment factors.

② External environment factors.

Internal Environment factors:

The internal environment refers to the inside organization, such as technology, structure, processes & people.

1. suppliers.
2. customers.
3. competitors.

1. suppliers:

The raw materials supplied by suppliers in the organization are converted to its output. The relationship between organization & the suppliers of these inputs presents the forces in the environment that directly influence the operations of a firm.

If an organization is unable to obtain this essential input of right quality, quantity & at the right price, it cannot possibly achieve their objectives.

managers find that cooperation is the key factor to save money, maintaining quality, & speed up the delivery of products to market.

2. customers:

* customer is one of the important parts of every organization.

* Any organization which neglects the customers expectations & aspirations would find some difficulties in long term survival.

* customers taste & preferences are not static but they keep on changing.

3 competitors:

* competitors of a company is a major influence in shaping its organization.

* If the organization plans a strategy at one side, a number of other organizations might do the same calculations.

* Each & every company must identify their competitor, monitor their activities, capture their moves and maintain customer loyalty.

External Environment factors:

* The external environments includes the following.

- ① ~~suppliers~~ Technology.
- ② Economic conditions.
- ③ Political factors
- ④ Socio cultural factors.

Technology:

* India is making rapid & significant advances in the fields, such as energy, electronic, & information technologies.

* The technological developments have tremendous impact on the organization.

* Today's organizations need to keep abreast of technological changes that affect their operations so as to remain competitive.

Economic conditions:

* managers must also assess how changes in general economic conditions which will affect the operations.

* Efficiency in operation, elimination of wastage, product planning etc., hold the key for the survival of firms in such an adverse economic climate.

* The growth of a corporate sector is an important indicator of the sophistication & growth of an economy.

political factors:

* The performance, growth & survival of business in general to a larger extent depend on the attitude of the government towards the business.

* One government adopts restrictive policies while adopting liberal economic policies by another government.

socio cultural factors:

* Socio-cultural environment comprises the basic beliefs, values & norms which shape the people.

* It plays a major role in deciding the wants and needs of the people.

* The dynamics of technological economic, socio cultural & political factors & the need to respond with the changes in these forces have been highlighted.

TRENDS AND CHALLENGES OF MANAGEMENT IN GLOBAL SCENARIO:

managers should update their knowledge & skills to attain the needs and objectives of organization.

- * workforce diversity.
- * changing employee expectations.
- * International environment.
- * Building organizational capabilities.
- * Job design & organizational structure.
- * changing psycho-social system.
- * Technological advance.
- * management of human relations
- * changes in legal environment
- * Expanding globalisation.

workforce diversity:

* When workers join organizations, they come with their differing cultural values & life style preferences.

* If diversity is managed properly, it can increase the creativity & innovations.

changing employee expectations:

* Besides changes in workforce, demographics employees' expectations & aspirations have changed from traditional allurements.

* The manager has then to redraw new methods of motivation, such as job design.

International environment:

* creating an environment which is responsive to external changes, providing satisfaction to members of the organizations & sustaining through culture, useful traditions, practices & even systems will become another important dimension of managing personnel.

Building organizational capabilities:

The paradigm of managing managers would include not only assisting them to acquire new skills & knowledge and to evaluate environmental changes to evolve business strategies but also to love in a psychological state of readiness to continually change.

Job design & organizational structure:

In designing an organization, with foreign concepts, such as quality circles, TQM, etc.

It will primarily be based on.

① task approach.

② people approach.

Changing psycho-social system:

In the traditional bureaucratic mode the management was designed to perform its work functions.

Technological advance:

In the wake of technological advances, new jobs will be created & many old jobs will become redundant.

management of human relations:

The new generation of workforce comprising educated & conscious workers will ask for higher degree of participation & avenues for self fulfillment.

changes in legal environment:

To meet the increasing changes in the legal environment necessary adjustments will have to be made so that greater utilization of human resources can be achieved.

Expanding Globalisation:

The following sector-wise list provides the Indian companies which participate in global business.

* Textiles.

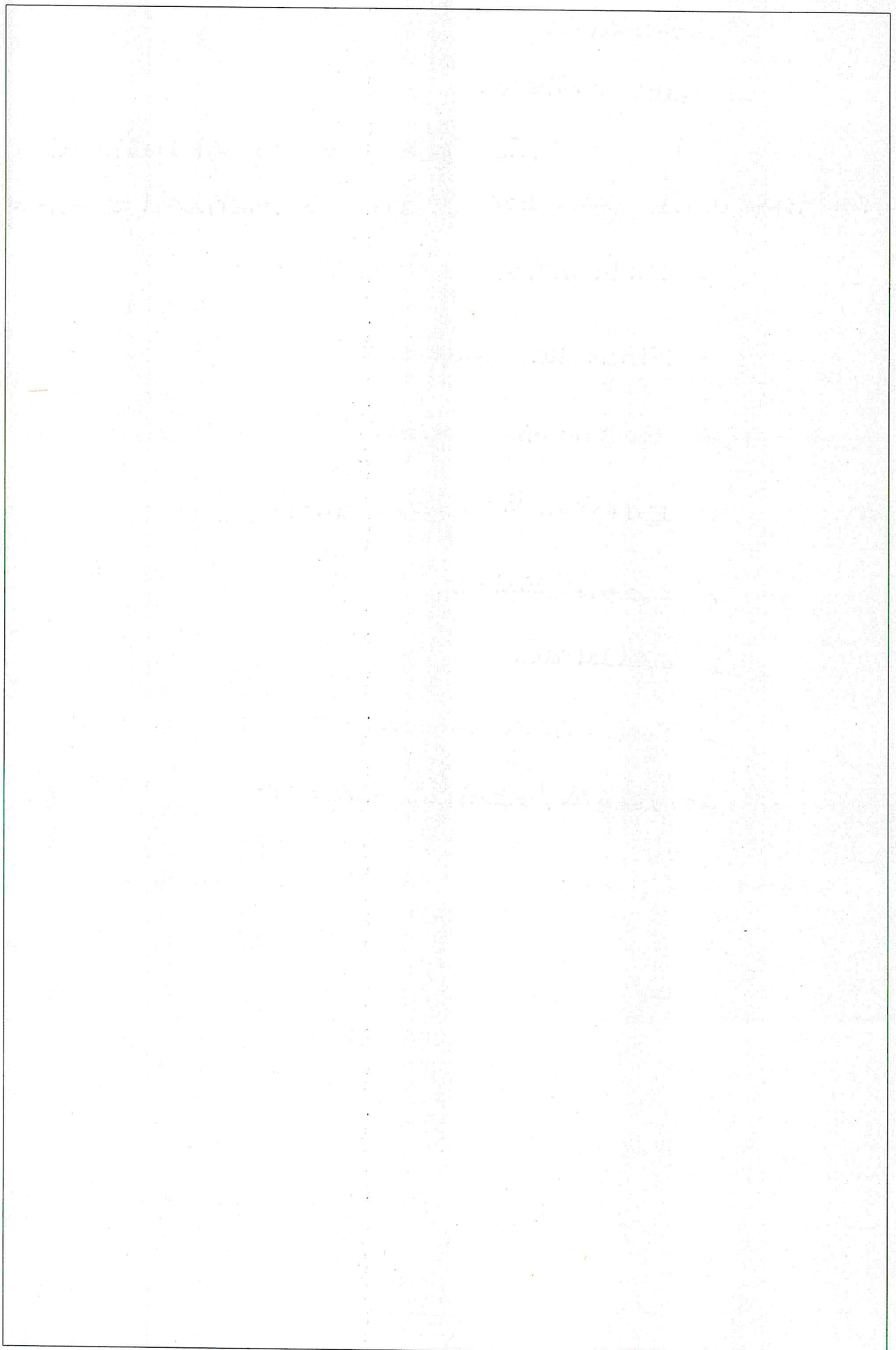
* Pharmaceuticals.

- * Software
- * Automobiles.

The effects of globalization in different sectors are summarised as follows

- * Industrial sector.
- * Financial sector.
- * Economic sector.
- * Information technology.
- * Competition.
- * Cultural.
- * Technical sector.
- * Legal/Ethical sector.





UNIT-II

PLANNING

Definition:

* "Planning is an intellectual process, the conscious determination of course of action."

* Planning is the management function that involves setting of goals and deciding the best method to achieve them.

NATURE AND PURPOSE OF PLANNING:

Nature of planning:

(i) Planning - a primary function:

Planning is the primary function of management and it proceeds all functions, such as organizing, directing, controlling etc. There is no measuring of other activities without setting the goals to be achieved and line of action to be followed. In fact, all other functions of management largely depend on planning.

(ii) Planning - a dynamic process:

Planning is a continuous managerial function involving complex processes, such as perception, analysis, communication, decision & action. It's never-ending activity of a manager of an enterprise. Most of the plans are modifying, revising according to the changes in the circumstances.

(iii) Planning - based on objectives & policies:

Planning process involves setting of objectives to be achieved and determining the technique for achieving those objectives. The various techniques, such as policies, programmes, procedures are formulated.

(iv) Planning - a selection process:

For achieving a particular objective, there are number of alternatives available. The planning manager has to select only one alternative which is best suited to the firm.

(v) pervasiveness of planning:

Planning is generally considered as a function of top-level management, but ^{it} is not true. Planning function should spread or make available throughout the organization. Every manager has a planning function to perform.

(vi) planning - an intellectual process:

Planning is a mental activity. It is a process where a number of activities are to be taken to decide the future course of action. Various levels of managers have to consider various course of action, achieving the desired goals, the detailed process of every course of action and then finally decide which course of action may suit them best.

(vii) planning is directed towards efficiency:

In general all management functions including planning are directed to increase the efficiency of

the firm. corollary of planning is.

(i) planning is an intellectual ~~property~~ activity that aims the best way of doing things, and.

(ii) planning provides the goals and objectives.

(viii) planning - Focus with future activities.

planning is primarily concerned with looking into future. It forecasts the future situation in which the organization has to function.

(ix) flexible of planning:

planning is flexible of commitment which is based on future course of action. These are always dynamic.

(x) planning is based on facts.

planning is not a guesswork or trial and error method. It is conscious the determination of projecting a course of action for the future.

Importance of planning or objectives of planning.

- * primary of planning.
- * To achieve objectives.
- * To cope with uncertainty & change.
- * To facilitate control.
- * To help in coordination.
- * To increase organizational effectiveness.
- * To guide decision-making.

PLANNING PROCESS:

Planning is a process.

Therefore it contains number of steps within it. It is not necessary that a particular planning process or steps are valid for all organizations and for all types of plans. The planning process or steps given here is mostly applicable for major programmed.

IDENTIFICATION OF OPPORTUNITIES

ESTABLISHMENT OF OBJECTIVES

DEVELOPING PLANNING PREMISES

IDENTIFICATIONS OF ALTERNATIVES.

EVALUATION OF ALTERNATIVES

SELECTING AN ALTERNATIVES

FORMULATION OF DERIVATIVE PLANS.

ESTABLISHING SEQUENCE OF ACTIVITIES

PLANNING PROCESS.

(i) Identification of opportunities!

Identification of awareness of the opportunity is the starting point of planning. First of all, we should identify the possible future opportunities & analyse them clearly & completely. From that, we should know:

* where we stand.

* what is our strength & weakness.

* what problem we wish to solve & why, and

* what we expect to gain.

(ii) Establishment of objectives or goals:

The next step in planning is to establish objectives for the entire organization & then for each subordinate unit. Objectives specify and indicate the results expected.

* what is to be done?

* where is the primary emphasis to be placed?

* what is to be accomplished by various types of plans.

Initially, overall objectives are set which shape the structure of other subsidiary objectives in an organization. Then they split into departmental, sectional & individual objectives.

(iii) Developing Planning Premises:

* Planning premises are the assumptions that should be made about the various elements of environment. It provides the basic framework in which plans operate. These premises may be internal or external.

* Internal premises include organisational, policies, resources of various types, sales forecasts & the ability of the organization to withstand the environment pressure.

* External premises include the total factors in task environment, such as political, social, technological, competitors, plans & actions.

(iv) Identification of alternatives:

The next step in planning is to search for and design the alternative courses of action. Based on organizations objectives and planning premises, various alternatives or plans can be identified.

(v) Evaluation of alternatives:

The alternatives considered for the analysis according to preliminary criteria may be taken for further evaluation. Each alternative course of action is evaluated on the basis of profitability, capital investment, risk involved, gestation period... etc.

(vi) selecting alternatives:

After the evaluation of various alternatives, the most appropriate course of action is selected. If more than one alternative is suitable, then many alternatives may be chosen for execution. When the situation changes and the selected plan does not provide to be the best, the other alternative may be tried.

(vii) Formulation of derivative plans:

The derivative plans are formulated on the basis of the major plan. There are several minor plans required to support & executes the major plan. These plans are known as derivative plans.

(viii) Establishing sequence of activities:

After formulating basic and derivative plans, the sequence of activities is determined so that plans are put into action while formulating derivative plans, a build-in mechanism should be created for periodic review and updating of various plans whenever necessary.

TYPES OF PLANS:

Four major types of plans can help managers achieve their organization's goals;

1. Operational plan.
2. Tactical plan.
3. Strategic plan.
4. Contingency plan.

In addition to these three types of plans, managers should also develop a contingency plan in case their original plans fail.

1. Operational Plan:

* An operational plan is one that a manager uses to accomplish his or her job responsibilities. Supervisors, team leaders, and facilitators develop operational plans to support tactical plans.

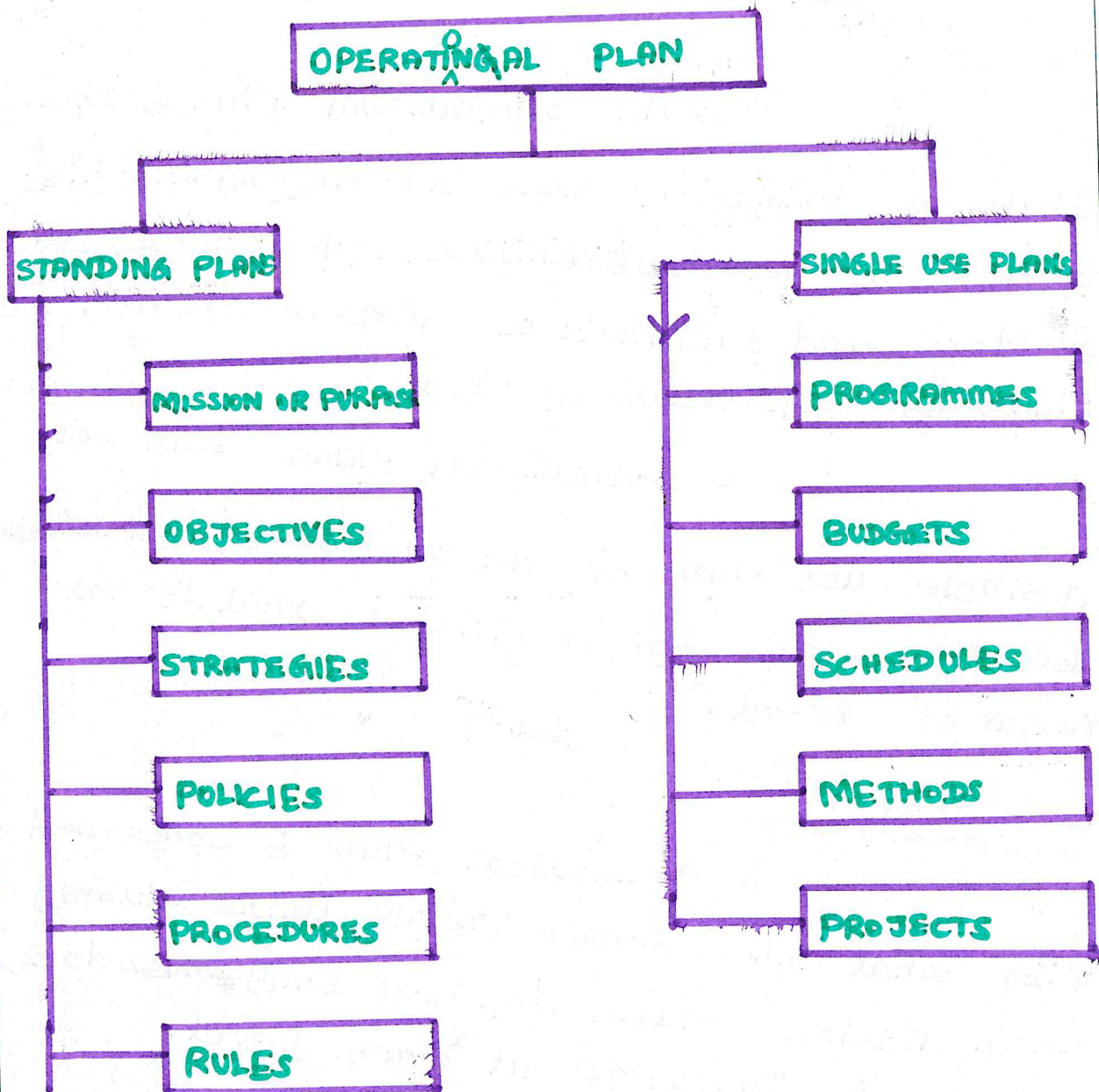
* Operational plans can be a single-use plan or an on-going plan. Single use plans apply to activities that do not recur or repeat.

2. Tactical Plan:

* 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 & make it work.

* These plans usually span one year or less because they are considered short-term goals.



TYPES OF OPERATIONAL PLANS

3. Strategic Plan:

* A strategic plan is an outline of steps designed with the goals of the specific divisions.

* Strategic planning begins with an organization's mission.

* strategic plans look ahead over the next two, three, five or even more years to move the organization from where it currently is to where it wants to be.

4. contingency plan:

* A contingency plan is a plan devised for a specific situation when things could go wrong.

* contingency plans are often devised by governments or business who want to be prepared for anything that could happen.

MANAGING BY OBJECTIVE (MBO):

* MBO is a comprehensive managerial system that integrates many key managerial activities in a systematic manner and that is consciously directed towards the effective and efficient achievement of organizational and individual objectives.

Features of MBO:

* MBO tries to combine the long range goals of organization with short range of organization.

* MBO involves the participation of subordinate managers in the goal setting process.

* A high degree of motivation & satisfaction is available to employees through MBO.

* MBO increases the organizational capability of achieving goals at all levels.

* MBO's emphasis is not only on goals but also on effective performance.

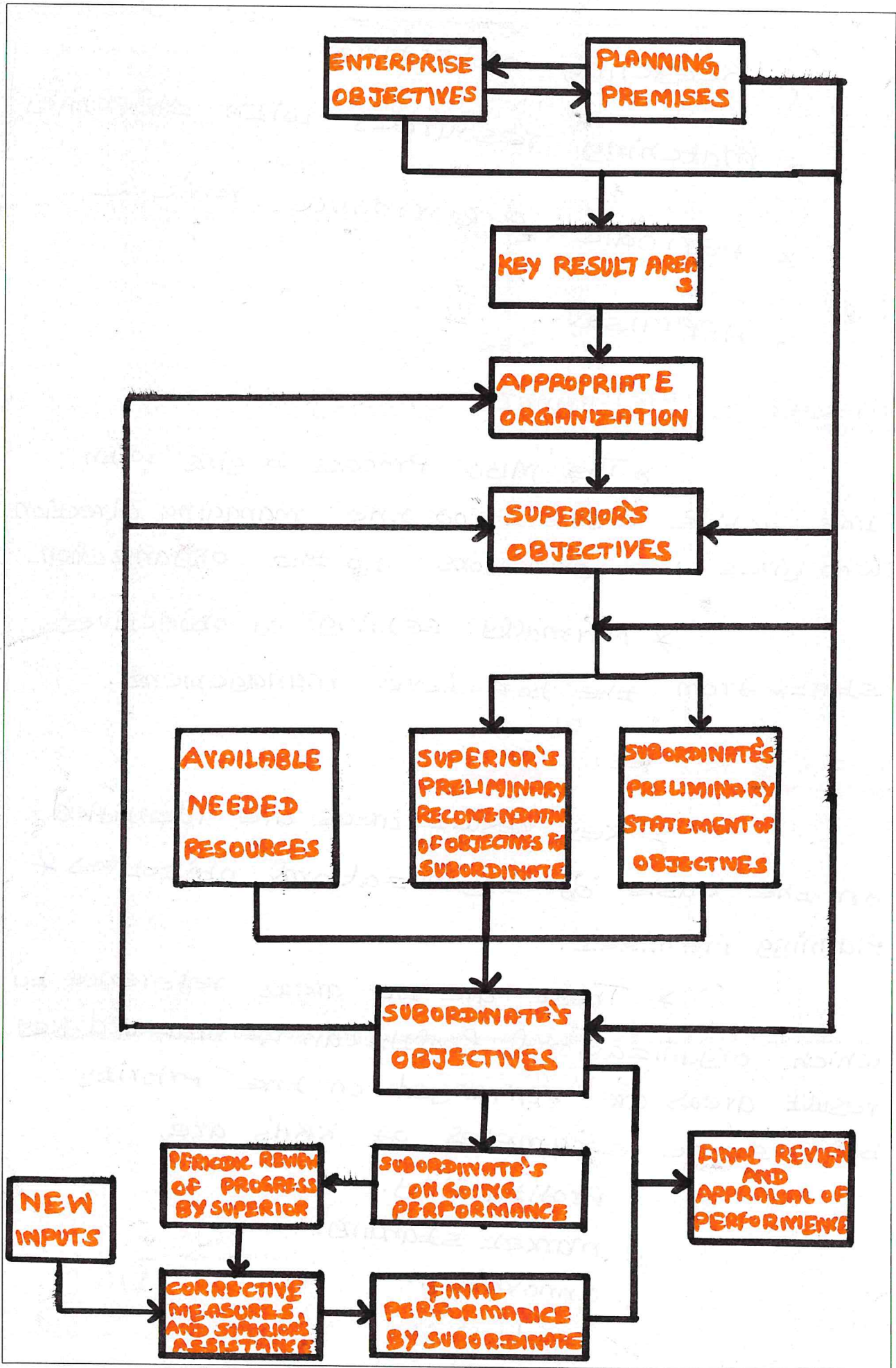
The process of MBO:

The MBO process consists of the following steps.

* setting ~~the~~ preliminary objectives.

* Fixing key result areas.

* setting subordinate's objectives.



- * Recycling objectives.
- * matching resources with objectives.
- * periodic performance reviews.
- * Appraisal.

(i) setting preliminary objectives:

* The MBO process begins with the active support of the managing direction who gives the directions to the organization.

* Normally setting of objectives starts from the top-level management.

(ii) Fixing key result areas:

* Key result areas are identified on the basis of organizational objectives & planning premises.

* These are the areas reference to which organizational health can be measured. Key result areas are arranged on the priority basis. Some examples of KRA's are,

1. Profitability.
2. market standing.
3. Innovation.
4. Productivity.

5. market performance.

6. Public responsibility.

(iii) setting subordinate's objectives:

* The organizational objectives are achieved through individuals. Therefore, each individual must know what he is expected to achieve.

* During setting of objectives for subordinates, we should consider the organizational goals, subordinates ability and resources available to him.

(iv) Recycling objectives:

* Under MBO goal setting is not the direction from the top level management only.

* Rather it is a two way process in which superior suggests a goal that is acceptable to the subordinates.

* Thus, setting objectives are not only a joint process but also an interactive one.

(v) matching resources with objectives:

* objectives should be carefully matched with the available resources.

* If certain resources are not adequately available, the objectives of an organisation are changed accordingly.

(vi) periodic performance reviews:

* At specified intervals, the superior & subordinates should hold meetings in which they discuss the progress in the accomplishment of objectives.

* such reviews are made to identify shortcomings and to take timely steps to improve results.

(vii) Appraisal:

* Appraisal aspect of MBO tries to measure whether the subordinates is achieving his objective or not. At the end of the fixed period for achieving the objectives.

Benefits of MBO:

MBO offers the following benefits:

- * Improvement of managing.
- * Clarification of organization.
- * Personnel satisfaction.
- * Team work
- * Development of effective control.
- * Fast decision-making.

Weakness of MBO

- * Failure to teach the philosophy of MBO
- * Failure to give guidelines to goal setters.
- * Difficulty of setting goals.
- * Emphasis on short-term goals.
- * Danger of inflexibility.

* Time consuming.

* Increased paper work.

STRATEGIES:

* "Strategy is the determination of basic long-term objectives & adoption of course of action and allocation of resources to achieve these goals".

Nature of strategy:

* strategy is forward looking.

* strategy is flexible & dynamic

* It involves the assumption of certain calculated risks.

Strategic Planning process:

The strategic planning process consists of the following

steps:

* mission & objectives

* Environmental analysis.

* corporate analysis

* Identification of alternatives.

* strategic decision - making.

* Implementation, Review & control.

Types of strategies:

The strategy can be pure or mixed. It can be classified into four types.

* overall company strategy.

* Growth strategy.

* Product strategy.

* market strategy.

overall company strategy:

* It is designed for long term business perspective and deals with overall strength of the company. It is

strategy is correct it is the most productive strategy.

Example: a two wheeler manufacturing company will have strategy of mass production & aggressive marketing.

Growth strategy:

* Growth means increase in turnover, expansion of business.

* Growth strategy means selecting product having fast growth, acquisition of business of other firms and opening new markets.

Product strategy:

* Product strategy means choice of product which can result in family of product.

* For new markets product strategy must be innovated.

Market Strategy:

* It deals with product distribution, services, pricing policy, advertising, packing etc.

* The choice of strategy affects the working & success of organization.

POLICIES:

* Policies are general statements of understandings which guide or channel thinking in decision-making or subordinates.

Nature of Policy:

* Relationship to organizational objectives

* Clarity of policy.

* A policy is a guide to thinking in decision making.

* Policies should be written.

* Communication of policies.

* Consistency of policies.

* Balance of policy.

* Planned formulation.

Purpose of Policy:

The policies are formulated for the following purposes.

- * To operationalise objectives.
- * To save time & effort.
- * To facilitate delegation of authority.
- * To speedup decision making.
- * To control administration.

Policy Formulation Process:

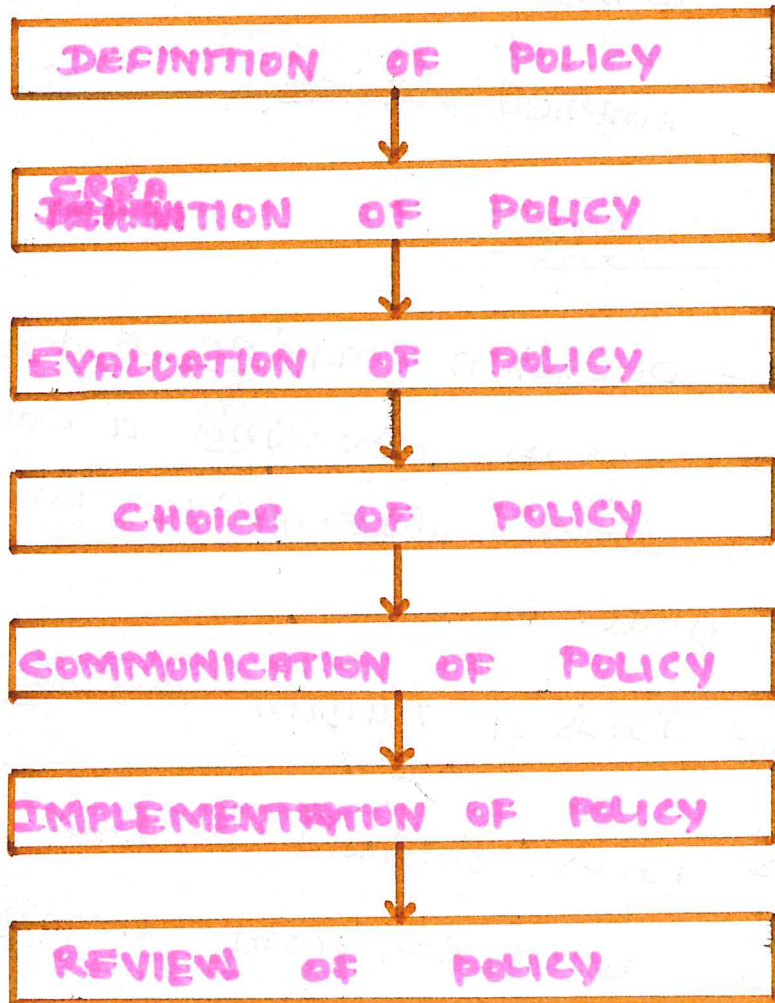
A policy formulation process

involves the following steps.

- * Definition of policy area
- * creation of policy alternatives.
- * evaluation of policy alternatives
- * choice of policy.
- * communication of policy.

* Implementation of policy.

* Review of policy.



POLICY FORMULATION

Types of policies:

on the basis of source of formulation, policies may be classified as follows.

* Formulated policies.

* Appealed policies.

* Imposed policy.

* written policies.

* Implied policies.

DECISION MAKING:

* Decision making is defined as the process of choosing a course of action from among alternatives to achieve a desired goal.

* It is a human process.

* It is defined as the "selection of a course of action from among alternatives".

Decision making Process:

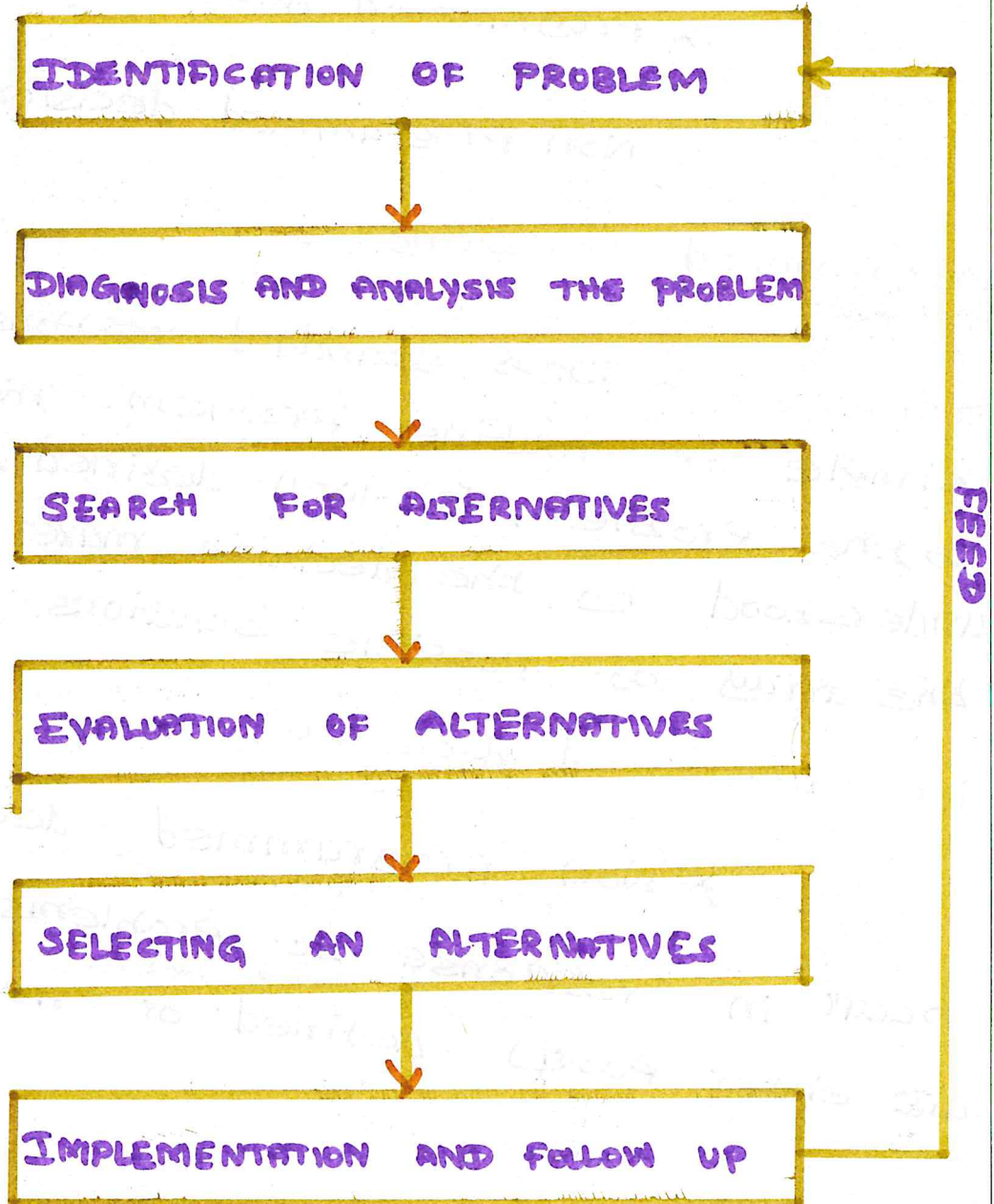
* Identification of problem.

* diagnosis & analysis of the problem

* search for alternatives.

- * evaluation of alternatives
- * selecting an alternative.
- * implementation & follow-up.

~~TYPE~~



TYPES OF DECISIONS:

most business decisions can be divided into two basic types.

They are,

- * Programmed decisions.
- * Non programmed decisions.

Programmed decisions:

* It is standard response to a simple or routine problem. The nature of the problem is well defined & clearly understood by the decision maker & is the array of possible solutions.

Non-Programmed decisions:

* Non programmed decision occur in response to problems that are either poorly defined or novel.

RATIONAL DECISION MAKING:

* The concept of rationality is defined in terms of objective and intelligent action. There are two contrasting views or models of decision-making with each model using degree of rationality.

Economic ~~ratio~~ model:

Economic rationality implies that decision making tries to maximise the values in a given situation by choosing the most suitable course of action.

Bounded Rationality:

It is called normative approach which is based on the following assumptions,

- * The decision maker has clear and well defined goal that he is trying to maximize.
- * He is fully objective and rational uninfluenced by emotions.

* The decision maker can identify the problem clearly and precisely.

According to Simon, a manager takes decisions not absolutely through logical reasoning. A decision may be of following types depending upon rationality.

* objectively rational decision.

* subjectively rational decision.

* consciously rational decision.

* organizationally rational decision.

* personally decision.



UNIT-III

ORGANIZING

Definition of organizing:

Organizing is defined as,

- * the identification and classification of required activities.
- * the grouping of activities necessary to attain objectives.
- * the assignment of each grouping to a manager with the authority necessary to supervise it, and
- * the provision for coordination horizontally and vertically in the organization structure.

Nature and purpose of organizing:

Nature of organizing:

- * The organization structure differs from company to company.
- * An organization is a specified group of people with a common objective.
- * Everyone within organization are assigned with some responsibility & duties.

* organizing is the process of defining and grouping of activities of the firm.

* organization ensures maximum utilization of available resources.

* organization motivates people to increase productivity and efficiency.

* organization facilitates administration.

* communication amongs organization members is necessary for exchange of ideas, thoughts and facts. Authority without communication leads to dictatorship and carelessness.

* The efficiency & effectiveness of organization implies the existence of formulated & understood objectives of organization.

* General structure of organization is like a pyramid i.e. organization structure begins from chief executive at the top and down to the workers at all levels.

Purpose of organizing:

- * To make growth and diversification.
- * To facilitate administration.
- * To stimulate independent, creative thinking and initiative through well defined areas of work.
- * To co-ordinate efforts of all departments.
- * To assign responsibility and authority.
- * To ensure optimum use of manpower and resources.
- * For efficient functioning, organization eliminates duplication of work and enhance co-ordinated efforts.
- * Organization provides a frame work where management functions.
- * organization provide a strong foundation so as to give strength to the business.
- * To maintain proper dignity of employee by using human capital, without causing any harm to the interests of

individuals working in the organization.

* To motivate people to increase productivity and efficiency by providing material, equipment and authority with encouragement to show maximum efficiency.

Organization structure:

Organization structure refers to the systematic arrangement of the people working for the organization to achieve the desired goals & objectives.

An organization structure should be designed.

(a) to clarify who is to do what tasks and who is responsible for what results.

(b) to remove obstacles to performance caused by confusion & uncertainty of assignment, and.

(c) to furnish decision making and communication networks reflecting and supporting enterprise objectives.

Significance of organization structure:

- * It can help to improve teamwork and productivity.
- * It determines the location of decision making in the organization.
- * It stimulates creative thinking and initiative among organizational members by providing well defined patterns of authority.
- * It facilitates growth of enterprise.
- * It provides the pattern of communication and coordination.
- * It helps a member to know what his role is and how it relates to other roles.
- * It must be dynamic.
- * It has two dimensions - horizontal and vertical. The horizontal dimension shows the basic departmentation & vertical dimensions shows the hierarchy levels of the organization.

Type of organization structure:

Based on the power & how within the organization, it may be classified as,

- * Bureaucratic or mechanistic structure.
- * organic or adaptive structure.

Based on the formation of departments or groups, organizations may be classified as,

- * Functional structure.
- * Divisional structure.
- * matrix structure.
- * Team structure.
- * Network structure.

Formal and Informal groups/organization.

Formal organization:

* Formal organization means the intentional structure of roles in a formally organized enterprise.

* The formal organization is a system of well-defined jobs, each bearing a definite measure of authority, responsibility and accountability.

* The structure also defines the channels through which communications take place. All organization members have clearly specified jobs. The hierarchy of objectives are clearly stated.

* Formal organizations are durable & planned. The formal organizations are relatively inflexible due to their hierarchy.

Characteristics of formal organization:

- * well defined rules & regulations.
- * Bound by delegation
- * Arbitrary structure.
- * Limitation on activities of people.
- * Determination of objectives & policies.
- * strict observance of principles
co-ordination.

Advantages:

- * The conflict among the workers is automatically reduced.
- * overlapping of responsibility is easily avoided.
- * more stable organization can be ensured.
- * It motivates the employees.

Informal organization:

* Informal organization is defined as any joint personal activity without conscious joint purpose, even though contributing to joint results.

* It is also defined as "a network of personal & social relations not established or required by the formal organization but arising spontaneously as people associate with one another".

* Informal organization refers to what people do of their own in relation to their needs, emotions & attitudes. Because of friendship, kinship or close relationships human beings associate themselves in groups of their own choice.

* It is loosely organized, flexible and spontaneous. Membership in informal organizations may be gained either consciously or unconsciously. The exact nature of relationships among the members and goals of organization are unspecified. Peoples are not bounded by procedures & regulations.

* Freedom of action is the silent feature of this organization. Informal organization may extend not only to individuals but also to groups within and outside the organizational set up.

Characteristics:

- * It develops spontaneously.
- * It provides satisfaction of social needs.
- * It provides a good channel of motivation & communication.
- * It has great impact on productivity and job satisfaction.
- * It is based on informal authority that attaches to the person, not to the position.
- * It is one of the parts of total organization.

* A person may become member of several informal organization at the same time.

* It has no place in the organization chart.

* It has no structure & definiteness to the informal organization.

Advantages:

* It motivates workers & maintains the stability of the work.

* It fills up the gaps & deficiency of the formal organization.

* It fills up the gaps among the abilities of the managers.

* It encourages the executives to plan the work correctly & act accordingly.

Disadvantages:

* It indirectly reduces the effort of management to promote greater productivity.

* It spreads rumor among the workers regarding the functioning of the organization unnecessarily.

Comparison of formal & informal organization.

Sl no	FORMAL ORGANIZATION	INFORMAL ORGANIZATION
1.	It is created deliberately and consciously by the frames of the organization.	It is created spontaneously & naturally.
2.	Planned & official	Unplanned & unofficial.
3.	Large in size	small in size.
4.	Number of groups are more.	Number of groups are less.
5.	Definite structure, mechanical & rational.	Structureless, impersonal & emotional.
6.	Rigid rules & regulations.	Group norms & values.
7.	Authority flows from top to bottom.	Authority flows from bottom to top.
8.	It is stable.	It is unstable.
9.	Communication flows through the formal organization channel.	Communication flows through the informal channels.

LINE & STAFF AUTHORITY:

* Line functions are those that have direct impact on the accomplishment of the objectives of the enterprise.

* Staff functions are those that help the line persons work most effectively in accomplishing the objectives.

* There are two approaches to line & staff authority.

① functional approach.

② Authority approach.

* According to authority approach line and staff are two kinds of authority.

Line authority:

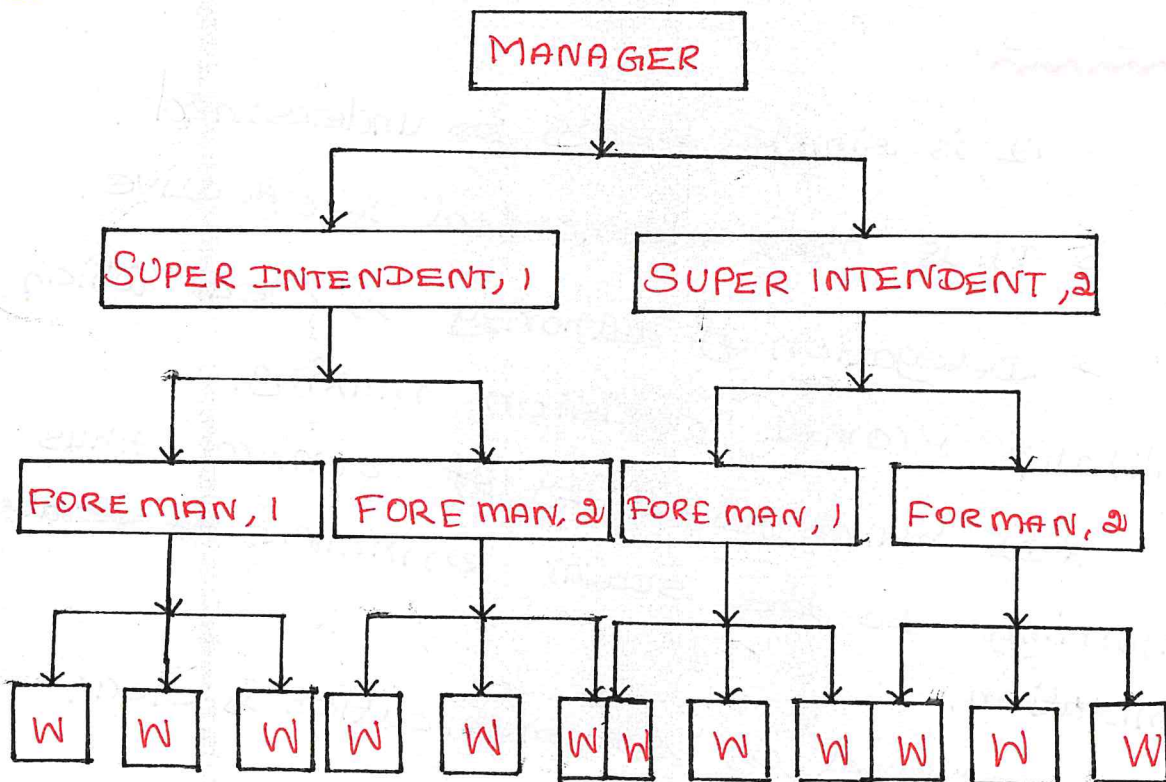
* This is the simplest & the earliest form of authority. It is also known as "military", "traditional", "scalar" or "hierarchical" form of authority.

* The line authority represents the structure in a direct vertical relationship through which a superior exercises over a number of subordinates to carry out authority flows. Line authority exists between superior and his subordinate.

* Line authority is the direct authority which a superior exercises over a number of subordinates to carry out orders & instructions.

Line authority works as follows:

* As a chain of command: In a line authorities, officials are in the chain of command from higher position to lower position in the organization. There is a command relationship existing between every superior and subordinate.



Line Authority

* As a channel of communication: Line authority can be considered as a channel of communication between the superior & subordinate.

of the organization. communication in the organization flows through the line relationship. Every member of the organization has someone to report to & other to report to him.

* As a carrier of responsibility: The line relationship carries ultimate responsibility for the work assigned. Each individual in the line is accountable for the proper performance of the activities assigned to him. Each subordinate is answerable to his superior.

Advantages:

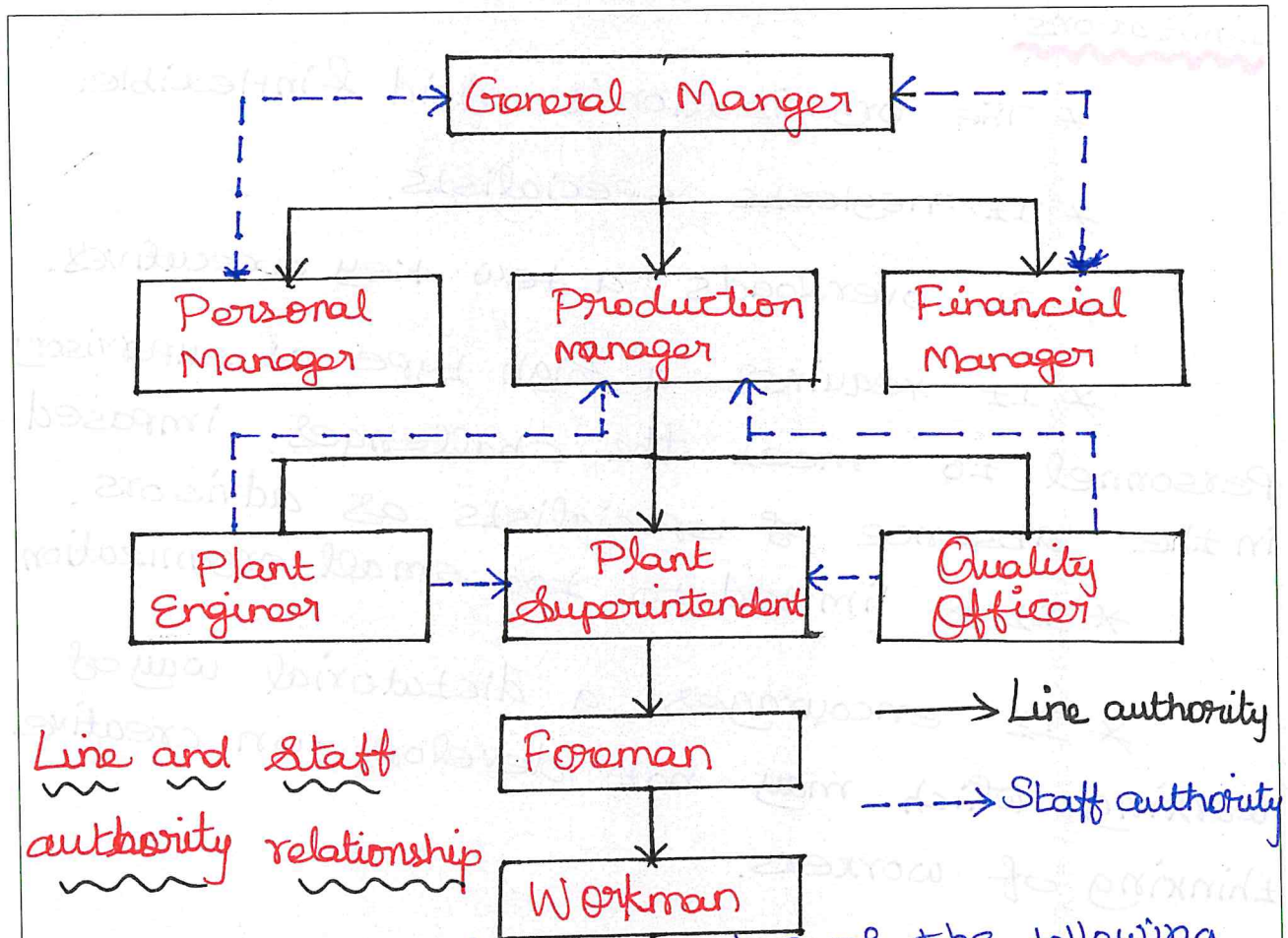
- * It is simple & easy to understand.
- * It is most economical & effective.
- * Delegation of authority is clear which facilitates prompt decision making.
- * It makes for unity of control thus conforming to the scalar principle of ~~operation~~ organization.
- * Channel of communication is clear.
- * It ensures excellent discipline in the enterprise.
- * It is strong in discipline.

Limitations:

- * The organization is rigid & inflexible
- * It neglects specialists.
- * It overloads a few key executives.
- * It requires a high type of supervisory personnel to meet the challenges imposed in the absence of specialists as advisors.
- * It is limited to too small organization.
- * It encourages a dictatorial way of working which may not develop own creative thinking of workers.

STAFF AUTHORITY:

- * Staff authority is exercised by a man over line personnel. The relationship between a staff manager & a line manager, with whom he works, depends in part on the staff duties.
- * The function of staff is to investigate the research & give advice to line managers. Staff personals having specialized knowledge and skills reduce the burden of line personnels.
- * Staff managers have the right to direct or command subordinate who are working under him.



The staff authority may be of the following forms:

(i) Advisory staff authority

An advisory staff manager provides advice, assistance & information and it depends on the line manager whether these are put into action or not.

(ii) Compulsory staff consultation

Under this arrangement, a staff person must be consulted by a line person before action is taken. However, line manager is free to take action on his own after consulting staff.

(iii) concurring authority:

some times, particularly when control over some operations is very important, a staff man may be granted authority so that no action can be taken until he agrees it.

Benefits:

* staff specialists may be allowed the time to think, to collect data, and to analyze the data when the line personnel are busy in managing operations.

* staff improves the quality of managerial decisions by providing accurate and updated information.

* when the operations become more complex, the line people require advice of staff personnel.

* staff can help in coordinating various activities and in ensuring uniformity of action in certain matters.

* staff experts may be given authority to prescribe systems & procedures.

Limitations:

(i) Danger of undermining line authority:

In some enterprises, the top management, such as chief executives

gives too much importance and support to the staff personnel.

(ii) Lack of staff responsibility:

staff department is only responsible to make advice or propose a plan and they can easily blame the line managers for not properly implementing the plans when it fails.

(iii) Thinking in vacuum:

sometimes, the recommendations of staff are highly impractical due to the fact that the staffs do not have any experience in implementing the recommendation.

(iv) Managerial problems:

sometimes the lower level people may be getting advice from staff manager & at the same time, get orders from his own line manager. It may lead to friction between two. Some dis-unity in command may be unavoidable, since functional authority relationships are often unavoidable.

Departmentation:

Departmentation means dividing and grouping the activities and employees of an enterprise into various departments. It is a process of division of total work of an enterprise into individual functions & subfunctions.

Departmentation strategies:

- * Departmentation by time.
- * Departmentation by enterprise function.
- * Departmentation by Territory or Geography.
- * Customer departmentation.
- * Process or equipment departmentation.
- * Departmentation by product.

Departmentation by time:

* one of the oldest forms of departmentation, generally used at lower levels of the organization, is grouping activities on the basis of time.

Examples:

- * Hospitals
- * Fire department.

Advantages:

* Service can be rendered that go beyond the typical 8-hour day, often extending to 24 hours a day.

* It is possible to use processes that cannot be interrupted, those that require a continuing cycle.

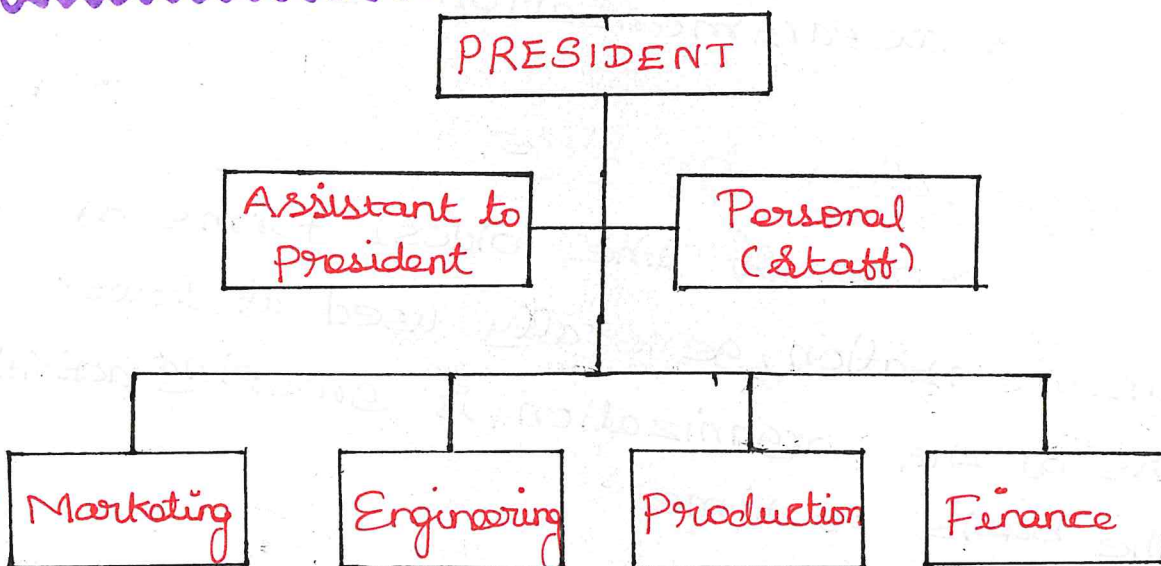
Disadvantages:

* Supervisor may be lacking during the night shift.

* The payment of overtime rates can increase the cost of the product or service.

* Having several shifts may cause problems in coordination and communication.

Departmentation by Enterprise function:



A Functional Organization Grouping
(Manufacturing Company)

The functional structure is the most common form of organizing. In all business concerns there are primary functions. The division of roles & responsibilities are based on functions such as marketing, engineering, production & finance etc.

Advantages:

- * Is logical reflection of functions
- * maintains power & prestige of major function.
- * Follows principle of occupational specialization.
- * simplifies training.
- * Provides tight control at top.

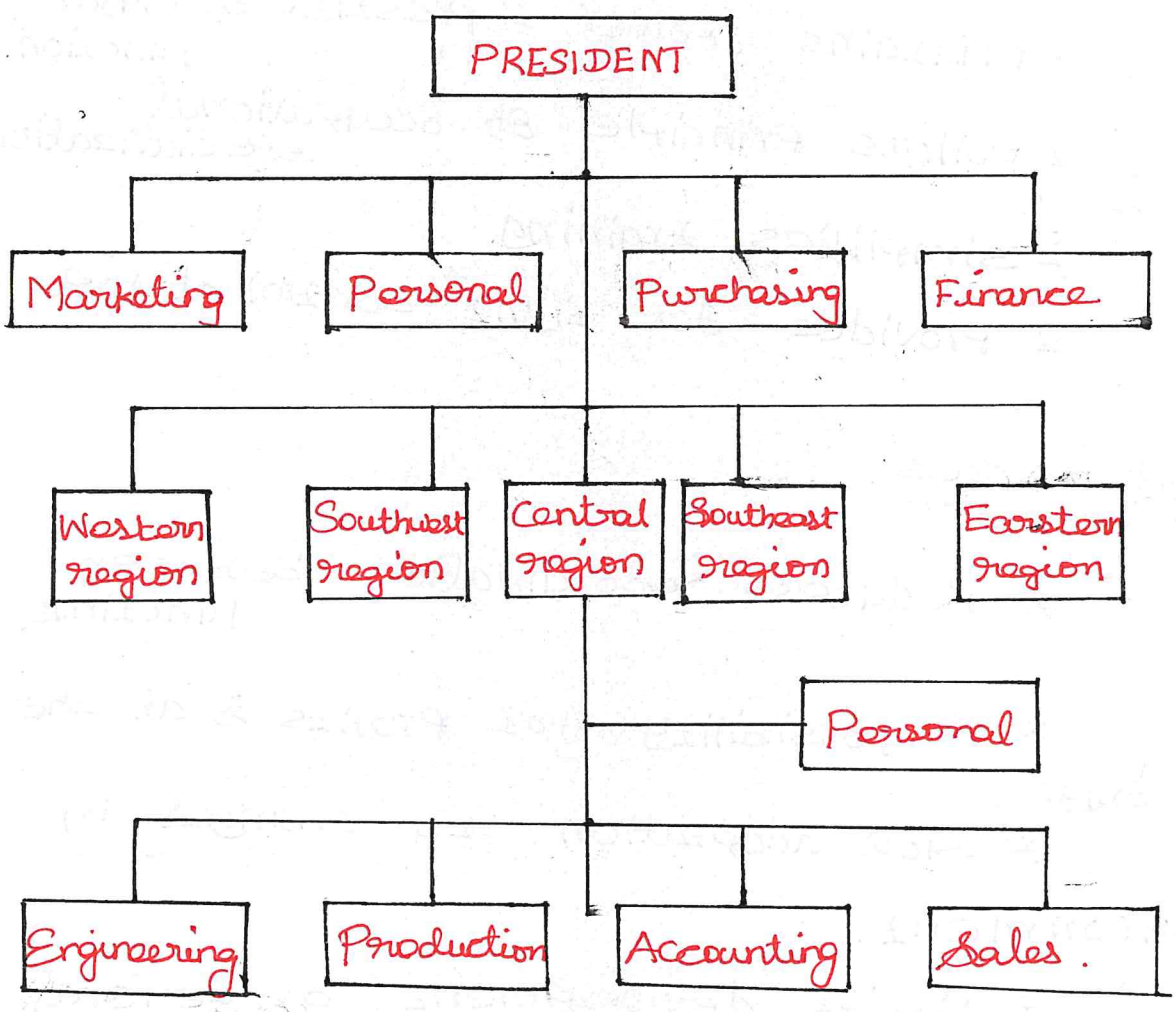
Disadvantages:

- * Reduces coordination between functions.
- * Responsibility for profits is at the top only.
- * slow adaptation to changes in environment.
- * Limits development of general managers.

Departmentation by Territory or Geography

* Departmentation by territory is useful for large-scale enterprises having activities which are physically or geographically spread out.

* It encourages local participation in decision making & takes advantage of economics of localized operations.



A Territorial or Geographical Organization Grouping

Advantages:

- * Places responsibility at a lower level.
- * Improves coordination in a region.
- * Places emphasis on local markets & problems.
- * Takes advantage of economies of local operations.

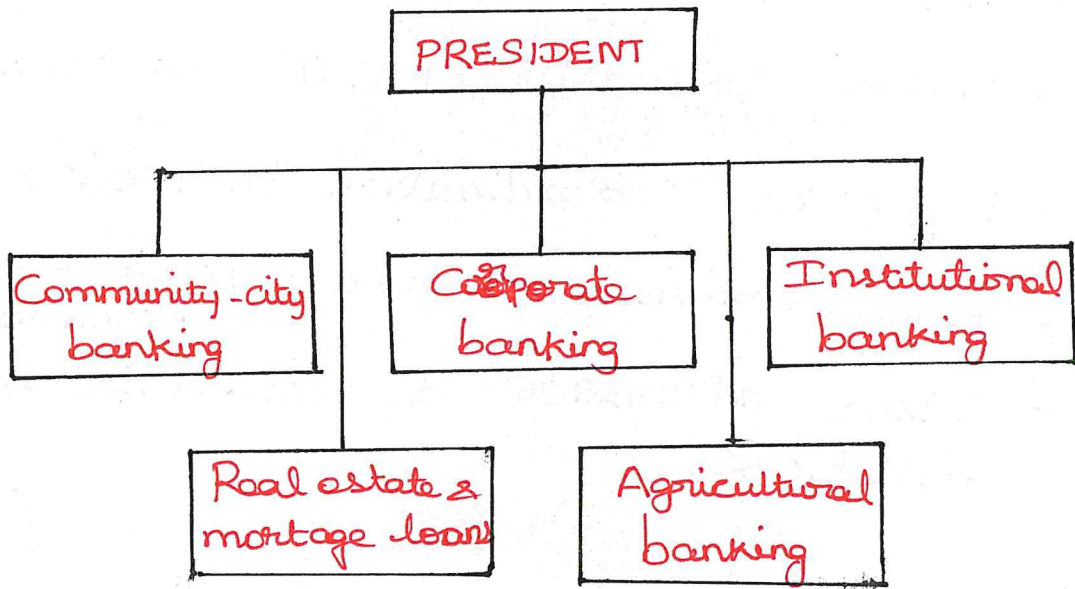
Disadvantages:

- * Requires more persons with general manager abilities.
- * Increases problem of top management control.

Customer departmentation:

* It involves grouping activities so they reflect a primary interest in customers. The departments are organized to look after various categories of customers.

* The industrial sales department of a whole seller that also sells to retailers is a case in point. Business owners & managers of clearly defined customer groups.



Customer Departmentation in a Large Bank.

Advantages:

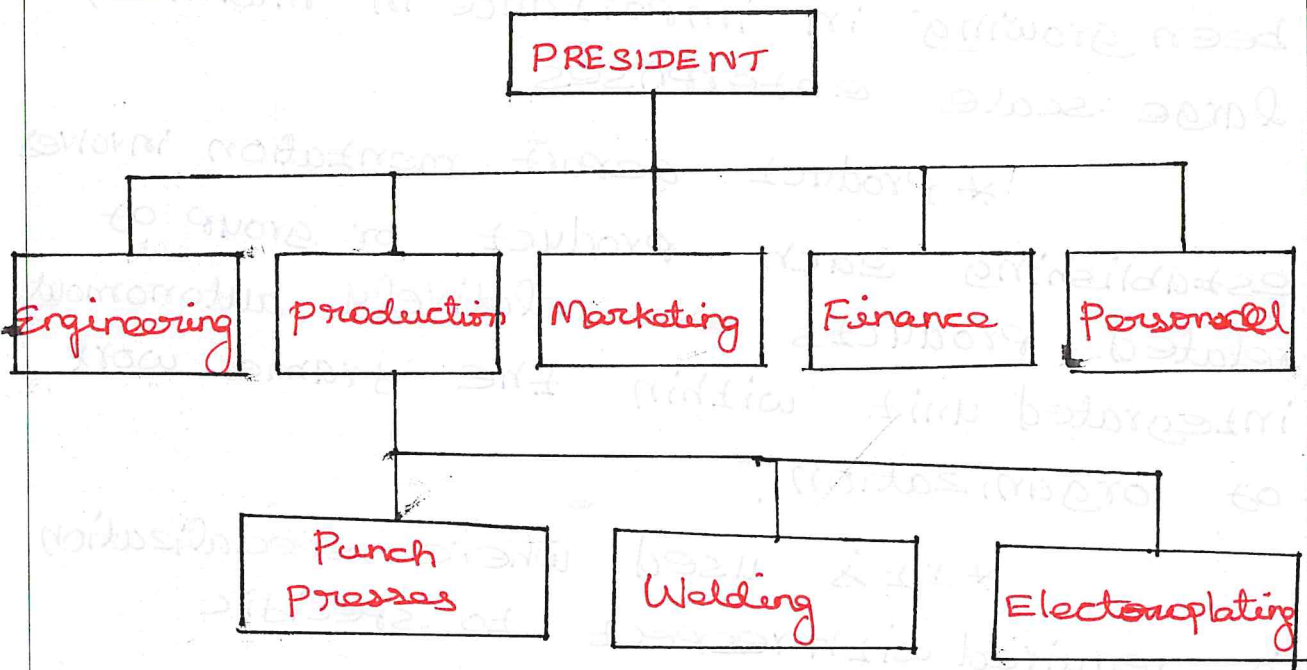
- * Encourages concentration on customer needs.
- * Gives customers feeling that they have an understanding supplier.
- * Develops expertise in customer are.

Disadvantages:

- * may be difficult to coordinate operations between competing customer demands.
- * Requires managers and staff expert in customers problems.

Process or Equipment Departmentation:

* Manufacturing firms often group activities around a process or a type of equipment. Such a basis of departmentation can be found in paint or electroplating process grouping or in the arrangement in one plant area of punch presses or automatic screw machines. Here people and materials are brought together in order to carry out a particular operation.



Process or Equipment Departmentation.

Advantages:

- * Achieves economic advantage.
- * Uses specialized technology.
- * Utilizes special skills.

Disadvantages:

- * Coordination of departments is difficult.
- * Responsibility for profit is at the top.
- * Is unsuitable for developing general managers.

Departmentation by product:

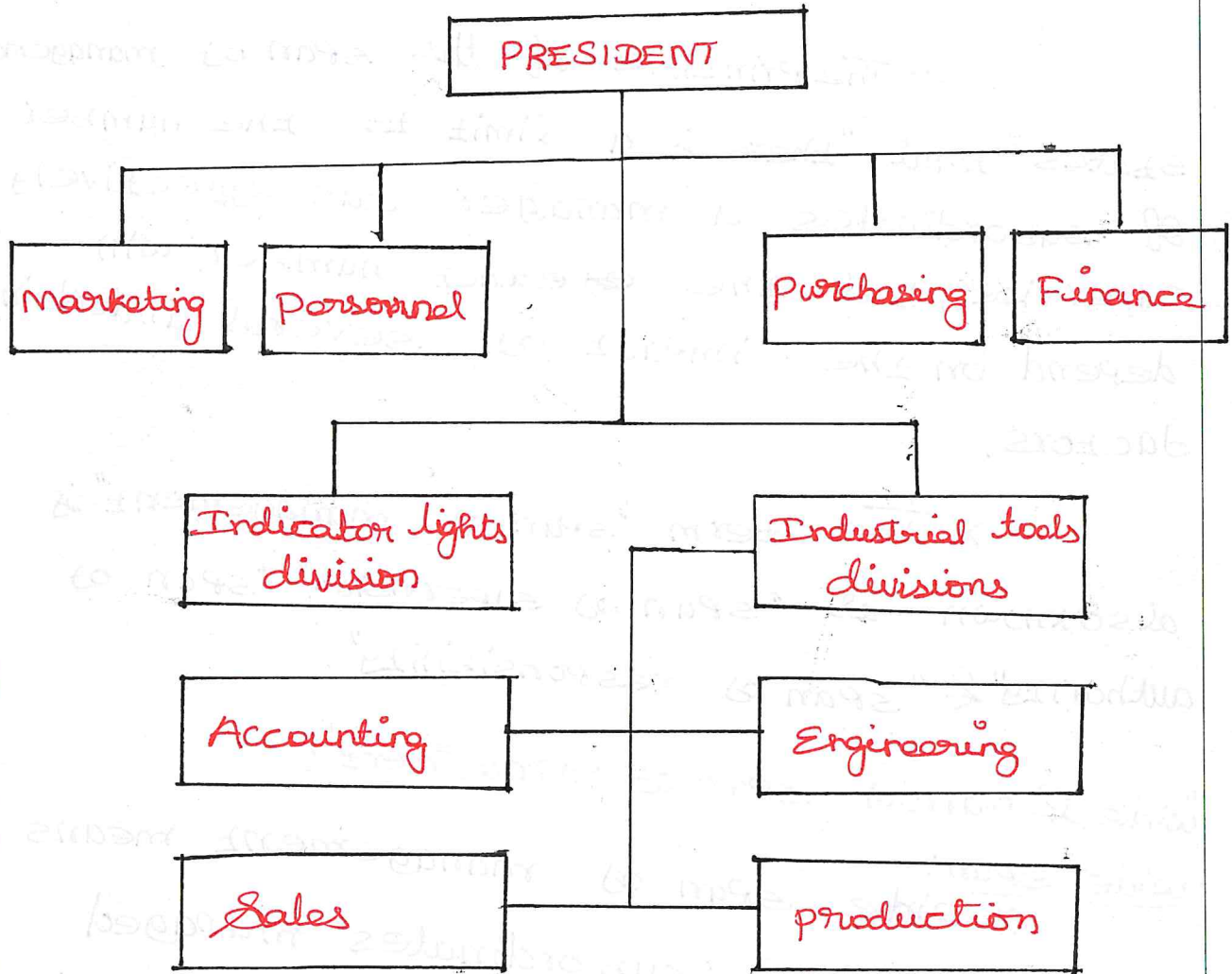
* Grouping activities on the basis of product or product lines has long been growing in importance in multiline, large-scale enterprises.

* Product departmentation involves establishing each product or group of related products as relatively autonomous integrated unit within the framework of organization.

* It is used where specialization is required with respect to specific products of the company.

Advantages:

- * ~~Achieves~~ Places attention & effort on product line.
- * Improves coordination of functional activities.
- * Places responsibility for profits at the division level.



A product organization Grouping

Disadvantages

- * Requires more persons with general manager abilities.
- * Tends to make maintenance of economical central services difficult.
- * Presents increased problem of top management control.

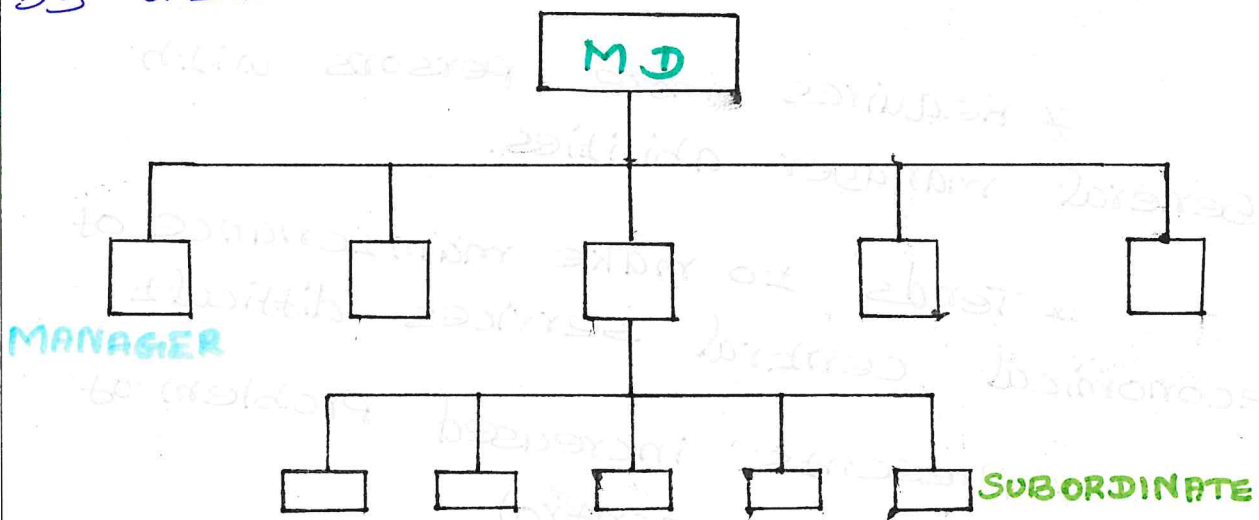
SPAN OF CONTROL (span of management)

* The principle of the span of management states that "there is a limit to the number of subordinates a manager can effectively supervise, but the exact number will depend on the impact of several underlying factors."

* The term "span of management" is also known as "span of supervision" "span of authority" & "span of responsibility".

'Wide & narrow span of management':

wide span:
* wide span of management means large number of subordinates managed by a superior.



WIDE SPANS.

Advantages:

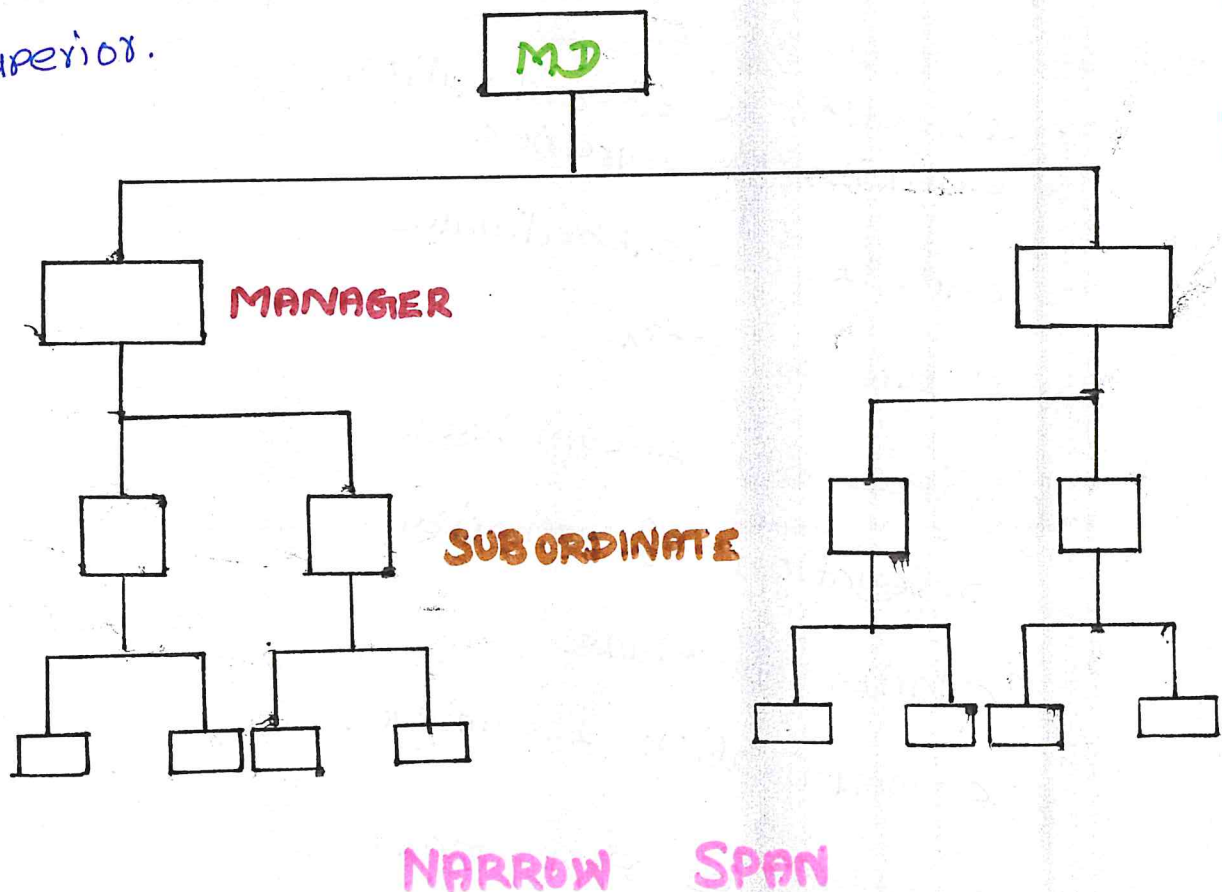
- * superiors are forced to delegate.
- * clear policies must be made
- * subordinates must be carefully selected.

Disadvantages:

- * Tendency of overloaded superiors to become decision bottlenecks.
- * Danger of superiors loss of control.
- * Requires exceptional equality of managers.

Narrow span:

* Narrow span of management means a few numbers of subordinates managed by a superior.



Advantages:

- * Close supervision.
- * Close control.
- * Fast communication between subordinates & superiors.

Disadvantages:

- * Superiors tend to get too involved in subordinates work.
- * Many levels of management.
- * High costs due to many levels.

Factors influencing the span of management:

- * Direction & co-ordination.
- * Capacity of superior.
- * Capacity of subordinates.
- * Nature of work.
- * Types of technology.
- * Delegation of authority.
- * Clarity of plans.
- * Communication technique.
- * Standard of performance.
- * Geographical closeness to employees.

SI No	Narrow span (a great deal of time spent with subordinates) related to)	Wide spans (Very little time spent with subordinates) related to
1.	Little or no training.	Through subordinate training.
2.	Unclear authority delegation	clear delegation.
3.	Unclear plans for non-repetitive operation	well defined plans for repetitive operations.
4.	Nonverifiable objectives & standards.	verifiable objectives & standards.
5.	complex task	simple task.
6.	Immature subordinates.	mature subordinates.
7.	Ineffective meetings	effective meetings.
8.	Incompetent & untrained manager.	competent & trained manager.
9.	Fast changes in external & internal environments	slow changes in external & internal environments
10.	Greater number of specializations at lower & middle levels.	number of specializations at upper levels.

Centralization and Decentralization:

* centralisation & decentralisation refer to the location of decision making authority in an organization.

* centralization means that the authority for most decisions is concentrated at the top of the managerial hierarchy whereas decentralisation requires such authority to be dispersed by extension and delegation through all levels of management.

Different kinds of centralization:

The term centralization has several meanings.

* centralization of performance concentration; it pertains to geographic characterizes.

Ex: a company operating in a single location.

* departmental centralization refers to concentration of specialized activities, generally in one department.

Ex: maintenance for a whole plant may be carried out by a single department.

* centralization is an aspect of management is the tendency to restrict delegation of decision making. A high degree of authority is held at or near the top by managers in the organizational hierarchy.

Advantages of Decentralisation:

* It reduces burden of the management so that it can focus more attention & strategic management.

* It encourages the decision making & assumption of authority & responsibility.

* It enables the department staff members to complete work early.

* It facilitates setting up of profit centres.

Disadvantages of Decentralisation:

* It is difficult to have a uniform policy & procedure.

* There is a possibility of duplication of work.

* Organization completely ^{is} increases.

* Upper management loses some control in organization.

Factor affecting decentralization

- * Cost lines of decision.
- * Desire of uniformity.
- * size of organization.
- * History of enterprise.
- * management philosophy.
- * Availability of managers.
- * control techniques
- * decentralized performance.

making decentralization effective:

some of the measures which make decentralization more effective are given as follows -

- * Centralised top policy.
- * Appreciation of concept of decentralization.
- * Development of managers.
- * Competition among units.
- * Open communication.
- * Effective co-operation.

Delegation of authority:

* It is a process which enables a person to assign works to others and delegate them with adequate authorities to do it.

Types of delegation:

(i) over delegation:

Some managers burden their subordinates due to their insecure ability to perform a task and poor time management for the task.

(ii) under delegation:

It occurs frequently with false assumptions by managers due to lack of ability on their part to complete the job correctly & due to lack of trust in sub-ordinates.

Process of delegation:

The process of delegation involves.

- * determination of results expected
- * Assignment of duties.

* Delegation of authority.

* Creation of obligation or Accountability.

Art of Delegation:

most of the effective delegation fails not because of managers do not understand the nature & principles of delegation but because of they are unable or unwilling to apply them.

Researchers attribute to the personal attitude of superiors in delegating authority as the major cause of managerial failures. Some of the personal attitudes towards delegation are as follows.

(i) Lack of Receptiveness:

Some of the managers always want their ideas, thoughts and feeling to be respected and would not like or digest other people ideas or suggestions. The managers should have an open mind to welcome the ideas of others & to complement them for their ingenuity.

(ii) willingness to let go:

A small entrepreneur who started his career from a small mechanic might like to take all decisions to his own even though he has reached the top position. A person who has reached the top position in the hierarchy of organization should not continue to take decisions for the position he had left long ago.

(iii) willingness to let others make mistakes:

If a person makes mistakes, the cost of making a mistake and the loss incurred by the mistake are a personnel investment. A superior should not bluntly criticize the subordinate but he should carefully counsel the subordinates, explain the objectives, policies, guidelines & give sufficient authority so that he does not make any more.

(iv) willingness to trust subordinates:

A superior should develop a trustful attitude with the subordinates. He should not think that the subordinates

are not yet experienced enough, or that they cannot handle problems, that they have not yet developed judgment or that they do not appreciate all the facts bearing on a situation.

(v) willingness to establish & use broad controls:

After assignment of duties, the authority must be delegated to the subordinates. But they must always give a feedback about their performance.

making delegation effective:

The following practical guideline will facilitate more successful delegation of authority.

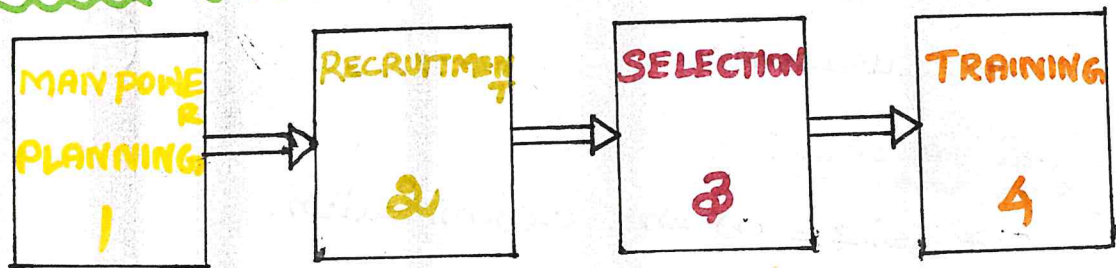
- * Establishment of definite goals.
- * Right person for the right job.
- * Establishment of definite responsibility.
- * Motivate subordinates.
- * Appropriate environment.
- * Free flow of information.

- * Proper training to subordinates
- * Establish adequate controls.

STAFFING:

* Staffing is defined as filling and keeping filled positions in the organization structure.

Staffing Process:



Staffing Process.

* Staffing process is flow of activities which results in continuous staffing of organizational positions at all levels.

* Staffing process involves manpower planning, job analysis, job description, recruitment, selection, training & development.

* Staffing can be defined precisely as fulfilling the manpower needs of the organization in an efficient manner.

Factors affecting staffing:

Staffing is basically a dynamic process & is affected by a variety of factors both external & internal.

External factors:

- * Political factors.
- * Economic factors.
- * Social factors.
- * Legal factors.
- * Customers.

Internal factors:

- * Size of the organization.
- * Organizational Image
- * Technological factors.
- * Changes in Employee Roles.

SELECTION & RECRUITMENT PROCESS:

Recruitment:

It is defined as "a process to discover the sources of manpower to meet the requirements of the staffing schedule & to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient work force".

* It is defined as "the process of searching for prospective employees & stimulating them to apply for jobs in the organization."

Sources of Recruitment

The sources of recruitment may be classified into

- ① Internal sources
- ② External sources.

Internal sources:

- * Promotion & transfer
- * Present permanent employees.
- * Present temporary employees.
- * Retired employees.
- * Dependents of deceased, disabled, retired & present employees.

External sources:

- * Educational & training institutes.
- * Private employment agencies.
- * Public employment exchange
- * Data banks.
- * Casual applicants.
- * Trade unions.

Recruitment:

selection:

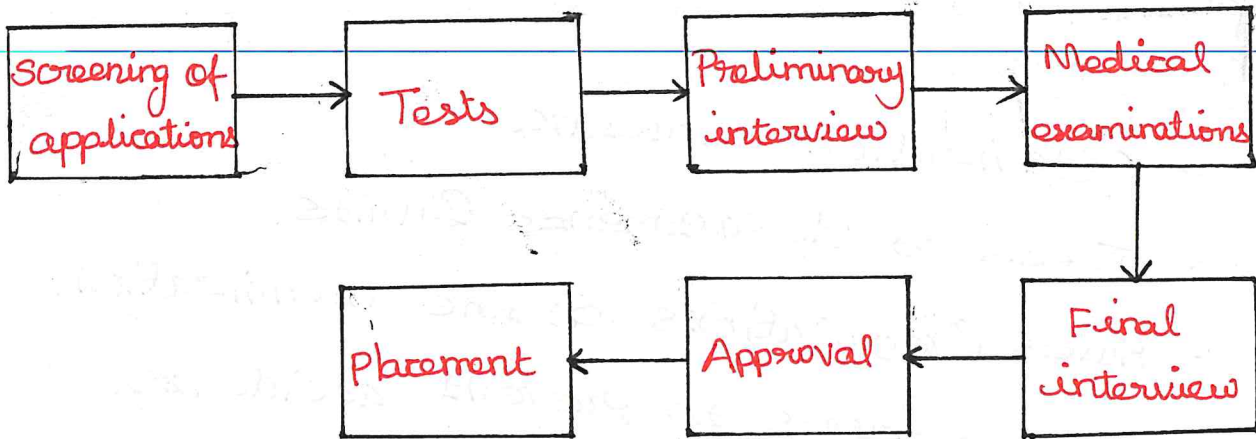
* It is the process that enables the enterprise to pick up the candidates with the required qualifications, training & skill for the job after careful screening & rejecting the undesirables at each successive step.

selection process:

There is no standard selection process that can be followed by all companies.

steps in scientific selection process:

- * ① screening of Applications.
- ② selection tests.
- ③ preliminary interview.
- ④ Reference check
- ⑤ medical examination.
- ⑥ Final Interview.
- ⑦ Approved by appropriate authority.
- ⑧ Placement.



SELECTION PROCESS

Orientation:

* Orientation refers to the activities involved in introducing the new employees to the organization and its policies, procedures, rules & regulations.

* It enables the new employee to learn the work values & behaviour patterns acceptable to the organizations. The main objectives of orientation are,

* Developing expectations about the organization

* Reducing start up costs.

* Reducing the amount of stress & anxiety of the new employee.

* Strengthening the relationship between new employees & superior and peers.

Orientation Programme provides the following information.

- * Organization structure.
- * Types of departments & units.
- * Rules & regulations of the organization.
- * Safety measures to prevent accidents.
- * Employees facilities & sources.
- * Grievance procedure.
- * Personnel department rules & practices.

CAREER DEVELOPMENT:

* It is defined as an "ongoing process by which individual progress through a series of stages each of which is characterized by a relatively unique set of issues, themes or tasks".

The career development program should,

- * attempt to match individual abilities and aspirations with the needs of the organization, and
- * develop people for the long-term needs of the organization & address the dynamic changes that will take place over time.

Importance of career development:

- * Assured needed talent.
- * Develops promotable employees.
- * Lower turnover.
- * Taps employee potential.
- * Attracts & returns high talent personnel.
- * Reduces obsolescence gains new skills
- * Reduces employee frustration.
- * Enhances cultural diversity
- * Improves organizational goodwill.

Purpose of career development:

- * career development programs can result in increased responsibility, mobility & acquisition of new skills.
- * It also helps an individual to adjust to significant life career changes whether they are positive or negative.

* They can also increase an individual's life & job satisfaction, involvement, exposure & visibility.

* They provide a better understanding of self & the organization.

* Career plans & goals motivate employees to grow & develop.

* The career development in totality improves the quality of working life.

CAREER STAGES: (career development cycle):

careers, as they develop over the course of person's working life, can be divided into many stages, which occur at different ages with different people.

* Exploration stage.

* Establishment stage.

* mid-career (advancement) stage.

* Late-career (maintenance) stage.

* Decline (disengagement) stage.

Stage 1 - Exploration stage (15-25 years).

* In this stage a person seriously explores various occupational alternatives, attempting to match these alternatives with his or her interest & abilities.

* This pre-work career exploration stage involves examining people needs, personal goals, evaluating the alternatives & educational choices available.

* In this stage individuals rely on family members & vocational counsellors advice, test results & personal interest to determine their directions. Thus the exploration is influenced by school, family & friends.

Stage 2: Establishment stage (25-35 years)

* The career establishment stage begins with the individuals entry into the world of work. This stage involves the individuals entry into the organization, socialisation on the job, recognition for effective work, possible promotions and achievement of full acceptance by the work group.

* The establishment period lasts approximately from age 25-35.

Stage-3: mid-career or Advancement stage,
(35-45 years)

* This stage is characterised by upward movement in the organisation.

* In this stage, the individual is not as concerned with fitting into the organization as with moving up in the organization. Those who are successful realise job satisfaction & self fulfilment. Many remain in this stage for a long period.

Stage-4: Late-career or Maintenance (45-65 years)

* This stage begins when people detect cues that they are nearing the limit of their advancement; their careers are beginning to level off, and/or their need to compete is declining.

* In this stage, people seek other means of personal gratification, such as helping younger employees or engaging in community & society-oriented activities.

Stage 5: Decline or Disengagement (from about 65 years onwards).

* It is the final stage in one's career, usually marked by retirement.

* It may occur at various ages, depending on the person's degree of success in previous stages.

* Successful employees may continue to be active and make productive contributions to their organisations until their last day on the job & may resist retirement.

TRAINING:

* Training is the act of increasing the knowledge & skills of an employee for doing a particular job.

Objectives of training:

* Competencies & performance.

* Future human resource requirements.

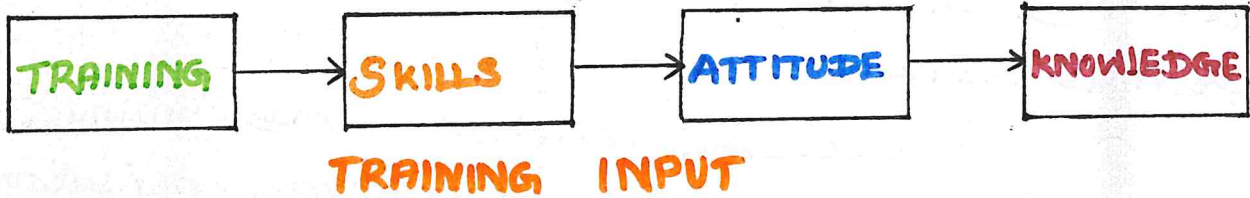
* Less learning time

* Economy

* Uniformity.

Training input:

There are three basic types of inputs skills, attitudes & knowledge.



(a) Skills:

Training an employee for particular skill is undertaken to enable him to be more effective on the job.

(b) Attitudes:

Attitudes are a set of feelings either favourable or unfavourable.

(c) Knowledge:

Training aims at imparting knowledge to employees. The modern industry may have peculiar problems.

Principles of Training:

The employee training should be guided by some principles. The principles of training are given below.

- * Motivation.
- * Progressive information.
- * Reinforcement.
- * Practice.
- * Full Vs Part.
- * Individual Differences.

Training methods:

There are various methods of training which can be broadly classified into.

- ① on the job training.
- ② off the job training.

on the job training methods:

- * Job rotation.
- * Apprenticeship & coaching.
- * Committee assignments.
- * Experience.
- * Temporary promotions.

off-the job training method:

- * Lecture.
- * Conference & seminars.
- * Role playing.
- * case studies.
- * programmed instructions.
- * Business game.
- * In basket method.
- * sensitivity training.

Areas of Training:

Organization provides training to their employees in the following areas.

- * company policies & procedures.
- * Training in specific skills.
- * Human relations training
- * Problem solving training.
- * managerial & supervisory training.
- * Apprentice training.

Steps in Training Programme:

The important steps in training procedure are given below,

- * Preparing the instructor.
- * Preparing the trainee.
- * Getting ready to teach.
- * Presenting the operation.
- * Try out the trainee's performance.
- * Follow up.

PERFORMANCE APPRAISAL:

* Performance appraisal is a systematic mechanism to assess the contribution of an employee during a specified period of time.

* It is the process by which an employee's contribution to the organization during a specified time is assessed.

Objectives of Performance Appraisal:

The objectives of Performance appraisal are,

- * Communication.
- * To improve management development
- * To plan for work force.
- * To find out individual potential identification
- * To improve employees performance.
- * Staff retention.
- * Record keeping.

Problems in Performance Appraisal:

- * Faulty assumptions.
- * Psychological barriers.
- * Halo effect.
- * Personal prejudice.

most part of the appraisal is based on subjectivity.

management emphasized on punishment rather than the development of an employee.

* some superiors completed appraisal reports within a few minutes.

* Negative ratings affect ^{inter}personal relations & industrial relations.

* Superiors not given the proper opportunity for subordinates suggestions.

* Influence of internal & external factor of the organization.

Methods of performance appraisal:

The various methods of performance appraisal may broadly be classified into two categories.

1. Trait-based appraisal.
2. Appraisal by results.

Trait-based appraisal:

Traits mean qualities.

Managers traditionally have been evaluated standards of personal traits & work

Characteristics.

- * Job knowledge.
- * Leadership
- * Analytical competence
- * Judgement
- * ability
- * Initiative
- * Loyalty.

- ① Graphic scale method.
- ② Ranking method
- ③ Grading.
- ④ Forced distribution method.
- ⑤ Check list method.
- ⑥ Critical ~~is~~ incident method.
- ⑦ Group appraisal.

Appraisal By results:

- * management by objectives.
- * Behaviourally Anchored Rating Scales.
- * Assessment centres.

