

CHAPTER - II
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INTRODUCTION TO THE THEORITICAL CONCEPTS

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CHAPTER II

INTRODUCTION TO THE THEORITICAL CONCEPTS

A) MANAGEMENT :

INTRODUCTION :

Management means many things to many persons.

To a layman, management means an impressive person occupying an airconditioned chamber. To many others, management is nothing checking the clerical work and putting fancy signatures. Member of the board of directors look at it in terms of the meetings they attend and the resolutions they pass. Some says that it is an art of getting things done. Some others say it is fullfledged science with a systematic body of knowledge. Management is what management does. Management is a technique of leadership. It is a means of co-ordination and co-operation. Management may also be defined as a task of planning, organising, staffing and controlling.

DEFINITIONS :

1) James Lundy :

■ Management is principally a task of planning, co-ordinating, motivating and controlling the efforts

of others towards a specific objective. It involves the combining of the traditional factors of production (land, labour and capital) in an optimum manner, paying due attention to the particular goals of the organisation. #1

2) Smt. Merry Kusing Niles :

■ The job of management is to achieve the common objectives with the resources available. #2

3) Stanley Vance :

■ Management is simply a process of decision making and control over the action of human beings for the express purpose of attaining predetermined goals. #3

In short, management may be defined as the sum total of these activities which relates to the laying down of certain plans, policies and purposes securing men, money, materials and machinery needed for their achievement. Putting all of them into operation, checking their performance and providing rewards and mental satisfaction to the men engaged in the operation.

MANAGEMENT AND ADMINISTRATION

Many people think that these terms ,
management and administration are the same and have

got the same meaning. But there is difference between these terms.

Administration can be defined as, " Top level process of thinking and discharging the functions of organising, supervising, planning and controlling the activities of an enterprise. "

Management can be defined as the lower level functioning of organisation planning and controlling.

Administration is the top level function of deciding the policies of the enterprise. Administration is policy making and decision making authority.

Management is the executive function and getting work done through people.

In short, thinking process will be done by the administration, whereas the doing process will be done by the management.

The decision will be made at the higher level, we can call this level as the administration and execution of the work is called as management level.

According to one school of thought , management is a comprehensive term. It is a higher function and includes administration. It consists of administrative management and operative management. Administrative management is primarily concerned with policy making, revising policy planning and controlling. On the other hand, operative management is concerned with carrying out the policies and plans, the day to-day management and producing actual results in the process. In short, administration is also a part of management.

But the other school of thought, led by eminent writers like Sheldon, Springel, and Sargent Florance, believes that management is lower level function and is concerned primarily with the execution of the policies formulated by the top body of the administration.

There are different views about administration and management. These views are :

I) Sheldon :

According to Sheldon, administration is a thinking function, while management is a doing function. Administration lays down the policies, plans, purposes and programmes while management is concerned

with the execution of these policies and plans and achieving the goals set by the administration. Management is simply an executive function.⁴

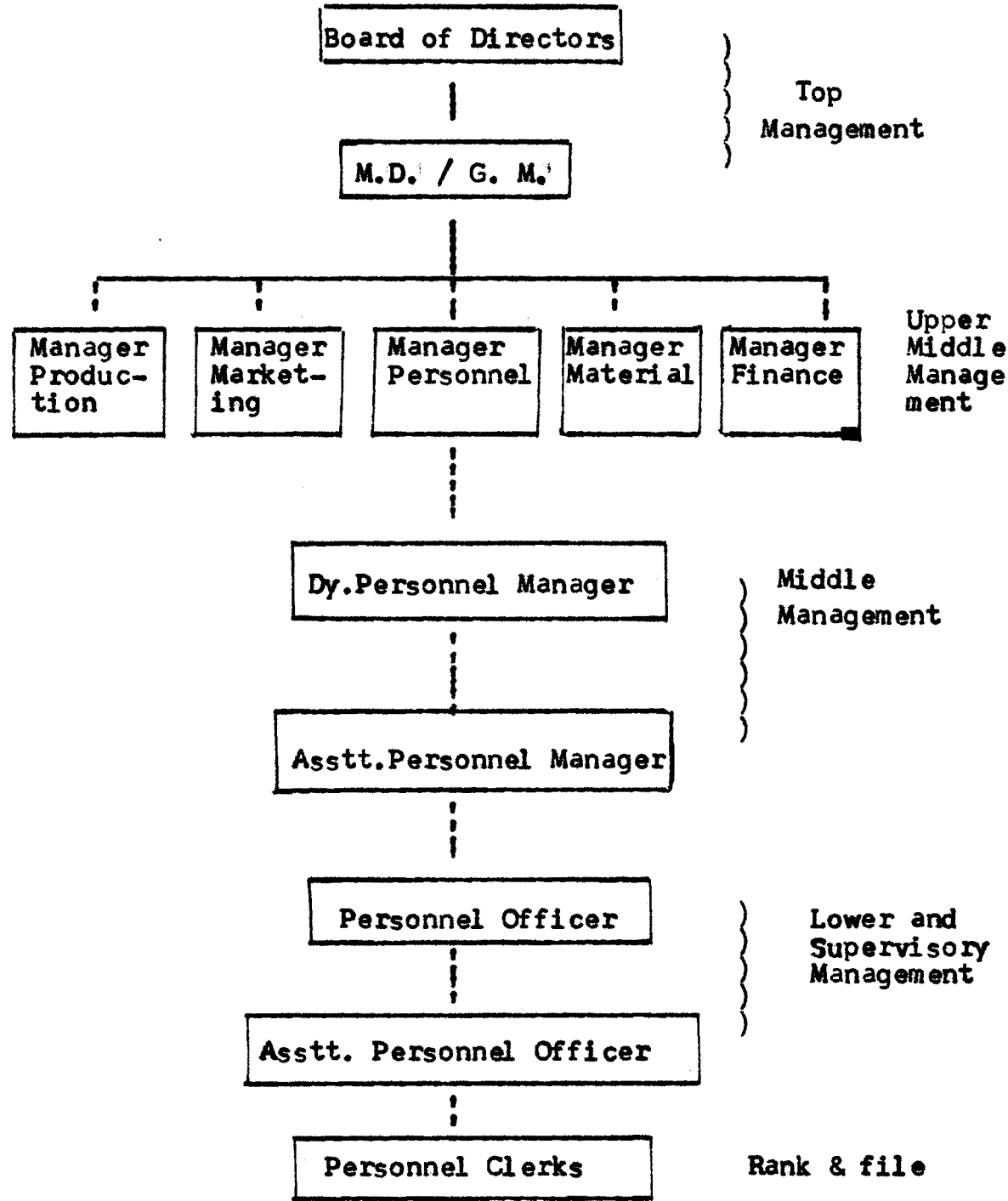
II) Breach :

According to Breach, administration is a part of management. Breach regards management as the ~~generatic~~ term for the total process of executive control. He divides the whole process of management into (a) determination of overall objectives, policies and exercise of overall control (b) determination of an organisation structure involving responsibilities and relationships (c) installation and carrying out of all the procedures.

According to him, all these three aspects are a part and parcel of management i.e. management includes direction, organisation and administration.⁵

Levels of Management

The following chart shows the five activity levels of management.⁶



I) TOP MANAGEMENT :

It consists of the Board of Directors and principal officers such as the General Manager, Managing Director, Secretary, others concerned with the general administration, however, are distinct from functional specialisation. They are the supreme level of authority in the operation of the enterprise. They perform all the conceptual functions like determining the objectives, defining the goals, establishing policies, seeing to it that the policies are put into effect and judging the result.

II) UPPER MIDDLE MANAGEMENT :

It consists of functional heads of production, finance, marketing, personnel, material, accounting and the like. Thus, the upper middle management consists of the executives responsible for leading functions within the enterprise. In certain companies, these people are on the Board of Directors and are, therefore, part of top management.

They establish an organisation and select proper staff to carry out the plans of the top management. They set up the proper departments, designs operating policies and operating routines. They assign

duties to each department and to each individual.¹

III) MIDDLE MANAGEMENT :

It consists of the deputy head of the various sections, such as deputy head of employment section, deputy head training section etc.

Mary C. Niles has described the functions of the group in the following words.¹

■ Middle management acts with and under top management to accomplish these broad objectives of administration. ⁷

FUNCTIONS OF MIDDLE MANAGEMENT :

- a) It is concerned with the details of operation.¹
- b) It develops manpower for the organisation.¹
- c) It builds a co-spirit.
- d) It co-operates with the top management for the smooth functioning of the organisation.¹
- e) It develops leaders for the future by imparting training.¹
- f) It interlooks the various departments in framing the major policies.
- g) It helps in achieving co-ordination between the different parts of the organisation.¹

IV) FOREMAN AND SUPERVISORY STAFF :

These persons directly supervise the working force in the office, factory, sales field and other areas of the activity of the concern. They act as link between the management and the work force.

V) OPERATING FORCE OR RANK AND FILE :

It consists of all those who themselves manage their tasks and their tools. The responsibilities of the persons belonging to this group are even more restricted and more specific than those of foremen.

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B) PLANNING :**INTRODUCTION :**

Planning is the first and the most important functions of management. Planning means looking ahead. It includes forecasting which is the process of assessing the future. It desires its support from the saying ' Look before you leap.' Planning is the conscious determination of a future course of action to achieve the desired result. Planning involves choosing of a course of action from all available alternatives for accomplishing the desired results with the greatest economy and certainty. Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it.

Planning is basically an intellectual process which involves decision making. It requires a mental predisposition to think before acting.

DEFINITIONS :

1) George Terry defines planning as :

■ Planning is the selecting and relating of facts and the making and using of assumptions regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results.■¹

2) Alford and Beatty :

" Planning is the thinking process, the organised foresight, the vision based on fact and experience that is required for intelligent action." ²

3) Louis A. Allen :

" Management planning involves the development of forecasts, objectives , policies, programmes, procedures, schedules and budgets. " ³

IMPORTANCE OF PLANNING :

Planning is very important in every activity of human life. Companies having no planning generally muddle through and may get the result but not the desired one. In the absence of planning, managers will fail to tackle the problems that arises on account of changed conditions. The managerial activities can be satisfactorily performed only after adequate planning.

The advantages of planning may be summarised as follows :

1. Planning increases the organisation's ability to adopt to future eventualities.
2. It focuses attention on objectives.

3. It obtains economical operations.
4. Planning is foundation for successful operations.
5. Planning reduces mistakes and oversights.
6. Planning makes control easier.
7. Planning facilitates the process of decision making.
8. Planning helps the management to implement future programmes in a systematic manner.
9. Planning increases the effectiveness of a manager.

LIMITATIONS OF PLANNING :

The following are briefly some of the limitations claimed for planning :

1. Planning is expensive and time consuming.
2. Planning delays actions.
3. Planning makes the entire organisational set up extremely rigid.
4. Planning leads to probable results and not assured goals.
5. The effectiveness of the plans depends upon the correctness of assumptions.

To avoid such limitations and to make planning more effective, the objectives must be clearly

defined. The plan should be simple and capable of being understood by those who have to effectuate it. The plan should be flexible. It must be feasible and reasonable.

COMPONENTS OR ELEMENTS

The elements or components of planning are briefly summarised as follows :

1) OBJECTIVES :

The first task of planning is to lay down objectives or goals. Objectives or goals, are the ends towards which activity is aimed. They represent not only the end point of planning but the end toward which organising, staffing, directing and controlling are aimed. It is essential that before taking any course of action, the objectives must be clearly determined, well understood and sufficiently defined. Well defined objectives and goals lead to continuous growth and progress. They must also be realistic and reachable.

Objectives may be major or minor, short term or long term, economic or social. Major objectives relate to main purpose of organisation and minor objectives are subordinate. In the short-term an

organisation may concentrate more on satisfying customers with good products at cheap price, keeping in view the long term objective of maximum profit. Economic objectives are with respect to the market place. Social objectives refer to the company's intentions toward its employees, shareholders and the public at large.

2) POLICIES :

Policy-making is an essential part of business planning. A policy is a verbal, written or implied basic guide that provides direction to a manager for action. Policies provide rules of action for achieving organisation's specific objectives. Policy is an excellent means to achieve an intended objective.

There are many types of policies such as basic policies, general policies, departmental policies, top management policies, upper-middle management policies, middle management policies, foreman policies, operating force policies, sales policies, production policies, research policies, financial policies, accounting policies, etc.

3) PROCEDURES :

Procedures indicate the specific method by which work is to be done. The programmes tell what is

to be done, the procedure tells how. Procedures are a guide to action. Procedures mark a fixed path through the defined area of policy. Procedures show the way to implement policies.

4) PROGRAMMES :

A programme is a sequence of activities to implement policies and accomplish objectives. Programmes weld together different plans for implementing them into a complete and orderly course of action. Programmes must be closely integrated with objectives. Programmes show the way and lay down procedure for activities to take place within the time limit for accomplishing the stated objectives.

5) BUDGETS :

A budget as a plan is a statement of expected results expressed in numerical terms i.e. rupees, man-hours, product-units and so forth. Like any other plans, budgets are flexible, realistic and operate within a framework.

Budgets are drawn on the basis of well-defined specific plans and policies. Budgets serve a

good purpose as a tool for planning and control. Budgets obtain better planning and improved co-ordination. They also ensure efficient control through establishment of standards.

6) STRATEGIES :

A strategy is commonly understand as a plan for deceiving an enemy or gaining an advantage over him in war. In business there are many contingencies depending on the behaviour of others, which cannot be fully predicted but about which some partial information can be procured. Strategies are artful devices for dealing with such contingencies.

A strategy plays a very important role in the planning process. It makes known, rather lays down basis for the planning process to proceed.

TYPES OF PLANNING :

There are different types of planning. According to the nature of planning, some of its important types are as follows :

1) SHORT TERM AND LONG TERM PLANNING :

Generally, short term planning can be defined as planning which covers a period from six to

twelve months. Long term planning covers a period of three to five years. In recent years, many firms plan for five, ten or even twenty years ahead. Long term and short term planning be integrated and co-ordinated. Planning period depends on the kind of industry, type of business, production cycle etc.

2) FINANCIAL OR NON-FINANCIAL PLANNING :

The plans relating to the monetary side of a concern is known as financial planning and the plans relating to the physical resources of a concern may be termed as non-financial planning.

3) FORMAL OR INFORMAL PLANNING :

The plan which is in black and white is known as formal planning and on the other hand mere thinking is informal planning. For the success of business, formal planning is always helpful than informal planning. Formal planning is useful for controlling.

4) SPECIFIC OR ROUTINE PLANNING :

A plan made for a particular purpose is known as specific planning and a plan made for day to day operation of business is known as routine planning.

5) PROFIT PLANNING :

Profit planning helps the management in attaining higher level of profit. Profit planning is generally based on forecast. Object of every business is to earn profit. Thus specific efforts in this regard may relate to profit planning.

NATURE OF PLANNING

Important elements that describe the essential nature of planning are given below :

1) FOCUS ON OBJECTIVES :

A plan must concentrate on accomplishing certain objectives. It lays down the ends and means to achieve them.

2) PRIMACY OF PLANNING :

Planning is the first management function. It proceeds all other management functions. It facilitates organising, directing, leading, motivating as well as controlling.

3) PERVASIVENESS OF PLANNING :

Planning is found at all levels of management. Top management look after strategic planning.

Middle management is incharge of administrative planning.
Lower management has to concentrate on operational planning.

4) EFFICIENCY, ECONOMY & ACCURACY :

Efficiency of plan is measured by its contribution to the objectives as economically as possible. We must have the maximum results at minimum cost. Planning also focuses on accurate forecasts.

5) CO-ORDINATION :

Planning co-ordinates the what, who, how, where and why of planning. Without co-ordination of all activities, we can not have united efforts.

6) LIMITING FACTORS :

A planner must recognise the limiting factors (money, manpower, materials, machinery and management) and formulate plans in the light of these critical factors.

7) FLEXIBILITY :

The process of planning should be adoptable to changing environmental conditions.

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C) ORGANISATION :

(A) INTRODUCTION :

The term 'organisation' is derived from 'organism' which means a structure of body divided into parts. An organisation combines and co-ordinates individual as well as group efforts in an enterprise. An organisation structure is the machine through which management works to accomplish its objectives. Various jobs of the enterprise are integrated into an effective operating system to achieve the organisational objectives.

Organisation is the frame work of management. It is the framework within which management operates. An organisation structure is primarily concerned with the allocation of duties and responsibilities and delegation of authority. It is a management tool for achieving the objective or goals of an enterprise. It is a group of persons working together for a common purpose. It is a systematic combination of people, working together to accomplish some desired purpose. In this way organisation is the mechanism within which people live and work together for the achievement of definite objective.

DEFINITIONS :1) Taylor :

“ Organisation is the tool or the design which people in the organisation work.”¹

2) Koontz and O'Donnel :

“ It is the grouping of activities necessary to attain enterprise objectives and the assignment of each grouping to a manager with authority necessary to supervise it. ”²

3) Theo Haiman :

“ Organising is the process of defining and grouping the activities of the enterprise and establishing the authority relationship among them. In performing the organising function, manager defines, departmentalises and assigns activities so they can be effectively executed. ”³

(B) PRINCIPLES OF ORGANISATION :

While organising the business enterprise, certain principles have to be borne in mind such as division of labour, co-ordination, objectives, authority and responsibility, delegation, efficiency, unity of command, span of control, communication, personal

ability, flexibility, definiteness of objectives, grouping of activities, principle of balance between authority and responsibility etc.'

(C) IMPORTANCE OF ORGANISATION :

Organisation is the backbone of the management and without its proper care, higher, middle and lower level of administration would be impossible. Organisation is not end itself, but it is means by which problems of the enterprise connected with policies, operations and administration can be solved efficiently.

The following are some of the points which convey the importance of organisation in business enterprise. These are as it facilitates growth and diversification, it facilitates administration, it facilitates adoption of new technology, it encourages creativity and initiative, it helps for easy co-ordination. It facilitate precise delegation.

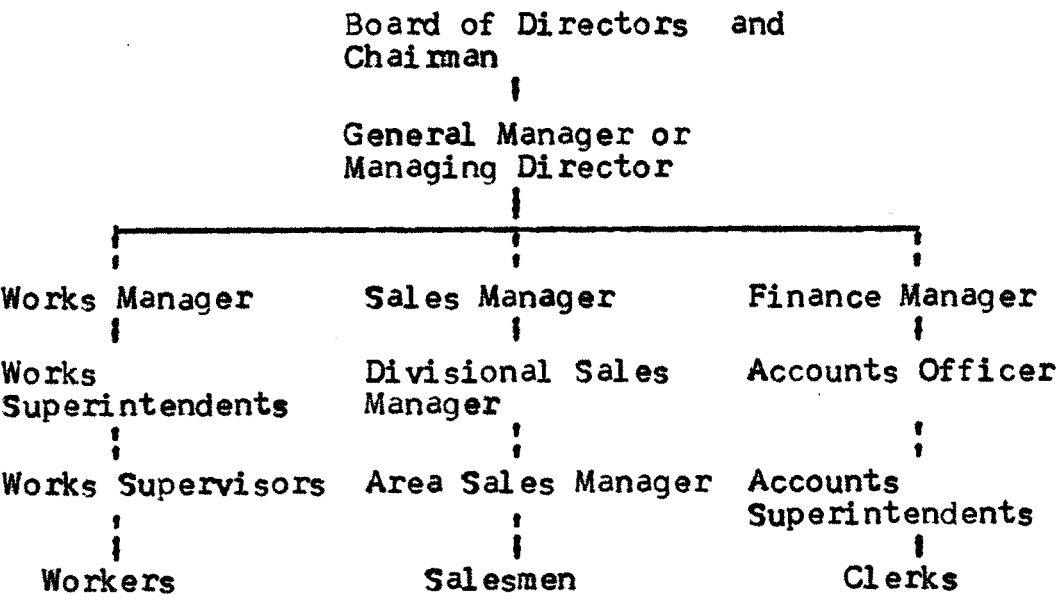
(D) TYPES OF ORGANISATION :

1. Line organisation (Departmental organisation).
2. Line and staff organisation.
3. Functional organisation.
4. Committee organisation.

(1) Line or Departmental Organisation :

This is the oldest and simplest form of organisation adopted from military system of administration. It is also known as military, traditional, scalar, departmental or hierarchical type of organisation. Under this type of organisation, the authority flows from top to bottom. In this type of organisation, the General Manager or the Managing Director handles all the problems that arise, irrespective of whether they relate to sales, production, finance or personnel. In short, he must be jack-of-all-trades. Line organisation is the most basic of all organisation structures and is normally found in small firms.

Usually, the General Manager has three or four managers, each manager is having similar number of subordinates, under subordinates foremen and each of them will have 30,40 or 60 workers.



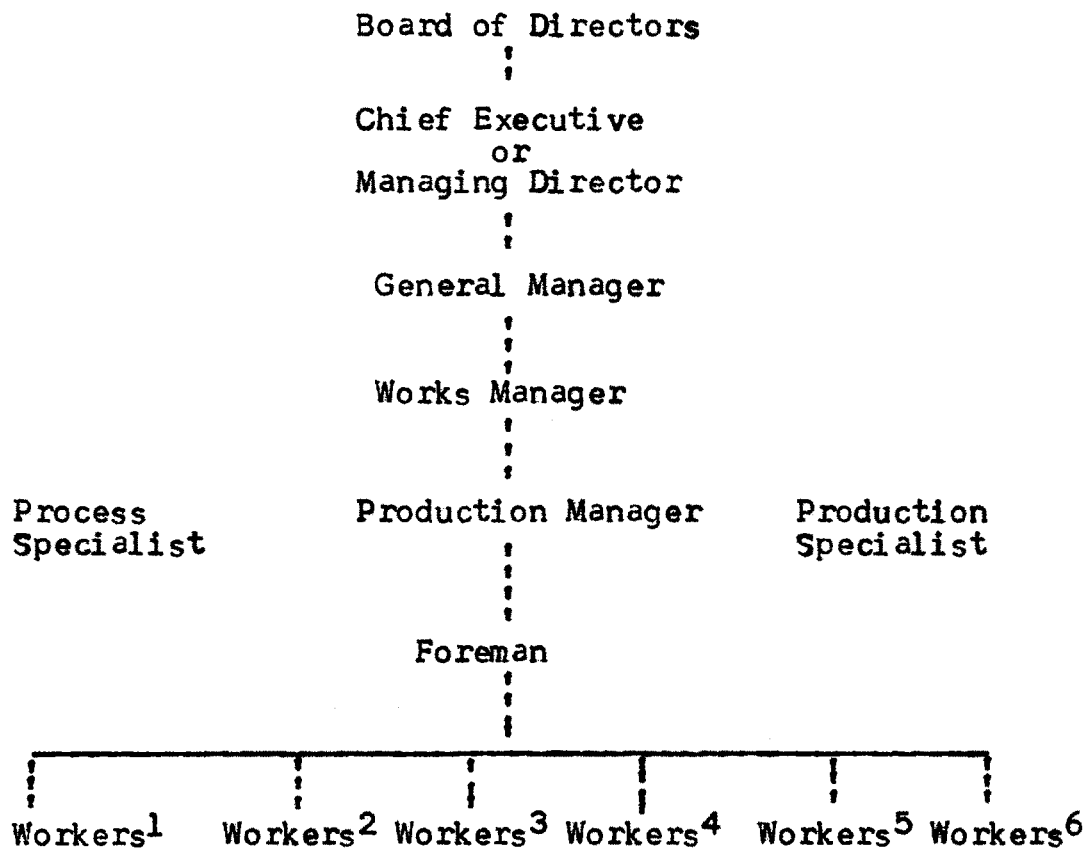
FEATURES :

- 1) Centralisation of authority with superior.
- 2) The authority flows from top to bottom.
- 3) The structure is simple and understandable to all personnel.
- 4) Discipline is easily maintained.
- 5) To avoid any chances of duplication, the task of each member is well defined and he is responsible for his own task.
- 6) The whole work of organisation is divided into different departments.

(2) Line and Staff Organisation :

To have the merits of both the line and functional type structures, the generalists of the line structure and specialists of functional structure are brought together in this structure. Line and staff organisation is combination of line and functional organisation. Under this type of organisation, the staff division lays down the policy, programmes, procedure and practice while the line division executes the policy into practice. The line maintains discipline and stability, the staff provides expert information. The line gets out the production, the staff carries on

research, planning, scheduling, establishing of standards and recording of performance.

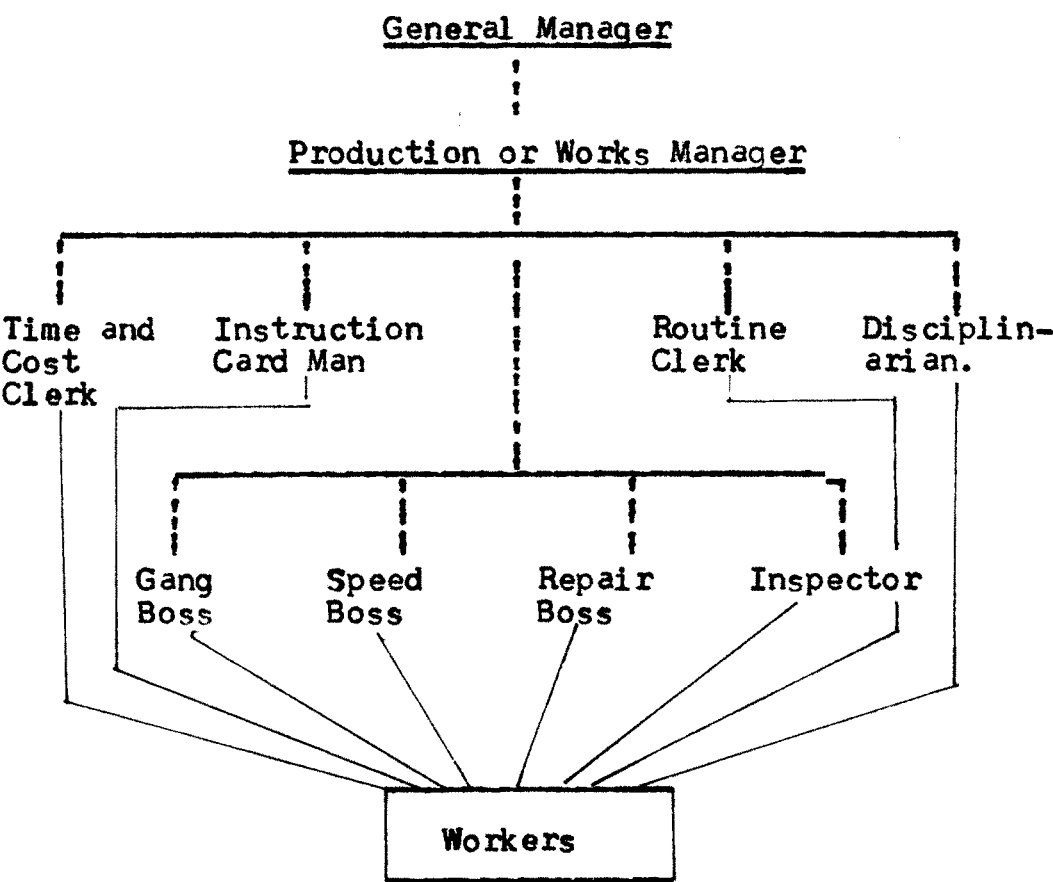


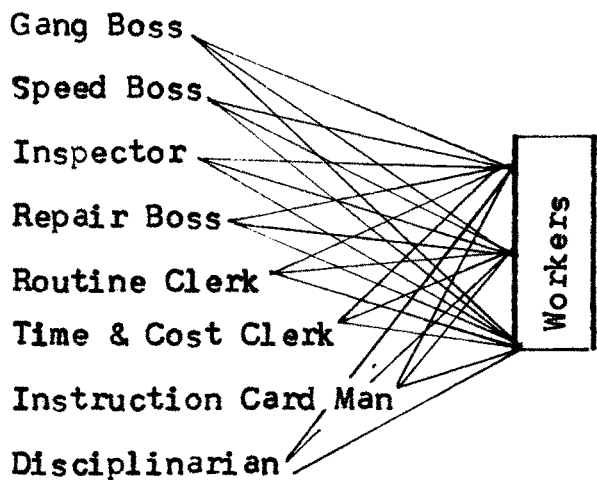
(3) Functional Organisation :

F.W. Taylor developed the idea of functional organisation. Under this type of organisation authorities are delegated according to function. Each functional incharge will be responsible for the success or failure of his own function. Even the superior authority shall not be entitled to interfere into the affairs of the subordinate authority. Taylor says that under functional organisation the worker should instead

of taking orders from one boss, report to eight, each of whom is a specialist in his own field. These eight specialists are speed boss, gang boss, repair boss, inspector, time and cost clerk, instruction card clerk, routine clerk, and disciplinarian.

FUNCTIONAL ORGANISATION





(4) COMMITTEE ORGANISATION :

Under this type of organisation various committees are formed. There are committees heads known as chairman. In case of any problem, the committee concern is expected to hold a meeting and solve out the problems. Committees play an important role in co-ordinating the efforts of various executives and staff personnel. Friction between line and staff may be eliminated, or atleast avoided, through the mechanism of committees. Committee is thus an improvement over either line or staff type of organisation and it is used usually in connection therewith.

Some essentials or principles • for successful working of a committee.

1. Size of the committee.
2. Careful selection of members.
3. Capacity of the chairman.



4. Defining of authority, nature and purpose.
5. Regard for mutual respect.
6. Agenda and proceedings of the committee meetings.

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D) STAFFING :

INTRODUCTION :

Staffing involves filling the positions (posts) needed in the organisation by appointing competent and qualified persons for the job. This needs man-power planning and manpower management. We have to provide suitable methods of remuneration and performance appraisal.

The systematic approach to the problem of selecting, training, motivating and retaining managerial personnel in any organisation is referred to as staffing. The job of staffing is concerned with recruitment and development of managers and their maintenance in a high spirit.

DEFINITION :

Theo-Haiman, " Staffing function is concerned with the placement, growth and development of all those members of the organisation whose function it is to get things done through the efforts of other individuals."¹

The Process of Staffing :

The process of staffing involves a number of principles .

1. Principle of job definition :

Every manager should know what type of job he has to perform. Management expectations becomes clear due to job definition.

2. Principle of managerial appraisal :

This principle is concerned with the close appraisal of managerial performance relative to the clearly defined predetermined results.

3. Principle of management training :

This principle emphasises on the need for providing information by training programmes as needed by managers to enable them to grow and advance for higher positions.

4. Principle of open competition :

This principle clarifies that with the efficiency and quality of management as stressed by an enterprise, this will encourage competition amongst the managers for management positions.

5. Principle of continuing development :

According to this principle the managerial competence as stressed by an enterprise will require the managers to practice continuing self-development.

Sources of Recruitment :

There are three basic sources from which managerial personnel can be obtained.

1. Candidates from other companies.
2. Persons promoted from within the company.
3. Fresh graduates from universities and technical institutions.

1) Candidates from other companies :

Sometimes the persons having specialised knowledge, experience and ability are recruited in the enterprise. To increase the management efficiency, an outsider is occasionally taken in at the top level for infusing new blood, vigour and new ideas, new practices and new applications in the enterprise - different ways of taking outsiders :

1. Advertisement in professional journals and other papers.
2. Employment agencies.
3. Professional associations.
4. Unsolicited letters or casual letters.
5. Recommendations from employees.

The scope of this method leads to candidates of new outlook, enhancement in organisational efficiency, bad habits of old one's can be removed by new one, newly recruited candidates can work enthusiastically and eagerly, outsiders can influence on

subordinate, prosperity of enterprise is possible.

2) Persons promoted from within the company :

Most of the higher level jobs are filled from promotions within the company. It is widely accepted policy and has become more or less customary with companies to make selection of persons by up-grading transfers and promotion and sometimes even by demotions from within the company.

The scope of internal promotion leads to stability in personnel, security, sincerity, efficiency, continuous contacts with customers, well known organizational structure to all employees etc.

3) Fresh graduates from universities and technical Institutions :

The third source is becoming popular with larger companies which have adopted programmes for management development. Fresh graduates with wider outlook and satisfactory background knowledge prove to be excellent materials for developing them into successful managers. Graduates with their general and liberal education possess such breadth of vision and power of adaptability as are conducive to the successful working of business enterprises.

(a) College Recruitment : For middle and lower management positions which demand little business

experience, companies often prefer fresh graduates from the universities, commercial and technical training institutions. This is generally done through the staff executives of the company's own personnel department. For college recruitment, they make planned visits to selective colleges and universities and, with the assistance of the bureau and faculty members, selection is made. With training and experience these fresh graduates often turn out to be good and capable executives fit to hold any responsible position.

(b) Selection through open competition : Some companies adopt method of selection through open competition. This method ensures managerial competence.

(c) Assessment centres : Some countries in the west, make use of assessment centres as a technique to aid in selection of managerial personnel.

RECRUITMENT AND SELECTION PROCESS :

In the process of recruitment and selection generally the following tools, techniques and methods are used.

Tools, techniques and methods of selection used by a particular organization depends on its size,

resourcefulness and staffing objectives. Large companies have more sophisticated selection techniques than the smaller and medium ones.

1) Preliminary or Initial Interview :

Preliminary or initial interview, which is generally of short duration, is intended to obtain basic information from the candidate about his education, skill, knowledge, job experience, minimum salary expectations and determine suitability of the candidate for final interview.

2) Application Blank :

It is one of the selection tools. This is needed for evaluating candidate's suitability, basic record of candidate's personal data as given in the application blank provides.

Application blank generally includes :

- a) Identification of the applicant, his personal data such as age, sex, marital status, height, ~~wi~~ weight etc.
- b) Family status
- c) Educational background including training
- d) Experiences, which include details about previous employments.
- e) References preferably of two or three persons

(with their names and complete address) other than relatives.

- f) Social interests including membership of professional organisations.
- g) Reasons for seeking job in an organisation.

Thus application blank provides a preliminary idea of the candidate to the interviewer. Application blanks of different companies differ in details.

3) Tests and Interviews :

When there is possibility of failing of human judgement, tests prove helpful in the selection of executive manpower.

A test is a systematic procedure for comparing the behaviours of two or more persons.

A test can also be described as a systematic effort of finding out the suitability of a candidate for a job to be filled up and examining the characteristics and behaviour of a person.

Tests are not a definitive standard by which people are measured and found fit. The test is just a part of a selection process, meant to get additional information about the candidates.

Test is a reliable device for selection of employees. Only sufficiently experienced staff personnel should be entrusted with the job of administering tests. Testing provides statistical evaluation. This is an important supplement to the general evaluation of an applicant's qualifications by means of application blanks, work and personal references, work history, school record appearance, speech and manner interests and also his trial employment if any. Tests measure characteristics obtained through observation and recording and providing the probable data about applicant's behaviour.

TYPES OF TESTS :

The tests are of different types :

1. Intellegent test
2. Special ability test
3. Interest or aptitude test
4. Personality test
5. Temperament test
6. Trade test
7. Psychological test
8. Emotional test
9. Leadership test

INTERVIEWS :

Interviewing is a part of selection procedure. Interviews are generally conducted for appointments but interviews are conducted for a number of other purposes also e.g. posting different persons in different places of jobs, transfer, promotion, suspension, transmission, merit rating, training, job evaluation etc. Interviews are the oldest and helpful techniques in recruitment and selection of personnel.

Interviews exposes candidate's ability of self expression and general attitude. Even a brief exchange of information should be enough for an intelligent and expert interviewer to assess a candidate's suitability to a fairly high degree of accuracy.

Types of Interviews :

1. Patterned or planned interviews
2. Non directed interviews
3. Group interviews
4. Depth interviews

4) Reference checks :

Reference checks are a good selection technique provided they are conducted with care. The names, addresses of persons for reference purposes as provided by the candidates in their applications blank are made use of by companies. These persons are

addressed letters and requested to furnish some factual and other information about the applicant. It is quite possible the references may not like to express their views about the candidates frankly in writing. In such cases the information is derived through telephone calls. The best course would be to have information through personal contact with the references. Since it involves a lengthy and costly procedure, generally it is not possible.

5) Physical examination :

The physical examination aims at determining whether the person will be able to carry the workload of performance as managerial job demands satisfactorily, finding out, if otherwise also whether the person is quite fit. Physical examinations help to raise the standard of physical fitness.

6) The selection decision :

The selection decision is taken and successful candidates are informed of it. The rejected candidates may be told with all politeness of his having not been taken in.

7) Placement :

Selected candidates must be placed rightly at his job.

8) Induction or orientation :

New employees need orientation. The employee is made aware of the company's philosophy, policies, objectives as related to him, company's place in the industry or economy, the products manufactured and sold, services performed, his job and environments, his carrier, development opportunities.

MANAGERIAL TRAINING AND DEVELOPMENT

INTRODUCTION :

Training may be defined as a formal class-room or group education activity. Development is more of an individual on the job approach. Management development refers to the progress, a manager makes in learning how to manage.

DEFINITIONS :

1. George H. Coopers :

" Training his successor is the most important single job any manager or executive has. It is also the most satisfying." ²

2. Mr. Edwin Fillipo :

" Training is the act of increasing the knowledge and skill of an employee for doing a particular job." ³

3. Mr. Del Yodar :

■ Training is the process by which manpower is filled for the particular job it has to perform. ■⁴

The scope of managerial training and development leads to new blood bringing fresh vigour and ideas to the organisation, quick and smooth take over of work by incumbents during replacement, creation of a reserve of management skills, more scope for delegation of authority because of the availability of trained personnel to assume increased responsibility.

TRAINING METHODS :

Training may be given in a variety of ways partly within the organisation and partly through study courses at outside centres. Some of the important methods are discussed as follows :

1. Job Assignment :

Trainees are assigned the job. Necessary guidance and counselling are provided by senior managers through answering queries, making suggestions and giving explanations in all phases of the job.

2. Job Rotation :

The number of jobs and their sequence are

carefully choosen and the trainees are kept at each job for a fairly long period so that they can get into the techniques and practices utilized by the enterprise to reach its objectives.

3. Internal coaching :

It is provided by the trainee's superior to make him familiar with policies and procedures relating to the specific work.

4. Study courses :

Study courses are arranged with a formerly organized institutions which impart training in various aspects of the management study. If any speciallized knowledge pertaining to the present job is deemed necessary, special study courses are provided for the trainees.

5. Integrating theory and practice :

In management training, theory and practice must be closely integrated. The distillation of principle from practice should be the underlaying purpose of any internal management courses.

6. Committees and junior boards :

These are constituted by some selected managers of the middle level group in order to prepare

candidates for senior executive positions. Evaluation of policies and procedures, suggestions for improvement in work performance and innovations in products or services are some of the duties assigned to these committees and boards. The prolonged give and take discussion among the members of committees and boards also help much towards the development of their desirable characteristics.

7. Conferences and seminars :

These are excellent training media for management development. Both new comers and oldtimers can derive substantial benefits from the conference, because ideas, experience and knowledge are exchanged between the experts who deal with many intricate problems affecting their enterprises.

8. Refresher courses :

Frequent refresher courses are now recommended for managers in order to keep them abreast of new developments. The rapidity of technological innovations brings about changes in the qualifications required for management men.

Duration of these courses should be short, from one day to a week. Group problem solving may form subject matter for these refresher courses.

9. Orientation :

The orientation of executives is a process carried out over a period of time. The new executives undergoing an orientation programme have to attend the classes organised for this purpose, go on a guided tour of the whole plant, make use of the written material containing information on the company's history, products, policies and procedures, organisation charts, the house organ and the employee handbook. They should attend staff meetings convened by the superior and be in touch with the experienced colleagues in the organisation.

10. Coaching in general :

Coaching is a way of administration.

A good coach would lead rather than drive the trainee.

The coaching process is fundamentally a relationship of give and take between the superior and subordinate executives. A good teacher will himself be learning all the time - learning new techniques in instruction, learning more about his student's aptitudes, his strong and weak points, his personality traits.

Patience and tolerance are essential qualities in a coach. Learners are bound to make mistakes

in the begining and they can draw good lessons from such errors. A nervous learner and an impatient, irritable coach are an ill-assorted team.

11. Case study method :

The case is given to the participants before the first group meeting so that they may study it and prepare for discussion. The participants are then invited to discuss it and offer their own conclusions. It is a good training device for acquiring skills in decision making. The cases are dramas of the work place. They may be real life situations or fictitious but plausible situations.

12. Role playing :

Role playing is part of the dynamics of group education - a very effective method in the training of managerial personnel.

Every one is a good actor when he makes up his own lines. This is one of the impressive facts that one comes across in role playing.

Role playing means having members of a group act out a situation involving human relations arising in a supervisory context. Members of the group take different roles thrushing out the problem. The

audience observes and evaluates the efforts.

13. Specialised technical courses :

Companies often make use of university based development courses, conferences, programmes and faculty services. Refresher courses, of three to twelve months duration, are also arranged for executive at some universities like Chicago, Columbia, Harvard, M.I.T. etc.

The modern trend is in favour of business and industry collaborating more and more in management research studies and managerial development.

14. Lectures and panel discussions and workshops :

The panel is almost a co-operative lecture. Before a small group, a controversial issue or problem is presented and its various aspects are discussed with a view to finding solutions. A panel is more interesting than a lecture where one person monopolise attention, it is more convenient and less time consuming than a seminar which tends to be discursive and too theoretical.

Seminars and workshops as organised by educational and management institutions provide quick orientation in various areas of management.

15. Special meetings :

Special meetings is yet another medium of executive training. Special meetings are held inside the the plant as well as outside. Inside meetings serve as a forum for talks relating to the plant or business operations, policies and procedures of the company. Such meetings are often addressed by specialists from outside.

The meetings held outside the plant or business house are generally dinner events, business association gatherings and university sponsored lectures or short courses on management.

16. Planned reading programmes :

It is very helpful in enriching the managerial knowledge of executive trainees and in broadening their intellectual horizons and cultural interests. An executive's vision must go beyond the job in hand and shop affairs. A well stocked library is an excellent investment. The management periodicals are also very informative.

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E) DIRECTING :

(A) INTRODUCTION :

Directing is another important function of management. It is the heart of administration. Directing involves issuing of directives, instructions or orders to the subordinates. The directing function runs through all levels of an organisation.

Directing means literally the putting or moving into action. Directing can be defined as an act of guiding, orienting, communicating, motivating, leading and organising the human behaviour in company with an object of achieving goals of an organisation.

DEFINITIONS :

1. Marshall Dimock :

■ Directing is the heart of administration which involves determining the course, giving orders and instructions, providing the dynamic leadership. ■¹

2. Theo Haiman :

■ Directing consists of the process and techniques utilized in issuing instructions and making certain that operations are carried on as originally planned. Directing is the process around which all performance revolves. It is the essence of operations, and co-ordination is a necessary by-product of good

managerial directing. #2

(B) NATURE OF DIRECTION :

1. Guiding :

A manager must give the necessary guidance, training, direction etc. to the employees from time to time in their work. And also he will have to clear all doubts and ambiguities in the minds of worker. He should act as a teacher.

2. Motivating or Actuation :

Making the other people work is one of the important part of direction. A manager can make other people work through various methods either by giving punishments or offering rewards or taking disciplinary action.

3. Communication :

Direction will be successful only if there is a good system of communication. Communication can be described as an act of the passing information, orders, request, direction, control, commands and suggestions etc. to the employees. Communication can be done either in writing or orally. There are various methods of communication, formal, informal etc.

4. Orienting and informing the employees :

A manager must inform the employees about

the methods and techniques of production, changes in production method etc.

5. Organisation of human behaviour :

If direction is to be successful a manager must study carefully the human behaviour. Human behaviour forms a very important part of the organisation of the company. The work force can be directed only when the manager is expert in studying the human behaviour.

6. Leadership :

It is the most relevant factor in direction. All the leadership qualities and conditions essential for successful leadership etc. are important parts of direction.

7. Orders :

Direction is done mostly through orders. There are different types of orders - oral orders, written orders, specific orders, unspecific orders, formal orders, informal orders. The executives must be cautious in giving orders, otherwise it will create difficulties.

Characteristics of good directives or orders.

The characteristics of good orders are as follows :

1. Definiteness
2. Written orders
3. Time span

- 4. Reasonableness
- 5. Intelligibility
- 6. Follow-up
- 7. Unity of command
- 8. Orders should be related to objectives.

(C) TECHNIQUES OF DIRECTION :

The techniques of direction are as follows :

I) Consultative technique of direction :

The essential feature of this method is that the executive discusses the problem with his subordinates, invites their opinions and suggestions and takes them into consideration before taking decisions and issuing necessary directives for carrying them out. This develops a sense of responsibility in the subordinates.

The scope of such technique leads to systematic implementation of plans, easy inspection control of decisions, it creates new managers, proper communication, clear decisions, increase in thinking and mental capacity of subordinates and good relations can be maintained between managers and subordinates.

At the same time there is a danger that this technique may result into the misunderstandings in the minds of subordinates, orders may be incomplete

and ambiguous, sometimes unwanted discussion may take place, subordinates change their decisions.

II) Autocratic Technique of Direction :

In this technique, the superior always prefer to do everything himself. He gives orders, assigns tasks and responsibilities without consulting the employees. The subordinates blindly follow the instructions of the boss. If anything goes wrong, the superior will be answerable for it. He uses fear, threats and authority and insists on getting his own way.

The scope of this method will lead to quick decisions, full control on organisation, useful in critical situations, manager can get the work done even inefficient subordinates, managers can use their whole authority and power.

The ill effects of this techniques may result into misuse of authority, bad relations between superior and subordinates, low morale of subordinates, full co-operation cannot be acquired from subordinates, new managers cannot be created, sometimes decisions may be wrong.

III) Free-rein Technique (Laissez fair) :

This technique of direction includes the subordinates to make use of their own initiative ,

encourages, creative thinking, drive and intelligence in the solution of problems. The superior remains watchful to see that the activities of the subordinates are directed rightly to achieve the desired objectives. He also keeps himself readily available for any consultation the subordinates may need.

This technique is useful to create new managers, it increases the productivity, high morale of subordinates can be created and also good relations between manager and subordinates are maintained.

Similarly, there are some defects in this technique. These are extensive use cannot be possible, managers oppose this technique, subordinates also oppose this technique, sometimes there is no co-ordination between the activities of subordinates and manager and also it is risky.

(D) PRINCIPLES OF DIRECTION :

While issuing direction certain principles have to be borne in mind such as harmony of objectives, unity of command, direct supervision, democratic leadership and follow through.

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AUTHORITY AND RESPONSIBILITY

A) INTRODUCTION :

Authority is the key to the managerial job. Authority is commonly understood as rightful power or right to command. Authority is the sum total of rights and powers that are necessary to do a job.

DEFINITIONS :

1. Henry Fayol : " The right to give orders and exact obedience."¹
2. Theo Haimann : " Authority is the rightful legal power to request to subordinate to do a certain thing or to retain from doing so, and if he does not follow these instructions the manager is in a position, if need be, to take disciplinary action, even to discharge the subordinate without authority only anarchy and chaos would result."²

B) TYPES OF AUTHORITY :

There are different types of authority.

1. Formal authority
2. Constitutional authority
3. Legal authority
4. Technical authority
5. Acceptance theory of authority
6. Polarchy system of authority

7. Multiple hierarchy system of authority

8. Pyramid system of authority

C) LIMITATIONS OF AUTHORITY :

The authority of a person is not unlimited.

Authority will always flow from superior officer to the subordinate officer. There are so many limitations in exercising the authority by superior officer such as technical limitations, scientific or natural limitations, physical or intelligent limitations, legal limitations, limitations due to articles of association and memorandum of association, economic limitations, environmental limitations etc.

D) RESPONSIBILITY :

Responsibility is the obligation of a subordinate to perform the duty as required by the superior.

Definition :

■ Responsibility may be defined as the obligation of the subordinate to whom the superior as assigned a duty to perform the service required.■

E) CHARACTERISTICS OF RESPONSIBILITY :

1. Responsibility will be always flowing from bottom to top.

2. Responsibility can not be delegated to another person.
3. Responsibility may be also recurring type.
4. Authority and responsibility will go hand in hand.
5. Responsibility can be always given to those persons only who enjoy sufficient status, dignity or power in the organisation.

F) ACCOUNTABILITY :

Accountability denotes answerability for the accomplishment of the task assigned by the superior to his subordinate.

The process of delegation is not complete with just assigning the duty and delegating appropriate authority for the accomplishment of the task.

The process of delegation becomes complete only by making the delegates answerable to the superior for his functioning.

It may be mentioned that in all cases managers delegate their authority to the subordinates creating a particular responsibility and keeping them answerable for the accomplishment to him. In this way authority goes down and down in the line making everyone accountable for the duty assigned.

G) DELEGATION OF AUTHORITY :

Delegation of authority means transfer of an authority from one person to another person in order to achieve the purpose and goals of the organisation. There are different methods of delegation of authority. But generally the popular method is transfer of authority from one superior officer to a subordinate officer.

In other words, delegation takes place " when one person gives another the right to perform work on his behalf and in his name and the second person accepts a corresponding duty or obligation to do what is required of him." ³

H) ELEMENTS OF DELEGATION :

The delegation of authority involves three basic elements. These are assignment of tasks, granting of authority and creating an obligation.

I) PRINCIPLES OF DELEGATION OF AUTHORITY :

In order to make delegation more effective certain guidelines, rules and principles to be followed. Some of the important principles are clarity of delegation, delegation to be consistent with results expected, responsibility cannot be delegated, parity of authority and responsibility, the exception principle etc.

J) OBSTACLES OR LIMITATIONS OF DELEGATION :

Delegation process has the following obstacles. These are - power loving, superiors, lack of confidence in subordinates, over-confidence of superiors, tendency to avoid risk, mistakes, absence of confidence on the part of subordinates, absence of positive incentives, a fear of insecurity on the part of executive.

Other than these obstacles some other obstacles are :

- (a) An executive may not have the qualities of leadership. He is unable to direct and guide his subordinates.
- (b) Subordinates may be already over-burdened with work.
- (c) Inadequate planning, defective organisation and inefficient communication are other obstacles in the way of delegation of authority.

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F) MOTIVATION :

INTRODUCTION :

Motivation is the productivity factor in industry. The most important task of the management is to get the work done by the subordinates and achieve results. Getting the work done depends mainly on whether a person has been motivated to do it. Motivating a worker is to create a need and a desire on the part of a worker to better his present performance.

Motivation concerns itself with the will to work. Motivation is the act of stimulating an individual or oneself to contribute the utmost to achieve the desired objectives.

DEFINITIONS :

1. Michael J. Jucius , " The act of stimulating someone or oneself to get a desired course of action " ,
" to push the right button to get a desired reaction."¹
2. E.F.L. Brech, " The problem of motivation is the key to management in action, and in its executive form, it is among the chief tasks of the general manager. We may safely lay it down that the tone of an organisation is a reflection of the motivation from the top."²

MOTIVATIONAL METHODS AND TECHNIQUES :

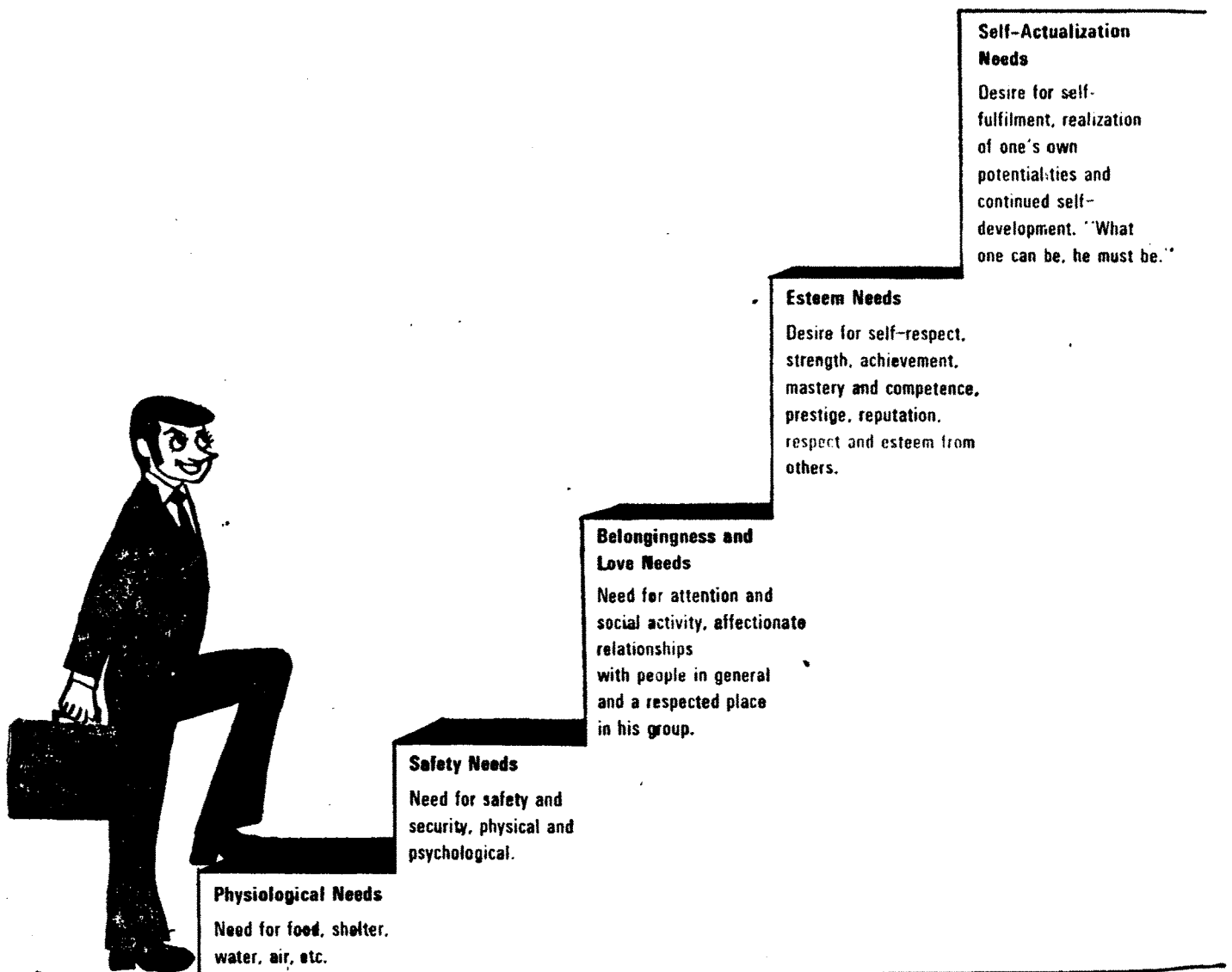
Some of the important motivational methods and techniques that can be employed by managers for the efficient working and achievement of organisation objectives may include (1) Money (2) Positive reinforcement or behaviour modification (3) Participation (4) Job enrichment.

HUMAN NEEDS AND MOTIVATION :

All members of the organisation strive to satisfy various needs through their work. There is a hierarchy of needs that exerts their influence of tugs and pulls on the employees. As one need is satisfied, the other take its place. Maslow a psychologist developed a theory of motivation based on human needs arranged in a particular order from lower to the higher. He suggested five classes of needs in the order of their importance follows (i) Physiological needs (ii) Safety and security needs (iii) Social needs (belongingness and love needs) (iv) Esteem needs (v) Self-actualization or credibility needs.

When one need is satisfied new needs emerge to motivate behaviour. It is shown in the following figure.

Chart



MASLOW'S NEED HIERARCHY

MORALE

Motivation is intimately connected with morale. Good motivation leads to high morale. The term morale has been defined in a number of ways. Morale is an intangible factor and relates to the mental condition of an individual or group to its confidence and enthusiasm in the performance of the duty.

DEFINITIONS :

1. Alexander H. Leighton , " Morale is the capacity of a group of people to pull together persistently and consistently in pursuit of a common purpose."³
2. Robert M. Guion, " The extent to which an individuals needs are satisfied and the extent to which the individual perceives that the satisfaction as stemming from his total job situation."⁴
3. Dr. William R. Spriegal, " Morale means the co-operative attitude or mental health of a number of people who are ~~let~~ related to each other on same basis. "

Theory X and Theory Y

Management is defined as an art of getting things done through others. Hence most of the time of the manager goes with the people but people differ from one

another in their behaviour, attitudes and tendencies. In order to get the work done through the employees, the manager has to apply the different motivating techniques depending upon the behaviour of the employee. The late Douglas MC Gregor has applied the fundamental contents of the theory of Maslow to leadership and management theory and has given certain assumptions relating to behaviour and tendencies of the people. Those assumptions are termed by him as Theory X and Theory Y.

Assumptions of Theory X :

1. The average man by nature is lazy and has dislike for work.
2. Dislike for work implies that people are required to be directed and controlled through active intervention by management.
3. Employees must be rewarded, persuaded, punished and threatened in order to modify their actions and behaviour so as to accomplish the organisational objectives.
4. Employees are inherently resistant to change and passive to organisational needs.
5. He lacks ambition, avoids responsibility and prefers to be laid.

These assumptions guide management behaviour and thinking. Some managers follow the hard approach like threat and punishment. Hard approach often leads to restriction of output, militan unionism, antagonism and attempts to the management objectives. Management must be soft with his employees. Soft approach may lead to indifferent performance and obligation of management in favour of harmony.

Criticisms of Theory X :

Theory X reduces man to the level of machine and discourages the modern techniques of creative efforts.

A fundamental opposition to theory-X is that it is inadequate to consider the subject of motivation, because the behaviour of the people at work is affected by their needs and theory X disregards the needs of the people. It is to be acknowledged that satisfied need ceases to motivate any individual further. Since there exists hierarchy of needs, man moves from satisfaction of lower needs to the satisfaction of higher needs. Management by direction and control, regardless of its hard of self approach is ineffective to motivate people whose important needs are social and egoistic, once lower order needs are satisfied, rewards, incentives, promises, threats or coercion - the devices used by management under theory-X, cease to motivate people.

ASSUMPTIONS OF THEORY Y :

Mc Gregor suggested a different theory of managing people based on more adequate assumptions about human nature and motivation. The important assumptions are :

- 1) Man is not inherently passive resistant to organisational needs.
- 2) Incentive, threat or external control are not the only means of motivating people to work for organisational objectives.
- 3) Under proper organisational conditions and methods of operation man will exercise self control towards achieving his own goals and those of the organisation.
- 4) The work is as natural as play provides all the conditions are favourable.
- 5) The motivation, the potential for development, the capacity for assuming the responsibility, the willingness to direct behaviour, forward organisational objectives are all present in people. Management does not put them there. It is the responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves.

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G) CO-ORDINATION :

INTRODUCTION :

Co-ordinating is considered a by-product of directing. It is the inter-relating factor of organisation. Co-ordination means to combine activity into a consistent and harmonious action. Co-ordination is the integration or orderly pattern of group efforts in the enterprise towards the accomplishment of common objectives.

DEFINITIONS :

- 1) Henry Fayol, "to co-ordinate means to unite and co-relate all activities."¹
- 2) Mooney defines co-ordination as, "the orderly arrangement of group effort, to provide unity of action in the pursuit of a common purpose."²
- 3) L. A. Allen cites "co-ordinating as one of the managerial functions alongside planning, organising, motivating and controlling."³

IMPORTANCE :

Co-ordination is the essence or the heart of the managerial work and as that, it permits almost through all managerial efforts.

Co-ordination brings about stability in the work-force and economy in use of resources in men, material

and money.

Co-ordinated efforts can achieve more than the unrelated efforts of the same number of individuals, each pulling in his own way. Individual efforts, however, excellent, cannot be a substitute for co-ordinated group effort.

Co-ordination is the one word in which all management functions can be summarised. It is the end result of the management process.

Co-ordination ensures unity of direction by way of securing spontaneous collaboration on the part of different departments.

In addition to promoting efficiency in a number of ways, co-ordination tones up the general level of employee morale and provides job satisfaction.

PRINCIPLES OF CO-ORDINATION :

There are four important principles of co-ordination which every manager should take into account in discharging his managerial functions. These are -

The first principle is that co-ordination is to be arranged in the early stage of management process.

The second principle stress the importance of direct personal contact in removing misunderstanding and conflicts between personnel or between departments.

The third principle states that co-ordination is a continuous activity that permeates through each managerial function.

The fourth principle demands integration of all efforts, actions and interests towards some common purpose.

TECHNIQUES OF CO-ORDINATION :

Personal contacts play a vital role in achieving co-ordination, but there are other devices or methods also in use. These include all types of written communications, such as procedures, letters and bulletins, and also mechanical transmission of ideas. Group meetings and conferences are very helpful in achieving good co-ordination.

Fayol, the management expert, suggests weekly conferences of all departmental executives presided over by the chief executive.

TYPES OF CO-ORDINATION :

1. Co-ordination may be internal or external to the organisation. Internal co-ordination exists among branch offices, departments, sections and other

parts of an enterprise. It also exists among different groups of employees and among employees of the same department, division or section.

Externally co-ordination is exercised with the customers, suppliers, government, community and all other agencies with whom an enterprise has got relations or transactions.

2. It may be vertical or horizontal. The activities of manager, deputy manager, superintendent, assistant superintendent and others below are knit together through vertical co-ordination. On the other hand, the work of different departments like production sales, finance, personnel etc. is harmonised through horizontal co-ordination.

SYMPTOMS OF BAD CO-ORDINATION :

Following are some of the symptoms of bad co-ordination. These are inconsistency in priorities, poor synchronisation, lack of communication and buck passing.

AIDS TO CO-ORDINATION :

E.F.L. Breach summarised the factors that contribute to sound co-ordination in the following five items. They are as policy and its interpretation, organisation, management attitude, management procedures,

mechanisms for co-ordination.

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H) COMMUNICATION :

(A) INTRODUCTION :

The word communication has been derived from the Latin word communis, which means 'common'. Communication, therefore, involves imparting a common idea or understanding and covers any type of behaviour resulting in an exchange of meaning. Communication has many and varied meanings. It refers to the various means or media of transmitting information from one individual to another or from one place to another e.g. telephone, telegraph or T.V.

Communication involves an exchange of facts, feelings and information by two or more persons and provides the means of putting the personnel into action in an organisation. People are to be informed, guided and directed as to what should be done by them every now and then. This informing is done through the use of communication. It conveys ideas, opinions or decisions of the managers to subordinates at different levels of the organisation and carries back information, suggestions or responses from subordinates.

Communication has been defined variously by different authors and institutions.

1) Newman and Summer define communication " as an exchange of facts, ideas, opinions or emotions by two or more persons."¹

2) The American Society of Training Directors has defined communication, " as the interchange of thought or information or bring about mutual understanding and confidence or good human relations."²

3) "Communication is the sum of all the things one person does when he wants to create understanding in the mind of another. It is a bridge of meaning. It involves a systematic and continuous process of telling, listening and understanding."³ Louis A. Allen.

Thus, communication is the process of passing information and ideas from one person to another, which results in mutual understanding among human beings. This covers all media - from speech and writing to tone of voice, facial expression, bodily posture, gesture, all conveying some meaning or the other to others. Even silence has a message. So silence also should be considered within the scope of communication.

(B) TYPES OF COMMUNICATION :

There are three important types of communication.

- a) Verbal or written communication.
- b) Formal or Informal communication.
- c) Downward, upward or Horizontal communication.

(a) Verbal or Written Communication :

Verbal communication is more effective than the written in communicating feelings and

non-standard problems. In case of verbal communication, everything is oral, and there is nothing in black and white. The examples of verbal communication are face to face discussions, lectures, telephonic talk, conferences, interviews, public speeches, social gatherings, personnel counselling, audio-visual aids like slides and movies, plant broadcast, whistle and bells, grapevine etc.

Verbal communication has its own merits where the time for communication is short and the content is abridged, verbal communication is used for nearby subordinates. In emergency situations, verbal communication becomes the natural one. It requires less time and money. There is easy understandability in the case of verbal communication. If doubts comes in the minds of any party, they can immediately be removed. It is comparatively more effective, because there is personal touch in verbal communication.

But in some cases, the verbal communication is not suitable. Where the receivers are distantly placed from the communicator, or where the content of communication is lengthy and means for a large number of persons, verbal communication is not useful. Verbal communication can not provide a permanent record and evidence.

Written communication is always in black and white. The examples of written communications are letters, and memos, reports and forms, bulletin boards, newspapers, manuals and hand books, annual reports, posters, written grievances, suggestion etc.

(b) Formal or Informal Communications :

Formal is the official system of communication. Formal communications are mostly in black and white. Formal communication is that which derives its support from the formal organisation structure. Formal communication is the vehicle for enforcing the relationships between positions. Thus when a manager asks his deputy to do something by virtue of his position, it is formal communication. Such communications are of written type like company manuals, handbooks, magazines, bulletins, annual reports etc.

Informal communication is based on the informal relationships that grow up in an organisation. Informal communication spreads information fast. It is commonly referred to as 'the grapevine'. It may be conveyed by a nod, a glance, a gesture, a smile or even silence.

(c) Downward, Upward or Horizontal Communications :

Downward communication is that which flows from a superior to a subordinate as from the board of

of directors to executives, from a manager to an assistant manager, from a foreman to his workers orders, individual instructions, job sheets, circulars, bulletins, manuals, handbooks, policy statements - all these come under downward communication.

Communication is upward if it flows from the subordinates to their superior e.g. activity reports and problems submitted from lower levels, opinions and attitudes, suggestions, complaints and grievances.

Horizontal communication also called lateral or crosswise diagonal communication. It takes place between two subordinates of the same superior, two departmental managers, or any two or more persons who are bound to one another by relationship of equality.

(C) BARRIERS TO EFFECTIVE COMMUNICATION :

A good manager is generally a good communicator, although a good communicator may not be a good manager. The executive must be aware of certain factors which come in the way of successful communication. These barriers include the following :

1. The communication gap :

The communication gap exists because mutual understanding is often presumed. Merely because one has spoken, he presumes the other has heard. Even hearing

is not sufficient as the mind must receive the message.

2. Faulty listening :

Communication is complete only when it has entered the mind of the recipient. Speaking is a waste of time unless some one is listening. Listening requires greater mental effort than speaking.

3. Faulty expressions :

Communication is often vague and badly expressed through the use of inadequate words and poor organisation of ideas, resulting in lack of clarity and precision. Thus there is always some loss by transmission in the message communicated.

4. Language barrier .
5. Lack of communication policy.
6. Legal limitations.
7. Unfavourable climate.
8. Poor strategy of communication.
9. Lack of motivation.
10. Misuse of available media.
11. Failure to seek an instant response and lack of follow up.
12. Over confidence in one's ability to know what others are thinking.
13. Lack of clarity.
14. Too many items in the same message.
15. Too many links in the circulation chain resulting in loss of detail and in distortion.

16. Underestimating the intelligence and overestimating the fund of knowledge of the listeners.

MEASURES TO MINIMISE THE BARRIERS :

The following are some of the important measures to minimise the barriers.

1. Clarity of thought.
2. Attach importance to actions rather than words.
3. Participation.
4. Transmission.
5. Keep the system always alive.
6. Cordial men-boss relations.
7. Orientation.
8. Interpersonal relations.

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I) CONTROLLING :

INTRODUCTION :

" Beware of little expenses, a small leak will sink a great ship. "1 Franklin

" Don't you know my powers ? " said the traffic constable to his friend, " when I raise my hand, even the Governor's car has to stop. "2

The above two quotations show the importance of controlling. Controlling is a fundamental function of management. It runs at all levels of the organisation. In olden days, it was believed that the necessity of control arose only when something went wrong. If a person is wrong with his duty, an action against him was taken. But this negative approach of control is not considered in scientific management. The primary object of control is to bring to the light the differences as soon as they appear between performances and standards laid down and then to take steps to prevent such differences in future.

DEFINITIONS :

1. George R. Terry : " Controlling is determining what is being accomplished, that is, evaluating the performance and, if necessary, applying corrective measures so that the performance takes place according to plans. "3

- 2) Mary Cussing Niles : " An aspect and projection of planning whereas planning sets the course, control observes deviations from the course and initiates action to return to the chosen course or to an appropriately changed one."⁴
- 3) Henri Fayol : " Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and principles established. It has for object to point out weakness and errors in order to rectify them and prevent recurrence. It operates on everything, things, people, actions."⁵

Thus, managerial controlling is very much concerned with the examining, observing, reviewing, measuring and evaluating the performance of the people according to the plan for the achievement of their pre-determined goals.

ELEMENTS OF CONTROL :

There are six elements of control.¹

- | | | |
|--------------|---------------|--------------|
| 1) Authority | 2) Knowledge | 3) Guidance |
| 4) Direction | 5) Constraint | 6) Restriant |

To be in a position to exercise control, the manager must know what the situation is, what it should be, and how to correct it. Besides he must

have the authority to take the appropriate action.

THE CONTROL PROCESS

Essential steps in establishing control procedure

According to Prof. Newman, the essential steps in a control procedure are :

- 1) Setting standards at strategic points.
- 2) Checking and reporting on performance.
- 3) Taking corrective action.

1. Setting Standards at Strategic points :

If the standards fixed are clear and meaningful, the person concerned in the organisation will be able to check their performance and improve it. It is also necessary to identify responsibility for different goals with definite individuals in the organisation. Prof. Newman has suggested four guides for selecting strategic points :

- (1) The control points should be timely so that they may be able to reveal significant deviations in time thereby saving further losses.
- (2) Control points should be such as to permit economical observation and report.
- (3) Control points, especially for executive at higher level, should provide comprehensive coverage.
- (4) Control points should be such as would promote

balanced performance.

2. Checking and Reporting on Performance :

This is the second step in the process of control. There are three methods of checking performance.

- i) Prior approval : Managers may insist on checking personally before the work is permitted to proceed. There are two reasons for this (1) managers feel confident that the work is going on as planned. (2) It gives them added assurance that the standards laid down will be maintained.
- ii) Checking the unexpected : If operations go on according to plans, there is no need to submit any report. Only when unexpected results occur, there is a need for reports and corrective action. In the absence of such report, the managers would assume that all activities are proceeding as planned.
- iii) Personal observation : Many business executives insist on making frequent visits to their plants so that they can see for themselves the real state of affairs. This method is not very suitable for big organisations where it can be adopted only on a sampling basis.

3. Taking Corrective Action :

As soon as variations are reported it is

the duty of the executive to take steps to correct the past action.⁴ This can be achieved in the following ways :

- i) He should try to influence environmental conditions and external situations in such a way as to facilitate the achievement of goals.⁴
- ii) He should review with his subordinates the instructions given earlier so that he may be able to give clear, complete and reasonable instructions in future.⁴
- iii) There may be external forces (e.g. market demand, competitor's price changes) which cannot be adjusted by executive action. They have to be accepted as the facts of the situation, and the executives should revise their plans in the light of these changing forces.⁴

IMPORTANCE AND SHORTCOMINGS OF CONTROL :

The importance of control can be indicated by listing the following benefits of controlling.⁴ These are - Insurance value of control, basis for future action, control ensures performance according to pre-determined standards and objectives, co-ordination is aided by controlling, efficient control saves time, money and energy, good controls lead to greater organisational effectiveness etc.⁴

SHORTCOMINGS :

The control system is not an all-cure device and has a number of shortcomings. The following are a few vital shortcomings of controlling process - Lack of satisfactory standards, limitations of corrective actions, human reactions to control, imperfections in measurement.

Requirements of an Effective Control System :

The following are the important requirements for making any control system effective. These are - control by objectives, way to performing work, strategic control points, management by exception, simple and balanced control, flexibility in control, managerial self control, forward-looking control, worker-focused control, objectivity in appraising results.

TYPES AND TECHNIQUES OF CONTROL :

There are varied types of control systems, some of the important are as below :

1) Production control system :

This is concerned with the products as being manufactured.

2) Inventory control system :

This system entails the size and quantity of order and the time when to order.

3) Quality control system :

To assure satisfactory quality, both quality control and inspections are employed. Statistical quality control is based on the statistical theories and methods of probability to sample testing from work in progress.

4) Financial control system :

This system rests on budgets, revenue and expenditure, standard costs and budgetary control are the two systems for controlling finance expenditure.

5) Internal control system :

This is primarily concerned with internal and external audits of accounts of an enterprise. This serves as a very useful protection device against the misappropriation or misuse of company's assets.

6) Merit rating system :

This is very important system for appraising the performance of organisation personnel employing the method of performance appraisal.

7) Authority system :

This system prescribes jurisdiction and limits of authority that can be exercised by personnel placed at different levels in an organisation. Set up job descriptions and policy directives generally serve as guide lines in this direction.

TOOLS AND TECHNIQUES OF CONTROL

1. The budget and budgetary control :

A widely used device for managerial control is the budget. Budgets are an essential and effective means that can be employed in controlling the activities of an enterprise.

Budget is useful to promote and ensure efficient utilisation of capital resources of an enterprise and to help achieve the objectives in terms of their financial outlay. Budgets foster and promote co-ordination between different divisions and departments.

Budgetary control affords an overall picture of the performance of various functions, and enables the management to make financial arrangements ahead of the requirements.

2. Audit :

Some of the big companies have introduced

a system of internal control, generally known as internal auditing. Besides financial auditing, internal auditing involves a check-up of the company's policy formulations, rules and of the follow-up. Internal auditing has proved to be a very good control device.

3. Standard costing :

Under this system some standards are fixed for all the activities in the production and other commercial activities, sales advertising etc.

Standards are fixed in quantity of production, quality of production, cost of production, productivity of each labourer, standard machine hours, standard depreciation amount, standard consumption of raw materials etc.

Then the actual performance of all these aspects is compared with standards and the variations are found out.

4. Ratio analysis :

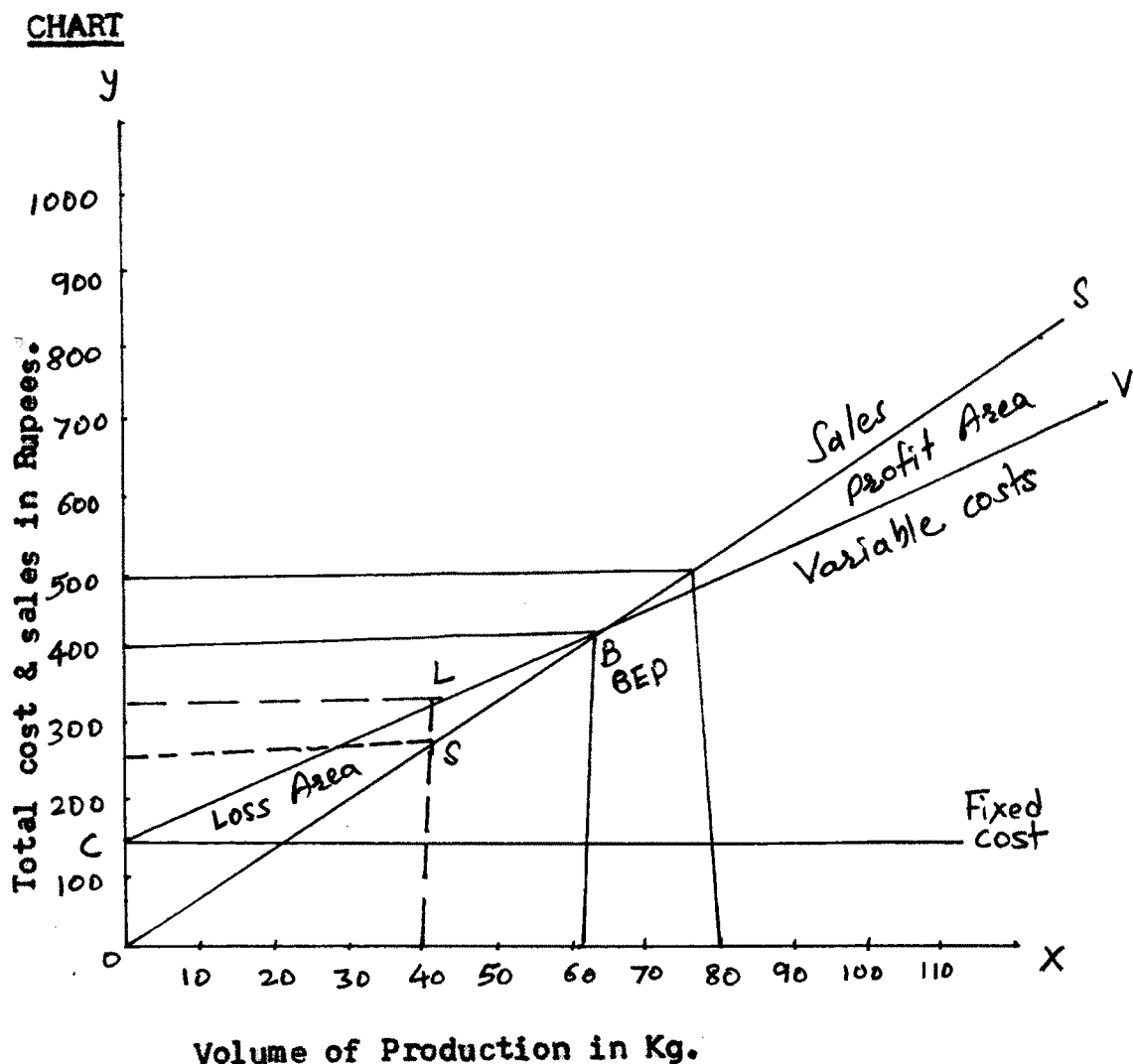
A number of ratios are calculated for different things e.g. current ratio, operating ratio, stock turnover ratio, return on capital employed ratio, sales, debtors, creditors, velocity ratio etc. All these ratios will help to the management in finding out

whether the various activities of purchasers, inventories, cash inflow and outflow.

Whether the company is finally sound or not etc. would be found by calculating various ratios. All these ratios are calculated by mathematical formulas.

5. Break-even analysis :

The break-even system has become an excellent tool for profit planning and controlling by studying the effects of changes in costs, volume, prices and product-mix. The system not only furnishes the break-even point, but also provides management with a number of vital information for decision making on profit variables. The break even point, represents the point or level of sales at which fixed and variable costs are just equalized by the amount of sales revenues with neither any profit nor any loss. Sales below this point bring loss to the business and sales over this point generate profit.



OX axis represents production in kg.
 and OY represents the total cost and sales in rupees.
 The line FC represents total fixed costs and VC the variable costs. Line OS represents the sales. Point B is the break-even point.

When the production is 60 kg. the total cost of production is equal to total fixed cost plus total variable cost (Rs. $150 + 250 = 400$) as shown

by lines FC and VC. As indicated by line OS, the total sales are also equal to Rs. 400/-. Now suppose the volume of production is 40 kg, total cost corresponding to point L and line VC would be about Rs. 320/-, while the total sale proceeds at point S would be Rs. 270/-. It means a loss about $(Rs. 320 - 270) = Rs. 50/-$.

On the other hand, if the production is pushed to 80 kg. the total cost comes to Rs. 485/- and the total sales at point S on OS would amount to Rs. 530/-. It means a profit of $(Rs. 530 - 485) = Rs. 45/-$. Thus it can be proved that all productions above 60 kg. will yield profit and below those which are below this volume of production are bound to result in loss.

6. Programme Evaluation and Review Technique (PERT):

PERT is a valuable means to the controlling of major and complex programmes particularly to analyse and control the timing aspects of these programmes.

PERT serves two-fold purposes. Firstly, it is a forward looking control tool, in that it points to the hurdles that are likely to come to stay and may necessitate timely corrective or remedial, action for controlling, the projects effectively. Secondly, it provides a good feedback to the management with timely progress reports.

Some other types of controlling are as follows :

- 1) Records and reports
- 2) Observations
- 3) Limits on delegation of authority
- 4) Standing rules, orders and procedures
- 5) Reprimand, disciplinary action and punishment
- 6) Promotion, reward, and profit sharing
- 7) Return on investment
- 8) Linear programming etc.

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