

UNIT-1 - Introduction to Management

Introduction to Management

Management is a vital aspect of the economic of people's life, which is organised group activity. Management is the process of planning, organising, staffing, directing, co-ordinating & controlling the activities of business enterprises.

Definition of Management 2M

Koontz & Wehrlich define the management in a simplified form as:

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

2M Nature (or) characteristics of Management

- * Management is a continuous process.
- * Management is a universal activity
- * Management is a group activity
- * Management aims at obtaining wealthy results.
- * Management implies good leadership.

2M Scope of the Management

- i) Functional areas of management.
- ii) Subject matter of management.
- iii) Management is an inter-disciplinary

- iv) Principles of Management
- v) Management is an agent of change
- vi) The essentials of Management.

Functions of Management 16/11

The five basic functions of management are

- i) Planning
- ii) Organising
- iii) Staffing
- iv) Directing
- v) Controlling

* Planning

It is the process of preparing a list of activities for future. Effective planning leads to efficient management.

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.

* Organising

Organising establishes the harmonious relationship among all workers of an organisation by providing them with suitable authority & responsibility.

organisation process involves the following activities:

- i) Identification & analysis of activities required for the attainment of organisational objectives.
- ii) Assignment of duties to the individuals concerned.
- iii) Follow-up the activities.

* Staffing

Staffing process involves the selection of 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.

* Directing / Leading

Directing involves the activities such as guiding, Supervising, Communicating & motivating the subordinates in their jobs. Motivation & Leadership & Communication are 3 important sub functions of directing. Leadership is the process by which a Manager guides & influences the work of his subordinates.

* Controlling

Controlling deals with the checking & verifying the activities against the predetermined standards. It is the process of ensuring that the actual activities confirm to the planned activities. Controlling process involves the following steps

- i) Establishing standards.
- ii) Measuring the current performance.
- iii) Comparing this performance to the established standards.
- iv) Taking the corrective actions if deviations are detected.

Is Management a science or an art?

Management is the oldest of arts & the youngest of sciences

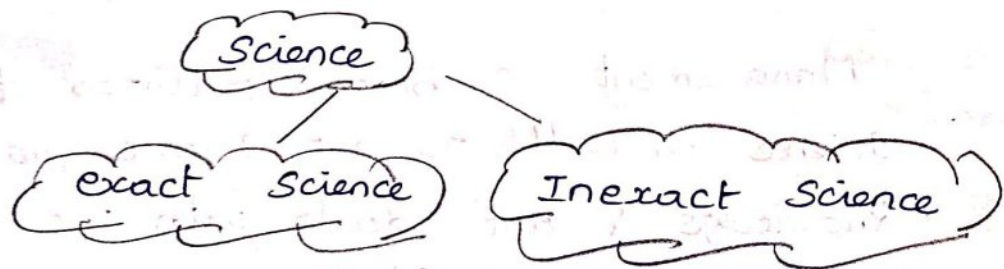
Is Management is Science?

Science is a systematized body of knowledge which establishes the relationship b/w cause & effect.

The following are essential to be recognized as a science:

- It is the existence of a systematic body of knowledge with array of principles.
- It is based on scientific enquiry.
- The principle should be verifiable.
- It is a reliable basis for predicting future events.

Management is a dynamic subject in which it applies principles from economics, Psychology, sociology, mathematics & engineering. Management is multi-disciplinary in nature.



Management is an inexact science because
 → All organisation human resources have different attitudes, aspirations & perceptions. So, the standard results may not be obtained.

→ Readymade & Standard Solutions cannot be obtained.

→ Management is Complex & unpredictable.

Is Management is Art?

According to Terry, "Bringing desired results through the application of skill".

Art is skillful application which depends entirely on the inherent capacity of person.

The 3 important characteristics of art

⇒ Art is an application of science. It is putting the principle into practice.

⇒ After knowing a particular art, practice or experience is needed to become skillful.

⇒ It is undertaken for accomplishing an end through deliberate efforts.

Management combines features of both science as well as art. Science provides the knowledge & art deals with the application of knowledge & skills.

Management vs Administration

Administration is concerned with decision making & policy formulation while the management is concerned with

the execution of what has been laid down by the administrators.

Difference between Administration & Management

2M

	Administration	Management
1.	It is a top level function	It is both middle & lower-level functions.
2.	It refers the owners of the organisation	It refers the employees
3.	Administration is concerned with decision making	Management is concerned with the execution of decision.
4.	It acts through the management	It acts through the organisation.
5.	Administration lays down broad policies & principles for guidance	Management executes these policies into practice.
6.	A scope of functions is broad & conceptual	A scope of functions is narrow & operations.
7.	Mostly external factors are affecting the decision making	Internal factors are affecting the decision making.
8.	Employer - Employee relation is between Entrepreneurs & owners.	Employer - Employee relation is between employees.

Manager

Manager is a person who is responsible for performing the functions of management such as planning, organising & directing the group towards the goals of management.

2M Entrepreneur

Entrepreneur is also a person who starts the business & utilizes the resources of men, money, materials & machines.

2M 16M Types of Managers (OR) Managerial levels

① Top level Managers

② Middle Level Managers

③ Lower Level Managers

Top - Level Managers

Top-Level Managers are those Managers at the very top level of the hierarchy. They have the most authority & they are ultimately responsible for the entire organisation. They may have title such as executive vice president, president, managing director

The main functions of top-level managers are

- * To formulate the goals & policies of the Company.
- * To formulate the budgets.
- * To appoint the top executives.
- * To provide the overall direction & leadership of the company.
- * To decide the distribution of profits etc.

Middle - Level Managers

Middle Level managers are those managers beneath the top levels of the hierarchy & directly supervise other managers below them. These managers manage the work of first-line managers & they may have title such as department head & project leader, plant managers, or division managers.

The important functions of middle level management are as follows

- * To monitor & control the operating performance of the sub-units & individual managers who report to them.
- * To implement the overall organisational plans so that organisational goals are achieved as expected.

* To train, motivate & develop the supervisor level managers.

* To implement changes or strategies generated by top managers.

* To coordinate among themselves so as to integrate the various activities of a department.

Lower-Level or Supervisory Managers

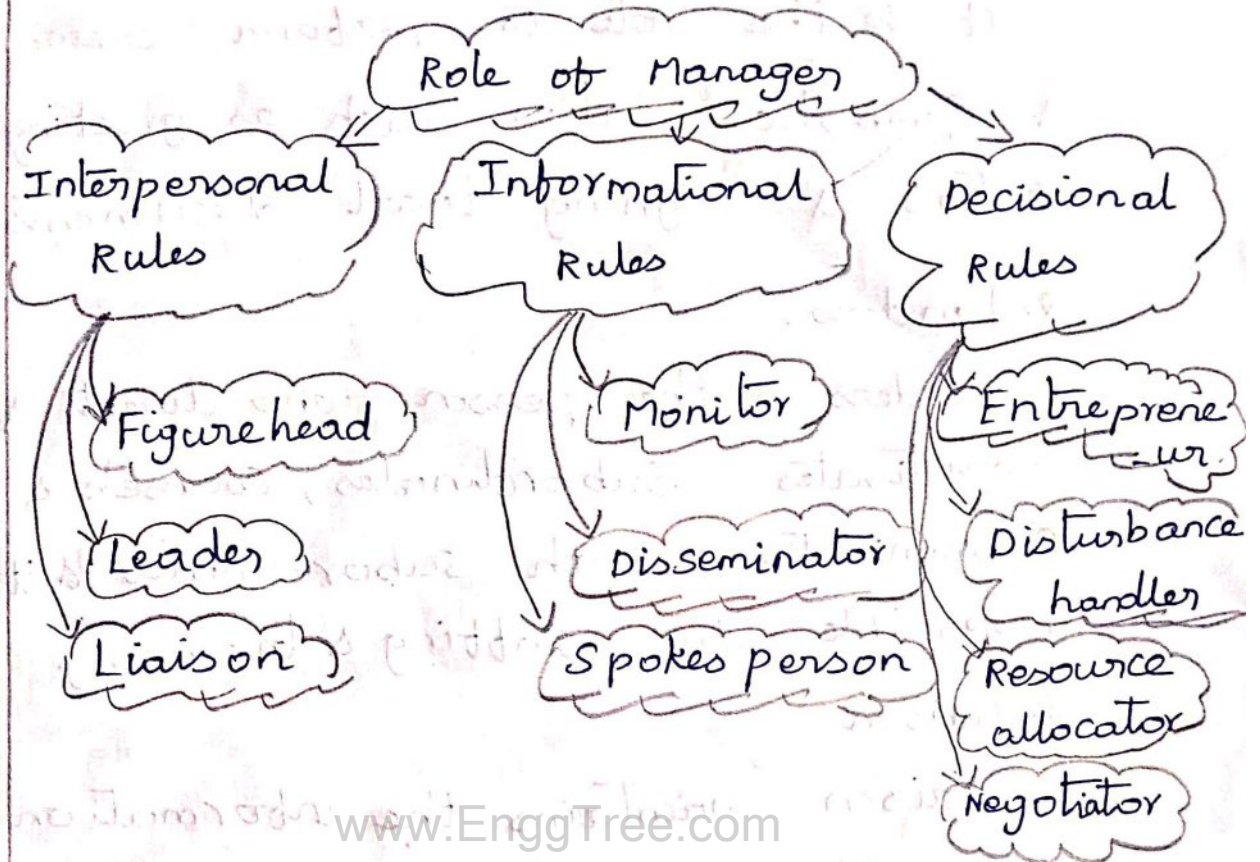
Lower-Level managers having the least authority & they are at the lowest level of the organisation. They are directly responsible for the work of operating employees.

The main functions of Lower-level managers are

- 21
- * To train & develop the efficiency of the workers.
 - * To assign job, give orders & instructions to workers.
 - * To maintain discipline & good human relations among workers.
 - * To report feedback information about workers.

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16M

Mintzberg's 10 Managerial Roles.

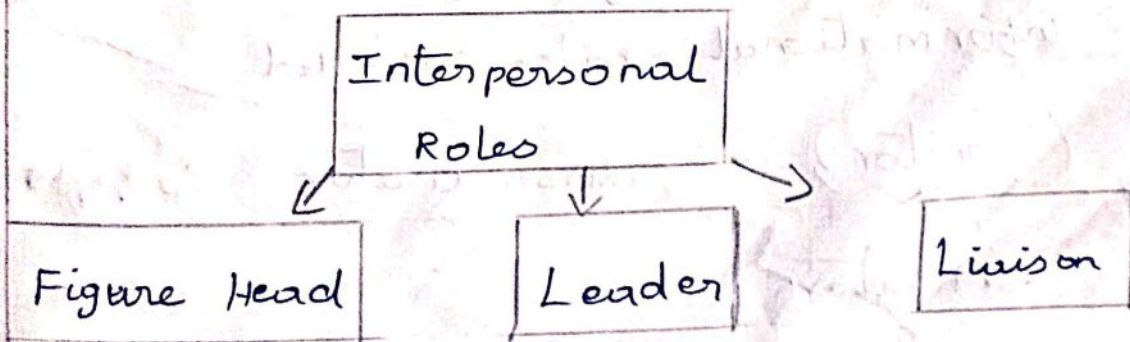


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Hendry Mintzberg describes a set of ten roles that a manager performs.

a) Interpersonal Rule

These roles involve people & other duties which are ceremonial & symbolic in nature.



1. Figurehead Rule:

It is the role to perform ceremonial & symbolic duties such as greeting visitors & signing local documents.

2. Leaders:

Leaders is the person who directs & motivates subordinates, counsels & communication with subordinates & it is responsible for staffing & training.

3. Liaison

Liaison maintains the information links b/w both inside & outside organisation via mail, e-mail, phone-calls & meeting.

b) Informational Roles

It involves receiving, collecting, & disseminating information. The 3 informational roles included

Monitor

disseminator

Spokesperson

1. Monitor

Monitor is the person who seeks & receives the information, scans periodicals & reports and maintains

the personal contact with stakeholders.

2. Disseminator

Disseminator is the person who forwards information to organisation members, via memos, reports & phone calls.

3. Spokesperson

Spokesperson transmits the information to outsiders via reports, memos & speeches.

c) Decisional roles:

It is the role to revolve around making choices. The 4 decisional roles include Entrepreneur, Disturbance handler, Resource allocator & Negotiator.

1. Entrepreneur:

Entrepreneur initiates or starts the improvement in projects, identifies new ideas & delegates responsibility to others.

2. Disturbance handler

Disturbance handler takes the corrective action during disputes or crises, resolves conflicts among subordinates & adapts to environments.

3. Resource allocator:

Resource allocator decides who gets resources, prepares allocation of budgets, sets schedules & determines priorities.

4. Negotiator

Negotiator is the person who represents the department during negotiations of union contracts, sales, purchases & budgets.

Approaches to the study of Management (or)

Evolution of Management Thought

Evolution of management thought is divided into the following 4 stages

1. Pre-Scientific or Pre-classical management
2. classical management theory. period.
 - a. Scientific management of Taylor
 - b. Administrative management of Fayol.
 - c. Bureaucratic model of Max Weber.
3. Neo-classical theory or Behavioural theory or Human Relations approach.
4. Modern Theory
 - a. System approach.
 - b. Contingency approach.

Principles of Taylor's (Scientific) Management Theory

Fredrick Winslow Taylor attempted a more scientific approach to management as well as the problems & the approach was based upon 4 basic principles.

- * study each part of the task scientifically & develop the best method to perform it.
- * Carefully select workers & train them to perform a task using the scientifically developed method.
- * Cooperate fully with workers to ensure they use the proper method.
- * Divide the work & responsibility. So, the management is responsible to plan work methods using scientific principles & workers are responsible for executing the work.

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. The Scientific Management theory developed due to the need to increase the productivity & efficiency. The emphasis was trying to find the best way to get the most work done by

- i) examining how the work process was actually accomplished &
- ii) Scrutinizing the skills of the workforce.

Benefits of Scientific Management

1. Replacement of traditional rule of thumb method by scientific techniques.
2. Proper selection & training of workers.
3. Incentive wages to the workers for higher production.
4. Elimination of wastes & rationalization of system of control.
5. Standardization of tools, equipment, materials & work methods.
6. Detailed Instructions & constant guidance of the workers.
7. Establishment of harmonious relationship b/w workers.
8. Better utilization of various resources.
9. Satisfaction of the needs of customers by providing higher quality products at lower price.

Principles of Fayol's (Administrative) Management Theory

Henri Fayol identified 14 principles of Management based on his management experiences. He is considered the father

of "Modern theory of General & Industrial Management"

Fayol's Contributions are published in his famous book entitled "The general & industrial administration". Fayol's famous book falls into two parts. The 1st. part concerned with the theory of administration in which Fayol divided the total industrial activities into 6 categories

1. Technical (Production, Manufacture)
2. Commercial (Buying, Selling, Exchange)
3. Financial (Search for & optimum use of capital)
4. Security (Protection of Property & Persons)
5. Accounting (Balance sheets, cost statistics)
6. Management (Planning, Organising, Coordinating, Directing & Controlling)

The 2nd part is concerned with the 14 principles of management. They are

1. Division of work
2. Authority & responsibility
3. Discipline
4. unity of command
5. unity of direction

6. Subordination of individual interest to general interest
7. Remuneration of Personnel.
8. Centralisation
9. Scalar chain
10. order
11. Equity
12. Stability of tenure of personnel
13. Initiative
14. Esprit de Corps.

Human Relations Theory

Management principles developed during the classical period was simply not useful in dealing with many management situations & they couldn't explain the behavior of individual employees. This theory pointed out the role of psychology & sociology in understanding of individual & group behaviour in an organisation. They believed that a better or understanding of human behavior at work such as motivation, conflict & expectation will improve productivity.

a) Principles of Elton Mayo:

Elton Mayo's (1880-1949) contributions came as a part of Hawthorne studies which is a series of experiments that rigorously applied classical management theory only to reveal its shortcomings.

A team of researchers from Harvard university led by Elton Mayo conducted some experiments (known as Hawthorne studies) & investigated informal groupings, informal relationships, patterns of communication, patterns of informal leadership etc.

Hawthorne studies of Elton Mayo

Modern Principle of Management with example.
The Hawthorne experiments brought out

that the productivity of the employees is not the function of only physical conditions of work & money wages paid to them. Productivity of employees depends heavily upon the satisfaction of the employees in their work situation. The series of studies was conducted from 1924-1932 at the Hawthorne works of the Western Electric company in Chicago. The Hawthorne experiment consists of the following 4 parts

- i) Illumination Experiment
- ii) Relay assembly test room experiment
- iii) Bank wiring test room experiment
- iv) Mass interview programme.

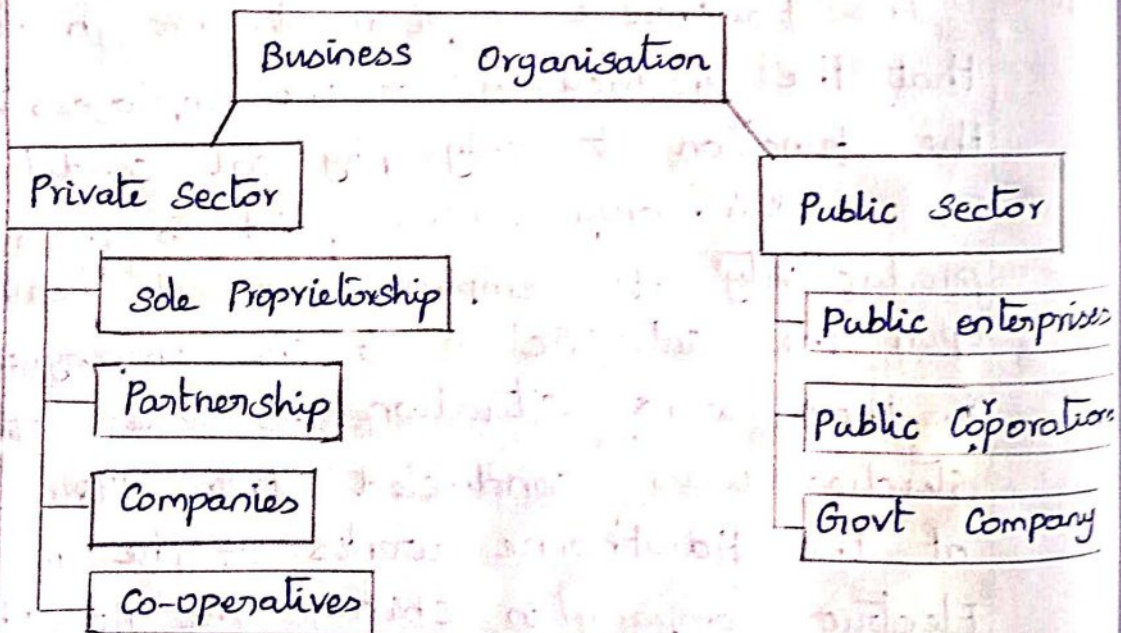
Business Organisation

Business - those human activities involve the production of wealth.

organisation - the process of bringing various elements of business together with the purpose of establishing harmonious relationship & adjustment in their functioning

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Types of Business Organisation



Advantages of sole Proprietorship:

1. It is easy to form & close the business.
2. It is easy for decision making.
3. It has full control of business activities.
4. It promotes self-employment of individual.
5. It has liberal legal formalities to start the business.
6. It is easy to expand or reduce the size of the business.
7. It is easy to accessibility of consumers.
8. It is easy to maintain healthy relations with employee.

Disadvantages of sole proprietorship

1. Limited resources
2. Short Life.
3. Lack of consultation
4. Risk of entire loss.
5. uncertainty.

Partnership

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Partnership is the relation between persons competent to make contracts who have agreed to carry on a lawful business in common with a view to private gain.

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Business Environment

There are events or situations that occur may affect the way a business is operated. These events or situations can have either a +ve or -ve impact on organisation's business & are called environmental factors.

All organisations 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 business consists of 2 components such as internal environment & external environment.

Internal Environment

Internal Environmental factor are events that occur within an organisation.

For eg - structure, process & people.

a) Management

Management is people who invested in Company & have property rights & claims on the organisation. Management can be an individual or group of person who started the company. They have the right to change the company's policy at any time.

b) Organisational structure

The structure of the organisation also influences the business decisions. The organisational structure such as the composition of board of directors influences the decisions of business as they are internal factors. The structure & style of the organisation may delay a decision making or some other helps in making quick decisions.

c) Employees

Employees are the most important element of organisation's internal environment who performs the tasks of the administration. Individual employees & also the labour unions they join are the part of the internal environment. If managed properly they can positively change the organisations policy.

d) Organisational cultural change

Organisational culture is the collective behavior of members of an organisation & the values, visions, beliefs, habits that they attach to their actions. An organisation's culture plays a major role

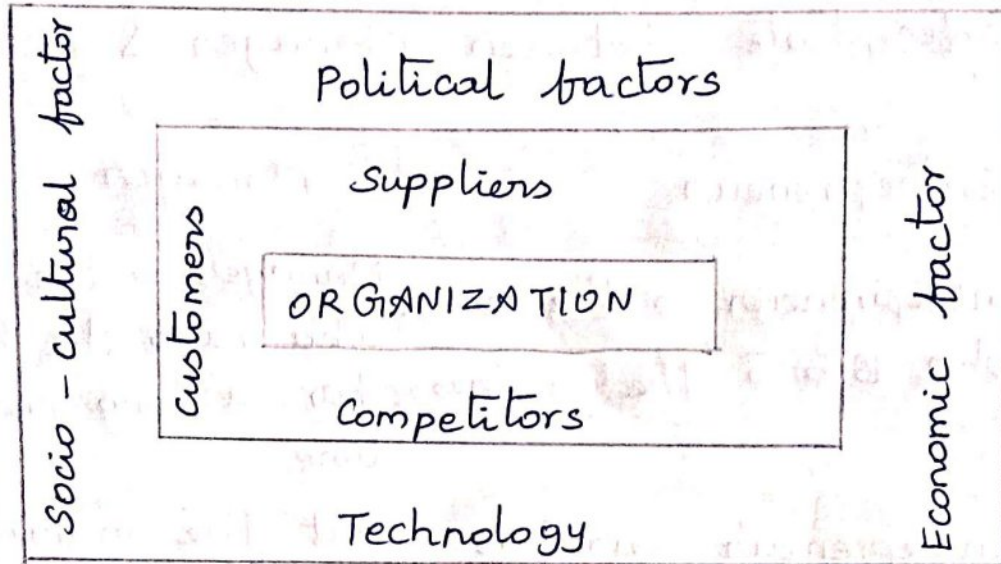
in shaping its success because culture is an important determinant of how well their organisation will perform. As the foundation of the organisation's internal environment, it plays a major role in shaping managerial behavior.

e) Financial changes

The financial changes depend on the financial structure of the business. It is also dependent on business transactions & financial systems.

External Environment

External environmental factors are events that take place outside the organisation & they are harder to predict & control. External environmental factors can be more dangerous for an organisation because of the fact that they are unpredictable, hard to prepare & often confusing. The external environments include technological changes, economic condition, political environment, industrial competition, government regulations & socio-cultural factors.



External Environment factors

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Question Bank

Two Marks

1. Differentiate between Manager & Entrepreneur

Entrepreneur	Manager
1. Entrepreneur is the person who starts the business	Manager is the person who runs the business for a long period of time.
2. Entrepreneur considers the various risks associated with finance & materials.	But the manager does not get all these risks.
3. Entrepreneur is always driven by opportunity or demand in the present	Managers uses the presently available resources to produce the final product.

2. What is system approach to management?

The system approach views the organisation as a unified, purposeful system composed of interrelated parts. In this way, the manager can look at the organisation as a whole or a part of larger outside environment. Activity of any part affects all other parts of the organisation. A system can be biological, physical or social one.

What is scientific management?

The approach was based upon 4 basic principles.

- * observation & measurement should be used in organizations.

- * The employees should be scientifically selected & trained.

- * Due to scientific selection & training, an employee has the opportunity of earning a high rate of pay.

- * A mental revolution in the form of constant cooperation between the employer & employees should be given the benefits of scientific management.

4. Write any 2 points favours for management as a science.

- * Management principles should be verifiable.

- * Reliable basis for predicting future.

5. Define "Joint sector unit"

Joint stock company is association of many persons who contribute money worth to common stock & explain source trade & also share the profit & losses.

6. Differentiate between public & Private limited Companies.

	Public Lt Company	Private Lt Company
1.	A public Company is a Company which is owned & traded publicly	A private company is a company which is owned & traded privately.
2.	After receiving certificate of incorporation & certificate of commencement of business	after receiving certificate of incorporation.

7. Define Scientific Management?

Fredrick Winslow Taylor, is called "Father of Scientific Management". Taylor attempted a more scientific approach to management as well as the problems & the approach was based upon 4 basic principles.

→ observation & measurement should be used in organizations.

→ The employees should be scientifically selected & trained.

→ Due to scientific selection & training an employee has the opportunity of

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→ A mental revolution in the form of constant cooperation between the employer & employees should be given the benefits of Scientific Management.

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2 - Functions of Management - 1

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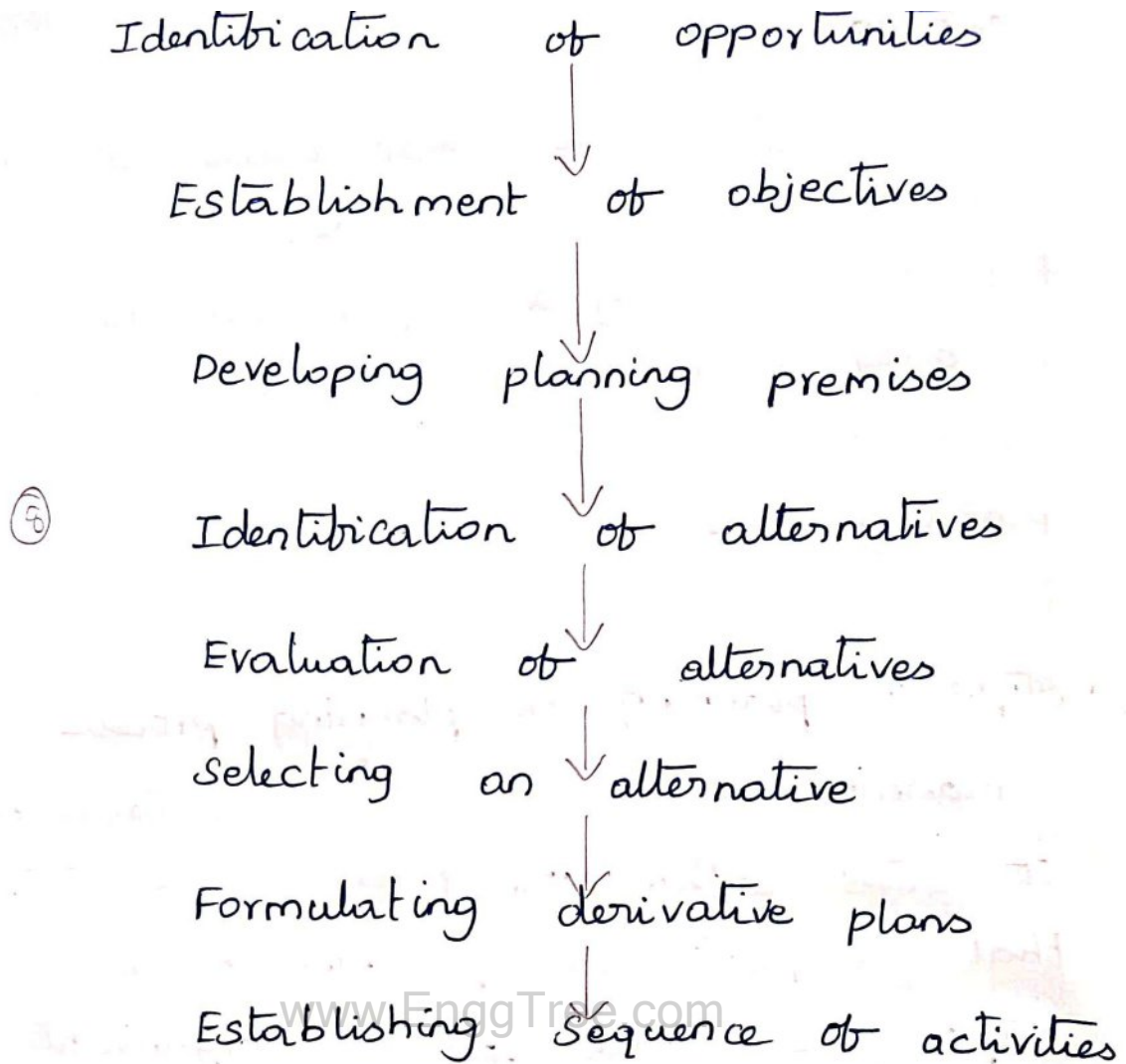
Planning

Planning is the most basic of all management functions. There is no choice between planning & no planning. The choice is only with regard to the method & techniques used to plan. Most of us are planning many things in our day-to-day lives.

16M

Steps in planning OR planning process

Planning is a process. It contains number of steps within it. It is not necessary that a particular planning process or steps are valid for all organisations & all types of plans. A planning process which is suitable for large scale organisation may not be suitable for small organisations. Since, various factors involved into planning process may differ from plan to plan or from organisation to organisation. The planning process are mostly applicable for major programmes.



i) Identification of opportunities

Identification of opportunities is the starting point of planning. First we identify the possible future opportunities & analyse them clearly & completely.

We have to identify the following

- Where do we stand?
- What are our strength & weakness?
- What problem we wish to solve & why?
- What do we expect to gain?

ii) Establishment of objectives or goals

The next step in planning is to establish objectives for the entire organisation & then for each subordinate unit.

→ What is to be done?

→ Where is the primary ^{insistent} emphasis to be

→ What is to be accomplished ^{placed?} by various types of plans?

Organisational objectives should be specified in all key result areas. Key result areas are those which are important for the organisation in achieving its objectives.

iii) Developing ^{planning} premises

Planning premises are the assumptions which we should make 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 organisation to withstand the environmental pressure. External

Premises include the total factors in task environment such as political, social, technological, competitors, plans & actions, & government policies etc.

iv) Identification of alternatives

The next step in planning is to search for & design the alternative courses of action. Based on organisational objectives & planning premises, various alternatives of plans can be identified. A particular objective can be achieved through a number of ways. All alternatives can't be analysed. Some alternatives can be rejected at its preliminary criteria such as minimum investment required, matching with the present business, market conditions, government control, skilled workers etc. only the alternatives which meet the preliminary criteria may be chosen for further detailed analysis.

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. It presents a problem because each of these alternatives may have certain advantages & disadvantages.

In evaluating the alternatives, sometimes, intangible factors such as public relations, goodwill of the company, employee morale, personal relations are also be considered. Moreover there is no certainty about the outcome of the alternative coz it is related with future & future is uncertain. Thus, the evaluation work becomes more complex.

vi) Selecting the best course of action

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 & the selected plan doesn't 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 & execute the major plan. These plans are known as derivative plans. The various derivative plans are planning for buying equipment, buying raw materials, recruiting & training personal, developing new product.

viii) Establishing sequence of activities

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

The starting & finishing times are fixed for each piece of work so as to indicate when & within what time that the work is to commenced & completed.

characteristics or Features of planning

i) Planning - a primary function

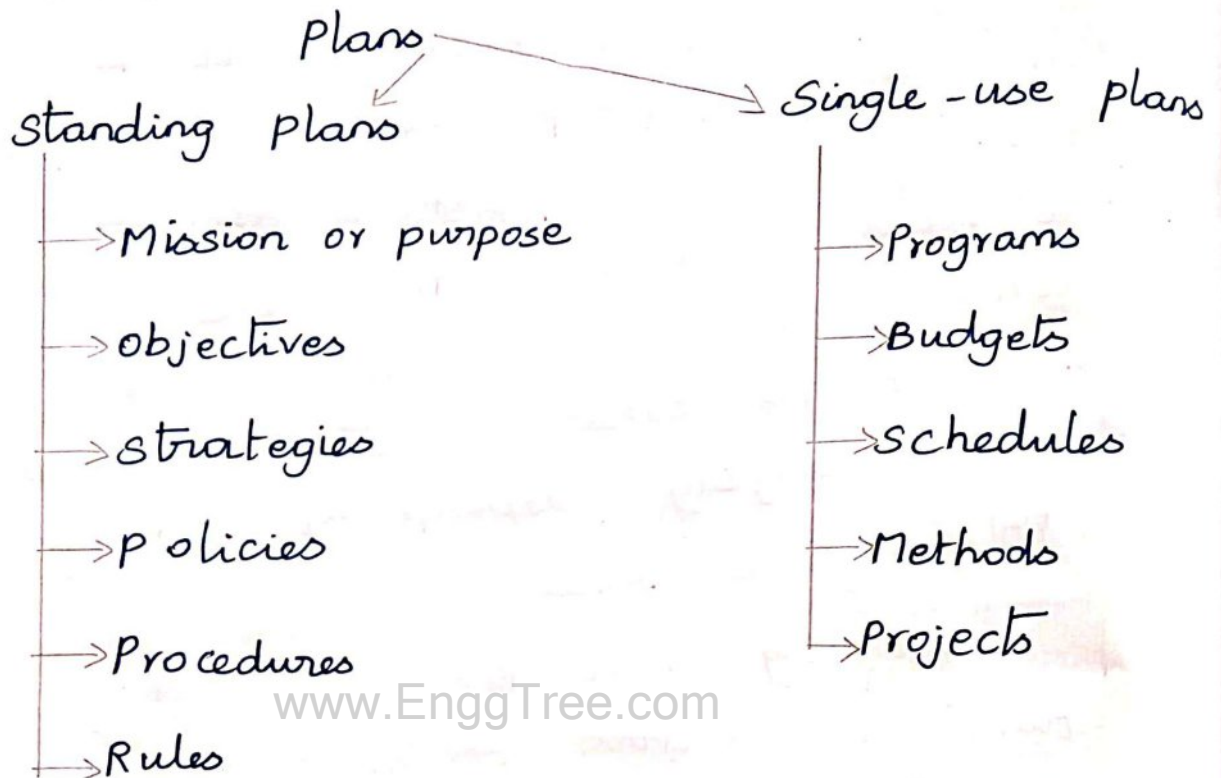
Planning is the primary function of management & it precedes all functions such as organising, directing, controlling etc. There is no meaning of other activities without setting the goals to be achieved & line of action to be followed. In fact, all other functions of management largely depend on planning.

ii) Planning - a dynamic process

Planning is a continuous managerial function involving complex process such as perception, analysis, communication, decision & action. It is a never-ending activity of a manager of an enterprise. Most of the plans are modifying, revising according to the changes in the circumstances. Moreover a series of plans is to be followed successively one after the other. Thus the planning process will continue & will never come to an end.

167 Types of Planning

The classification of plans based on their frequency of use.



i) Single use plans

Single use plans apply to activities that do not recur or repeat. The major types of single-use plans are programs, budgets & projects.

(a). Programs:

Programs are large scale single use plans that coordinate a complex set of activities to achieve important non-recurring goals. Programs spell out clearly

the steps to be taken, the resources to be used & the time period within which the task is to be achieved. Programs serve as useful guides for your day-to-day operations. They are action-based & result-oriented management approaches that facilitate the smooth & efficient functioning of an organisation.

(b) Budget :

A budget outlines the expected results of a given future period in numerical terms. A budget may be expressed either in financial terms or in terms of units of products, labor-hours, or any other numerically measurable term. It indicates the financial resources necessary for supporting the various activities included in the program.

(c) Schedules :

A schedule specifies time limits within which activities are to be completed. Scheduling is the process of establishing a time sequence for the work to be done. Schedules are essential for avoiding delays & for ensuring continuity of operations.

(d) Project

A project is similar to a program, but is smaller in scale & less complex. A project may be a component of a program, or it may be a self-contained, single-use plan. A project helps in the precise allocation of duties & effective control & easy implementation of the plan.

ii) standing or ongoing plans:

Standing or ongoing plans are usually made once & retain their value over a period of years while undergoing periodic revisions & updates.

(a) Mission

The mission or purpose is a statement that identifies the basic function or tasks of an organisation or company. This statement defines the company's business, its objectives & its approach to reach those objectives. The purpose of a mission statement is to focus & direct the organisation itself. Every organisation has a meaningful mission. Organisations normally do not change their mission statement over time.

since they define their continuous, ongoing purpose & focus.

(b) objectives

objectives are the end towards which the activities of an organisation are directed. objectives are known by different names such as goals, aims, targets etc. objectives are the basic tools that underlie all planning & strategic activities. They serve as the basis for creating policy & evaluating performance.

(c) strategy:

A strategy is a special kind of plan formulated in order to meet the challenge of the policies of competitors because a modern business institution operates in a competitive environment. A perfect strategy can be built only on perfect knowledge of the plans of others in the industry.

(d) Policy:

A policy is the most general form of a standing plan. It provides a broad guideline for managers to follow when dealing with important areas of decision making. Policies are general

should attempt to handle routine management responsibilities. Policy do not specify what actions should be taken, but provide general boundaries for action.

(e) Procedure:

A procedure is a set of step-by-step directions that explains how activities or tasks are to be carried out. Procedures are guides to action that specify in detail the manner in which activities are to be performed. They ensure uniformity in action.

(f) Rule

A rule is a statement that spells out what should or should not be done in a particular situation. Rules help to ensure that employees behave in the desired manner & make their actions predictable.

Classification of Planning Process

(or)

Classify the types of goals organizations might have & the plans they use for

Planning premises may be classified as follows:

- i) Internal & External
- ii) Tangible & intangible
- iii) Controllable & uncontrollable

i) Internal & External Premises

Internal premises include purpose, mission, experience of management & management values which determine the organizational commitment to social responsibility. They also include resources & abilities of enterprise in the form of men, material, machine, money & methods. Competence of management, personal & skill of the labour force may be regarded as the most important internal premises.

External premises are those which lie outside the firm. There are many kinds of external premises.

a) General business environment including economic, technological, political & social conditions

b) the product market consisting of the demand & supply forces for the product or service, &

c) the factory market for production resources such as land, labour, capital etc.

ii) Tangible & Intangible Premises:

Tangible premises are those which can be expressed in quantitative terms such as monetary unit, unit of product, labour hour, machine hour.

Intangible premises are those which can't be measured quantitatively.

Eg - the reputation of the concern, public relations, employee morale, motivation.

Functions of Management - II

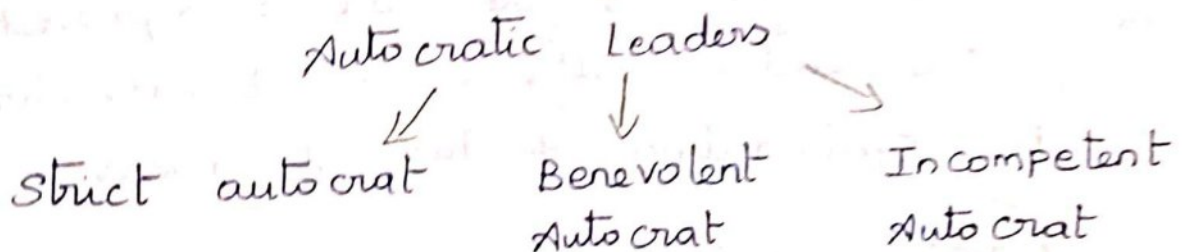
1. Leadership styles

The behaviour exhibited by a leader during supervision of followers is known as leadership style. It can be classified into 3 types.

- i) Autocratic
- ii) Participative
- iii) Free rein.

Autocratic (or) Authoritarian Leadership

In this type of leadership, the leader takes all decisions without consulting his subordinates. Full authority is held himself alone. He never delegates authority. The subordinates have to follow his directions without any question. The leader uses threats & punishments to get work from the subordinates.



Advantages

- i) It facilitates quick decision-making.
- ii) Highest Productivity.
- iii) Less component subordinates are needed at lower levels.
- iv) It can yield the positive outcome of stress.

Participative or Democratic Leadership

In this type, the subordinates are consulted & their feedback is taken into decision making process. Decisions are taken after group discussions. The authority is decentralised. The participative leader attaches high importance to both work & people. He provides freedom of thinking & expression.

Advantages

- i) Absence of leader doesn't affect the o/p
- ii) Labour absenteeism & turn-over will be minimum.
- iii) The quality of decision is improved.
- iv) The leader multiplies his abilities through the contribution of his followers.

Laissez-faire or Free-rein Leadership

In this type, a complete freedom is given to the subordinates so that they plan, motivate, control & otherwise, be responsible for their own actions. Leader doesn't take a part in decision making process. The authority is completely decentralised.

Advantages

- i) Positive effect on Job satisfaction & morale of subordinates.

- ii) It creates an environment of freedom, individuality as well as the team spirit.
- iii) Full utilization of the potential of subordinates.

2. The Michigan Studies.

The Michigan researchers identified two leadership styles such as employee-centered & production centered. A supervisor is considered as employee-centered if he allows the employees to handle most of the problems themselves & provides necessary assistance for this purpose. On the other hand, a production centered supervisor is concerned more with the task than with the people who perform the task. He regards the employees as instruments for getting the work done rather than human beings with needs & emotions.

Michigan researchers' employee-centered style of leadership to increase productivity production-centered, approach will be frustrating to employees & affects their morale leads to unsatisfactory performance on the job.

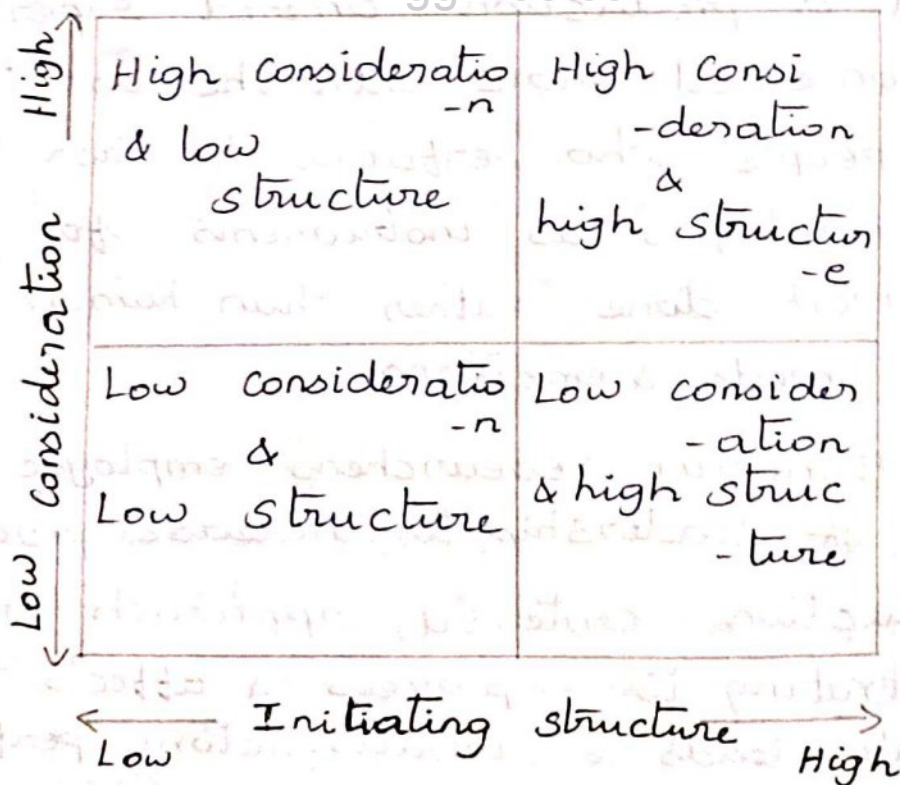
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The Ohio State University studies

The researchers of the Ohio State identified 2 leadership behaviours such as i) consideration & ii) initiating structure. Consideration refers to the mutual trust, friendship & warmth between leader & group.

Initiating structure involves creating a work environment so that the work of the group is organized & coordinated in such a way that they know exactly what is to be done & how to be done.

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The researchers found that consideration & initiating structures were independent & distinct dimensions. A high score on one dimension doesn't necessitate a low score on the other dimension. Leader behaviour was plotted on two separate axes rather than on a continuum.

Similarities of Michigan & Ohio state universities studies:

- i) Both have accepted that leader behaviour is more complex than the oversimplified dichotomy of task & maintenance-oriented behaviour.
- ii) Both identified & stressed on the performance production emphasis at Ohio & goal emphasis or high standard of production performance at Michigan.

4. Barriers to Effective Communication

The message sent by the sender to the receiver which may not be effectively understood by the receiver in the same sense. It is due to several reasons. Some problems may arise in this encoding & decoding (or) communication channel. So, the barriers to effective communications in an organisation may be broadly classified into following groups:

- * Physical barriers
- * Socio - Psychological or personal barriers
- * Organisational barriers.
- * Semantic barriers
- * Mechanical barriers.

Physical barriers

These barriers are environment factors that reduce the sending & receiving of communication. It includes physical distance, distracting noises and other interferences. Difficulty in passing of message mainly increases with increase in physical distance.

Personal barriers

It arises from motives, attitudes, judgement & emotions. Finally, it leads to phys psychological distance. It may be caused due to problems in encoding & decoding other sentiments attitudes and motives. So, respectability and creditability of messages are subjected to several mental & social barriers.

Organisational barriers

Usually information flows based on downward communication through hierarchical structure in organisation. So, there may be chances of information being filtered.

Semantic barriers

It refers the relationship of signs to their reference. It arises due to limitations of the symbolic system. Symbols may reach a person's brain through any of the senses such as feeling or hearing. Generally symbols may be classified as language, picture or action.

Mechanical barriers

It includes inadequate arrangement for transmission of news, facts & figure, poor office layout, defective procedure & practices.

How to overcome the barrier

1. The information should be simple & clear.
2. The ^{information} should be known language to the receiver.
3. The sender should use correct communicating channel.

For recording purpose, it should be in written & oral method for fast communication.

4. In written communication, Principle of line authority should be followed.

5. The information should contain adequate information.

6. Communication should be sent & reached timely.

7. Communication should be checked through feedback.

8. Informal communication should be sent judiciously.

Methods of Communication

Generally, communication can be broadly classified into 2 types as follows.

- i) Formal communication ii) Informal communication

Formal communication

Formal communication flows through a proper channel. It refers to the way in which the information is sent & it has a recognized position in organisational structure. It is also named as "Through proper channel". It regulates the flow of communication & it ensures smooth, accurate & timely passing of information. It facilitates effective functioning of an organisation.

This type of communication can be done in 2 methods

- i) Written communication ii) Oral communication

i) Written communication

The passing of information in writing is done from one person to another. i.e.) by circulars, leaflets, posters etc.

Advantages:

1. It provides a permanent record for further reference.
2. It is very suitable for lengthy messages.
3. It is tangible & verifiable.

4. It is the one only method for sending messages to far-off places.

Disadvantages

1. The process is slow.
2. Feedback is not known immediately.
3. Doubts can't be clarified immediately.
4. It requires skill & education for understanding.

ii) Oral Communication

In this method, the information is passed on orally from one person to another person. It can be done by face to face in meetings or by telephone, MMS, Video Conferencing etc. www.EnggTree.com

Advantages

1. Doubts are clarified immediately.
2. Feedback is immediately known.
3. It provides a team spirit.
4. Personality of the sender influences the process of communication.
5. It is the quick & effective method.

Disadvantages

1. There is no permanent record of the communication.
2. It is more likely to be forgotten or distorted.
3. It is likely to be misunderstood & noisy.
4. It is not suitable for lengthy messages.

2) Informal Communication

People who know each other in the organisation talk together informally. Whenever they meet each other, they normally talk about the happenings in the organisation known as 'grapevine'. The two types of informal communication are carried out as follows: 1) Work related 2) People related.

This informal communication exists outside the official network but continually interacts with the formal communication. It is structureless & information passes through it in all directions. Characteristics of informal communication are given below:

- 1) It is mostly oral.
- 2) It reaches people faster.
- 3) Mostly, it found to be accurate.
- 4) It helps the management to know the reactions of employees while making critical decisions.

Advantages

- 1) It is more flexible & much faster when compared to formal communication.
- 2) It is much freer to lead less distortion.
- 3) It carries ready conviction & acceptance.

6. Role of Communication & IT

Various electronics devices slowly improve communication. This electronic equipment includes mainframe computers, mini-computers, personal computers, tablet PC's, laptops, electronic mail system & electronic type writers, mobile phones.

Telecommunication is an emerging technique. Most of the company has implemented this technique.

Teleconferencing is an audio in combination with still video. This method is very much useful in showing charts or illustrations during discussion. Another recent system is video conferencing which uses high speed internet services to deliver seamless delivery of audio & video for both the end of communication. Smart phones are yet another recent development, which made communication extremely easy by utilizing social media such as MMS, skype, Facebook, Whatsapp, Twitter, Instagram etc.

Advantages

- 1) It saves travel expenses & travel time.
- 2) There is no need to make travel plans long in advance.

Disadvantages

- 1) The equipment is subject to breakdown.
- 2) It is a poor substitute for meeting with other person face-to-face.

The use of Computers for information handling:

Electronic data processing system handles large amount of data. The stored data can be retrieved whenever it is required without any distortion.

Computer graphics can inform visually, displaying important company information. Computer printouts and coloured map are quickly displayed when compared to other communication media.

The basic steps in control Process

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7. Basic Control Process

Controlling as a management function involves following steps:

1. Establishing standards

Standards generally are classified into 2 types: Measurable or tangible & non measurable or intangible. Those standards which can be measured & expressed are called measurable standards. They can be in form of cost, output, expenditure, time, revenue, investment, profit, etc. There are standards which can't be measured monetarily. For example, performance of a manager, deviation of workers, their attitudes towards a concern, employee morale & motivations are called intangible standards.

2. Measuring performance:

Performance levels are sometimes easy to measure & sometimes difficult. Measurement of tangible standards is easy as it can be expressed in units, cost, money terms, etc. Quantitative measurement becomes difficult when the performance of manager has to be measured.

The performance should be in quantitative terms. However, performance of a manager can't be measured in quantities. It can be measured only by the following parameters:

a) Attitude of the workers & their morale to

b) The development in the attitudes regarding the physical environment, &

c) Their communication with the superiors.

It is also sometimes done through various reports such as weekly, monthly, quarterly & yearly reports.

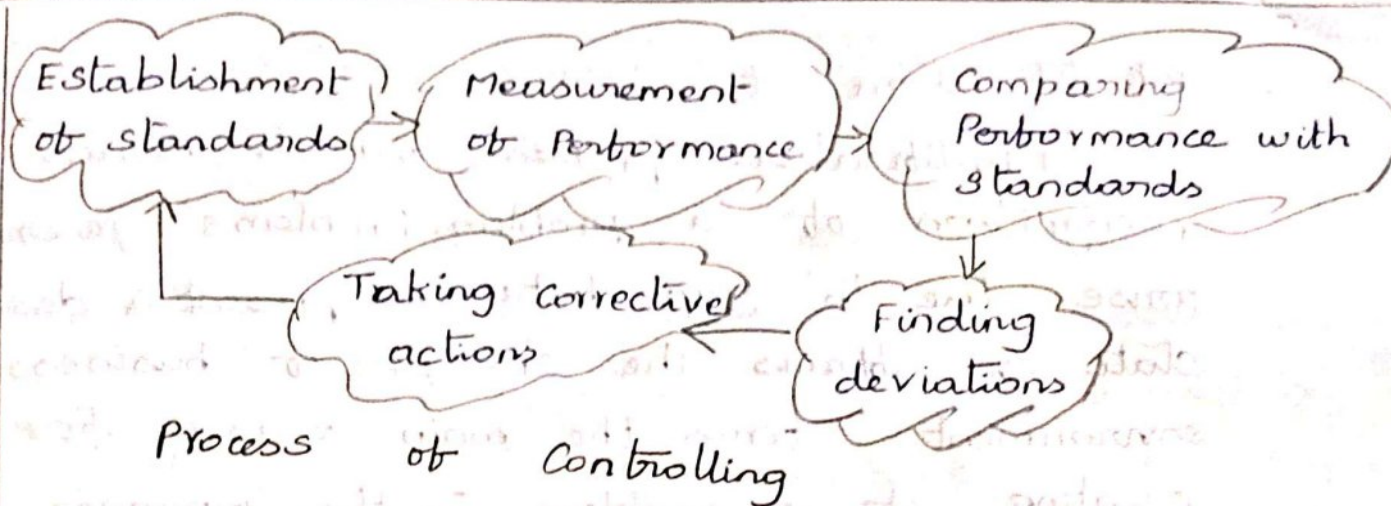
3. Comparing actual with standard Performance

Comparison of actual performance with the planned targets is very important. Deviation can be defined as the gap between actual performance & planned targets. The manager has to find out 2 things here: extent of deviation & identify the causes of such deviations.

Extent of deviation means that the manager has to find out whether the deviation is +ve or -ve, or whether the actual performance is in conformity with the planned performance.

4. Taking corrective action

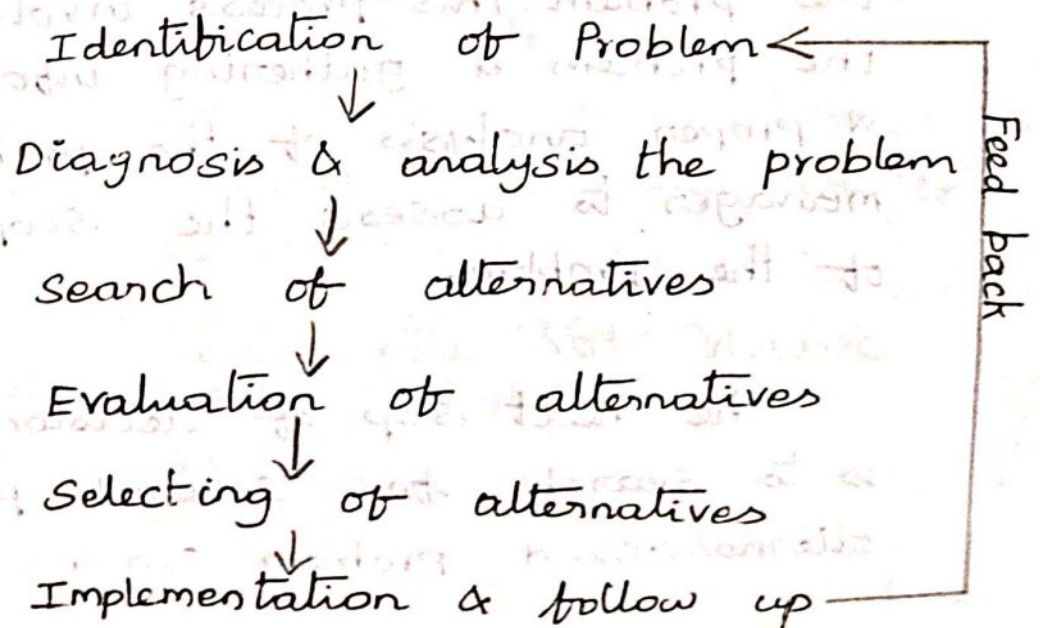
Corrective action is essentially for correcting deviations from planned performance. Deviations may be in accurate forecast, poor communication, defective machines, lack of motivation etc. For the correction of deviations, the management should take necessary action & implement them so that in future these



8. Decision Making Process

Decision making is not a easiest one. Every decision is the outcome of a dynamic process which is influenced by multiple forces. Manager should follow a sequential ^{set of} steps. If they do not go for systematic sequential step, the decision may not be effective. The decision making process depends on the nature of problem & the nature of organisation.

9. Steps of Decision making



Identification of Problem

Identification of a problem which means recognition of a problem. Problems generally arise due to gap between present & desired state of affairs. The change of business environment forms the main reason for creating of a problem. So, the manager should identify & define the real problems.

Diagnosis & analysis of the problem

In order to diagnose the problem correctly a manager must obtain all pertinent facts & analyse them correctly. The most important part of the diagnosing problem is to find out the real cause or source of the problem.

After diagnosing the problem, next phase of the decision-making is to analyse the problem. This process involves in classifying the problem & gathering information.

A proper analysis of the problem helps the manager to assess the scope & importance of the problem.

Search for alternatives

The next step of decision-making process is to search for several possible alternatives. A problem can be solved in many

ways. All possible ways cannot be equally satisfied. If there is only one way of solving problem, there is no problem of decision-making. This concept is used for keeping the range of alternatives within the limit. Time & cost factors should be kept in mind. Creative thinking is necessary to develop alternative courses of action. There are various ways in identifying alternatives such as decision makers past experience, practices followed by others & using creative techniques.

Evaluation of alternatives

After the various alternatives are identified, the next stage is to evaluate each alternative. Evaluation is the process of measuring the positive & negative consequences of each alternative. Some alternatives offer maximum benefits than others. Peter. F. Drucker has suggested the following criteria to weigh the alternative courses of action.

- i) Risk
- ii) Economy of efforts
- iii) Timing
- iv) Limitations of resources.

Selecting an alternative

The decision maker can select the best alternative. Optimum alternative is one which maximizes the results under given conditions. The outcome of each alternative is compared with the light of organisational objective & the alternative which maximizes the result in given conditions is selected.

Implementation & follow-up:

Once an alternative is selected, it is put into action in a systematic way. Implementation of alternatives involves the several steps.

1. Decision should be communicated to those responsible for its implementation.
2. Acceptance should be obtained from them.
3. Procedure & time sequences should be established for implementation.
4. Required resources should be allocated & responsibility for specific task should be assigned to individuals.

10. Various kinds of Decisions

Managerial decisions may be classified into the following categories

- i) Programmed & non-programmed decisions.
- ii) Organisational & Personal decisions.
- iii) Tactical (Policy) & operational decisions.
- iv) Major & minor decisions.

Programmed Decisions

Programmed decisions are also called routine decisions or structured decisions because these types of decisions are taken frequently & they are repetitive in nature. Such decisions are generally taken by the middle level managers. This decision is taken within the preview of the policy of the organisation.

For eg:- making a purchase order, increments in Salary. etc.

Managers dealing with such issues of routine nature usually follow the established clear-cut procedure.

Non-Programmed Decisions

(Strategic decisions (or) basic decisions (or) Policy decisions (or) unstructured decisions)

This decision is taken by top management people whenever the need arises. These decisions

deal with unique problem.

For eg - starting new business, increasing competition.

Organisational & Personal Decisions

Organisational decisions are decisions taken by an individual in his official capacity to further interest of the organisation. These decisions are based on rationality, judgement & experience.

For eg - transferring an employee

Such decisions affect the functioning of the organisation directly.

Personal Decisions

If decision is taken by the executive in the personal capacity is known as personal decision. Sometimes these decisions may affect functioning of the organisation also.

For eg - The authority of taking organisational decisions may be delegated, whereas personal decisions can't be delegated.

Tactical (Policy) Decisions

Decisions pertaining to various policy matters of the organisation are policy decisions. These are taken by the top management after careful analysis & evaluation.

of various alternatives. These decisions have long term impact on the functioning of the concern.

For eg - decisions regarding location of Plant, capital expenditure.

operational decisions

It is relate to day-to-day functioning or operations of business. Middle & lower level managers take these decisions.

For eg - Sending samples of a food product to the government investigation centre.

Decision - Making under different conditions

Decision making includes the selection of right alternative from various available alternatives. When the selected alternative comes to action based on the present decision-making in future period, it might not consider the problems associated with alternatives.

Decision under certainty

The manager of the organisation knows the nature of the work. The circumstance of certainty exists due to its nature. It makes the manager to take decision-making perfectly time-to-time.

Decision under uncertainty

If managers of organisation do not have information about the outcome of the decision

then he will be in a condition to run organisation under uncertainty conditions. In this case even insufficient data is not available to develop the estimate similar to empirical probability method. So, a number of different decision criteria have been proposed in possible forms to make decision making. They are as follows.

- * Maximizing the maximum possible pay off (optimistic)

- * Maximizing the minimum possible pay off (pessimistic)

- * Minimizing the maximum possible regret to the decision maker (Regret).

- * Assuming equally likely probabilities for the occurrence of each possible state of nature. (Insufficient reasoning).

Decision under Risk

Generally most of the organisations make the decision based on the conditions of risk. For eg, the outcome of the decision is decided with less information available but with the sufficient information. In this situation, the manager has to develop the various estimates of events occurring. The estimates are experience, incomplete information & intelligence. At the same time

risk will be involved in developed estimates.
 There are 3 methods to determine the probability of estimates.

1. A priori Probability
2. Empirical "
3. Subjective "

Two Marks

1. What is the meaning of leadership?

Leadership is an integral part of management & plays a vital role in managerial operation. Leadership exists in any type of organisation. If there is any single factor that differentiates b/w successful & unsuccessful organisations, it could be considered as dynamic & effective leadership. Early notations about leadership dealt with it almost in terms of personal abilities. Leadership is viewed as a characteristic of the individual.

2. List the different types of communication

- 1) Downward communication
- 2) upward "
- 3) Horizontal (or) Lateral communication.

3. Write a short note on the importance of

The effectiveness of communication must be checked by the sender with its feedback. Feedback is essential to effective communication because it helps the sender check that their message has been understood & received as intended & modify their communication strategy as needed.

4. Define control & mention the purpose of control

Harold Koontz stated as "controlling is the measurement & correction of performance in order to make sure that enterprise objectives & the plans devised to attain them are accomplished.

Purpose of control are

i) Control helps to review, revise & update the policy of the organisation.

ii) Control helps to increase the co-ordination of the subordinates in the organisation.

5. Define budgetary control

Budgetary control is the process of determining various budgets for the business unit for future. It serves as a method of control. Budgetary control is a system of controlling costs through preparation of budgets. Budgeting is thus only a part of budgetary control.

6. Interpret the meaning of controlling

Controlling is the process of regulating organisational activities so that actual performance conforms to expected organisational goals & standards.

7. Name at least 4 budgetary control techniques.

1. Planning - programme budgetary system.
2. zero-base budgeting.
3. Variance analysis.
4. Responsibility accounting
5. Adjustment of funds.
6. Human resource accounting.

8. Differentiate budgetary & non-budgetary control technique.

The budgetary control refers to the control on the financial statement prepared for a period of time & the non-budgetary control refers to the various methods of managerial statistics, break-even analysis, internal audit, cost accounting etc.

9. What is the purpose of PERT?

Program Evaluation & Review Techniques (PERT) is one of the network analysis techniques. Network analysis is being used as a tool of management for planning, monitoring & controlling. This technique helps a project to break into smaller activities. The activities are arranged in a sequence of activities. Finally, the shortest time required is found

to complete the entire project.

10. Distinguish b/w direct & Preventive Control.

Direct control, also termed as detective control, is an attempt to detect undesirable acts that have occurred. Direct control involves comparing outputs with the standards or plans in terms of specific parameters like time, cost, quantity & quality.

Preventive controls attempt to prevent undesirable acts from occurring. They are proactive controls, designed to prevent a loss, error, or omission. An efficient manager applies the skills in managerial philosophy to eliminate undesirable activities which are reasons for poor management.

11. What are the techniques useful while evaluating alternatives?

- i) Quantitative & qualitative analysis.
- ii) Marginal analysis.
- iii) Cost effectiveness analysis.

12. Discuss about the various conditions of decision making

- a) Decision under certainty
- b) Decision under uncertainty &

① Motivational Theories

The carrot & stick approaches are based on the old belief that the best way to get work a person is to put a reward in front of him or to hold out the threat of punishment (stick) from behind. The 'carrot' is the reward for working & the stick is the punishment for not working. Under this approach, employees who perform the task well are given rewards in the form of bonus, pay raise, promotion etc. While employees avoid work, punishment such as demotion, termination from work, transfer to an unpleasant job, etc.

The following are some of the measures to make carrot & stick to be approached more effective:

- * punishment is more effective when the undesirable behaviour actually occurs
- * Punishment should be used to modify the behaviour & to force the person to adapt the desired
- * Punishment should not become a reward for undesirable behaviour.

② Mc - Gregor's Theory X & Theory Y.

Prof. Douglas McGregor has developed a set of theories on the basis of hypotheses relating to human behaviour. These theories are commonly known as "Theory X" & "Theory Y". According to McGregor, the function of motivating people involves certain assumptions about the human nature.

Theory - X

Theory X is based on the following

- * The average human dislikes to work. He will avoid work if it is possible.
- * People must be controlled, directed & threatened with punishment to make them work.
- * An average man is inherently self-centered & indifferent to organisational goals.
- * He is resistance to change by nature.

The above assumptions are negative in nature. So, a manager must take effective steps to direct & control the activities of subordinates. Theory X is pessimistic, static & rigid. It leads to authoritative or autocratic type of management.

Theory - Y

According to theory-Y, the following assumptions are made about the human nature & behavior

- * Work is as natural as play or rest. The average human being has the tendency to work.
- * People will be committed to the objectives, if they are properly rewarded.
- * Under proper conditions, the average human being accepts the responsibility.
- * Large numbers of people are capable of solving organisational problems in an organisation with high degree of imagination, ingenuity & Creativity.
- * Under modern industrial life, the intelligence capacity of average human being is only partially utilized.

③ Maslow's need hierarchy theory

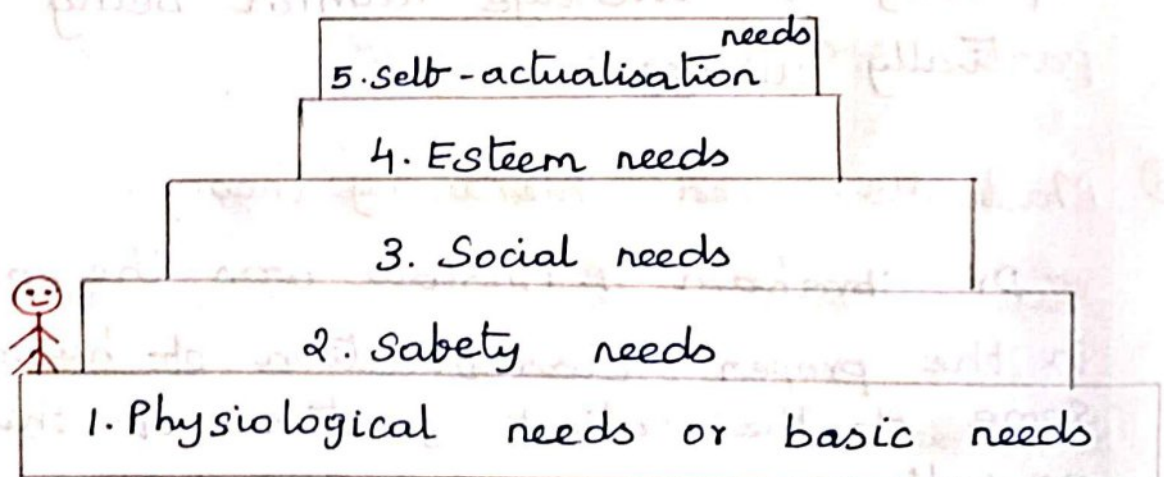
Dr. Abraham H. Maslow was the pioneer in the proper classification of human needs. Some of the salient features of this theory as follows:

- * Human likings are innumerable & never ending if one liking is satisfied & another liking emerges in that place.

- * Adult motives are complex. No single motive determines the behaviour, rather a number of motives operate at the same time.
- * Satisfied needs do not motivate the workers. Only unsatisfied needs induce the man to ^{work} hard.
- * Various levels of needs are inter-dependent & overlapping.
- * Higher level needs can be satisfied in many more ways than the lower level needs.

Maslow proposed that basic needs are structured in a hierarchy

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1. Physiological needs

Physiological needs are the biological needs required to preserve the human life. These needs include needs for food, clothing & shelter. These needs must be met at least partly before the higher level needs emerge. These needs are the most powerful motivating force than others.

2. Safety needs

Once the physiological needs are satisfied the safety or security needs become predominant. They include

- i) Protection from physiological dangers
Fire, accident, etc.
- ii) Economic security
Fringe benefits, health, insurance
- iii) Desire for an orderly, Predictable environment.
- iv) The desire to know the limits of acceptable behaviour.

These safety needs are really provisions against deprivation in future. It also involves in a sense of protection

3. Social Needs

These needs are for love, friendship, exchange of feelings & grievances, recognition, conversation, belongingness, companionship etc.

4. Esteem needs

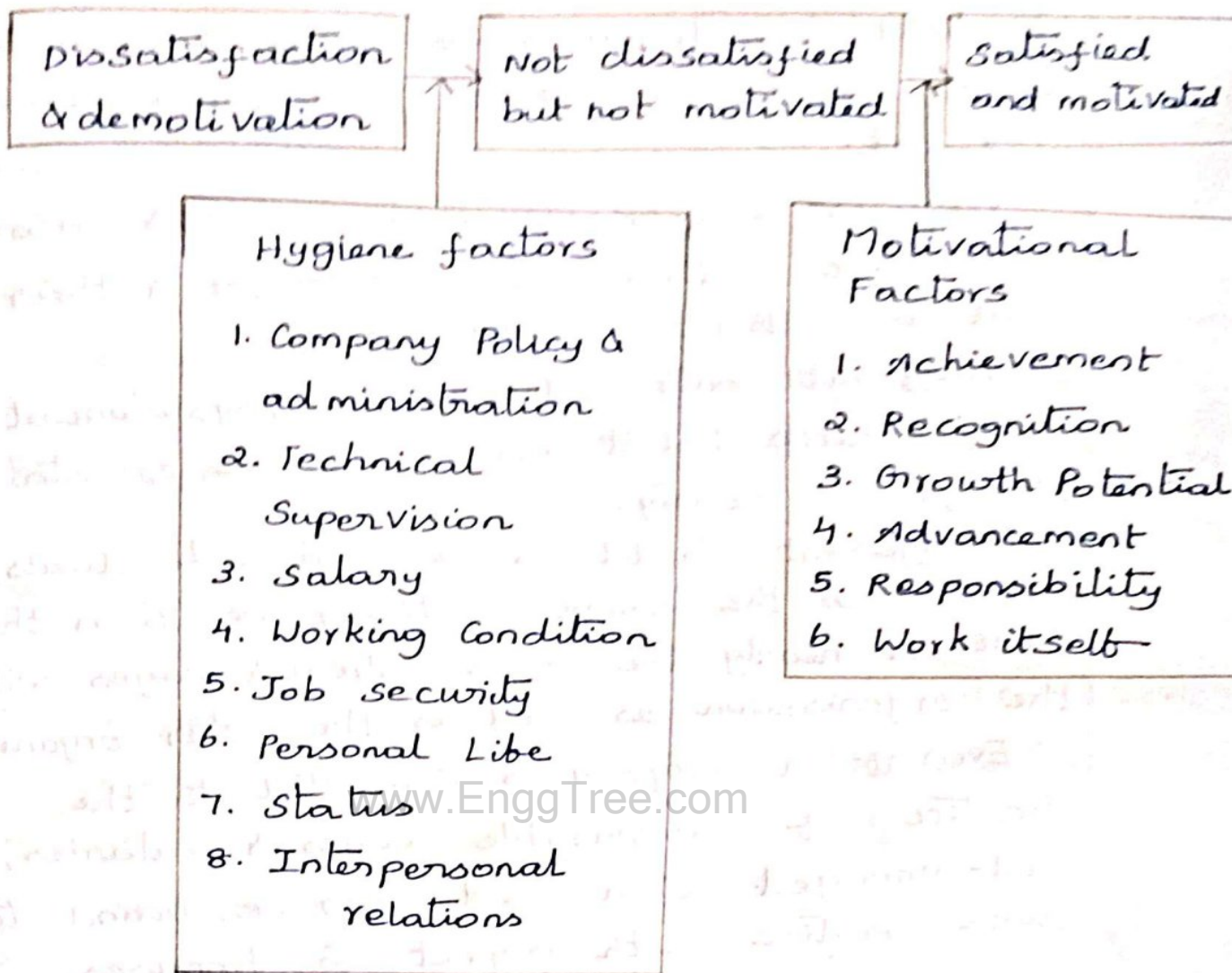
There are 2 types of esteem need such as self-esteem & esteem of others. Self-esteem needs include those for self-confidence, achievement, competence, self-respect, knowledge & for independence and freedom. The second group of esteem needs is those which related to one's reputation needs for status, recognition, appreciation & deserved respect of one fellow.

5. Self-actualisation needs

These needs are also called as self-realisation needs. Self-actualisation refers the desire to become everything that one is capable of becoming. Self-actualisation is a growth need.

④ Herzberg's Theory of Motivation (or) Hygiene Theory of Motivation

Herzberg & his associates interviewed 200 engineers & accountants from 11 industries in Pittsburg area of USA. These men were asked to recall the specific incident in their experience which made them feel good or bad about their jobs. An analysis of their answers revealed that feelings of unhappiness or dissatisfaction were related to the environment in which people were working.



⑤ Money is the only motivator for employees in an organization.

Money is one of the important motivational factor. It may be in the form of wages, incentives, bonuses, Company paid insurances or any other things that may be given to people for their performance.

→ Money is likely to be more important to people who are raising a family. Money is an urgent means of achieving a minimum

standard of living. Some people consider money as a major motivating force while others may not.

→ Various enterprises make wages & salaries competitive within their industry & their area to attract & hold people.

→ Money not only satisfies the physiological & security needs but it also a source of status & prestige in society.

→ Management should ensure that individuals working in the same category are given the same or nearly the same salary & wages within the organisation as well as the other organisation.

→ Even if a company is committed to the practice of comparable wages & salaries, a well-managed firm need not be bound to the same practice with respect to bonuses.

It is almost true that money can motivate only when the additional payment is large relative to a person's income.

⑥ What strategies would you recommend to matt to deal with the problem?

Various factors influence the performance of employees. But some of the factors are more predominant as compared with others.

Such as

Money write (5)

Participation

The majority of workers are capable of being creative & self-control. Their consultation & participation in work related issues have favourable effect on their motivation & performance. Such participation reflects a genuine faith in human nature & it provides dignity to workers.

Participation is also a means of recognition. It appeals to the need for abilitation & acceptance.

Quality of working Libe

one of the most important & interesting approach of motivation is the quality of working libe program. Good physical working Conditions such as right temperature, adequate lighting, proper ventilation, noise free atmosphere have the positive effects on the motivation & performance of workers.

Job security

Job security is an important motivator, although in certain circumstances it can act as a powerful short term demotivator. To threaten people, the loss of employment, is to

provide a negative incentive which doesn't pull them to the desired goal but pushes them away from an undesirable goal. Managers should normally do all they can assume their staff of job security. It can be done by reassuring subordinates, praising them for a job well done & give them a view of how the task they are currently doing is likely to develop in future.

Effective Communication

Communication at levels of the organisation must be effective both up & down in the communication mechanism chain. Managers & team leaders must make time to listen to grievances & take to their staff. In particular they must be equitable in dealings with subordinates, providing equal opportunities for benefits such as promotions & be fair in enforcement of company regulations.

Power of Authority

Many professionals seek power to influence others. The managers can satisfy this need in several ways such as making them responsible for a task force on a specific topic or getting them to lead an important technical project.

Financial & Non Financial Incentives

Incentives are the inducements which are offered to employees in order to direct their behaviour towards enterprise objectives.

These are the objects perceived to satisfy needs. Incentives are attention which is getting & effort producing mechanisms. Incentives can be broadly be classified into 2 categories.

→ Pecuniary incentives

→ Non - Pecuniary incentives

Assignment

Compare & Contrast Maslow, Herzberg & McClelland theory of motivation.

Two Marks

1. Define motivation

According to Koontz & O'Donnell, "Motivation is a general term applying to the entire class of drives, desires, needs, wishes and similar forces which induce an individual or a group of people to work."

2. Outline the meaning of motivation

The force of motivation is a dynamic force getting a person into motion or action. The word 'motivation' is derived from 'motive' which is an active form of a desire or need which must be satisfied. All motives are directed towards goals, and the needs. The desires affect or change the behavior of a person.

Write ①

③ How Job enrichment related with group motivation?

Job enrichment is an extension of Job enlargement technique. In job enrichments, a Job may be enriched by variety of the following steps:

- 1) Giving workers more freedom in deciding.
- 2) Giving workers feeling of personal

responsibility for their tasks.

3) Encouraging participation of subordinates & interaction b/w workers.

4) Giving people feedback on their job performance, preferably before their superiors get it.

④ List down the 5c's of change management

C - Communicate with clarity

C - Consistency

C - Confidence

C - Commitment

C - Care & Concern.

⑤ Mention 7R's of change management

i) who Raised the change?

ii) What is the Reason for the change?

iii) What is the Return required from the change?

iv) What are the Risks involved in the change?

v) What Resources are required to deliver the change?

vi) who is Responsible for the build, test & implementation of the change?

Unit-5 Productivity & Modern Topics

① Explain the factors influencing productivity
The following are the factors that affect the productivity:

1. Technology

Technological factors including the degree of mechanization, how raw materials, layout & the method & techniques of work determine the level of technological development in any industry. New technology developments and R&D development improve the productivity.

2. Human Resources

Education of the employees favours the improvement of the productivity. Motivation of the employees improves the efficiency of the productivity.

3. Government Policy

Government can eliminate unnecessary regulations & make productivity effectively.

4. Machinery & equipment design

Whether design of machinery & equipment is modern & is keeping with the limitations and capacities of the workers will also determine the production efficiently and level of productivity. Modern machineries & equipment also increase the productivity.

5. Skill of the workers

Well trained & experienced employees lead to effective productivity.

6. Capital

Increased capital investment results in increased productivity. This capital also increases other factors such as market share, low cost, high profit.

7. Research & development

Research & development play a vital role in determining the productivity. The research includes the reduction of cost & wastage, new techniques etc. All these factors must help the concern to increase the productivity.

8. Trade unions

Some trade unions create unnecessary problems in the company & start strike & lockout the company. It decreases the productivity. Efficient top management executives smoothly handle the trade unions to carry out the positive effect.

9. Raw materials & Production Process

Improved quality of raw materials & increased use of power have a favorable effect on productivity. Advance production process involving the use of modern integrated and automatic machinery and semi

processed material have been known to help in raising level of productivity.

10. Land & buildings

Working environment must be suitable for employees. A poor plant layout & construction will affect the productivity.

2. Types of Benchmarking

Benchmarking is implemented in many forms depending on the focus, scope & purpose of the comparison. Some common types are as follows:

1. Internal Benchmarking

Internal benchmarking involves comparing processes, practices or performance metrics within different units, departments or divisions of the same organization. It helps to identify best practices & opportunities for improvement by leveraging existing knowledge & resources within the organization.

2. Competitive Benchmarking

Competitive benchmarking includes the comparison of processes, practices or performance metrics against direct competitors or industry peers. It helps organizations to know their relative position in the market & identify areas where they lag behind or excel compared to competitors.

3. Functional Benchmarking

Functional Benchmarking includes the comparison of specific functions or processes within an organization with similar functions or processes in other industries or sectors. It allows organizations to learn from best practices outside their industry & adapt them to their own context.

4. Strategic benchmarking

Strategic benchmarking involves in comparing overall strategies, goals & performance metrics with those of best in class organizations, regardless of industry. It focuses on identifying strategic insights & opportunities for long-term improvement & innovation.

5. Performance benchmarking

Performance benchmarking includes the comparison of performance metrics such as efficiency, quality, cost or customer satisfaction against industry benchmarks or best practices. It helps organizations to find areas of underperformance & set performance targets to improve competitiveness.

6. Process benchmarking

Process benchmarking involves in comparing specific processes or workflows within an

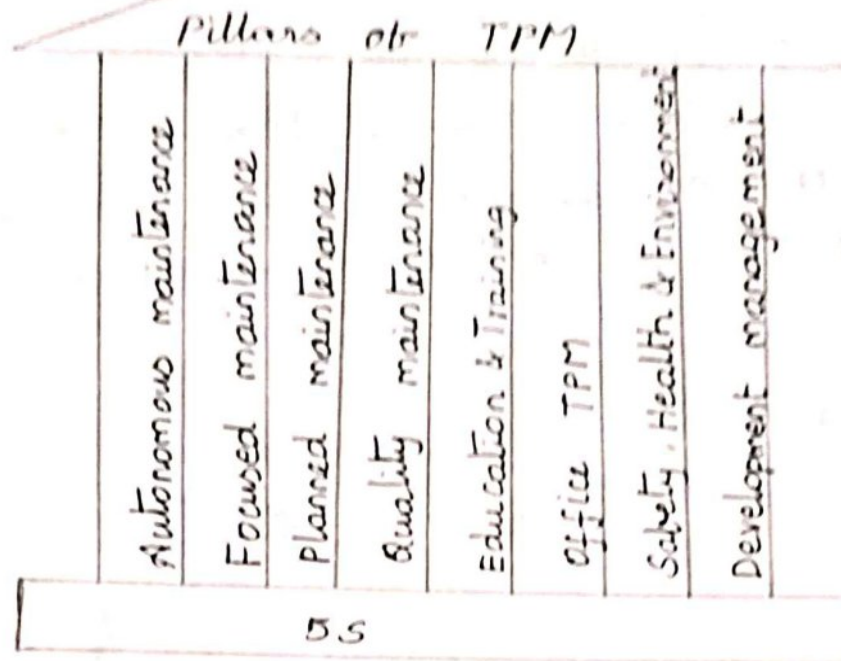
organisation with similar processes in other organisations. It aims to identify opportunities for process optimization, standardization & efficiency improvement.

7. International benchmarking

International benchmarking includes the comparison of processes, practices or performance metrics with organizations in different countries or regions. It helps organizations to gain insights into global best practices, cultural differences, and regulatory requirements.

3. How does 5S principle contribute to successful implementation of TPM?

TPM starts with 5S principle. Problems can't be clearly seen when the work place is unorganized. cleaning & organizing the workplace help the team to uncover problems. Making problems visible is the first step of improvement.



a) SEIRI - Sort out

It means sorting & organizing the items as critical, important, frequently used items, useless or items that are not needed as of now. Unwanted items can be salvaged. Critical items should be kept for use nearby & items which are not used in near future should be stored in some place. For this step, the worth of the item should be decided based on utility and not cost.

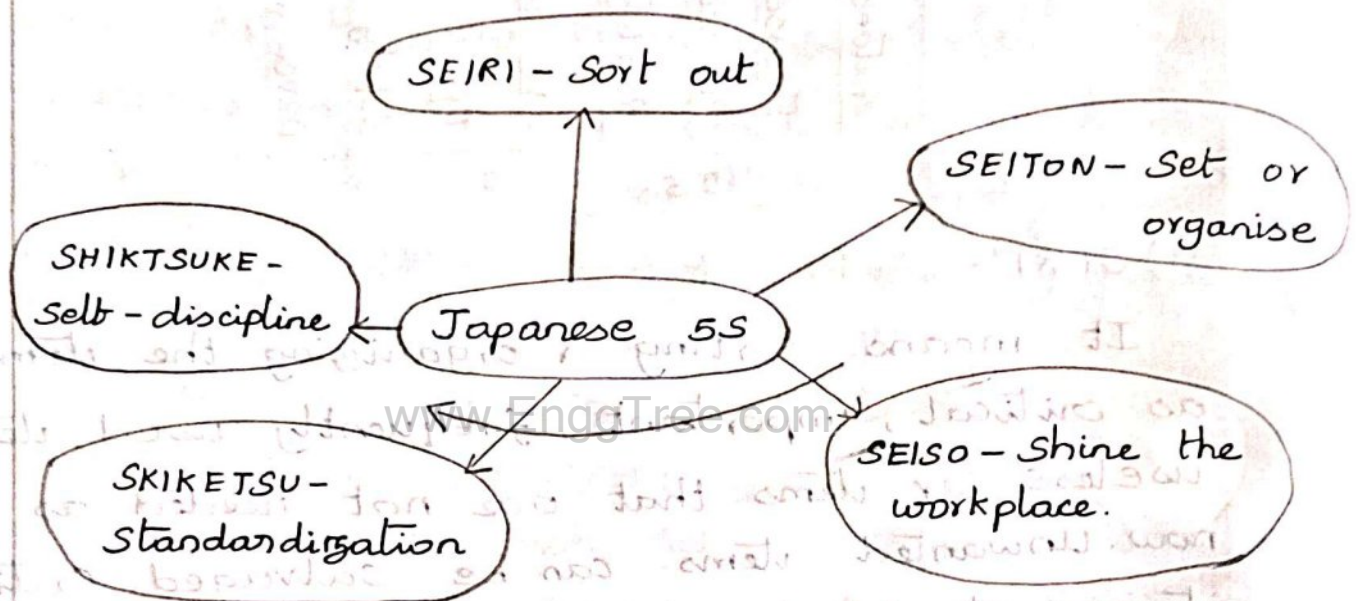
b) SEITON - Set or Organize:

The concept is that "Each item has a place & only one place". The items should be placed back after usage at the same place. To identify items easily, name plates & coloured tags has to be used. Vertical racks can be used for this purpose and heavy items occupy the

bottom position in the racks.

c) SEISO - Shine the workplace:

It involves cleaning the work place free of burrs, grease, oil, waste, scrap etc. There is no loose hanging wires or oil leakage from machines.



d) SEIKETSU - Standardization:

Employees have to discuss together & decide on standards for keeping the work place / machines / Pathways neat & clean. These standards are implemented for whole organization and they are tested / inspected randomly.

e) SHITSUKE - self-discipline

Considering 5S as a way of life to bring about self-discipline among the employees of the organization, it includes wearing badges, following work procedures,

Punctuality, dedication to the organization etc.

4. Applications of Industry 4.0

1) Manufacturing

Industry 4.0 technologies such as automation robotics, additive manufacturing (3D Printing), automation of production lines, predictive maintenance & quality control, Internet of Things (IoT), big data analytics & artificial intelligence (AI) are transforming manufacturing processes. These technologies empower smart factories with increased efficiency, flexibility & customization.

2) Logistics & Transportation

In Logistics & transportation, industry 4.0 technologies improve efficiency & safety through innovations such as autonomous vehicles, connected car infrastructure, & intelligent traffic management, connected logistics networks, predictive maintenance for fleets & smart transportation systems.

3) Healthcare:

In health care, Industry 4.0 technologies are transforming patient care through telemedicine, Remote patient monitoring, Personalized medicine, wearable health monitoring devices, Personalized medicine, AI-driven diagnostics, robotic surgery & data driven decision support systems for healthcare providers.

4) Education & Training

Industry 4.0 technologies are also applied in education & training through virtual reality (VR) & augmented reality (AR) simulations, online learning platforms & AI-driven personalized learning experiences.

5) Financial Services

In the financial sector, Industry 4.0 technologies are applied for fraud detection, risk management, algorithmic trading, customer service automation & personalized financial advice based on data analytics & AI algorithms.

5. Merits of Industry 4.0

1. Automation & digitalization provide improved efficiency in production processes, reducing lead times & enhancing productivity.
2. Industry 4.0 technologies help to reduce operational costs through automation, Predictive maintenance, & optimized resource utilization.
3. Industry 4.0 permits mass customization & personalized production by allowing companies to tailor products & services to individual customer needs & preferences.
4. Digital technologies such as IoT sensors & data analytics real-time monitoring & quality

control lead to higher product quality & reduced defects.

5. Data - driven insights provided by industry 4.0 technologies allow better decision-making, strategic planning & optimization of process.

6. Industry 4.0 can encourage sustainability through practices such as precision manufacturing which reduces waste & optimizes energy use through smart grids.

6. Demerits of Industry 4.0

a) Implementing industry 4.0 technologies needs a significant initial investment in infrastructure, equipment & training which may be a barrier for smaller companies

b) Automation may create a threat to jobs particularly repetitive tasks. Workers may need to upskill or reskill to adapt to the changing workplace.

c) Automation & digitalization may lead to job displacement as repetitive tasks which are automated is requiring reskilling & upskilling of the workforce to adapt to new roles.

d) The benefits of Industry 4.0 may not be distributed evenly.

e) Issues such as data privacy, algorithmic bias & the potential for job displacement raise ethical concerns which require to be addressed as industry 4.0 evolves.

7. Features of Business Process Reengineering

→ use of Information technology (BPR)

BPR often leverages IT as an enabler of process improvement. It may involve automating tasks, integrating systems, or implementing new technology solutions to support the redesigned processes.

→ Speed & agility

BPR aims to achieve rapid & significant improvements in process performance. It emphasizes speed, agility & flexibility in implementing changes to quickly realize benefits & respond to changing market conditions or customer demands.

→ Employee involvement

BPR recognizes the importance of involving employees in the redesign process. It encourages active participation & engagement from employees at all levels, leveraging their knowledge, expertise & insights to identify opportunities for improvement & facilitate change.

→ Process flexibility

BPR may involve creating multiple versions of a process to accommodate different needs or situations. The aim is to have flexibility built into the workflows.

→ Continuous improvement

BPR is not a one-time effort but a continuous journey of improvement. It involves ongoing monitoring, evaluation, & refinement of processes to adapt to changing business needs & continuously drive performance improvement.

8. Use of Computers & its Management Control

The computer plays a vital part in the control of business operation. Information itself is a valuable asset one that needs to be carefully managed & protected.

Use of Computers in Management Control

i) Payroll

The computer can process a firm's payroll. It can be programmed to read payroll records, calculate earnings, deductions & withholdings and print out pay checks. Computerized payroll systems can handle hourly or salaried pay rolls & commission payments.

ii) Business management

The computer can provide reports & data for the management. Inventory sales analysis & credit analysis can be calculated.

→ Personnel management information

The computer can provide management with data on the composition of its personnel. It can print out the information on job classification & personnel capabilities, & can list employees by department, by salary schedule or by both.

→ Cost accounting

The computer can print out an analysis of production costs. It can be programmed to perform routing of cost accounting tasks with budgeted hourly costs on individual machine rates & overhead figures.

→ Banking & credit

The computer is used in the finance, credit & collection industry. It can process deposits, commercial & consumer loans and revolving charge accounts for banks & department stores.

→ Accounting

A comprehensive accounting system can be put on the computer by using electronically stored ledgers in the machine. The computer can print-out customer billings, taxes, reports, profit & loss statements, balance sheets and other financial information required internally and externally.

9. Describe with an example how SWOT analysis is created.

There are a few sample layouts for SWOT analysis created. It can be done by asking the participants to answer these simple questions such as

i) What are the strengths & weakness of the group?

ii) What is the community or effort?

iii) What are the opportunities & threats facing it?

If a looser structure helps to brainstorm, positives & negatives can be grouped to think broadly about the organization & its external environment.

If a looser structure helps to brainstorm, positives & negatives can be grouped to think broadly about the organization & its external environment.

Positives	Negatives
1. Strengths	1. Weakness
2. Assets	2. Limitations
3. Resources	3. Restrictions
4. Opportunities	4. Threats
5. Prospects	5. Challenges

A third option for structuring SWOT analysis may be appropriate for a larger initiative which requires detailed planning. This TOWS matrix is adapted from Fred David's Strategic Management text.

	Strengths	Weakness
	<ol style="list-style-type: none"> 1. 2. 3. 	<ol style="list-style-type: none"> 1. 2. 3.
Opportunities <ol style="list-style-type: none"> 1. 2. 3. 4. 	opportunity - strength (OS) strategies use the strengths to take advantage of opportunities <ol style="list-style-type: none"> 1. 2. 	Opportunity - Weakness (OW) strategies Overcome weakness by taking advantage of opportunities <ol style="list-style-type: none"> 1. 2.
Threats <ol style="list-style-type: none"> 1. 2. 3. 	Threat - strength (TS) strategies. Use strengths to avoid threats <ol style="list-style-type: none"> 1. 2. 	Threat - weakness (TW) strategies. Minimize weakness & avoid threats <ol style="list-style-type: none"> 1. 2.

Example

David gives an example for Campbell Soup Company which stresses financial goals but it also illustrates the item can be paired within a SWOT grid to develop strategies

	Strengths i) Current profit ratio increased ii) Employee morale high iii) Market share has increased	Weakness i) Legal suits not resolved. ii) Plant capacity has fallen iii) Lack of strategic management system.
Opportunities i) Western European unification ii) Rising health consciousness in selecting foods iii) Demand for soups increasing annually.	Opportunity - Strength (OS) strategies i) Acquire food company in Europe (S1, S3, O1). ii) Develop new healthy soups (S2, O2).	Opportunity - Weakness (OW) strategies Develop new Pepperidge Farm products (W1, O2, O3).
Threats i) Low value of dollar. ii) Tin cans are not biodegradable	Threat - Strength (TS) strategies Develop new biodegradable soup containers (S1, T2)	Threat - Weakness (TW) strategies Close unprofitable European operations (W3, T1).

10. Industry 4.0 implementation Procedure

Industry 4.0 is not a process with a set of linear steps.

1. Preparation & Assessment (Planning phase)

Define goals: clearly articulate strategic goals for adopting industry 4.0. Do you aim to increase efficiency, improve product quality, or achieve greater production flexibility?

Assess current state

Evaluate existing manufacturing processes, technology infrastructure, & workforce skillsets. Identify areas for improvement & potential gaps that industry 4.0 technologies can address.

Leadership buy-in:

Gaining the support of senior management is crucial. Executives need to understand & potential benefits and be committed to allocating resources for the transformation.

2. Develop a Strategy & Roadmap

Identify core technologies:

Research & choose the industry 4.0 technologies most relevant to the set goals. This might include industrial internet of Things sensors, cloud computing, artificial intelligence, machine learning, robotics & additive manufacturing.

Develop an implementation plan

Create a roadmap outlining the steps involved in implementing industry 4.0 technologies. This plan should consider factors like budgets, timeline, resource allocation, & training requirements.

Data management strategy

Industry 4.0 generates vast amounts of data. Develop a strategy for data collection, storage, analysis, & security to ensure you can effectively utilize this data for insights & decision-making

3. Pilot Project & Continuous Improvement

(Implementation Phase)

Start small: Instead of a full scale rollout begin with a pilot project in a well-defined area. This allows to test the chosen technologies, identify & address challenges, & refine your approach before broader implementation

Focus on integration

Industry 4.0 is about integrating various technologies & systems. Ensure the chosen technologies can seamlessly work together & with the existing infrastructure.

Change management & training

Industry 4.0 may require changes in work process & skillsets. Develop a change management plan to address employee concerns & provide training programs to equip

workforce with the necessary skills to operate in this new environment.

Continuous improvement

Industry 4.0 is an ongoing journey, not a one-time destination. Regularly monitor & evaluate the effectiveness of implemented technologies, identify areas for further improvement, & adapt the strategy as needed.

11. Methods to improve Productivity (or)

Deming's 14 Points for Improving Productivity

1. Create constancy of purpose for improvement

organizations should have a clear & consistent focus on improving products, services, & processes to meet customer needs & stay competitive in the long term.

2. Adopt the new philosophy

Implementation of a quality-centric approach motivates employees & reduces rework, ultimately saving time & resources.

3. Cease dependence on inspection

Instead of relying solely on inspection after production, build quality into process from the beginning to prevent defects & errors.

4. Minimize total cost

Focusing on long-term partnerships with reliable suppliers reduces disruptions & rework, leading to smoother production & improved efficiency.

5. Improve constantly

Continuously evaluating & optimizing processes identifies & eliminates inefficiencies, boosting overall productivity.

6. Institute Training

Provide employees with the necessary training, education & resources to perform their jobs effectively & contribute to continuous improvement.

7. Adopt & institute leadership

Establish effective leadership that understands & fosters the principles of quality management, provides guidance, & creates an environment conducive to improvement & innovation.

8. Drive out fear

Create a culture where employees feel safe to voice concerns, suggest improvements, & take calculated risks without fear of punishment or reprisal.

9. Break down barriers between departments

Encouraging collaboration, communication & teamwork across different departments helps teams work together more effectively, streamlining processes & reducing delays.

10. Eliminate slogans, exhortations, & targets for the workforce

Instead of relying on slogans & targets, focus on providing employees with the tools, training, & support they need to contribute effectively to the organization's goals.

11. Eliminate numerical quotas for the workforce

Replace arbitrary quotas with a focus on quality, efficiency, & continuous improvement, allowing employees to take pride in their workmanship rather than meeting arbitrary targets.

12. Remove barriers to pride of workmanship

When employees feel a sense of ownership & pride in their work, they are more likely to go the extra mile, leading to higher quality output & potentially improved efficiency.

13. Institute a Vigorous Program of education & self improvement.

Encourage lifelong learning, self-development, & personal growth among employees to enhance skills, knowledge, & capabilities.

14. Put everybody in the Company to work.

Engaging all employees, from top management to frontline workers, in the improvement process influences the collective knowledge & creativity of the work force, leading to more innovative & productive solutions.

12. Compare TPM & TQM

Similarities

In many of the aspects, TPM is found to have similarity with the well-known Total Quality Management (TQM) Program. The following are the similarities between them.

1. Empowerment of employees to initiate corrective action, benchmarking & documentation.
2. Top level management committed to the program.
3. Long range outlook perspective.

Dissimilarities

Category	TQM	TPM
Objective	To have quality output	To have reliable equ ^{-me}
Means of achieving	Thorough systematized management.	Thorough active participation of employees.
Target	Minimized defective through planned preventive maintenance.	Elimination losses & wastes.

Merits of TPM

1. Enhanced/improved productivity and overall Plant efficiency.
2. Reduction of manufacturing cost.
3. Minimization of accidents.
4. High confidence level among employees.
5. A clean, Neat & attractive work place.

Demerits of TPM.

1. It is a time-consuming process.
2. Initial implementation costs is very high.
3. Challenges in achieving zero breakdowns, defects & accidents.
4. Extensive operator training & maintenance resources are required.
5. There may be resistance from the employees for the change.

1. Discuss the productivity problems in a management.
The reason for the productivity problem is the growing wealth of people, which make ^{them} less ambitious. Other reasons may be the breakdown in family structure, the worker's attitudes & government policies & regulations.

2. Mention the need of Industry 4.0.

1. Enhanced efficiency & productivity.
2. Competitive Pressures.
3. Cost reduction & optimization.
4. Customer expectations
5. Market dynamics & disruptions.

3. Mention the elements of SWOT analysis.
A SWOT analysis is about dividing four main aspects of a situation such as Strengths, weakness, opportunities & threats.

1. Strengths
2. Weaknesses
3. Opportunities
4. Threats.

4. What are the applications of MIS?

- a) To find out new opportunities
- b) To Provide sales forecasting
- c) To allocate resources.
- d) To Provide effective managerial activities.