

MANAGEMENT PRINCIPLESMeaning of Management :

Management is basically concerned with the performance of planning, organisation, direction, co-ordination and controlling.

Definition of Management :

To manage is to forecast and plan, to organise, to command, to co-ordinate and control.

— Henry Fayol.

Nature of Management :(i) It is a universal activity

Management is relevant in every activity. It has relevance not only in business but also in household work, in army, in governmental activities and so on.

(iii) It is goal oriented :

It is goal oriented means management focuses attention on the attainment of specific objectives.

iii) It is an intellectual activity :

The practice of management requires application of mind and intelligence. Management does not accept the hit or miss approach to work. Every work needs to be properly planned and executed.

iv) It is a process

Management is essentially a process consisting of various stages / functions. Planning is the starting point of management and control is its last stage.

v) Management is both a science and an art :

The practice of science needs knowledge of the theory as well as the formulae. On the other hand, the practice of art requires skill. Management is a social science. It focuses attention on the behaviour of individuals and groups.

(vi) It is a Social Process:

As mentioned in the previous point management deals with the behaviour of individuals and groups. In a work place individuals work as a team. The behaviour of an individual is bound to be different while he is part of a group.

Importance of Management

I. Systematic Approach to work:

Planning, which is one of the important functions of management, provides for a systematic approach to work. It fixes responsibilities on individuals and departments. Planning helps to avoid delay and last minute rush.

II. Mobilisation of the necessary resources:

Every business needs men, machines, materials and money. The extent to which these resources are required

and the proportion in which these are to be combined are taken care of by organising which is yet another important function of management.

iii. Division of Work.

Management recognises the need for division of work in any work place. The total work to be done is divided into different parts and each part is entrusted to a particular individual.

iv. Selection of the right man for the right job.

Management gives utmost importance to the selection of the right man for the right job. If an individual is over-qualified, he may not show interest in work. On the other hand, if he is under-qualified, he cannot cope with the nature of work.

v. Manpower development

The candidates, who have been selected for the various jobs, may not have practical exposure to work. The skill of some of the employees already working in the organisation, need to be updated to tune with the advancement in science and technology.

vi. Stability of tenure

Management advocates stability of tenure for all in an organisation and particularly for the managerial personnel. If an employee is frequently shifted from one job to another or from one branch to another he will not be able to cope with such a change.

The difference between Administration and Management:

Administration	Management
1. All policy decisions are made by the administration	It is concerned with the implementation of the policies. Certain routine decisions made by the managers on less important matters.
2. Administrators are the owners of the concern	Managers are the paid employees of the concern
3. Administration is basically interested in results.	Managers actually work for the remuneration they get.
4. Administrators do not take part in the daily activities of the concern	The managers are responsible to the administrators on the daily work done in the concern.
5. The decisions made by the administrators are influenced by the	The managers are empowered to take decision only on routine

availability of capital
Government regulation
and such other factors

6. Administration is almost a permanent body
No major change therefore, takes place in it.

7. It is a top-level function

matters.

They are usually guided by opinions, value and beliefs in making decisions.

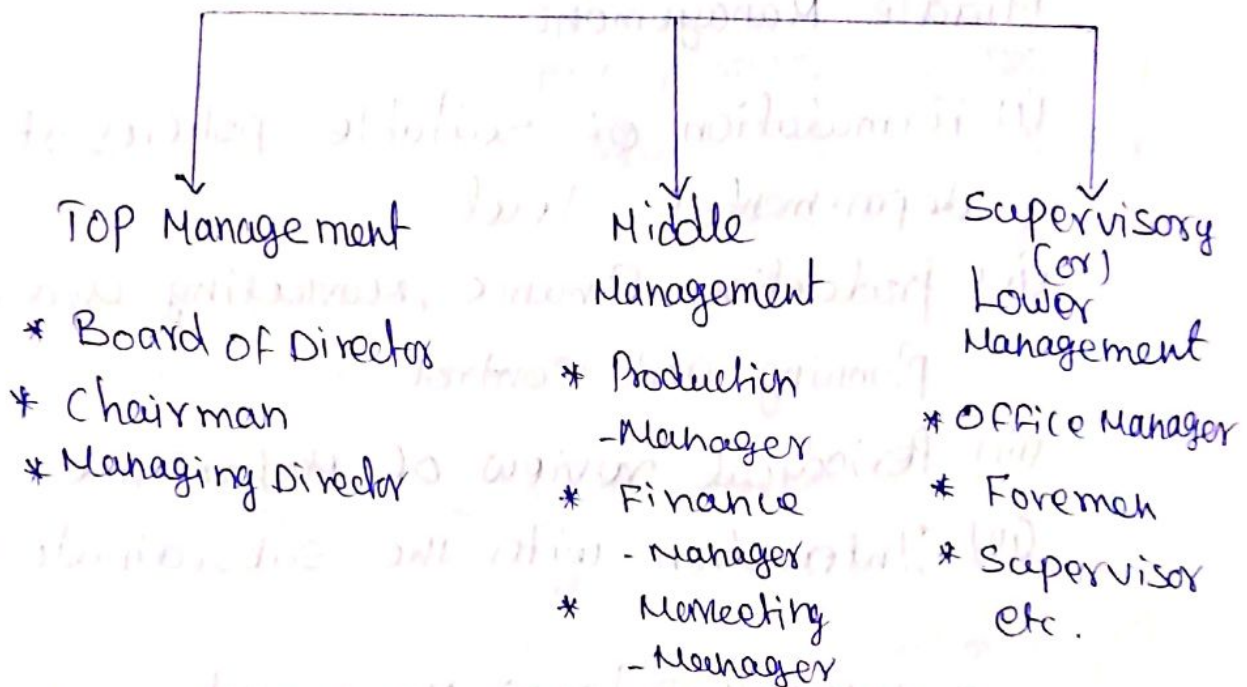
Management is not a static body.

Manager may resign, retire or may even be removed from service.

It is a lower-level function.

Levels of Management :

1. Top level management
2. Middle Management
3. Supervisory or Lower Management.



Top Management

- (i) To lay down the basic objectives of the business.
- (ii) To Frame major policies for the business
- (iii) To organise the business into different departments for the efficient attainment of the enterprise goals.

- (iv) To appoint departmental heads and review their performance.
- (v) To represent the business outside, particularly in discussing business problems with the Government, trade association and so on.

Middle Management

- (i) Formulation of suitable policies at the departmental level.
- (ii) Production, finance, marketing and sales planning and control.
- (iii) Periodical review of performance.
- (iv) Interaction with the subordinate staff.

Supervisory or Lower Management

- (i) To plan the day-to-day work.
- (ii) To assign work to all the employees and undertake supervisions.
- (iii) To monitor the performance of the employees.
- (iv) To send periodical reports to the middle level managers.

Function of Management

- (i) Planning (ii) Organising (iii) Staffing
(iv) Directing (v) Co-ordinating.

(i) Planning

The first and the foremost function of management is planning. Planning is deciding in advance what should be done in future. It helps to work in a systematic manner.

Nature of planning

- (i) It is goal-oriented.
(ii) It is an intellectual activity.
(iii) It is the primary function of Management.
(iv) It is all pervasive, present at all levels.
(v) It is a continuous process.
(vi) It is forward looking.

(iii) organising :

After planning comes the organising function of management. Organising is the process of bringing together the necessary resources for the accomplishment of the objectives of the enterprise. Men, machines, materials, and money are the resources necessary for any organisation.

The characteristics of organising :

- (i) It is concerned with the accomplishment of the enterprise goal.
- (ii) It divides the total work into different parts of better performance. This is known as division of labour.
- (iii) It provides for authority-responsibility relationship.
- (iv) Its activities depend totally on a suitable system of communication.
- (v) Delegation of authority by superior to his subordinate is another notable feature of organisation.

Staffing

The Staffing Function of Management is concerned with the performance of the following activities:

- (i) Recruitment and Selection of employees.
- (ii) Training.
- (iii) Wage and Salary administration.
- (iv) Performance appraisal.
- (v) Employees transfer, Promotion, demotion and Termination.

Directing

- (i) Undertaking Supervision.
- (ii) Issuing orders and instructions pertaining to work.
- (iii) Proper communication relationship between the management and the employees.
- (iv) Leadership - to guide employees

Co-ordinating

The activities performed by the various departments in an enterprise are different all such activities are directed towards the attainment of the overall business objective.

Co-ordination may be achieved by means of any of the following ways.

- (i) Planning
- (ii) Rules and procedure
- (iii) Sound organisation - Proper use of hierarchy
- (iv) Effective communication.
- (v) By having Liaison officers.
- (vi) By setting up a task force comprising representatives from the interacting departments
- (vii) Creation of a separate co-ordination department.

Controlling :

If planning is "looking ahead" controlling is "looking back". Control enables a business enterprise to know

- whether the plan has been successfully implemented and its goal has been achieved. The process of control involves the following steps.

- (i) Establishment of Standards
- (ii) Measurement of actual performance.
- (iii) Making a comparison between the actual performance and the standard set.
- (iv) Finding out deviations and taking corrective action.

Contribution of Experts to Management Thought.

F. W. Taylor (1856 - 1915)

He is called the father of scientific management for his scientific approach to solve management problems. He started his career as a machinist in a small concern in the U.S and by his hard work, he could go up to the level of the chief engineer in the same concern within a short span of time.

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According to Taylor, management is 'the art of knowing exactly what you wish your men to do and seeing that they do it in the best and cheapest way'. His book titled 'Principles of Scientific Management' in the year 1911.

Important aspects of Scientific Management:

1. Replacement of thumb rule method by a scientific one.

In scientific management, the standard time required for doing any work is determined. A worker will be considered efficient only if he does the work within the standard time.

2. Scientific selection, placement, training and development of workers:

Scientific management provides for the selection of the right person for the right job. Placement of workers will be

done based on their capabilities. Training enables the workers to perform their duties with maximum efficiency.

3. Harmonious relationship between the workers and the Management:

Scientific management enables efficient workers to earn more as payment is linked to output. As the management is also benefited as a result of increased output the exists harmonious relationship between the workers and the management.

4. Co-operation between the workers and the the management and between workers.

Management expect higher profits only if the workers work with maximum efficiency. The workers will be benefited

only if the management recognises their efficiency and comes forward to reward them suitably.

5. Maximum and not restricted output :

For the management, maximum output would mean greater profits and lower cost of production. Greater output enables the workers to earn more remuneration. The management and the workers are interested in maximum production under scientific management.

Techniques of Scientific Management :

1. work study
2. Scientific task planning.
3. scientific selection, placement, and training of workers.
4. Standardisation and simplification.
5. Mental revolution.

Henry Fayol (1841-1925)

Henry Fayol was a French engineer and industrialist. His contribution to management was brought out as a book in French titled "Administration

Industrielle et Generale" in the year 1916 and was later translated into English. The English version was given the title "General and industrial Management" and was published in 1949.

The contribution of Fayol has been discussed and the following:

1. Classification of business activities
2. Managerial qualities
3. General principles of management
4. Elements of management.

1. Classification of business activities:

- (i) Technical (concerning production)
- (ii) Commercial (involving buying, selling and exchange)
- (iii) Financial (search for and optimum use of capital)
- (iv) Security (protection of property and person)
- (v) Accounting (costing and statistics)
- (vi) Managerial (planning, organising, commanding, co-ordinating and controlling)

Managerial Qualities and Training:

- (1) physical - health and vigour
- (2) mental - to understand and learn
- (3) Moral - energy firmness, willingness
loyalty, tact and dignity.
- (4) General education - general acquaintance
with matters
- (5) Technical - peculiar to the functions
performed.
- (6) Experience - From work.

General Principles of Management:

Fayol developed 14 basic
Principles of Management.

1. Division of work
2. Authority and Responsibility
3. Discipline.

4. Unity of Command
5. Unity of Direction
6. Subordination of Individual interest to Group 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

1. Division of Work:

By this we mean that the total work to be done is divided into small parts, each entrusted to a particular individual. All these activities will be performed by different

Individuals performs only one person
Gender division of labour/work. As
each individual performs only a
particular activity, he becomes a
specialist in due course.

2. Authority and Responsibility:

Authority is the official
right of the manager. It comes to him
by virtue of his official position.
Responsibility is the duty or obligation
on the part of a subordinate to account
for the work done by him. Authority can be
delegated on the other hand, authority without
responsibility may lead to misuse of authority.

3. Discipline:

Fayol calls upon employees
to adhere to the agreement reached
with the employer in the matter of
discipline by being obedient by

applying themselves fully in the task undertaken, by being energetic and so on. Fayol is also not in favour of using warnings, fines, suspensions or dismissals to enforce discipline.

4. Unity of Command:

According to this principle, an employee should receive orders from one superior only and is accountable to him alone. If there are two superiors for an employee, he will not know whom he should report to and whose orders he should carry out first.

5. Unity of Direction:

This principle says that each group of activities having the same objective should have one head and one plan. It is different from the principle

of unity of command which says that an employee should get orders from one superior only.

6. Subordination of Individual Interest to Common Interest:

The interest of the institution is often ignored in favour of individual interest due to such factors as selfishness, ambition, laziness etc. when there is such a conflict the interest of the organisation should be made to prevail over individual interest.

7. Remuneration of Personnel:

Fayol holds the view that the remuneration payable to the employee should be fair and should give maximum satisfaction to both the employees and the employers. Factors such as the cost of living, availability

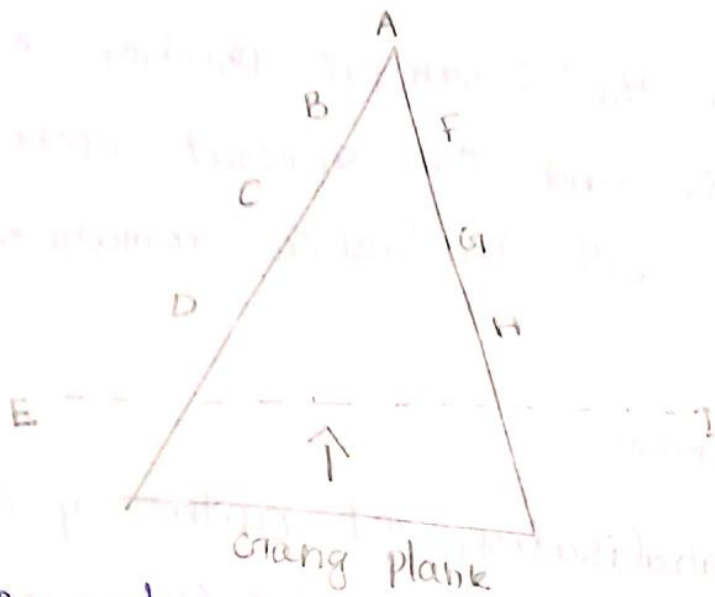
of personnel, the financial position of the business and the general economic conditions will influence remuneration.

8. Centralisation

Centralisation of authority at a particular place is centralisation and dispersal of authority in different places of the organisation is what is known as decentralisation. Decentralisation is popular with large business concern as the manager's orders have to pass through many intermediaries before reaching the subordinates.

9. Scalar chain:

It is the chain of superiors ranging from the highest to the lowest level in the organisation. Every communication should follow the prescribed line of authority.



10. order :

Fayol talks about two types of orders, namely, material order and social order. By material order he means 'a place for everything and everything in its place'. He explains social order by saying 'a place for everyone and everyone in his place'.

11. Equity

The Principle of equity ensures fairness, kindness, and justice in the treatment of employees by their managers. The managers shall be impartial in their dealings with their subordinates.

12. Stability of Tenure of

Personnel:

According to this principle, stability of tenure is necessary for all. It means that an employee shall not be shifted unnecessarily from one job to another. An employee should be given enough opportunity to learn every aspect of his work.

13. Initiative:

The Freedom to think and act is what is initiative according to Fayol. An employee who has the Freedom to think and act in an organisation will show greater interest in his work and this will lead to a higher level job satisfaction.

14. Esprit de corps:

The work done in any organisation is Teamwork. Team spirit and co-operation among the members of an

organisation are essential for its success. Informal relationships among the employees should be encouraged. The employees should also have the conviction that the management is really interested in their welfare.

Elton Mayo (1880 - 1949)

Elton Mayo was the leader of the team that conducted the famous Hawthorne Experiments. These experiments were conducted at the Hawthorne plant of Western Electric Company in Chicago, U.S.A. Mayo was a professor of industrial psychology at the Harvard Business School. The social problems of an industrial organisation are some of the books brought out by Mayo.

The Hawthorne Experiments were conducted in four stages.

1. Illumination Experiment:

The main objectives of the illumination experiments was to study the effect of the quality of lighting in the work room of the efficiency of the workers.

2. Relay Assembly Test Room Experiments.

These experiments were conducted in an assembly department where telephone relay units were assembled. The object of the experiments was ascertain the relationship between working condition productivity.

3. Interview Programme:

A massive interview programme was conducted covering more than the thousand workers to find out their views on their jobs working conditions, supervision etc.

4. Bank wiring group observation:

The main aim of the study here is to find out the influence of the group on a worker to restrict his output in spite of the existence of incentives for higher output.

UNIT - II

Meaning of Planning

Planning the first and the foremost function of management is planning, simply stated, planning is deciding advance what should be done.

Definition of planning:

Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it, it bridges the gap from where we are to where we want to go

- Koontz and O'Donnell

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Nature of planning: Basic characteristics or Features of planning

- (i) planning is the primary function of planning management.
- (ii) It is goal-oriented.
- (iii) It is all Pervasive
- (iv) It is an intellectual activity.
- (v) It is Future oriented.
- (vi) It requires an integrated approach.
- (vii) It is a continuous process.

(i) planning is the Primary Function of Management

planning is the starting point of management. It is only planning which gives meaning to all other managerial functions organising, staffing, co-ordinating and controlling.

(ii) It is goal-oriented

The goal of every business is to make profits, planning, helps to attain the goal in the most effective and different efficient manner. the annual production and sales target are broken into weekly and monthly targets.

(iii) It is all - Pervasive:

By this we mean that planning is done by everyone at every level of

management, namely top, middle and lower levels.

(iv) It is an intellectual activity:

Planning is a mental activity. It involves application of mind and intelligence to attain, in a systematic manner, the objectives organisational. planning consideration of several factors manpower, planning, money material and machinery, time required, market trends, Government regulation etc.

(v) It is Future-oriented.

Planning is required to attain the future goals of an organisation. However, past happenings provide the basis for plans. As future is uncertain a plan must make suitable provisions to meet any crisis.

(vi) It requires an integrated approach.

There must be a link between the plans of different departments. The production plan of a business must be in tune with its financial plan.

(vii) It is a continuous process:

It means that a stage will never come when the need for planning will not be felt at all. planning is required as long as we live in this world. once the plan is successfully implemented business another plan is required, thus planning is always a continuous process.

Importance of planning merits or advantages of planning

1. It focuses on objective
2. It helps to avoid 'no work' or 'work pressure' situations.
3. It helps avoid wastage of resources
4. It ensures efficiency as well as effectiveness
5. It reduces risk and uncertainty
6. It provides for co-ordination.
7. It facilitates control.
8. planning also provides scope for decentralisation.

Limitation of planning (or) merits of planning

1. Uncertain nature.
2. Expensive
3. Rigidity
4. Loss of initiative
5. Ignorance of subordinates' interest.
6. Complacent attitude.

Process of planning. (Steps involved in planning Stages in the planning)

1. Identifying business opportunities.
2. Establishment of objectives
3. Determination of planning premises
4. Identifying the alternative course of action.
5. Evaluating the alternative course of action.
6. selecting the best course of action
7. Formulation of derivative plans.
8. Periodic evaluation and review.

i) Identifying business opportunities

It is necessary to make an analysis of both the internal and external environment to know the trends in the near future. Business activities are influenced by internal as well as external factors.

2. Establishment of objectives:

To establish the organisational objectives in time with the opportunities identified, taking into account the resources available.

3. Determination of planning Premises:

As planning is for future and is uncertain, certain assumption about the future become necessary. Employee attitudes, technology used, managerial decision making process etc.

4. Identifying the alternative Courses of action.

There are always alternative ways of carrying out any task just as there are different routes to reach a destination point.

5. Evaluation the alternative Courses of action.

Once the alternative courses of action are identified, the next step is to evaluate the same. By evaluation we mean studying the merits and demerits of each.

6. Selecting the best course of action

Once the alternative courses of action have been evaluated, the next step is to select the best. The one finally selected should help the organisation an optimum use of the resources to objectives set in the most effective manner.

7. Formulation of derivative plans.

After the basic plan of the enterprises has been determined the next step is to prepare the subsidiary or derivative plans to support the basic plan.

8. Periodic evaluation and review:

Once the implementation of the plan starts, it becomes necessary to evaluate performance at periodic intervals to ensure that the activities of the enterprise are in right direction and as laid down in the plan.

Classification of plans according to Time

1. Long-term planning.

The period covered by the long-term plan is usually 5 to 15 years.

- (i) introduction of a new product
- (ii) Entering a new market
- (iii) Changing the techniques of Production
- (iv) Increasing the scale of operation etc.

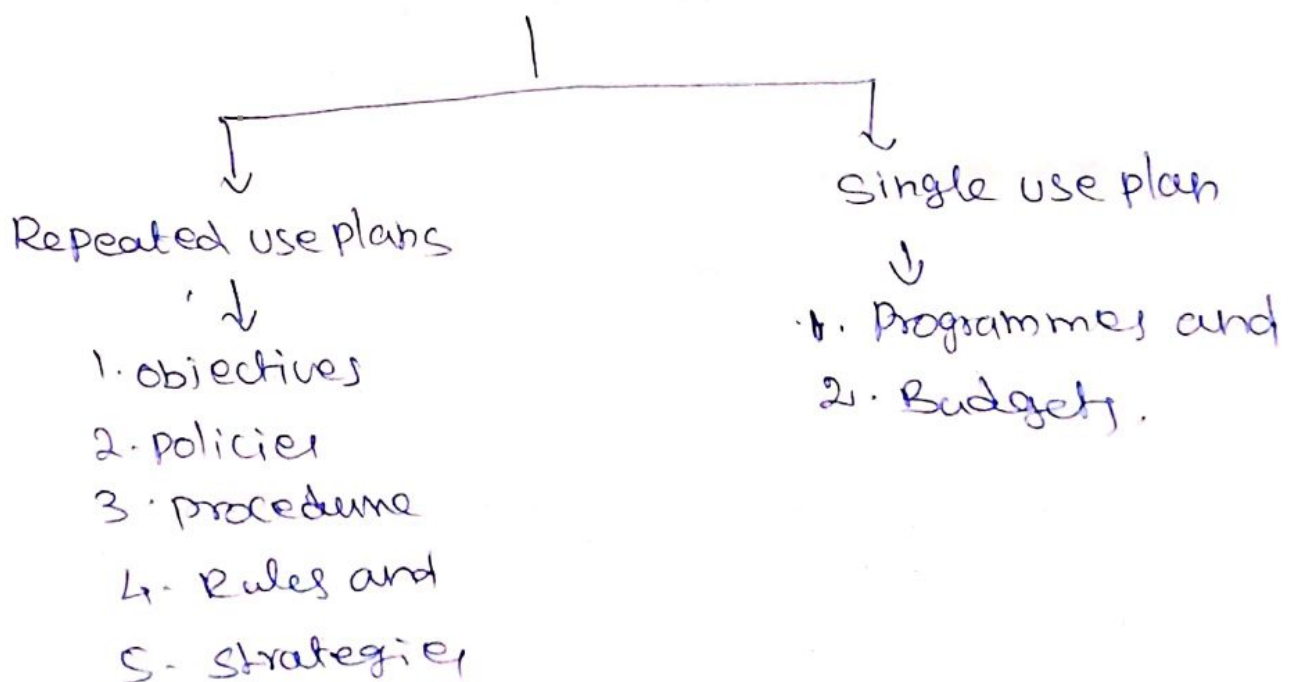
2. Medium-term planning:

It is also known as technical planning. The period covered by the medium-term plan is usually 1 to 5 years.

3. Short-term planning.

The period of the short-term plan is less than one year. It is also known as operational planning.

Methods of planning



1. Repeated use plans: It refers to those plans that are used again and again. They provide guidelines pertaining to activities that occur frequently over a period of time.

1. Objectives: Objectives are also known by other names - aims, goals, targets, mission etc.

2. Policies: A policy serves as a valuable guide to those individuals who have to make certain important decisions in the course of accomplishment of the business objectives.

3. Procedure: A procedure will lay down the manner in which certain work has to be performed. It prescribes the operations to be carried out to complete a given task.

4. Rules: Rules are concerned with the 'do's and don'ts' there are always rigidly enforced.

5. Strategies: 'strategy' is a military term the meaning of which is some plan of action to counter the opponent's attack.

ii) Single-use plan: Single-use plans are meant for specific purposes only. As soon as that purpose has been served, the plan becomes useless and gives up.

1. Programmes: A Programme is nothing but the business agenda. It specifies the data and time by which the activities of the enterprise will be carried out.

2. Budget: A budget is the financial plan of a business. It is always expressed in numerical terms. A budget is a statement of projected activities of business in the near future.

UNIT - III

Organisation

Meaning: The word 'organisation' has come from the word 'organism' which means a structure of interrelated and interdependent parts. The parts of organisation consist of men, machines, materials, methods, money, functions, authority and responsibility.

Definition:

Organisation is the structural framework within which the various efforts are co-ordinated and related to each other.

— Theo Haimann.

Process of organisation:

(i) Division of work: The entire work of a business enterprise is divided into a

number of activities for better Performance and Control).

2. Grouping of activities. As the second step, activities, which are similar in nature and also closely related, will be put under the control of a department.

3. Assignment of work.

After the activities have been grouped into departments the next step is to assign work to every individual who is employed in a particular department.

4. Delegation of Authority. An employee who has been assigned some work, needs to be given certain authority to carry out of the responsibility.

5. Creation of Accountability: A subordinate to whom whom authority has been delegated must be made accountable to his superior for the use of authority and the work done.

6. Defining relationship: It means that every subordinate should know who his superior is and in the same manner every superior must know the subordinates under him.

Importance of organisation

1. vital for implementing plans.
2. Specialisation
3. Optimum use of resources
4. Teamwork.
5. Communication relationship.
6. Creativity.
7. Co-ordination
8. Continuity.

Principles of organisation.

1. Objective
2. Division of work
3. Authority and responsibility
4. Delegation
5. Balance.
6. Responsibility is absolute
7. unity of command.
8. unity of direction
9. distinction between line and staff functions
10. Simplicity.
11. Flexibility.

Formal and Informal organisation

"Formal organisation" is deliberately and consciously created for the accomplishment of the enterprise objectives. It provides for official relationship between individuals.

"Informal organisation" on the other hand, is the outcome of personal and social relationship between the individuals in an organisation. It develops spontaneously as a result of interactions between persons. Friendship, identical tastes and preferences, personal administration etc.

Distinction between Formal and Informal organisation:

Formal organisation	Informal organisation.
1. It is consciously and deliberately created	It arises spontaneously
2. Authority and responsibility are vital for its function	It is only personal factors such as friendship, affinity that trust and confidence are important.
3. Rules and Procedure are important.	Personal relationship between individual is more important
4. It can be shown on the organisation chart.	It cannot be shown.

5. Authority Flows down
-wards and responsibility
Flows upwards.

There is no Flow of
authority and
responsibility.

Theories of Organisation

1. Classical Theory
2. Neo-classical Theory.
3. Modern Theory

1. Classical Theory:

- (i) Division of labour
- (ii) Scalar and Functional processes,
- (iii) Structure, and
- (iv) span of control.

2. Neo-classical Theory:

This theory is also known as the

'Behavioural Theory of organisation'. This theory is identified with the human relations movement started by Elton Mayo and his associates.

The neo-classical approach has adopted the basic patterns of the classical theory but it has modified the same in the light of the behavioural patterns of the people in the organisation.

Delegation Meaning!

In any organisation an individual alone cannot perform all the tasks. He has therefore, to assign work to different persons who are engaged for the purpose.

Definition:

The process of delegation involves the determination of results expected, the assignment of tasks, the delegation of authority for the accomplishment

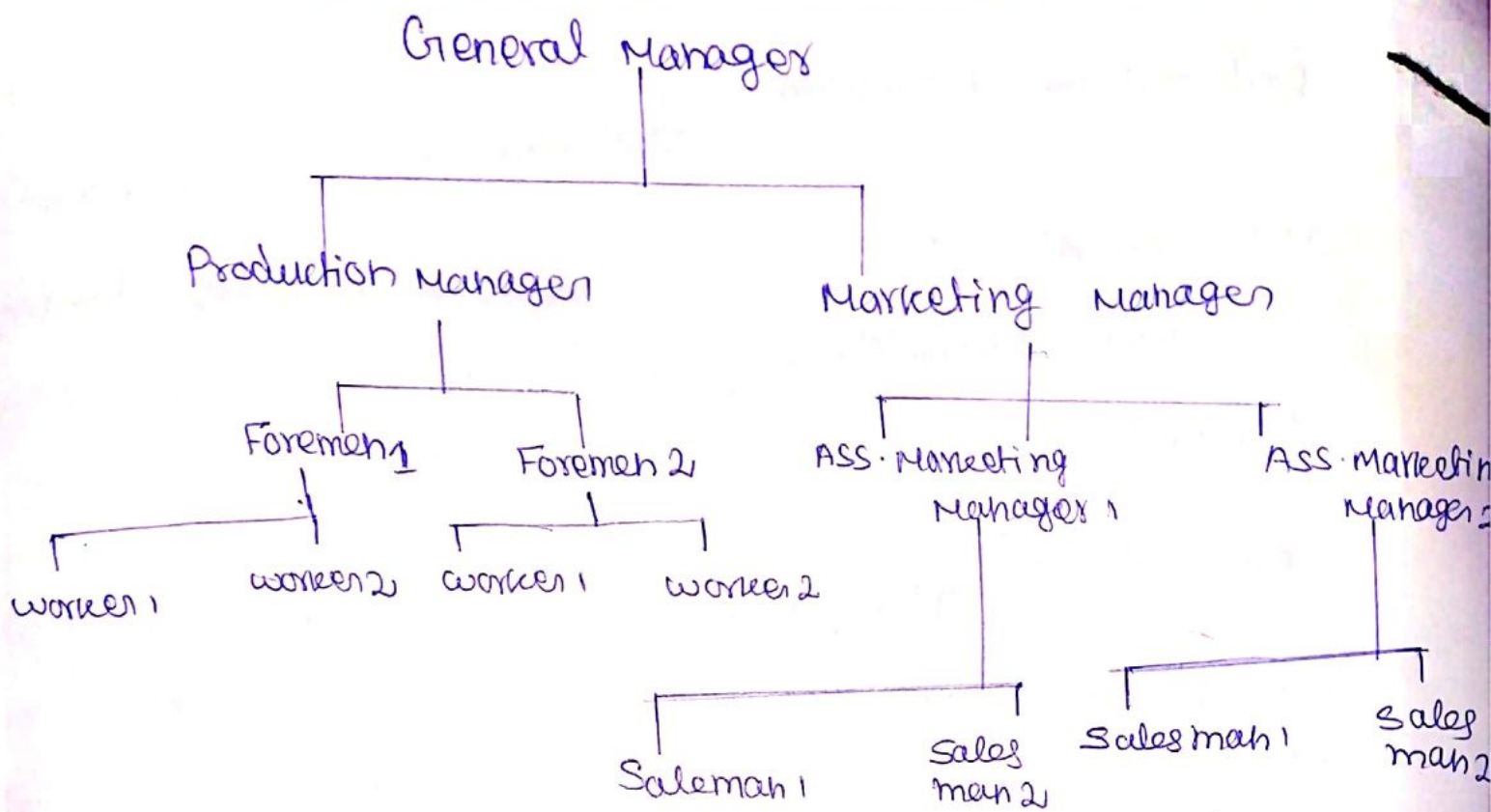
— Konntz and O'Donnell.

Organisation Structure

An organisation structure explains the position and official relationship between the various individuals working in an organisation.

organisation chart:

Diagrammatic presentation of the organisation structure is what is known as an 'organisation chart'. It may show the names, designation and functions of the personnel in an organisation.

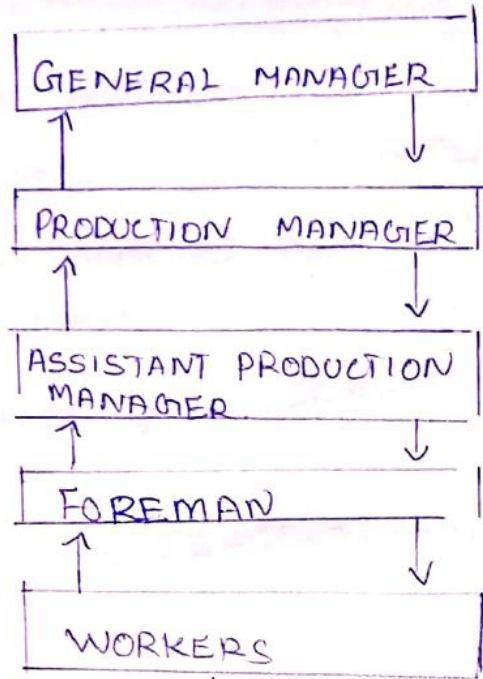


Types of organisation

1. Line organisation
2. Line and staff organisation,
3. Functional organisation
4. Committee organisation.
5. project organisation, and
6. Matrix organisation.

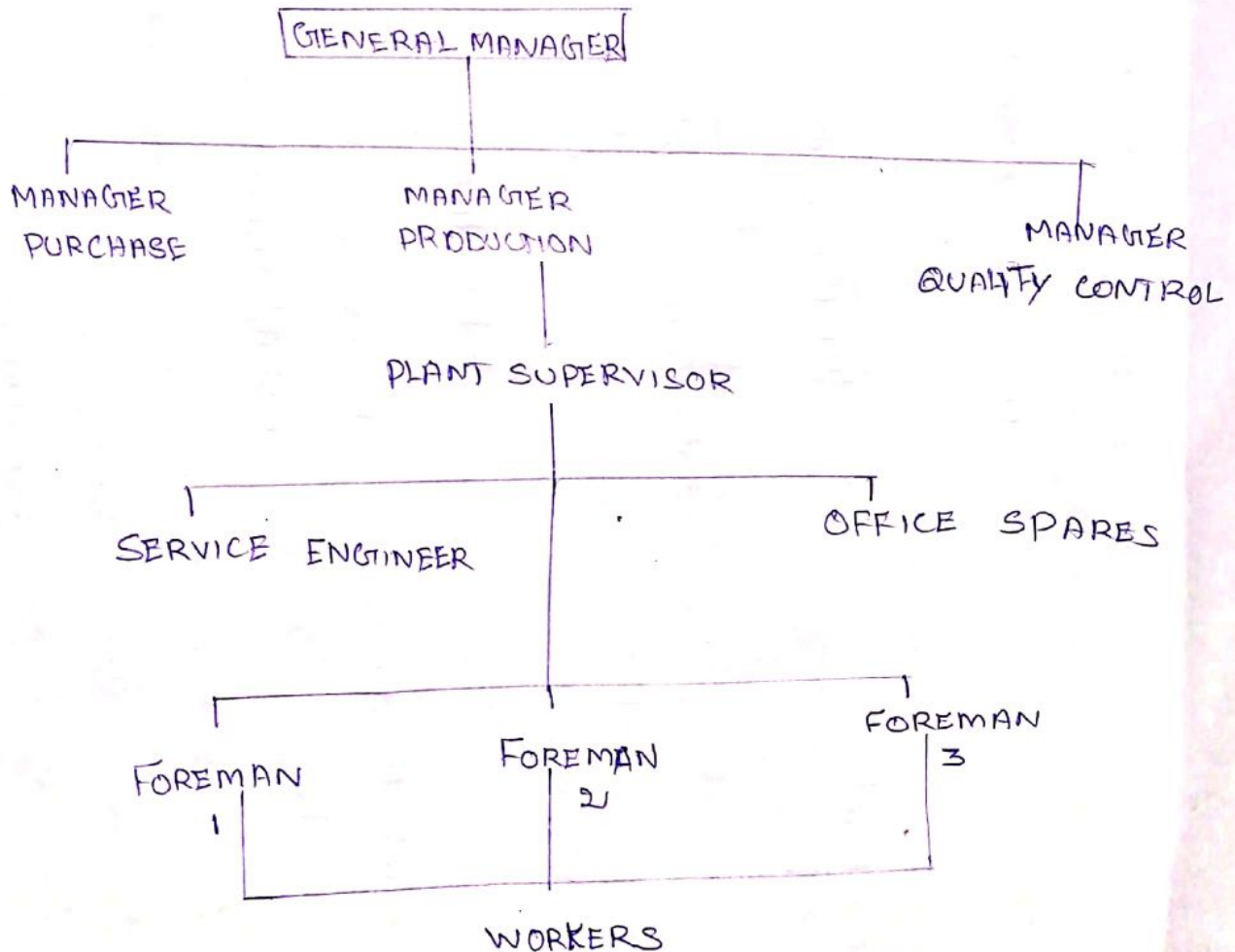
1. Line organisation

The line organisation, also known as the "military organisation", is the oldest form of organisation, the superior at the top makes decision and communicates his decisions and assign certain work to his immediate subordinates



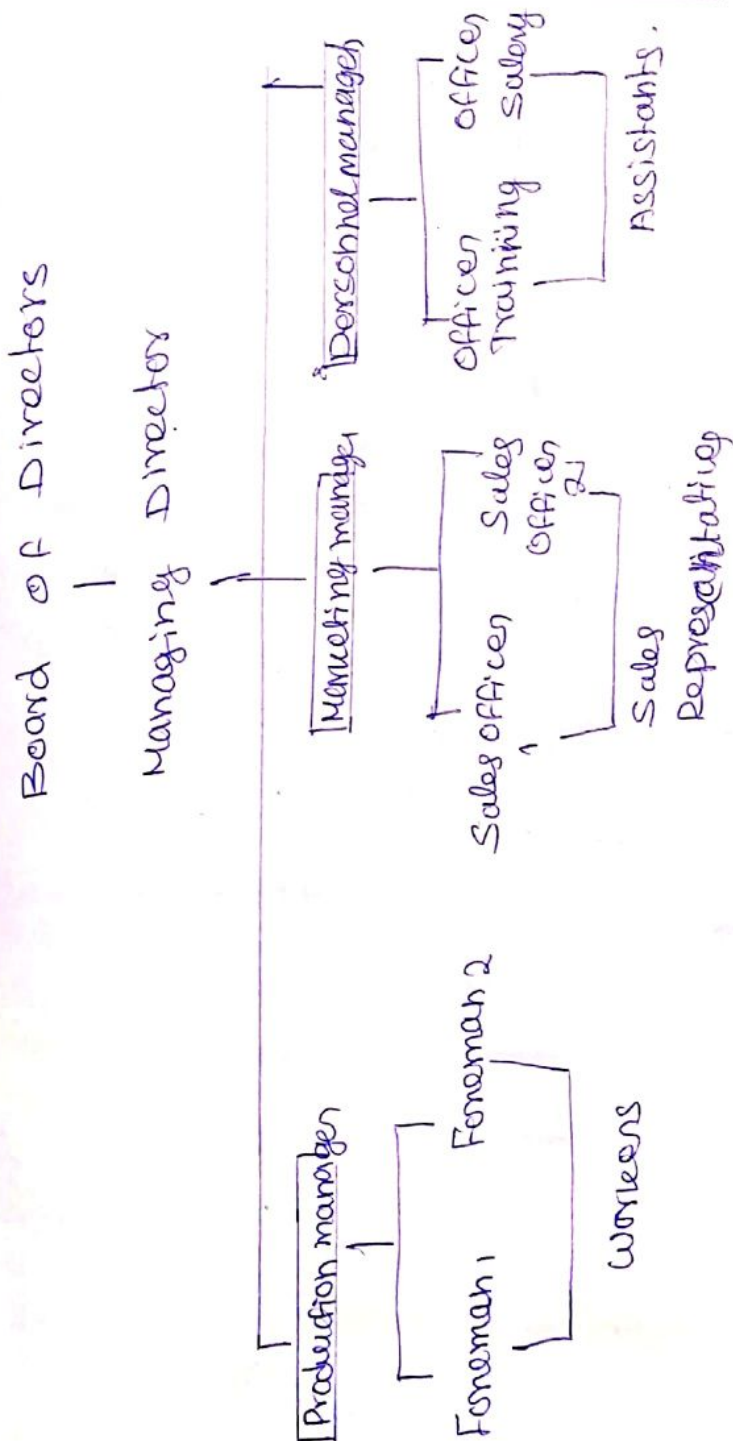
Line organisation.

Line and staff organisation



In this kind of an organisation, staff experts, who are specialists in specific areas, assist the line personnel. These experts do not have the powers to command any subordinate other than those who are under their direct control.

Functional Organisation.



Such a persons of organisation is suitable for large - scale establishment. In a functional organisation, there will be separate departments to look after different lines of activities. The production department will look after all production - related activities.

Committee organisation :

A Committee is a group of persons entrusted with certain tasks. The committee members are expected to discuss the problem under consideration in detail and come out with a solution.

Decentralisation :

Centralisation of decision-making authority in the hands of a few at the top levels is known as 'centralisation'. In decentralisation, there is dispersal of decision-making authority at different levels of the organisation structure. Subordinates have a greater role to play under decentralisation.

Distinction between Delegation and Decentralisation.

<u>Delegation</u>	<u>Decentralisation</u>
1. It means concentration of authority in the hand of a few at the top	It means dispersal of authority throughout the organisation.
2. It is a process.	It is the end result of delegation.
3. It refers to the relationship between a superior and his subordinates.	Decentralisation it refers to the relationship between top management.
4. Delegation is important to get things done by the subordinates.	Decentralisation is optional the top management may or may not favour the proposal to decentralise.

5. The particular superior who has delegated authority to his subordinated control over him

The top management exercises each overall control. The Superior or each level over his immediate subordinate.

Staffing - Recruitment and Selection

Meaning and Definition : RECRUITMENT
According to

Edwin B. Flippo, "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation"

Sources of Recruitment :

- (i) Internal sources and
- (ii) External sources.

(i) Internal Sources : Internal sources, the selection of candidates for the job will be done from among the existing employees of the organisation.

- (i) Transfer
- (ii) Promotion
- (iii) Recommendation by existing employees.

(ii) External Sources

It consist of the various outside sources from which an employer can find condition of candidates eligible for various post in his organisation.

- (i) Advertisements
- (ii) Employment Exchange
- (iii) Private Employment Consultants.
- (iv) Campus Interview.
- (v) Rival Firms.
- (vi) Unsolicited Applicants etc.

SELECTION OF CANDIDATES

Definition: According to Dale Yoder,

'Selection is the process in which candidates for employment are divided into two classes those who are to be offered employment and those who are not to be.

Stages Involved In Selection of Candidates

1. Receiving Application Forms.
2. Scrutiny
3. preliminary Interview
4. Tests
5. Final interview
6. Checking Reference
7. Medical Examination
8. Appointment
9. Probation.
10. Confirmation of Service.

Test: A test is a sample measurement of a candidate's ability and interest for the job. Different types of test usually conducted for the purpose.

- (i) Aptitude Test.
- (ii) Intelligence Test
- (iii) Proficiency Test
- (iv) Interest Test and
- (v) Personality Test

Interview. An Interview is a face-to-face oral examination of a candidate by an employer. Interview may be held at two stages.

Types of Interview

- (i) Structured Interview
- (ii) Unstructured Interview
- (iii) Depth Interview
- (iv) Stress Interview
- (v) Board Interview and
- (vi) Group Interview.

IV - UNIT

MOTIVATION

Meaning

The important task before every manager is to secure optimum performance from each of his subordinates. The performance of the subordinate in turn, is determined by his ability to work and the extent to which he is motivated.

Definition of Motivation

Motivation means a process of stimulating people to action to accomplish desired goals.

— W. G. Scott

Nature and Characteristics of Motivation:

1. Motivation is psychological concept.
2. Motivation is always total and not piece-meal.
3. Motivation may be financial or non-financial.
4. Method of motivation may be positive as well as negative.
5. Motivation is a continuous process.

Importance of Motivation:

1. Inducement of employees
2. Higher efficiency
3. Optimum use of resources.
4. Avoidance of loss due to mishandling and breakage.
5. No complaints and grievances.
6. Better human relations.
7. Avoidance of strikes and lock-outs.
8. Reduction in labour turnover.

Process of Motivation

1. Recognition of an unfulfilled need
2. Finding the way out to satisfy the same.

3. Fulfilment of the need.

4. Discovery of new need.

Theories of Motivation

Many experts have developed different theories on concept of motivation.

1. Maslow's Need Hierarchy Theory
2. McGregor's X and Y Theories.
3. Ouchi Z Theory
4. Herzberg's Two-Factor Theory.
5. McClelland's Need Theory.
6. Vroom's Expectancy Theory.

Maslow's Needs Hierarchy Theory

Abraham H. Maslow, psychologist, developed theory called the Need Hierarchy Theory. It is one of the oldest theories on motivation.

- (i) Physiological needs
- (ii) Safety needs
- (iii) Social needs.
- (iv) Self-actualisation needs.
- (v) Esteem needs.

- 1) Physiological needs. These are the primary or the basic needs of a person that must be fulfilled. These include, among other, food, clothing and shelter that are vital for the survival of mankind.
- 2) Safety needs. The safety or security needs emerge once the basic or physiological needs of a person are fulfilled.
- 3) Social needs. A person wants friendship, companionship - association, love and affection of a particularly those with whom he mingles often.
- 4) Esteem needs. These needs arise in view of a person desiring to have his ego satisfied. The satisfaction of these needs give a person the feeling that he is above others.
- 5) self-actualisation needs: According to Maslow, a person who reaching this stage, want to achieve all that one is capable of achieving.

Training

Meaning:

Training is the process of imparting skill or job knowledge to a person. It takes an individual from where he is to where he should be.

Definition

Training is the organised procedure in which people learn knowledge and/or skill for definite purpose — Dale S. Beach.

Importance of Training

1. Improvement in skill and knowledge.
2. Higher production and productivity.
3. Job satisfaction
4. Better use of resources
5. Reduction in accidents.
6. Reduced supervision

Methods of Training

1. On-the-job training
 2. Off-the-job training.
1. On-the-job training
 1. Introduction training
 2. Apprenticeship training
 3. Refresher training
 4. Job rotation
 5. placement as assistants
 6. vestibule training.

II OFF-JOB-TRAINING.

1. Lectures and Conferences
2. Role playing
3. Case study
4. Management games
5. Brain storming
6. Sensitivity training.

Directing

meaning Directing is the process of guiding people in the work and ensuring that they do it in the best possible manner.

- (i) Assigning duties.
- (ii) Explaining the methodology of work.
- (iii) Issuing orders and Instruction.
- (iv) monitoring performance
- (v) Correcting deviation.

Definition

Directing is telling people what to do and seeing that they do it the best of their ability.

- E. Dale.

Characteristics of Direction:

1. It concerns the human factor in organisation
2. Inseparable from other functions.
3. Performed at all levels.
4. Determine performance
5. Result oriented.
6. It follows hierarchy
7. It is a continuous process.

Importance of Directing:

1. Activates human factor
2. Improves Communication relationship
3. Provide guidance.
4. Motivates employees.
5. Ensures effective Control.
6. Promote efficiency
7. Improve human relation.

Principles of Directing

1. Reconciliation of Personal and organisation goals.
2. Individual Contribution to objective.
3. Unity of Command
4. Direct Supervision.

5. Efficiency
6. Suitable Techniques
7. Use of Informal Organisation
8. Effective Communication
9. Comprehension
10. Information 11) Effective Leadership

Unit - V

Controlling

Meaning

Control gives meaning to the Planning Function. It is only because of Control that the employees show commitment to work.

Definition

Management Control is the process by which managers assure that resources are obtained and use effectively in accomplishment of the organisation objective — Roberts Anthony.

Nature or Characteristics of the Control

- 1) It is backward looking
- 2) It gives meaning to planning.

- 3) It involves appraisal or evaluation
4. It is pervasive function
5. It is forward looking too

Benefit / Important of Control

1. It ensure attainment of enterprise objective
2. It highlight the quality of plans
3. It ensures successful implementation of plan
4. It ensures that employees work with commitment
5. It provides scope for delegation.
6. It facilitates co-ordination
7. It promotes efficiency.

Control Process (Stage or Steps involved in Control)

- (i) Establishment Standards
- (ii) Measurement of Actual Performance and making Comparison.
- (iii) Finding out deviations
- (iv) Taking corrective action.

Characteristics of a good System of Control :

1. Simplicity
2. Suitability
3. Objectivity
4. Flexibility
5. Economical
6. Usefulness.
7. Forward looking
8. Promptness
9. Supported by employees.

Problems of Control

1. Problem in setting realistic standard
2. Resistance from employees
3. Lack of good system of communication
4. Degree of change
5. Problem in setting qualitative standards.