

Introduction to Management

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1.1 Evolution Of Management

Introduction Until the early 18th Century, most people survived off the land like they had been lived off for many age group. The era was based on undeveloped subsistence that is agriculture defined by the harvests and the seasons. People in the early 18th century were ruled by political and social leaders. In the next 150 years an extraordinary outburst of novel ideas and new technological innovation came up which shaped a progressively more industrial and urbanized society.

The shift of economy from the agrarian period towards the rapid technology and innovations was the Industrial Revolution. Industrial revolution refers to the set of continuous events that took place in the era mid-17th to mid-18th century.

These events comprises of not only set of economic and social changes but also the technological ones. The industrial revolution resulted in a transition of hand work to machines which led to increase in efficiency.

This revolution spread across the eastern parts of society and the economic adoptions accelerated. The industrial revolution not only modernized the British economy but also the rest of the world including Western Europe and North America. According to industrial revolution brought many adoptions that were not rapid. Industrial revolution marks as a turning point in the history of human kind as it shifted the agrarian society towards the machines and technology that swept across the societies. According to various researchers management is the key

to economic progress. Modernism is defined as a contemporary reflection, nature, or tradition. In particular, modernism portray the modernist association in the arts, it is a set of cultural propensity and associated cultural arrangements which actually originated from wide-scale and comprehensive changes to Western society in the late 19th and early 20th centuries. There are various factors that play an important role to outline modernism. The factors that shaped modernism include the rapid growth of the industries accompanied by the industrial revolution. The primary objective of this paper is to review that how the process of management thought has been influenced by industrial revolution during the modernism era. Industrial revolution has impacted the management thought by raising the following research questions.

1- Why there was a need of management during the industrial revolution?

2- 2- How industrial revolution revolutionized the management thought process? Literature Review Origin of Management and Industrial Revolution The history of management is as old as that of human kind. Management has been around for thousands of years. The pyramids of Egypt and the Great Wall of China are the perceptible evidence that projects management. In 1776, the milestone towards the management was laid by Adam Smith who was the first to oversee the efforts of various manufacturing techniques. According to Adam Smith, society would gain economic advantages, if each work assigned to worker is broken down into various tapered repetitive tasks. Adam Smith focused on the problems and concepts related to management processes to increase the motivation among workers. The concept of “division of labour” introduced by Adam Smith gained admiration among the workers very rapidly. Adam Smith recognized that division of labour leads to efficient production. Responsive knowledge regarding tasks enhances the level of productivity

On the basis of the classical theories of management, the foundation of scientific management was laid by Frederick W. Taylor

Frederick Taylor introduced the concept of scientific management that influenced the management thought process in a considerable way Taylor found out that by the use of scientific procedures and methods,

the proficiency of workers can be increased and economy can gain substantial growth. The principles of scientific management introduced by Frederick Taylor were applied widely across the industries to increase the productivity of the organizations. Various researchers suggest that Taylor's efforts unlocked the new prospects of management. Taylor created a mental revolution between the workers by outlining crystal guidelines for the improvement of production. The principles of scientific management evolved during the embryonic phases of industrial revolution. Scientific management is considered as one of the most primitive efforts to apply science to the engineering of processes and to management. Scientific management was one of the earliest accomplishments to analytically treat management and process advancement as a scientific delinquent. The economic development observed by Weber in United States was quite different from those in Germany. The economy of U.S flourishes rapidly in contrast to Germany with large professionally managed firms during industrial revolution. The spirit of capitalism stimulated innovation and competition across the United States. Max Weber approached the phenomenon of management from a sociological perspective. The contribution of Weber was a framework of characteristics which was termed as "Bureaucracy". The contribution of Max Weber towards management thought is totally bureaucratic. The purpose of industry creation and goals is also getting complex with the rapid innovation. Bureaucracy suggests that the style of management should be hierarchal and people should obey the order of legitimate authority in order to achieve certain level of work proficiency. The principles of scientific management and the style of bureaucracy added significant contributions towards the management thought processes and worker's productivity during industrial revolution.

Industrial revolution – minor improvements in management tactics produced impressive increases in production quantity and quality reductions in the average cost of a unit of production as the total volume produced increases – opportunities for mass production created by the industrial revolution spawned intense and systematic thought about management problems and issues • efficiency • production processes • cost savings

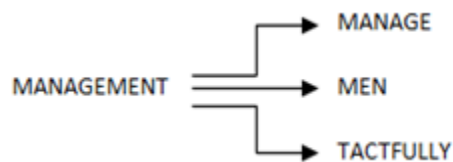
1.2 Definition of MANAGEMENT

Introduction

Resources are very limited in supply. All resources are to be managed by human. However, human have unlimited wants. Therefore, there are limited resources and unlimited wants and desire. Complete satisfaction is very necessary for better functioning of every aspect of the society. Therefore, for complete satisfaction in life resources are to be managed properly in such a way that human achieve complete utility and benefit simultaneously. Thus, to manage all resources available in such a way that it gives complete satisfaction to human beings is the theoretical meaning of management.

To go on a deeper level, management can be defined as art and skill of getting things done through others is called management. More elaboration is given by George R Terry. According to Terry-“management is the distinct process consisting of planning, organizing, activating, and controlling activities performed to determine and accomplishes the objectives by the use of people and resources.” If we give our attention towards the definition we find that terry perceives the management as a process a systematic way of doing things. The four management activities are included under the process and they are planning, organizing, activating and controlling.

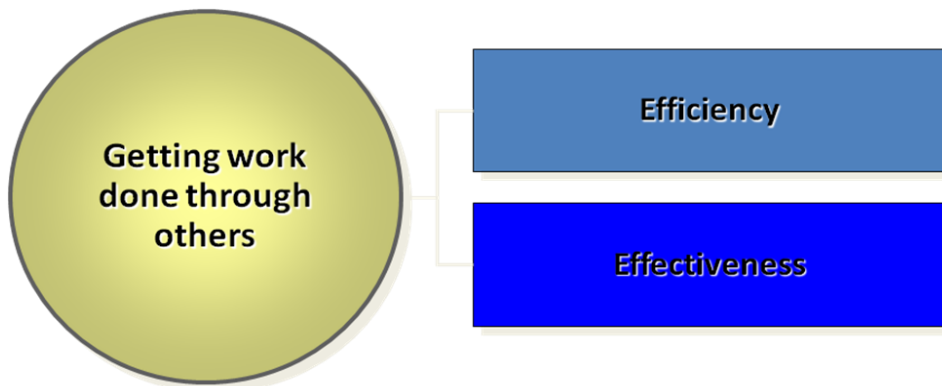
MANAGEMENT = MANAGE+MEN+T (TACTFULLY)



Definition: Coordinating work activities so that they are completed efficiently and effectively with and through other people.

Efficiency: getting the most output from the least input

Effectiveness: completing activities so that the organization's goals are attained.



Efficiency:-

Efficiency in the workplace is the time it takes to do something. Efficient employees and managers complete tasks in the least amount of time possible with the least amount of resources possible by utilizing certain time-saving strategies. Inefficient employees and managers take the long road. For example, suppose a manager is attempting to communicate more efficiently. He can accomplish his goal by using email rather than sending letters to each employee. Efficiency and effectiveness are mutually exclusive. A manager or employee who's efficient isn't always effective and vice versa. Efficiency increases productivity and saves both time and money.

Effectiveness:-

Effectiveness is the level of results from the actions of employees and managers. Employees and managers who demonstrate effectiveness in the workplace help produce high-quality results. Take, for instance, an employee who works the sales floor. If he's effective, he'll make sales consistently. If he's ineffective, he'll struggle to persuade customers to make a purchase. Companies measure effectiveness often by conducting performance reviews. The effectiveness of a workforce has an enormous impact on the quality of a company's product or service, which often dictates a company's reputation and customer satisfaction.

Importance of Management:

1. **It helps in Achieving Group Goals** - It arranges the factors of production, assembles and organizes the resources, integrates the resources in effective manner to achieve goals. It directs group

- efforts towards achievement of pre-determined goals. By defining objective of organization clearly there would be no wastage of time, money and effort. Management converts disorganized resources of men, machines, money etc. into useful enterprise. These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.
2. **Optimum Utilization of Resources** - Management utilizes all the physical & human resources productively. This leads to efficacy in management. Management provides maximum utilization of scarce resources by selecting its best possible alternate use in industry from out of various uses. It makes use of experts, professional and these services leads to use of their skills, knowledge, and proper utilization and avoids wastage. If employees and machines are producing its maximum there is no under employment of any resources.
 3. **Reduces Costs** - It gets maximum results through minimum input by proper planning and by using minimum input & getting maximum output. Management uses physical, human and financial resources in such a manner which results in best combination. This helps in cost reduction.
 4. **Establishes Sound Organization** - No overlapping of efforts (smooth and coordinated functions). To establish sound organizational structure is one of the objective of management which is in tune with objective of organization and for fulfillment of this, it establishes effective authority & responsibility relationship i.e. who is accountable to whom, who can give instructions to whom, who are superiors & who are subordinates. Management fills up various positions with right persons, having right skills, training and qualification. All jobs should be cleared to everyone.
 5. **Establishes Equilibrium** - It enables the organization to survive in changing environment. It keeps in touch with the changing environment. With the change is external environment, the initial co-ordination of organization must be changed. So it adapts organization to changing demand of market / changing needs of societies. It is responsible for growth and survival of organization.
 6. **Essentials for Prosperity of Society** - Efficient management leads to better economical production which helps in turn to increase the welfare of people. Good management makes a difficult task easier by

avoiding wastage of scarce resource. It improves standard of living. It increases the profit which is beneficial to business and society will get maximum output at minimum cost by creating employment opportunities which generate income in hands. Organization comes with new products and researches beneficial for society.

1.2 Management as Science & an Art

Management as Science

Science is a systematic body of knowledge pertaining to a specific field of study that contains general facts which explains a phenomenon. It establishes cause and effect relationship between two or more variables and underlines the principles governing their relationship. These principles are developed through scientific method of observation and verification through testing.

Science is characterized by following main features:

1. **Universally acceptance principles** - Scientific principles represents basic truth about a particular field of enquiry. These principles may be applied in all situations, at all time & at all places. E.g. - law of gravitation which can be applied in all countries irrespective of the time. Management also contains some fundamental principles which can be applied universally like the Principle of Unity of Command i.e. one man, one boss. This principle is applicable to all type of organization - business or non business.
2. **Experimentation & Observation** - Scientific principles are derived through scientific investigation & researching i.e. they are based on logic. E.g. the principle that earth goes round the sun has been scientifically proved.

Management principles are also based on scientific enquiry & observation and not only on the opinion of Henry Fayol. They have been developed through experiments & practical experiences of large no. of managers. E.g. it is observed that fair remuneration to personal helps in creating a satisfied work force.

3. **Cause & Effect Relationship** - Principles of science lay down cause and effect relationship between various variables. E.g. when metals

are heated, they are expanded. The cause is heating & result is expansion. The same is true for management, therefore it also establishes cause and effect relationship. E.g. lack of parity (balance) between authority & responsibility will lead to ineffectiveness. If you know the cause i.e. lack of balance, the effect can be ascertained easily i.e. in effectiveness. Similarly if workers are given bonuses, fair wages they will work hard but when not treated in fair and just manner, reduces productivity of organization.

4. **Test of Validity & Predictability** - Validity of scientific principles can be tested at any time or any number of times i.e. they stand the test of time. Each time these tests will give same result. Moreover future events can be predicted with reasonable accuracy by using scientific principles. E.g. H₂ & O₂ will always give H₂O. Principles of management can also be tested for validity. E.g. principle of unity of command can be tested by comparing two persons - one having single boss and one having 2 bosses. The performance of 1st person will be better than 2nd.

It cannot be denied that management has a systematic body of knowledge but it is not as exact as that of other physical sciences like biology, physics, and chemistry etc. The main reason for the inexactness of science of management is that it deals with human beings and it is very difficult to predict their behavior accurately. Since it is a social process, therefore it falls in the area of social sciences. It is a flexible science & that is why its theories and principles may produce different results at different times and therefore it is a behavior science. Ernest Dale has called it as a Soft Science.

Management as an Art:

Art implies application of knowledge & skill to trying about desired results. An art may be defined as personalized application of general theoretical principles for achieving best possible results. Art has the following characters -

1. **Practical Knowledge:** Every art requires practical knowledge therefore learning of theory is not sufficient. It is very important to know practical application of theoretical principles. E.g. to become a good painter, the person may not only be knowing different colour and brushes but

different designs, dimensions, situations etc to use them appropriately. A manager can never be successful just by obtaining degree or diploma in management; he must have also know how to apply various principles in real situations by functioning in capacity of manager.

2. **Personal Skill**: Although theoretical base may be same for every artist, but each one has his own style and approach towards his job. That is why the level of success and quality of performance differs from one person to another. E.g. there are several qualified painters but M.F. Hussain is recognized for his style. Similarly management as an art is also personalized. Every manager has his own way of managing things based on his knowledge, experience and personality, that is why some managers are known as good managers (like Aditya Birla, Rahul Bajaj) whereas others as bad.
3. **Creativity**: Every artist has an element of creativity in line. That is why he aims at producing something that has never existed before which requires combination of intelligence & imagination. Management is also creative in nature like any other art. It combines human and non-human resources in useful way so as to achieve desired results. It tries to produce sweet music by combining chords in an efficient manner.
4. **Perfection through practice**: Practice makes a man perfect. Every artist becomes more and more proficient through constant practice. Similarly managers learn through an art of trial and error initially but application of management principles over the years makes them perfect in the job of managing.
5. **Goal-Oriented**: Every art is result oriented as it seeks to achieve concrete results. In the same manner, management is also directed towards accomplishment of pre-determined goals. Managers use various resources like men, money, material, machinery & methods to promote growth of an organization.

Thus, we can say that management is an art therefore it requires application of certain principles rather it is an art of highest order because it deals with moulding the attitude and behavior of people at work towards desired goals.

Management as both Science and Art

Management is both an art and a science. The above-mentioned points clearly reveals that management combines features of both science as well as art. It is considered as a science because it has an organized body of knowledge which contains certain universal truth. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides the knowledge & art deals with the application of knowledge and skills.

A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a judicious blend of science as well as an art because it proves the principles and the way these principles are applied is a matter of art. Science teaches to 'know' and art teaches to 'do'. E.g. a person cannot become a good singer unless he has knowledge about various ragas & he also applies his personal skill in the art of singing. Same way it is not sufficient for manager to first know the principles but he must also apply them in solving various managerial problems that is why, science and art are not mutually exclusive but they are complementary to each other (like tea and biscuit, bread and butter etc.).

The old saying that "Manager are Born" has been rejected in favor of "Managers are Made". It has been aptly remarked that management is the oldest of art and youngest of science. To conclude, we can say that science is the root and art is the fruit

What is an Organization?

An 'organisation' is a group of individuals working together to achieve one or more objectives. All Organizations have following five common features:

1. they are composed of individuals and groups of individuals
2. they are oriented towards achieving collective goals
3. they consist of different functions
4. the functions need to be coordinated
5. they exist independently of individual members who may come and go.

1.4 Henri Fayol's 14 Principles of Management

The evolution of management can be categorized in to different parts:

- The Classical Theory of management (1880-1930)
 - Scientific Management
 - Bureaucratic management
 - Administrative Management
- Neo-classical Management Era (1930-1950)
 - Human Relations
 - Behavioral Science Approach
- Modern Management era (1950-on word)
 - Quantitative Approach
 - System Approach
 - Contingency Approach
 - Operational Approach

Henry Fayol's Administrative Management (1841–1925): Henri fayol is known as the father of modern Management. He was popular industrialist and victorious manager. Fayol considered that good management practice falls into certain patterns that can be recognized and analysed. From this basic perspective, he devised a blueprint for a consistent policy of managers one that retains much of its force to this day. Fayol provided a broad analytical framework of the process of management. He used the word Administration for Management. Fayol categorized activities of business enterprise into six groups such as Technical, Financial, Accounting, Security, and Administrative or Managerial. He stressed constantly that these managerial functions are the same at every level of an organization and is common to all firms. He wrote General and Industrial Management. His five functions of managers were **plan, organize, command, co-ordinate, and control.**

These 14 principles of management serve as general guidelines to the management process and management practice. His principles of management are described below.

1. **Division of work:** Henri Fayol has stressed on the specialization of jobs.

- He recommended that work of all kinds must be divided & subdivided and allotted to various persons according to their expertise in a particular area.
- Subdivision of work makes it simpler and results in efficiency.
- It also helps the individual in acquiring speed, accuracy in his performance.
- Specialization leads to efficiency & economy in spheres of business

2. **Authority and responsibility**: Authority & responsibility are co-existing.

- If authority is given to a person, he should also be made responsible.
- In a same way, if anyone is made responsible for any job, he should also have concerned authority.
- Authority refers to the right of superiors to get exactness from their sub-ordinates whereas responsibility means obligation for the performance of the job assigned.
- There should be a balance between the two i.e. they must go hand in hand.
- Authority without responsibility leads to irresponsible behavior whereas responsibility without authority makes the person ineffective

3. **Discipline**: According to Fayol, “Discipline means sincerity, obedience, respect of authority & observance of rules and regulations of the enterprise”.

- This principle applies that subordinate should respect their superiors and obey their order.
- It is an important requisite for smooth running of the enterprise.
- Discipline is not only required on path of subordinates but also on the part of management.

4. **Unity of command**: A sub-ordinate should receive orders and be accountable to one and only one boss at a time. In other words, a sub-ordinate should not receive instructions from more than one person because -

- It undermines authority
- Weakens discipline
- Divides loyalty
- Creates confusion
- Delays and chaos
- Escaping responsibilities
- Duplication of work
- Overlapping of efforts

Therefore, dual sub-ordination should be avoided unless and until it is absolutely essential. Unity of command provides the enterprise a disciplined, stable & orderly existence. It creates harmonious relationship between superiors and sub-ordinates.

5. **Unity of direction:** Fayol advocates one head one plan which means that there should be one plan for a group of activities having similar objectives. Related activities should be grouped together. There should be one plan of action for them and they should be under the charge of a particular manager. According to this principle, efforts of all the members of the organization should be directed towards common goal.
6. **Subordination of Individual Interest to general Interest:** An organization is much bigger than the individual it constitutes therefore interest of the undertaking should prevail in all circumstances. As far as possible, reconciliation should be achieved between individual and group interests. But in case of conflict, individual must sacrifice for bigger interests. In order to achieve this attitude, it is essential that:
 - Employees should be honest & sincere.
 - Proper & regular supervision of work.
 - Reconciliation of mutual differences and clashes by mutual agreement. For example, for change of location of plant, for change of profit-sharing ratio, etc.
7. **Remuneration:** Fayol recognizes that salary and methods of payment should be fair and give the utmost satisfaction to worker and boss. Fayol also recommended provision of other benefits such as free education, medical & residential facilities to workers.
8. **Centralization & Decentralization:-** Centralization means concentration of authority at the top level. In other words, centralization is a situation in which top management retains most of the decision-making

authority. Decentralization means disposal of decision-making authority to all the levels of the organization. In other words, sharing authority downwards is decentralization. According to Fayol, “Degree of centralization or decentralization depends on no. of factors like size of business, experience of superiors, dependability & ability of subordinates etc. Anything which increases the role of subordinate is decentralization & anything which decreases it is centralization. Fayol suggested that absolute centralization or decentralization is not feasible. An organization should strike to achieve a lot between the two

9. **Scalar Chain:-** Fayol defines scalar chain as ‘The chain of superiors ranging from the ultimate authority to the lowest’. Every order, instructions, messages, requests, explanation etc. has to pass through Scalar chain. But, for the sake of convenience & urgency, this path can be cut short and this short cut is known as Gang Plank.

10. **Order :-** This principle is concerned with proper & systematic arrangement of things and people. Arrangement of things is called material order and placement of people is called social order.

5. Material order- There should be safe, appropriate and specific place for every article and every place to be effectively used for specific activity and commodity.

6. Social order- Selection and appointment of most suitable person on the suitable job. There should be a specific place for everyone and everyone should have a specific place so that they can easily be contacted whenever need arises.

11. **Equity: -** Equity means combination of fairness, kindness & justice. The employees should be treated with kindness & equity if devotion is expected of them.

- It implies that managers should be fair and impartial while dealing with the subordinates.
- They should give similar treatment to people of similar position.
- They should not discriminate with respect to age, caste, sex, religion, relation etc.
- Equity is essential to create and maintain cordial relations between the managers and sub-ordinate.
- But equity does not mean total absence of harshness.

- Fayol was of opinion that, “at times force and harshness might become necessary for the sake of equity”.

12. Stability of Tenure:-

- Fayol emphasized that employees should not be moved frequently from one job position to another i.e. the period of service in a job should be fixed.
- Therefore employees should be appointed after keeping in view principles of recruitment & selection but once they are appointed their services should be served.
- According to Fayol. “Time is required for an employee to get used to a new work & succeed to doing it well but if he is removed before that he will not be able to render worthwhile services”. As a result, the time, effort and money spent on training the worker will go waste.
- Stability of job creates team spirit and a sense of belongingness among workers which ultimately increase the quality as well as quantity of work.

13. Initiative:-

- Workers should be encouraged to take initiative in the work assigned to them.
- It means eagerness to initiate actions without being asked to do so.
- Fayol advised that management should provide opportunity to its employees to suggest ideas, experiences & new method of work.
- It helps in developing an atmosphere of trust and understanding.
- People then enjoy working in the organization because it adds to their zeal and energy.
- To suggest improvement in formulation & implementation of place.
- They can be encouraged with the help of monetary & non-monetary incentives.

14. Espirit De' Corps (can be achieved through unity of command)

- It refers to team spirit i.e. harmony in the work groups and mutual understanding among the members.
- Spirit De' Corps inspires workers to work harder.
- Fayol cautioned the managers against dividing the employees into competing groups because it might damage the moral of the workers and interest of the undertaking in the long run.
- To inculcate Espirit De' Corps following steps should be undertaken -

- There should be proper co-ordination of work at all levels
- Subordinates should be encouraged to develop informal relations among themselves.
- Efforts should be made to create enthusiasm and keenness among subordinates so that they can work to the maximum ability.

1.5 Levels of Management :-

Management Levels: An Overview



Most organizations have three management levels:

- Low-level managers;
- Middle-level managers; and
- Top-level managers.

These managers are classified in a hierarchy of authority, and perform different tasks. In many organizations, the number of managers in every level resembles a pyramid.

Below are the specifications of each level's different responsibilities and their likely job titles.

Top Level of Management:-

The Top Level Management consists of the Board of Directors (BOD) and the Chief Executive Officer (CEO). The Chief Executive Officer is also called

General Manager (GM) or Managing Director (MD) or President. The Board of Directors are the representatives of the Shareholders, i.e. they are selected by the Shareholders of the company. Similarly, the Chief Executive Officer is selected by the Board of Directors of an organization.

The main role of the top level management is summarized as follows :-

- The top level management determines the objectives, policies and plans of the organisation.
- They mobilises (assemble and bring together) available resources.
- The top level management does mostly the work of thinking, planning and deciding. Therefore, they are also called as the Administrators and the Brain of the organisation.
- They spend more time in planning and organising.
- They prepare long-term plans of the organisation which are generally made for 5 to 20 years.
- The top level management has maximum authority and responsibility.
- They are the top or final authority in the organisation.
- They are directly responsible to the Shareholders, Government and the General Public.
- The success or failure of the organisation largely depends on their efficiency and decision making.
- They require more conceptual skills and less technical Skills.

Middle Level of Management:-

The Middle Level Management consists of the Departmental Heads (HOD), Branch Managers, and the Junior Executives. The Departmental heads are Finance Managers, Purchase Managers, etc. The Branch Managers are the head of a branch or local unit. The Junior Executives are Assistant Finance Managers, Assistant Purchase Managers, etc. The Middle level Management is selected by the Top Level Management.

The middle level management emphasize more on following tasks :-

- Middle level management gives recommendations (advice) to the top level management.

- It executes (implements) the policies and plans which are made by the top level management.
- It co-ordinate the activities of all the departments.
- They also have to communicate with the top-level Management and the lower-level management.
- They spend more time in coordinating and communicating.
- They prepare short-term plans of their departments which are generally made for 1 to 5 years.
- The middle Level Management has limited authority and responsibility. They are intermediary between top and lower management. They are directly responsible to the chief executive officer and board of directors.
- They require more managerial and technical skills and less conceptual skills.

Lower Level of Management:-

The lower-level management consists of the Foremen and the Supervisors. They are selected by the middle level management. It is also called Operative / Supervisory level or First Line of Management.

The lower-level management performs following activities: -

- Lower-level management directs the workers / employees.
- They develop morale in the workers.
- It maintains a link between workers and the middle level management.
- The lower-level management informs the workers about the decisions which are taken by the management.
- They also inform the management about the performance, difficulties, feelings, demands, etc., of the workers.
- They spend more time in directing and controlling.
- The lower-level managers make daily, weekly and monthly plans.
- They have limited authority but important responsibility of getting the work done from the workers.
- They regularly report and are directly responsible to the middle level management.

- Along with the experience and basic management skills, they also require more technical and communication skills.

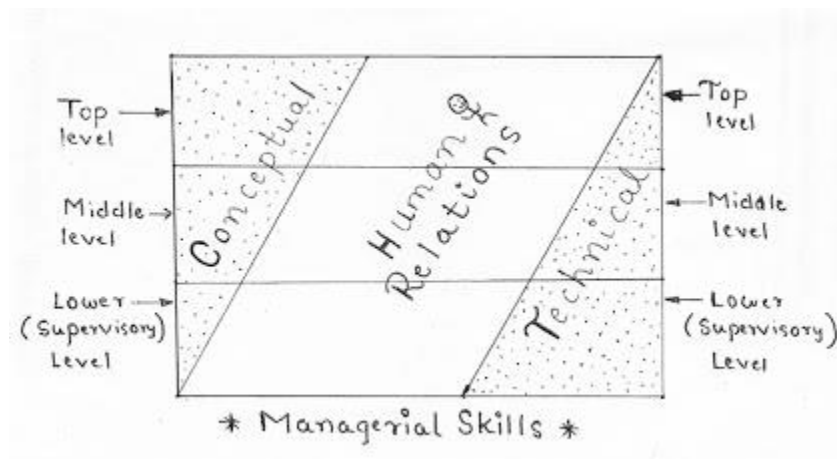
1.6 Managerial Skills: -

Management is a challenging job. It requires certain skills to accomplish such a challenge. Thus, essential skills which every manager needs for doing a better management are called as Managerial Skills.

According to Professor **Robert Katz**, there are three managerial skills, viz.,

1. **Conceptual Skills**
2. **Human Relations Skills**
3. **Technical Skills**

According to Prof. Robert Katz, all managers require above three managerial skills. However, the degree (amount) of these skills required varies (changes) from levels of management and from an organisation to organisation.



The above picture or diagram shows the managerial skills which are required by managers working at different levels of management. The top-level managers require more conceptual skills and less technical skills. The lower-level managers require more technical skills and fewer conceptual skills. Human relations skills are required equally by all three levels of management.

1. Conceptual Skills:-

Conceptual skill is the ability to visualise (see) the organisation as a whole. It includes Analytical, Creative and Initiative skills. It helps the manager to identify the causes of the problems and not the symptoms. It helps him to solve the problems for the benefit of the entire organisation. It helps the manager to fix goals for the whole organisation and to plan for every situation. According to Prof. Robert Katz, conceptual skills are mostly required by the top-level management because they spend more time in planning, organising and problem solving.

2. Human Relations Skills:-

Human relations skills are also called **Interpersonal** skills. It is an ability to work with people. It helps the managers to understand, communicate and work with others. It also helps the managers to lead, motivate and develop team spirit. Human relations skills are required by all managers at all levels of management. This is so, since all managers have to interact and work with people.

3. Technical Skills

A technical skill is the ability to perform the given job. Technical skills help the managers to use different machines and tools. It also helps them to use various procedures and techniques. The low-level managers require more technical skills. This is because they are incharge of the actual operations.

Apart from Prof. Robert Katz's three managerial skills, a manager also needs (requires) following additional managerial skills.

4. Communication Skills

Communication skills are required equally at all three levels of management. A manager must be able to communicate the plans and policies to the workers. Similarly, he must listen and solve the problems of the workers. He must encourage a free-flow of communication in the organisation.

5. Administrative Skills

Administrative skills are required at the top-level management. The top-level managers should know how to make plans and policies. They should also know how to get the work done. They should be able to co-ordinate different activities of the organisation. They should also be able to control the full organisation.

6. Leadership Skills

Leadership skill is the ability to influence human behaviour. A manager requires leadership skills to motivate the workers. These skills help the Manager to get the work done through the workers.

7. Problem Solving Skills

Problem solving skills are also called as **Design** skills. A manager should know how to identify a problem. He should also possess an ability to find a best solution for solving any specific problem. This requires intelligence, experience and up-to-date knowledge of the latest developments.

8. Decision Making Skills

Decision-making skills are required at all levels of management. However, it is required more at the top-level of management. A manager must be able to take quick and correct decisions. He must also be able to implement his decision wisely. The success or failure of a manager depends upon the correctness of his decisions.

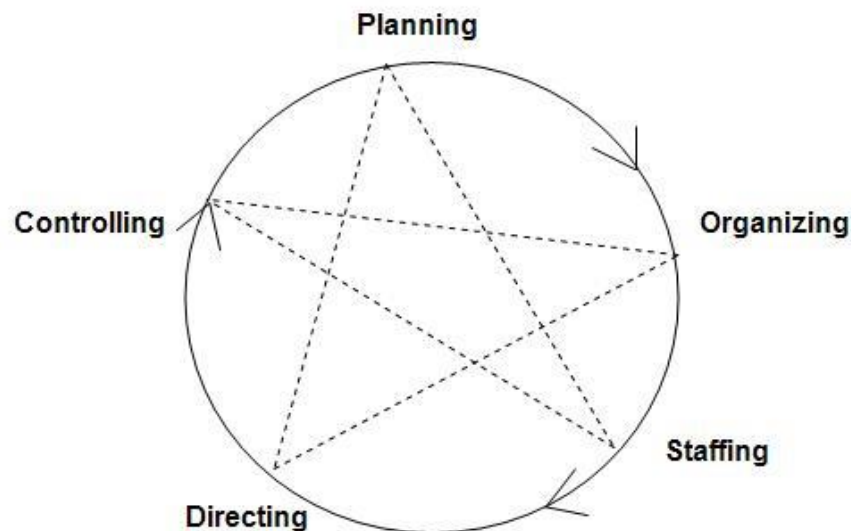
1.7 Functions of Management:-

Management has been described as a social process involving responsibility for economical and effective planning & regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from operative functions like marketing, finance, purchase etc. Rather these activities are common to each and every manager irrespective of his level or status.

Different experts have classified functions of management. According to George & Jerry, "There are four fundamental functions of management i.e. planning, organizing, actuating and controlling".

According to Henry Fayol, “To manage is to forecast and plan, to organize, to command, & to control”. Whereas Luther Gullick has given a keyword ‘POSDCORB’ where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O’DONNEL i.e. Planning, Organizing, Staffing, Directing and Controlling.

For theoretical purposes, it may be convenient to separate the function of management but practically these functions are overlapping in nature i.e. they are highly inseparable. Each function blends into the other & each affects the performance of others.



1. Planning :-

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, “Planning is deciding in advance - what to do, when to do & how to do. It bridges the gap from where we are & where we want to be”. A plan is a future course of actions. It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all

pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

2. **Organizing:-** It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:
- Identification of activities.
 - Classification of grouping of activities.
 - Assignment of duties.
 - Delegation of authority and creation of responsibility.
 - Coordinating authority and responsibility relationships.

3. Staffing :-

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure”. Staffing involves:

- Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
- Recruitment, Selection & Placement.
- Training & Development.
- Remuneration.
- Performance Appraisal.
- Promotions & Transfer.

4. Directing :-

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:

- Supervision
- Motivation
- Leadership
- Communication

Supervision- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

Motivation- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

Leadership- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

Communications- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

5. Controlling:-

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to Theo Haimann, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”. According to Koontz & O’Donell “Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and

plans desired to obtain them as being accomplished". Therefore controlling has following steps:

- a. Establishment of standard performance.
- b. Measurement of actual performance.
- c. Comparison of actual performance with the standards and finding out deviation if any.
- d. Corrective action.

1.8 Process of Communication:-

Introduction

"Communication is the process of conveying information between two or more people." The communication process is the steps we take in order to achieve a successful communication

Organizations stress upon the importance of good communication management. It's empirical for an organization to have a proper communication management.

Once this is achieved, the organization is one step closer to achieving its overall business objectives. Communication management refers to a systematic plan, which implements and monitors the channels and content of communication.

To become a good manager, one must have a clear approach at hand when it comes to communicating with employees.

An effective communication management is considered to be a lifeline for many projects that an organization undertakes as well as any department of the organization.

The Five W's of Communication Management

The five W's in communication are crucial and need to be addressed for a project or organizational function to be successful by means of an effective communication management.

Following are the five W's of communications management:

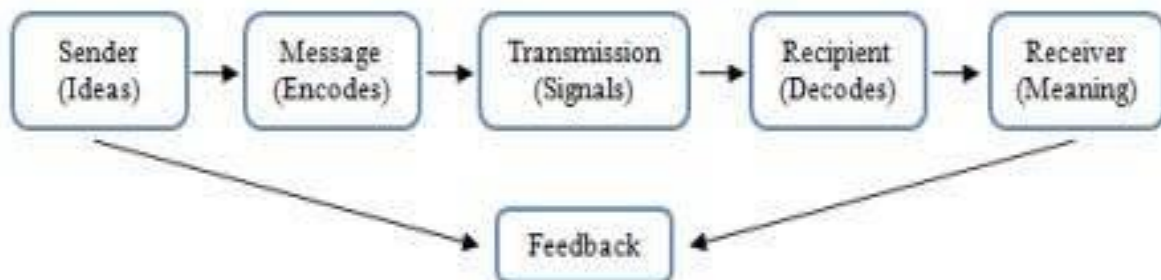
- What information is essential for the project?
- Who requires information and what type of information is needed?
- What is the duration of time required for the information?
- What type or format of information is required?
- Who are the person/s who will be responsible for transmitting the collated information?

The five W's in communication management are only the guidelines. Therefore, you do need to take other considerations into account, such as cost and access to information.

The Communication Process

The main objective of communication management is to ensure smooth flow of information from either between two people or a group.

Let us examine the communication process with the use of a diagram.



The communication process consists of three main divisions; sender transmits a message via a channel to the receiver. As per the above diagram, the sender first develops an idea, which then can be processed as a message.

This message is transmitted to the receiver. The receiver has to interpret the message to understand its meaning.

When it comes to the interpretation, the context of the message should be used for deriving the meaning. Furthermore, for this communication process model, you will also utilize encoding and decoding.

Encoding refers to developing a message and decoding refers to interpreting or understanding the message. You will also notice the feedback factor, which the sender and receiver both involve.

Feedback is crucial for any communication process to be successful. Feedback allows immediate managers or supervisors to analyze how well subordinates understand the information provided and to know the performance of work.

Methods of Communication

Understanding the communication process alone will not guarantee success for managers or an organization. Managers need to be aware of the methods used in the communication process.

The standard methods of communication that are widely used by managers and organizations across the world are either written or oral methods.

Apart from these two mechanisms, non-verbal communication is another prominent method used to assess communication within the organization.

Non-verbal communication refers to the use of body language as a method of communication. This method will include gestures, actions, physical appearance as well as facial appearance and attitude.

Although most of these methods are still in use for a larger part of the organization, the usage of e-mail and other electronic mediums as a method of communication has lessened the need for face-to-face communication.

This sometimes leads to situations where both parties involved do not trust or feel comfortable with each other and also the messages can be easily misinterpreted.

Oral Communication Skills

A large proportion of oral communication is directly involved in communications management. For example, if a manager does not converse or make it clear to a sales team, this may lead to differences in objectives and achievements.

There are two aspects of oral communication, active listening and constructive feedback.

Active Listening

This is where the person, who receives the message pays attention to the information, interprets and remembers.

As you would be aware, listening helps you to pay attention and following are some points, which illustrate active listening.

- Making eye contact with the relevant party
- Making sure to clarify questions if it's not clear
- Avoiding using gestures, which are distracting or uncomfortable

Constructive Feedback

This is where managers fail most of the time. Feedback needs to be constructive and then it will help the employees to shape up their performance instead of mere criticism.

Conclusion

Communication management is vital for any organization irrespective of its size. It contributes to achieving the company's overall objectives as well as creates a positive and friendly environment.

An effective communication process within the organization will lead to an increase in profits, high employee satisfaction and brand recognition.

1.9 Business Communication: -

Communication

Communication is a process of exchanging information, ideas, thoughts, feelings and emotions through speech, signals, writing, or behavior. In communication process, a sender(encoder) encodes a message and then using a medium/channel sends it to the receiver (decoder) who decodes the message and after processing information, sends back appropriate feedback/reply using a medium/channel.

Types of Communication

People communicate with each other in a number of ways that depend upon the message and its context in which it is being sent. Choice of communication channel and your style of communicating also affects communication. So, there are variety of types of communication.

Types of communication based on the communication channels used are:

1. Verbal Communication
2. Nonverbal Communication

1. Verbal Communication :-

Verbal communication refers to the the form of communication in which message is transmitted verbally; communication is done by word of mouth and a piece of writing. Objective of every communication is to have people understand what we are trying to convey.

When we talk to others, we assume that others understand what we are saying because we know what we are saying. But this is not the case. usually people bring their own attitude, perception, emotions and thoughts about the topic and hence creates barrier in delivering the right meaning.

So in order to deliver the right message, you must put yourself on the other side of the table and think from your receiver's point of view. Would he understand the message? how it would sound on the other side of the table?

Verbal Communication is further divided into:

- Oral Communication
- Written Communication

Oral Communication

In oral communication, Spoken words are used. It includes face-to-face conversations, speech, telephonic conversation, video, radio, television, voice over internet. In oral communication, communication is influence by pitch, volume, speed and clarity of speaking.

Advantages of Oral communication are:

It brings quick feedback.

In a face-to-face conversation, by reading facial expression and body language one can guess whether he/she should trust what's being said or not.

Disadvantage of oral communication

In face-to-face discussion, user is unable to deeply think about what he is delivering, so this can be counted as a

Written Communication

In written communication, written signs or symbols are used to communicate. A written message may be printed or hand written. In

written communication message can be transmitted via email, letter, report, memo etc. Message, in written communication, is influenced by the vocabulary & grammar used, writing style, precision and clarity of the language used.

Written Communication is most common form of communication being used in business. So, it is considered core among business skills.

Memos, reports, bulletins, job descriptions, employee manuals, and electronic mail are the types of written communication used for internal communication. For communicating with external environment in writing, electronic mail, Internet Web sites, letters, proposals, telegrams, faxes, postcards, contracts, advertisements, brochures, and news releases are used.

Advantages of written communication includes:

Messages can be edited and revised many time before it is actually sent. Written communication provide record for every message sent and can be saved for later study. A written message enables receiver to fully understand it and send appropriate feedback.

Disadvantages of written communication includes:

Unlike oral communication, Written communication doesn't bring instant feedback.

It take more time in composing a written message as compared to word-of-mouth. and number of people struggles for writing ability.

2. Nonverbal Communication

Nonverbal communication is the sending or receiving of wordless messages. We can say that communication other than oral and written, such as **gesture, body language, posture, tone of voice or facial expressions**, is called nonverbal communication. **Nonverbal communication is all about the body language of speaker.**

Nonverbal communication helps receiver in interpreting the message received. Often, nonverbal signals reflects the situation more accurately than verbal messages. **Sometimes nonverbal response contradicts verbal communication** and hence affect the effectiveness of message.

Nonverbal communication have the following three elements:

Appearance

Speaker: clothing, hairstyle, neatness, use of cosmetics
Surrounding: room size, lighting, decorations, furnishings

Body Language

facial expressions, gestures, postures

Sounds

Voice Tone, Volume, Speech rate

Types of Communication Based on Purpose and Style

Based on style and purpose, there are two main categories of communication and they both bears their own characteristics. Communication types based on style and purpose are:

1. Formal Communication
2. Informal Communication

1. Formal Communication

In formal communication, certain rules, conventions and principles are followed while communicating message. **Formal communication occurs in formal and official style.** Usually professional settings, corporate meetings, conferences undergo in formal pattern.

In formal communication, use of slang and foul language is avoided and correct pronunciation is required. Authority lines are needed to be followed in formal communication.

2. Informal Communication

Informal communication is done using channels that are in contrast with formal communication channels. It's just a casual talk. It is established for societal affiliations of members in an organization and face-to-face discussions. It happens among friends and family. **In informal communication use of slang words, foul language is not restricted.** Usually, informal communication is done orally and using gestures.

Informal communication, Unlike formal communication, doesn't follow authority lines. In an organization, it helps in finding out staff grievances as people express more when talking informally. **Informal communication helps in building relationships.**

STAFFING AND COORDINATION

4.1 Meaning and Importance of Staffing

4.2 Internal and External Sources of Recruitment

4.3 Coordination – As an essence of Management

4.4 Principles of Coordination

4.1 Meaning of Staffing:

The term 'Staffing' relates to the recruitment, selection, development, training and compensation of the managerial personnel. Staffing, like all other managerial functions, is the duty which the apex management performs at all times. In a newly created enterprise, the staffing would come as a third step—next to planning and organizing—but in a going enterprise the staffing process is continuous.

In order to define and clarify the group of employees included in the staffing concept, it must be stated that the staffing function is concerned with the placement, growth and development of all of those members of the organization whose function it is to get things done through one effort of other individuals.

Staffing is the traditional management function of attraction and selection of the best people and putting them on job where their talents and skills can be best utilized, and retention of these people through incentives, job training and job enrichment programmes, in order to achieve both individual and organizational objectives. This emphasizes managing human and not material or financial resources.

Staffing is the function of human relationship in the organizational structure with competent staff. Staffing in that part of the management

function which is concerned with people at work and with their relationship within the organisation.

Staffing may be defined as **“that function of management, which is concerned with selecting, developing, training and utilizing the manpower such that the objectives of the organisation are achieved economically and effectively. The objectives of individual employees of the organisation are accomplished to the highest degree possible, serving in the process the objectives of the community at large.”**

Functions of Staffing

1. **Staffing is an important managerial function-** Staffing function is the most important managerial act along with planning, organizing, directing and controlling. The operations of these four functions depend upon the manpower which is available through staffing function.
2. **Staffing is a pervasive activity-** As staffing function is carried out by all managers and in all types of concerns where business activities are carried out.
3. **Staffing is a continuous activity-** This is because staffing function continues throughout the life of an organization due to the transfers and promotions that take place.
4. The basis of staffing function is **efficient management of personnels-** Human resources can be efficiently managed by a system or proper procedure, that is, recruitment, selection, placement, training and development, providing remuneration, etc.
5. **Staffing helps in placing right men at the right job.** It can be done effectively through proper recruitment procedures and then finally selecting the most suitable candidate as per the job requirements.
6. **Staffing is performed by all managers** depending upon the nature of business, size of the company, qualifications and skills of managers, etc. In small companies, the top management generally performs this function. In medium and small scale enterprise, it is performed especially by the personnel department of that concern.

Staffing Process - Steps involved in Staffing

1. **Manpower requirements-** The very first step in staffing is to plan the manpower inventory required by a concern in order to match them with the job requirements and demands. Therefore, it involves forecasting and determining the future manpower needs of the concern.
2. **Recruitment-** Once the requirements are notified, the concern invites and solicits applications according to the invitations made to the desirable candidates.
3. **Selection-** This is the screening step of staffing in which the solicited applications are screened out and suitable candidates are appointed as per the requirements.
4. **Orientation and Placement-** Once screening takes place, the appointed candidates are made familiar to the work units and work environment through the orientation programmes. placement takes place by putting right man on the right job.
5. **Training and Development-** Training is a part of incentives given to the workers in order to develop and grow them within the concern. Training is generally given according to the nature of activities and scope of expansion in it. Along with it, the workers are developed by providing them extra benefits of indepth knowledge of their functional areas. Development also includes giving them key and important jobs as a test or examination in order to analyse their performances.
6. **Remuneration-** It is a kind of compensation provided monetarily to the employees for their work performances. This is given according to the nature of job- skilled or unskilled, physical or mental, etc. Remuneration forms an important monetary incentive for the employees.
7. **Performance Evaluation-** In order to keep a track or record of the behaviour, attitudes as well as opinions of the workers towards their jobs. For this regular assessment is done to evaluate and supervise different work units in a concern. It is basically concerning to know the development cycle and growth patterns of the employees in a concern.

8. Promotion and transfer- Promotion is said to be a non- monetary incentive in which the worker is shifted from a higher job demanding bigger responsibilities as well as shifting the workers and transferring them to different work units and branches of the same organization.

Importance of Staffing:

It is of utmost importance for the organization that right kinds of people are employed. They should be given adequate training so that wastage is minimum. They must also be induced to show higher productivity and quality by offering them incentives.

In fact, effective performance of the staff function is necessary to realize the following benefits:

1. Efficient Performance of Other Functions:

Staffing is the key to the efficient performance of other functions of management. If an organization does not have competent personnel, it can't perform planning, organization and control functions properly.

2. Effective Use of Technology and Other Resources:

It is the human factor that is instrumental in the effective utilization of latest technology, capital, material, etc. the management can ensure right kinds of personnel by performing the staffing function.

3. Optimum Utilization of Human Resources:

The wage bill of big concerns is quite high. They also spend money on recruitment, selection, training and development of employees. In order to get the optimum output from the personnel, the staffing function should be performed in an efficient manner.

4. Development of Human Capital:

The management is required to determine the manpower requirements well in advance. It has also to train and develop the existing personnel for career advancement. This will meet the requirements of the company in future.

5. Motivation of Human Resources:

The behavior of individuals is shaped by many factors such as education level, needs, socio-cultural factors, etc. that is why, the human aspect of

organisation has become very important. The workers can be motivated through financial and non-financial incentives.

6. Building Higher Morale:

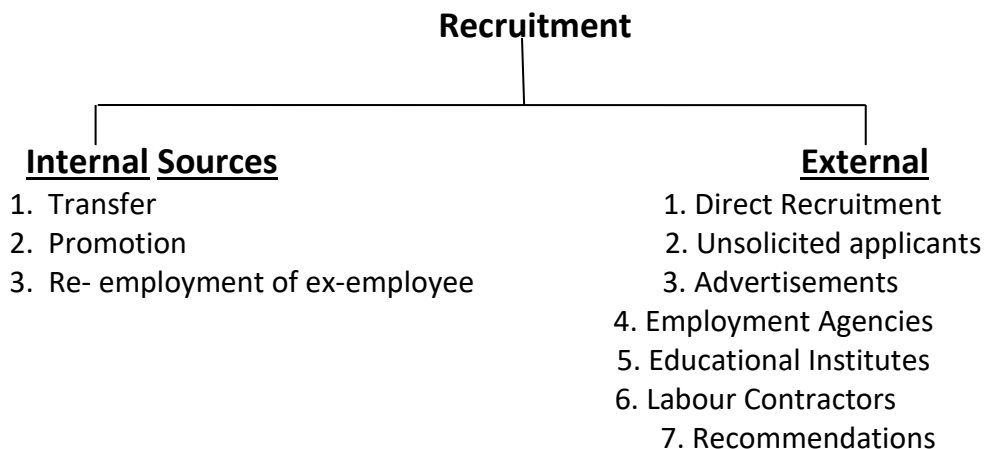
Right type of climate should be created for the workers to contribute to the achievement of the organizational objectives. By performing the staffing function effectively, management can show the significance it attaches to the personnel working in the enterprise. This will increase the morale of the employees.

4.2 Internal and External Recruitment :-

Recruitment:-

The process of finding and hiring the best-qualified candidate (from within or outside of an organization) for a job opening, in a timely and cost effective manner. The recruitment process includes analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee to the organization.

Types of Recruitment: -



- 1. Internal Recruitment** - is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily

available to an organization. Internal sources are primarily three - **Transfers, promotions and Re-employment of ex-employees.**

Internal recruitment may lead to increase in employee's productivity as their motivation level increases. It also saves time, money and efforts. But a drawback of internal recruitment is that it refrains the organization from new blood. Also, not all the manpower requirements can be met through internal recruitment. Hiring from outside has to be done.

Internal sources are primarily of three types:-

- a. **Transfers:** - Transfer involves the shifting of an employee from one job to another. At the time of transfer, it is ensured that the employee to be transferred to the new job is capable of performing it. In fact, transfer does not involve any drastic change in the responsibilities and status of the employee. On the other hand, promotion leads to shifting and employee to a higher position carrying higher responsibilities, facilities, status and pay.
- b. **Promotions:** - Many companies follow the practice of filling higher jobs by promoting employees who are considered fit for such positions. Filling vacancies in higher jobs from within the organization has the following merits:-
 - i) Employees are motivated to improve their performance.
 - ii) Morale of the employees is increased.
 - iii) Industrial peace prevails in the enterprise.
 - iv) Filling of jobs internally is cheaper as compared to getting candidates from external sources.
- c. *Re-employment of ex-employees - Re-employment of ex-employees is one of the internal sources of recruitment in which employees can be invited and appointed to fill vacancies in the concern. There are situations when ex-employees provide unsolicited applications also.*

Demerits of Internal Sources of recruitment:

1. When vacancies are filled through internal promotions, the scope for fresh talents is reduced.
2. The employees may become lethargic if they are sure of time bound promotions.
3. The spirit of competition among the employees may be hampered.
4. Frequent transfers may reduce the overall productivity of the organization.

2. **External Recruitment** - External sources of recruitment have to be solicited from outside the organization. External sources are external to a concern. But it involves lot of time and money. The external sources of recruitment include - Employment at factory gate, advertisements, employment exchanges, employment agencies, educational institutes, labour contractors, recommendations etc.

a) **Direct Recruitment** - This a source of external recruitment in which the applications for vacancies are presented on bulletin boards outside the Factory or at the Gate. This kind of recruitment is applicable generally where factory workers are to be appointed. There are people who keep on soliciting jobs from one place to another. These applicants are called as unsolicited applicants. These types of workers apply on their own for their job. For this kind of recruitment workers have a tendency to shift from one factory to another and therefore they are called as “badli” workers.

b) **Unsolicited applications** – Many qualified persons apply for employment to reputed companies on their own initiative. Such applications are known as unsolicited applications. They serve as a good source of manpower. A proper record may be kept of such applications and the candidates may be called for interview whenever the need arises.

c) **Advertisement** - It is an external source which has got an important place in recruitment procedure. The biggest advantage of advertisement is that it covers a wide area of market and scattered applicants can get information from advertisements. Medium used is Newspapers and Television.

c) **Employment Agencies** - There are certain professional organizations which look towards recruitment and employment of people, i.e. these

private agencies run by private individuals supply required manpower to needy concerns.

d) **Educational Institutions** - There are certain professional Institutions which serve as an external source for recruiting fresh graduates from these institutes. This kind of recruitment done through such educational institutions is called as Campus Recruitment. They have special recruitment cells which help in providing jobs to fresh candidates.

e) **Labour Contractors** - These are the specialist people who supply manpower to the Factory or Manufacturing plants. Through these contractors, workers are appointed on contract basis, i.e. for a particular time period. Under conditions when these contractors leave the organization, such people who are appointed have to also leave the concern.

f) **Recommendations** - There are certain people who have experience in a particular area. They enjoy goodwill and a stand in the company. There are certain vacancies which are filled by recommendations of such people. The biggest drawback of this source is that the company has to rely totally on such people which can later on prove to be inefficient.

Employee Selection Process: -

Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people. Effective selection can be done only when there is effective matching. By selecting best candidate for the required job, the organization will get quality performance of employees. Moreover, organization will face less of absenteeism and employee turnover problems. By selecting right candidate for the required job, organization will also save time and money. Proper screening of candidates takes place during selection procedure. All the potential candidates who apply for the given job are tested.

But **selection must be differentiated from recruitment**, though these are two phases of employment process. Recruitment is considered to be a positive process as it motivates more of candidates to apply for the job. It creates a pool of applicants. It is just sourcing of data. While selection is a

negative process as the inappropriate candidates are rejected here. Recruitment precedes selection in staffing process. Selection involves choosing the best candidate with best abilities, skills and knowledge for the required job.

The Employee selection Process takes place in following order-

1. **Preliminary Interviews-** It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.
2. **Application blanks-** The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.
3. **Written Tests-** Various written tests conducted during selection procedure are aptitude test, intelligence test, reasoning test, personality test, etc. These tests are used to objectively assess the potential candidate. They should not be biased.
4. **Employment Interviews-** It is a one-to-one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. But such interviews consume time and money both. Moreover, the competencies of the candidate cannot be judged. Such interviews may be biased at times. Such interviews should be conducted properly. No distractions should be there in room. There should be an honest communication between candidate and interviewer.
5. **Medical examination-** Medical tests are conducted to ensure physical fitness of the potential employee. It will decrease chances of employee absenteeism.

6. **Appointment Letter-** A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.

4.3 Coordination – As an essence of Management

An important question that arises in relation to coordination is whether or not it is to be recognized as the sixth function in the chain of management functions (e.g. planning, organizing, staffing, directing and controlling). Some management experts (e.g., Fayol, L.A. Allen, and Ordway Tead) consider coordination to be a separate function of management.

However, modern management experts are of the view that coordination is not a separate function of management; rather it forms a major part of all the other functions of management. In other words, management cannot be accomplished without proper coordination and hence management has to concentrate its efforts on the establishment of coordination.

Modern management experts Koontz and O'Donnell are also the supporters of this line of thinking, and it is only in this relation that they have stated, "Coordination is the essence of management."

It means when a manager diligently performs all the management functions, he or she remains busy in establishing coordination. This fact is highlighted through the following discussion:

(1) Coordination and Planning:

While performing the function of planning, coordination forms the centre or focus of the thinking of a manager. Planning is undertaken keeping in mind the various activities being performed by the different departments in an organization.

For example, when a sales manager is making a plan to increase his sales target, he also consults the production manager, the purchase manager, the finance manager, etc. in order to avoid any problem that may arise in future. This clearly shows that coordination is very essential while performing the function of planning.

(2) Coordination and Organising:

While performing the function of organizing, the main work of the organization is divided into various sub functions, and the relationships between the various people performing those sub functions are defined, with the aim of accomplishing all the activities of the business in a systematic manner.

While performing the function of organizing, the manager has to make efforts to establish coordination among the various departments as well as the various people working in the same department

For example, work is divided among the people working in the production department in such a manner that where the work of one person ends, the work of the next person begins.

Since any deficiency in the work of one person also affects the work of others, everybody makes efforts to complete his work on time, and the workers do not create hurdle in each other's work.

(3) Coordination and Staffing:

Organising results in the establishment of various positions in the organisation while staffing breathes life into such positions, i.e., the various positions established during organising are filled with people.

Even while performing the function of staffing, the manager is also concerned about coordination. It is his effort to fill all the positions with capable and experienced people so that the various activities of the business may proceed without any hindrance.

(4) Coordination and Directing:

While performing the function of directing, a manager gives due priority to coordination. While issuing orders and instructions to a subordinate, he has to keep in mind the effect they will have on other people, and he should make all efforts to avoid any such adverse effect.

Such a line of thinking is nothing else but an effort to establish coordination. For example, two people performing the same work are treated equally in order to avoid any animosity among them.

(5) Coordination and Controlling:

Controlling is the constant evaluation of progress of work, so that adverse results can be avoided and corrective action can be taken in time. In the context of coordination, controlling results in the harmonization of the

objectives of the organization, the resources available to achieve those objectives and the human efforts required.

From the above discussion, it can be concluded that coordination is concerned with all the functions of management. Therefore, it can be stated without any doubt that coordination is not a separate function of management; rather it is the essence of management.

4.4 Principles of Coordination :-

Mary Parker Follet's Principles of Coordination :-

Mary Parker Follet was a sociologist and political philosopher. Based on coordination, she formulated the following four principles of management:

1. Principle of Direct Contact:

In an organization, the managers and others who are involved in the completion of task must have direct contact with each other. It helps avoid long and time-consuming communication channels.

2. Principle of Coordination in Early Stages:

Any attempt of establishing coordination among the organizational members should start from the earliest stages of work flow. In other words, the members, be the managers or others, working at the lowest level of work flow should be allowed to participate in the process of coordination as early as possible once the activity starts.

3. Principle of Continuous Process of Coordination:

Coordination is not a one time job or drive. In fact, it is an ongoing process to conduct the on-going orchestra of organizational activities.

4. Principle of Situational Authority:

According to Follet, the purpose of authority vesting with managers is not to gain dominance over others. Instead, the main purpose of authority is to bring about integration and harmony in the functioning of an organization. Managers need to exercise the authority vested with them as per the situation emerges. Follet terms this as the 'Law of the Situation'.

DIRECTING, MOTIVATING AND LEADING

5.1 Meaning & Importance of Directing

5.2 Elements of Direction/ Components

5.3 Definition of motivation and factors

5.4 Maslow's Need Hierarchy Theory

5.5 Mc Gregor's Theory X and Theory Y

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5.1 Meaning & Importance of Directing

Definition

Directing is a basic management function that includes building an effective work climate and creating opportunity for motivation, supervising, scheduling, and disciplining.

DIRECTING is said to be a process in which the managers instruct, guide and oversee the performance of the workers to achieve predetermined goals. Directing is said to be the heart of management process. Planning, organizing, staffing have got no importance if direction function does not take place.

Directing initiates action and it is from here actual work starts. Direction is said to be consisting of human factors. In simple words, it can be described as providing guidance to workers is doing work. In field of management, direction is said to be all those activities which are designed to encourage the subordinates to work effectively and efficiently. According to Human, "Directing

consists of process or technique by which instruction can be issued and operations can be carried out as originally planned” Therefore, Directing is the function of guiding, inspiring, overseeing and instructing people towards accomplishment of organizational goals.

Direction has got following characteristics:

1. **Pervasive Function** - Directing is required at all levels of organization. Every manager provides guidance and inspiration to his subordinates.
2. **Continuous Activity** - Direction is a continuous activity as it continuous throughout the life of organization.
3. **Human Factor** - Directing function is related to subordinates and therefore it is related to human factor. Since human factor is complex and behaviour is unpredictable, direction function becomes important.
4. **Creative Activity** - Direction function helps in converting plans into performance. Without this function, people become inactive and physical resources are meaningless.
5. **Executive Function** - Direction function is carried out by all managers and executives at all levels throughout the working of an enterprise, a subordinate receives instructions from his superior only.
6. **Delegate Function** - Direction is supposed to be a function dealing with human beings. Human behaviour is unpredictable by nature and conditioning the people’s behaviour towards the goals of the enterprise is what the executive does in this function. Therefore, it is termed as having delicacy in it to tackle human behaviour.

Importance of Directing in an organization: -

(1) It Initiates Action:

The employees are appointed up to the first three functions of management (planning, organizing and staffing). But they cannot commence their job until they are not informed about what to do and how to do the manager performs this job through direction. Thus, it is evident that it is direction which initiates action in an organization.

(2) It Integrates Employees Efforts:

Many employees work in an organisation. The activities of all are co-related. Success of an organisation is possible only when everybody does their job efficiently. If any one of employees in the employees- chain does not perform up to the mark, it adversely affects the performance of the remaining employees. Thus, it is essential to establish coordination among all the activities. The manager establishes this coordination by supervising, providing good leadership, motivating and exchanging ideas with his subordinates. For example, an employee welcomes customers at a readymade garments showroom.

The second employee shows products to them, the third is engaged in packing, the fourth takes the payment and the fifth says goodbye to them. Customer will be satisfied when all the five employees perform their duties efficiently. If the employee whose job is to show the products does not behave properly with the customers, this will turn the effort of all other employees to be a mere waste.

(3) It is the Means of Motivation:

The objectives of an organisation can only be achieved by motivated employees. Motivated employees work with full

dedication and with a feel of belongingness. Now the question is: how can the employees be motivated? The work of motivating employees can be accomplished through the Directing function of management.

For example, under directing function of management the problems of employees are curbed by the manager there and then. Also, he guides them in the right direction. In this manner, they deliver work performance of superior quality. They get both the appreciation and salary hike for their better work performance. As a result, they get motivated.

(4) It Facilitates Implementing Changes:

Often, the employees show resistance to change in their organisational structure. But with the changing demand of time, it needs to be implemented / enforced. Managers through the medium of Direction shapes the mindset of the employees in a manner that they willfully accept changes.

For example, if in office typewriters are replaced with computers, then a typist who does not have the knowledge of computer will definitely show resistance to this change. The reason of this resistance is the fear of losing the job.

Manager through effective direction makes them a part of change process and acquaints them with the benefits of this change. He motivates them to learn modern technology.

He also takes them into confidence that they will be shifted to some other department job and this relaxes them from the fear of losing the job. As a result, the employees do not show resistance to any kind of change.

(5) It Creates Balance in the Organisation:

Sometimes there is a clash between individual and organisational objective. Directing helps to settle down these clashes and creates a balance in the organisation.

On the one hand, a person works in an organisation for the fulfillment of his objectives like higher salary, promotion, etc. On the other hand, the objectives of a company can be to earn higher profits, more market share etc. Managers, through direction, tell employees how they can fulfill their objectives while achieving organisational objectives.

For example, Libra Cosmetics Company Ltd. offers commission to its Sales Manager in addition to the fixed salary. To earn more commission he wants to make more and more sales. In this effort, he recommends for introducing the scheme of “Buy Two, Get One Free”- But higher officials, considering it to be a costly affair, reject the same.

This is a situation of clash between individual and organisational objective. Here rightful direction is needed.

The sales manager by playing the role of director suggests ways to sales representative as to how he can increase sales and thus settles down the clash which subsequently, establishes balance in the organisation. The sales manager can suggest more advertising, better services- after-sales, sales on credit, etc.

Principles of direction:-

1. Harmony of Objectives: Harmonizing the individual’s objectives with the group objectives is the first principle of directing. Persons join the concern for getting their physiological and psychological needs satisfied. They are expected by the organization to work in such a manner to achieve the organizational goals. Individuals also work well only when they feel that their personal goals will be satisfied. Thus, directing function must first of all resolve the conflict between the individual’s goals and organizational goals.

2. **Unity of Direction:** Another important principle of direction is that the orders should be received by the subordinates from only one superior. In other words, there should not be dual subordination. Dual subordination brings disorder, confusion, chaos and undermines authority and leads to instability. The subordinates should report to only one superior.

3. **Direct Supervision:** It is essential for the managers to have a direct and personal contact with their subordinates because direction involves motivating the subordinates toward work. Direct supervision makes the subordinates happy and boosts their morale. It also ensures quick feed back of necessary information.

4. **Appropriate Leadership Style:** Leadership is a process of influence exercised on group members by the leader in the work environment. There is no one universally acceptable leadership style. No single style is suitable to all situations. The style varies with the situations. Therefore, a manager should exhibit appropriate leadership style i.e., the style that is suitable to a given situation.

5. **Appropriate Direction Techniques:** Direction techniques that are used by the managers should be appropriate i.e., it should be suitable to superiors, subordinates and the situation so as to ensure efficiency of direction.

6. **Use of Informal Organization:** Managers should make use of informal groups so that the formal groups can be strengthened.

7. **Use of Motivation Techniques:** Managers should develop selective motivation techniques such as money, pay, status, promotion, etc., So that the productivity and the quality of the products can be increased. Motivation ensures higher job satisfaction.

8. Follow Up: Directing is a never ending process. It involves continuous supervision, advice, counseling and assisting the subordinates in the performance. of their jobs. So it requires continuous feedback which is essential to make necessary modifications in the activities of the management.

5.2 Elements of Direction/ Components

It has been made clear in the nature of leading that it is not a single activity but a group of functions. On the same basis, the following functions are included in its scope: (1) Supervision, (2) Communication, (3) Leadership, and (4) Motivation.

(1) Supervision: It refers to monitor the progress of routine work of one's subordinates and guiding them properly. Supervision is an important element of the directing function of management. Supervision has an important feature that face-to-face contact between the supervisor and his subordinate is a must.

(2) Communication:

It refers to an art of transferring facts, ideas, feeling, etc. from one person to another and making him understand them. A manager has to continuously tell his subordinates about what to do, how to do, and when to do various things.

Also, it is very essential to know their reactions. To do all this it becomes essential to develop effective telecommunication facilities. Communication by developing mutual understanding inculcates a sense of cooperation which builds an environment of coordination in the organisation.

(3) Leadership:

It refers to influence others in a manner to do what the leader wants them to do. Leadership plays an important role in directing. Only through this quality, a manager can inculcate trust and zeal among his subordinates.

(4) Motivation:

It refers to that process which excites people to work for attainment of the desired objective. Among the various factors of production, it is only the human factor which is dynamic and provides mobility to other physical resources.

If the human resource goes static then other resources automatically turn immobile. Thus, it becomes essential to motivate the human resource to keep them dynamic, aware and eager to perform their duty. Both the monetary and non-monetary incentives are given to the employees for motivation.

5.3 Definition of Motivation and factors of Motivation

Concept of Motivation:

The term motivation is derived from the word 'motive'. The word 'motive' as a noun means an objective, as a verb this word means moving into action. Therefore, motives are forces which induce people to act in a way, so as to ensure the fulfillment of a particular human need at a time. Behind every human action there is a motive. Therefore, management must provide motives to people to make them work for the organization.

Motivation may be defined as a planned managerial process, which stimulates people to work to the best of their capabilities, by providing them with motives, which are based on their unfulfilled needs.

"Motivation means a process of stimulating people to action to accomplish desired goods." —William G. Scott

"Motivation is the process of attempting to influence others to do your will through the possibility of gain or reward." — Flippo

Motivation is, in fact, pressing the right button to get the desired human behaviour.

Motivation is no doubt an essential ingredient of any Organisation. It is the psychological technique which really executes the plans and policies through the efforts of others.

Following are the outstanding Features of the concept of motivation:

1. Motivation is a personal and internal feeling:

Motivation is a psychological phenomenon which generates within an individual.

2. Motivation is need based:

If there are no needs of an individual, the process of motivation fails. It is a behavioural concept that directs human behaviour towards certain goals.

3. Motivation is a continuous process:

Because human wants are unlimited, therefore motivation is an ongoing process.

4. Motivation may be positive or negative:

A positive motivation promotes incentives to people while a negative motivation threatens the enforcement of disincentives.

5. Motivation is a planned process:

People differ in their approach, to respond to the process of motivation; as no two individuals could be motivated in an exactly similar manner. Accordingly, motivation is a psychological concept and a complex process.

6. Motivation is different from job satisfaction

Significance/Importance of Motivation:

Motivation is an integral part of the process of direction.

While directing his subordinate, a manager must create and sustain in them the desire to work for the specified objectives:

1. High Efficiency:

A good motivational system releases the immense untapped reservoirs of physical and mental capabilities. A number of studies have shown that motivation plays a crucial role in determining the level of performance. "Poorly motivated people can nullify the soundest organisation." said Allen.

By satisfying human needs motivation helps in increasing productivity. Better utilisation of resources lowers cost of operations. Motivation is always goal directed. Therefore, higher the level of motivation, greater is the degree of goal accomplishment.

2. Better Image:

A firm that provides opportunities for financial and personal advancement has a better image in the employment market. People prefer to work for an enterprise because of opportunity for development, and sympathetic outlook. This helps in attracting qualified personnel and simplifies the staffing function.

3. Facilitates Change:

Effective motivation helps to overcome resistance to change and negative attitude on the part of employees like restriction of output. Satisfied workers take interest in new organisational goals and are more receptive to changes that management wants to introduce in order to improve efficiency of operations.

4. Human Relations:

Effective motivation creates job satisfaction which results in cordial relations between employer and employees. Industrial disputes, labour absenteeism and turnover are reduced with consequent benefits. Motivation helps to solve the central problem of management, i.e., effective use of human resources. Without motivation the workers may not put their best efforts and may seek satisfaction of their needs outside the organisation.

The success of any organisation depends upon the optimum utilisation of resources. The utilisation of physical resources depends upon the ability to work and the willingness to work of the employees. In practice, ability is not the problem but necessary will to work is lacking. Motivation is the main tool for building such a will. It is for this reason that Rensis Likert said, "Motivation is the core of management." It is the key to management in action.

Motivation factors for employees:

It's relatively easy and cheap to solve most retention problems. Most workers really don't leave for money but managers like to hear it's the money, because that shifts the blame for losing employees away from themselves and onto other parts of the organisation.

Employees too often say they left for financial reasons in exit interviews to preserve their positive references and because they see little chance that telling the truth will result in any changes.

The big motivators: -

- **Communication** - Honest, frequent two-way communication between workers and managers, including constructive discussion of workplace issues.
- **Challenging and exciting work** - Ensure every employee has a challenge plan and is periodically asked to rate the degree of job excitement.
- **Opportunities** - Reward managers for developing their employees and make sure that employees are held accountable for following through on their individual learning plans.

- **Recognition and reward for performance** - Make it clear what the incentives are and reward fairly across all departments so employees see the benefits of effort.
- **Control over the job** - You've employed your staff to do a job, so let them do it. Trust people to be able to shape the way they work and the projects they get involved in.
- **Business Impact** - Provide employees with periodic reports on the effect their projects are having on the business so they know their work makes a difference.

The money factor

An excellent argument can be made that managers can significantly influence employee compensation at many firms. It is certainly true that compensation is so interrelated with the Big Six issues, that taking compensation out of managers' hands weakens their ability to retain talent.

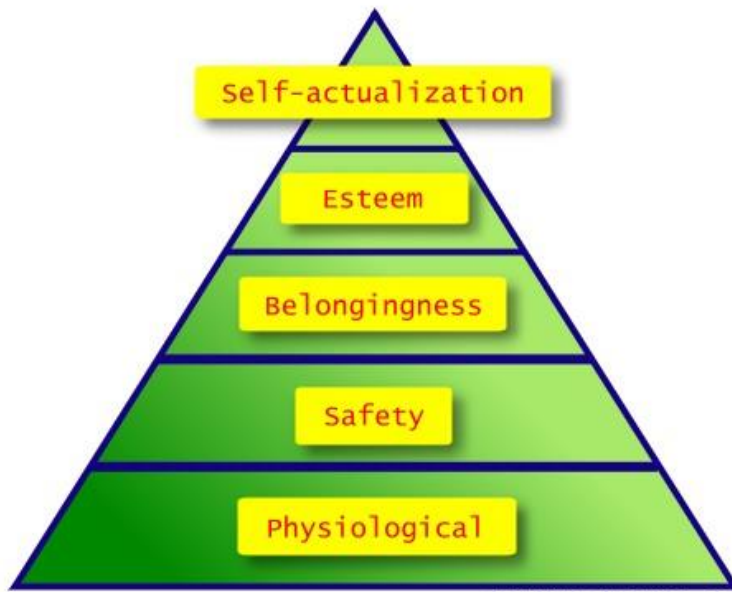
By telling employees up-front that managers have control over compensation, you force managers to discuss pay on a one-on-one basis with their workers. After managers overcome the "my hands are tied" compensation hurdle, other individual communication on motivational issues is much easier.

Even when new salary offers are significantly higher, you'll often find that bad management practices caused employees to look for other jobs, and that only after looking did they realize they could get more money and better treatment if they left. One solution to this type of turnover is relatively simple. Start by telling employees what they should expect from their managers, and help managers improve their delivery of the key motivators.

If you find employees are leaving for better jobs, HR needs to give managers the tools necessary to make their employees' current jobs the better jobs.

5.4 Maslow's Need Hierarchy Theory :-

Maslow's Hierarchy of Needs (often represented as a pyramid with five levels of needs) is a motivational theory in psychology that argues that while people aim to meet basic needs, they seek to meet successively higher needs in the form of a pyramid.



Key Concepts

Abraham H. Maslow felt as though conditioning theories did not adequately capture the complexity of human behavior. In a 1943 paper called A Theory of Human Motivation, Maslow presented the idea that human actions are directed toward goal attainment. Any given behavior could satisfy several functions at the same time; for instance, going to a bar could satisfy one's needs for self-esteem and for social interaction.

Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs has often been represented in a hierarchical pyramid with five levels. The four levels (lower-order needs) are considered physiological needs, while the top level of the pyramid is considered growth needs. The lower level needs must be satisfied before higher-order needs can influence behavior. The levels are as follows (see pyramid in Figure 1 below).

- Self-actualization – includes morality, creativity, problem solving, etc.
- Esteem – includes confidence, self-esteem, achievement, respect, etc.
- Belongingness – includes love, friendship, intimacy, family, etc.
- Safety – includes security of environment, employment, resources, health, property, etc.
- Physiological – includes air, food, water, sex, sleep, other factors towards homeostasis, etc.

Deprivation Needs

The first four levels are considered deficiency or deprivation needs (“D-needs”) in that their lack of satisfaction causes a deficiency that motivates people to meet these needs. Physiological needs, the lowest level on the hierarchy, include necessities such as air, food, and water. These tend to be satisfied for most people, but they become predominant when unmet. During emergencies, safety needs such as health and security rise to the forefront. Once these two levels are met, belongingness needs, such as obtaining love and intimate relationships or close friendships, become important. The next level, esteem needs,

include the need for recognition from others, confidence, achievement, and self-esteem.

Growth Needs

The highest level is self-actualization, or the self-fulfillment. Behavior in this case is not driven or motivated by deficiencies but rather one's desire for personal growth and the need to become all the things that a person is capable of becoming.

Criticisms

While a useful guide for generally understanding why students behave the way that they do and in determining how learning may be affected by physiological or safety deficiencies, Maslow's Hierarchy of Needs has its share of criticisms. Some critics have noted vagueness in what is considered a "deficiency"; what is a deficiency for one is not necessarily a deficiency for another. Secondly, there seem to be various exceptions that frequently occur. For example, some people often risk their own safety to rescue others from danger.

5.5 Mc Gregor's Theory X and Theory Y

In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y. According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.

Assumptions of Theory X

- An average employee intrinsically does not like work and tries to escape it whenever possible.
- Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.
- Many employees rank job security on top, and they have little or no aspiration/ ambition.
- Employees generally dislike responsibilities.
- Employees resist change.
- An average employee needs formal direction.

Assumptions of Theory Y

- Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.
- Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
- If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.
- An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.
- The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behaviour at work, while Theory Y presents an optimistic view of the employees' nature and behaviour at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory Y is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

McGregor views Theory Y to be more valid and reasonable than Theory X. Thus, he encouraged cordial team relations, responsible and stimulating jobs, and participation of all in decision-making process.

Implications of Theory X and Theory Y

- ✓ Quite a few organizations use Theory X today. Theory X encourages use of tight control and supervision. It implies that employees are reluctant to organizational changes. Thus, it does not encourage innovation.
- ✓ Many organizations are using Theory Y techniques. Theory Y implies that the managers should create and encourage a work environment which provides opportunities to employees to take initiative and self-direction. Employees should be given opportunities to contribute to organizational well-being. Theory Y encourages decentralization of authority, teamwork and participative decision making in an organization. Theory Y searches and discovers the ways in which an employee can make significant contributions in an organization. It harmonizes and matches employees' needs and aspirations with organizational needs and aspirations.

5.6 Definition of Leadership and Leader

Organizational Leadership

Organizations need strong leadership for optimum effectiveness. Leadership, as we know, is a trait which is both inbuilt and can be acquired also. Organizational leadership deals with both human psychology as well as expert tactics. Organizational leadership emphasizes on developing leadership skills and abilities that are relevant across the organizations. It means the potential of the individuals to face the hard times in the industry and still grow during those times. It clearly identifies and distinguishes the leaders from the managers. The leader should have potential to control the group of individuals.

An ideal organizational leader should not dominate over others. He should guide the individuals under him, give them a sense of direction to achieve organizational goals successfully and should act responsibly. He should be optimistic for sure. He should be empathetic and should understand the need of the group members. An organizational leader should not only lead others individually but also manage the actions of the group.

Individuals who are highly ambitious, have high energy level, an urge to lead, self-confidence, intelligence, have thorough knowledge of job, are honest and flexible are more likely to succeed as organizational leaders. Individuals who learn the organizational leadership develop abilities and skills of teamwork, effective communication, conflict resolution, and group problem solving techniques. Organizational leaders clearly communicate organizational mission, vision and policies; build employees morale, ensure efficient business operations; help employees grow professionally and contribute positively towards organizations mission.

Importance of Leadership

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

1. **Initiates action-** Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
2. **Motivation-** A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
3. **Providing guidance-** A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
4. **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
5. **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
6. **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems

and solve them. He should treat employees on humanitarian terms.

7. **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

5.7 Qualities of a Leader :-

A leader has got multidimensional traits in him which makes him appealing and effective in behavior. The following are the requisites to be present in a good leader:

1. **Physical appearance-** A leader must have a pleasing appearance. Physique and health are very important for a good leader.
2. **Vision and foresight-** A leader cannot maintain influence unless he exhibits that he is forward looking. He has to visualize situations and thereby has to frame logical programmes.
3. **Intelligence-** A leader should be intelligent enough to examine problems and difficult situations. He should be analytical who weighs pros and cons and then summarizes the situation. Therefore, a positive bent of mind and mature outlook is very important.
4. **Communicative skills-** A leader must be able to communicate the policies and procedures clearly, precisely and effectively. This can be helpful in persuasion and stimulation.
5. **Objective-** A leader has to be having a fair outlook which is free from bias and which does not reflect his willingness towards a particular individual. He should develop his own opinion and should base his judgement on facts and logic.

6. **Knowledge of work-** A leader should be very precisely knowing the nature of work of his subordinates because it is then he can win the trust and confidence of his subordinates.
7. **Sense of responsibility-** Responsibility and accountability towards an individual's work is very important to bring a sense of influence. A leader must have a sense of responsibility towards organizational goals because only then he can get maximum of capabilities exploited in a real sense. For this, he has to motivate himself and arouse and urge to give best of his abilities. Only then he can motivate the subordinates to the best.
8. **Self-confidence and will-power-** Confidence in himself is important to earn the confidence of the subordinates. He should be trustworthy and should handle the situations with full will power. (You can read more about Self-Confidence at : Self Confidence - Tips to be Confident and Eliminate Your Apprehensions).
9. **Humanist-**This trait to be present in a leader is essential because he deals with human beings and is in personal contact with them. He has to handle the personal problems of his subordinates with great care and attention. Therefore, treating the human beings on humanitarian grounds is essential for building a congenial environment.
10. **Empathy-** It is an old adage "Stepping into the shoes of others". This is very important because fair judgement and objectivity comes only then. A leader should understand the problems and complaints of employees and should also have a complete view of the needs and aspirations of the employees. This helps in improving human relations and personal contacts with the employees.

From the above qualities present in a leader, one can understand the scope of leadership and it's importance for scope of business.

A leader cannot have all traits at one time. But a few of them helps in achieving effective results.

5.8 Leadership Styles

All leaders do not possess same attitude or same perspective. As discussed earlier, few leaders adopt the carrot approach and a few adopt the stick approach. Thus, all of the leaders do not get the things done in the same manner. Their style varies. The leadership style varies with the kind of people the leader interacts and deals with. A perfect/standard leadership style is one which assists a leader in getting the best out of the people who follow him.

Some of the important leadership styles are as follows:

✓ **Autocratic leadership style:** In this style of leadership, a leader has complete command and hold over their employees/team. The team cannot put forward their views even if they are best for the team's or organizational interests. They cannot criticize or question the leader's way of getting things done. The leader himself gets the things done. The advantage of this style is that it leads to speedy decision-making and greater productivity under leader's supervision. Drawbacks of this leadership style are that it leads to greater employee absenteeism and turnover. This leadership style works only when the leader is the best in performing or when the job is monotonous, unskilled and routine in nature or where the project is short-term and risky.

The Laissez Faire Leadership Style: Here, the leader totally trusts their employees/team to perform the job themselves. He just concentrates on the intellectual/rational aspect of his work and does not focus on the management aspect of his

work. The team/employees are welcomed to share their views and provide suggestions which are best for organizational interests.

Democratic/Participative leadership style: The leaders invite and encourage the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader. The leader guides the employees on what to perform and how to perform, while the employees communicate to the leader their experience and the suggestions if any. The advantages of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic work environment and also encourages creativity. This leadership style has the only drawback that it is time-consuming.

Bureaucratic leadership: Here the leaders strictly adhere to the organizational rules and policies. Also, they make sure that the employees/team also strictly follows the rules and procedures. Promotions take place on the basis of employees' ability to adhere to organizational rules. This leadership style gradually develops over time. This leadership style is more suitable when safe work conditions and quality are required. But this leadership style discourages creativity and does not make employees self-contented.

CONTROLLING

6.1 Meaning

6.2 Steps in Control Process

6.3 Types of control: Feed forward, feedback, concurrent

6.4 Time Management

6.1 Meaning :-

What is controlling?

Controlling consists of verifying whether everything occurs in conformance with the plans adopted, instructions issued and principles established. Controlling ensures that there is effective and efficient utilization of organizational resources so as to achieve the planned goals. Controlling measures the deviation of actual performance from the standard performance, discovers the causes of such deviations and helps in taking corrective actions

According to Brech, "Controlling is a systematic exercise which is called as a process of checking actual performance against the standards or plans with a view to ensure adequate progress and also recording such experience as is gained as a contribution to possible future needs."

According to Donnell, "Just as a navigator continually takes reading to ensure whether he is relative to a planned action, so should a business manager continually take reading to assure himself that his enterprise is on right course."

Controlling has got two basic purposes

1. It facilitates co-ordination
2. It helps in planning

Features of Controlling Function

Following are the characteristics of controlling function of management-

1. **Controlling is an end function-** A function which comes once the performances are made in conformance with plans.
2. **Controlling is a pervasive function-** which means it is performed by managers at all levels and in all type of concerns.
3. **Controlling is forward looking-** because effective control is not possible without past being controlled. Controlling always look to future so that follow-up can be made whenever required.

4. **Controlling is a dynamic process-** since controlling requires taking reviewal methods, changes have to be made wherever possible.
5. **Controlling is related with planning-** Planning and Controlling are two inseparable functions of management. Without planning, controlling is a meaningless exercise and without controlling, planning is useless. Planning presupposes controlling and controlling succeeds planning.

6.2 Steps in Control Process :-

Controlling as a management function involves following steps:

1. **Establishment of standards-** Standards are the plans or the targets which have to be achieved in the course of business function. They can also be called as the criteria for judging the performance. Standards generally are classified into two-
 - a. Measurable or tangible - Those standards which can be measured and expressed are called as measurable standards. They can be in form of cost, output, expenditure, time, profit, etc.
 - b. Non-measurable or intangible- There are standards which cannot be measured monetarily. For example- performance of a manager, deviation of workers, their attitudes towards a concern. These are called as intangible standards.

Controlling becomes easy through establishment of these standards because controlling is exercised on the basis of these standards.

2. **Measurement of performance-** The second major step in controlling is to measure the performance. Finding out deviations becomes easy through measuring the actual performance. Performance levels are sometimes easy to measure and sometimes difficult. Measurement of tangible standards is easy as it can be expressed in units, cost, money terms, etc. Quantitative measurement becomes difficult when performance of manager has to be measured. Performance of a manager cannot be measured in quantities. It can be measured only by-
 - a. Attitude of the workers,
 - b. Their morale to work,

- c. The development in the attitudes regarding the physical environment, and
- d. Their communication with the superiors.
- e. It is also sometimes done through various reports like weekly, monthly, quarterly, yearly reports.

3. Comparison of actual and standard performance - Comparison of actual performance with the planned targets is very important. Deviation can be defined as the gap between actual performance and the planned targets. The manager has to find out two things here- extent of deviation and cause of deviation. Extent of deviation means that the manager has to find out whether the deviation is positive or negative or whether the actual performance is in conformity with the planned performance. The managers have to exercise control by exception. He has to find out those deviations which are critical and important for business. Minor deviations have to be ignored. Major deviations like replacement of machinery, appointment of workers, quality of raw material, rate of profits, etc. should be looked upon consciously. Therefore it is said, " If a manager controls everything, he ends up controlling nothing." For example, if stationery charges increase by a minor 5 to 10%, it can be called as a minor deviation. On the other hand, if monthly production decreases continuously, it is called as major deviation.

Once the deviation is identified, a manager has to think about various cause which has led to deviation. The causes can be-

- a. Erroneous planning,
- b. Co-ordination loosens,
- c. Implementation of plans is defective, and
- d. Supervision and communication is ineffective, etc.

4. Taking remedial actions- Once the causes and extent of deviations are known, the manager has to detect those errors and take remedial measures for it. There are two alternatives here-

- a. Taking corrective measures for deviations which have occurred; and
- b. After taking the corrective measures, if the actual performance is not in conformity with plans, the manager can revise the targets. It is here the controlling process comes to an end. Follow up is an important step

because it is only through taking corrective measures, a manager can exercise controlling

6.3 Types of control: Feed forward, feedback, concurrent

Control can focus on events before, during, or after a process. For example, a local automobile dealer can focus on activities before, during, or after sales of new cars. Careful inspection of new cars and cautious selection of sales employees are ways to ensure high quality or profitable sales even before those sales take place. Monitoring how salespeople act with customers is a control during the sales task. Counting the number of new cars sold during the month and telephoning buyers about their satisfaction with sales transactions are controls after sales have occurred. These types of controls are formally called feedforward, concurrent, and feedback, respectively.

- **Feedforward controls**, sometimes called preliminary or preventive controls, attempt to identify and prevent deviations in the standards before they occur. Feedforward controls focus on human, material, and financial resources within the organization. These controls are evident in the selection and hiring of new employees. For example, organizations attempt to improve the likelihood that employees will perform up to standards by identifying the necessary job skills and by using tests and other screening devices to hire people with those skills.
- **Concurrent controls** monitor ongoing employee activity to ensure consistency with quality standards. These controls rely on performance standards, rules, and regulations for guiding employee tasks and behaviors. Their purpose is to ensure that work activities produce the desired results. As an example, many manufacturing operations include devices that measure whether the items being produced meet quality standards. Employees monitor the measurements; if they see that standards are not being met in some area, they make a correction themselves or let a manager know that a problem is occurring.
- **Feedback controls** involve reviewing information to determine whether performance meets established standards. For example, suppose that an organization establishes a goal of increasing its profit by 12 percent next year. To ensure that this goal is reached, the organization must monitor its profit on a monthly basis. After three months, if profit has increased by 3 percent, management might assume that plans are going according to schedule.

6.4 Time Management :-

Time Management - Meaning and its Importance

It is rightly said “Time and Tide wait for none”. An individual should understand the value of time for him to succeed in all aspects of life. People who waste time are the ones who fail to create an identity of their own.

What is Time Management?

- Time Management refers to managing time effectively so that the right time is allocated to the right activity.
- Effective time management allows individuals to assign specific time slots to activities as per their importance.
- Time Management refers to making the best use of time as time is always limited.

Ask yourself which activity is more important and how much time should be allocated to the same? Know which work should be done earlier and which can be done a little later.

Time Management plays a very important role not only in organizations but also in our personal lives.

Time Management includes:

- i. Effective Planning
- ii. Setting goals and objectives
- iii. Setting deadlines
- iv. Delegation of responsibilities
- v. Prioritizing activities as per their importance
- vi. Spending the right time on the right activity

- **Effective Planning**

Plan your day well in advance. Prepare a To Do List or a “TASK PLAN”. Jot down the important activities that need to be done in a single day against the time that should be allocated to each activity. High Priority work should come on top followed by those which do not need much of your importance at the moment. Complete pending

tasks one by one. Do not begin fresh work unless you have finished your previous task. Tick the ones you have already completed. Ensure you finish the tasks within the stipulated time frame.

- **Setting Goals and Objectives**

Working without goals and targets in an organization would be similar to a situation where the captain of the ship loses his way in the sea. Yes, you would be lost. Set targets for yourself and make sure they are realistic ones and achievable.

- **Setting Deadlines**

Set deadlines for yourself and strive hard to complete tasks ahead of the deadlines. Do not wait for your superiors to ask you everytime. Learn to take ownership of work. One person who can best set the deadlines is you yourself. Ask yourself how much time needs to be devoted to a particular task and for how many days. Use a planner to mark the important dates against the set deadlines.

- **Delegation of Responsibilities**

Learn to say “NO” at workplace. Don’t do everything on your own. There are other people as well. One should not accept something which he knows is difficult for him. The roles and responsibilities must be delegated as per interest and specialization of employees for them to finish tasks within deadlines. A person who does not have knowledge about something needs more time than someone who knows the work well.

- **Prioritizing Tasks**

Prioritize the tasks as per their importance and urgency. Know the difference between important and urgent work. Identify which tasks should be done within a day, which all should be done within a month and so on. Tasks which are most important should be done earlier.

- **Spending the right time on right activity**

Develop the habit of doing the right thing at the right time. Work done at the wrong time is not of much use. Don't waste a complete day on something which can be done in an hour or so. Also keep some time separate for your personal calls or checking updates on Facebook or Twitter. After all human being is not a machine.

Time Management Techniques

Time management refers to the judicious use of time for achieving success in life. Time Management helps an individual to make the best possible use of time. It is essential for individuals to value time and allocate the right time to the right activity.

Let us go through some Time Management Techniques:

- **Set your Priorities.** Know what all needs to be done on an urgent basis. Prepare a "TO DO" List or a "Task Plan" to jot down tasks you need to complete against the time slot assigned to each activity. High Priority Tasks must be written on top followed by tasks which can be done a little later. Make sure you stick to your Task List.
- **Make sure you finish your assignments within the stipulated time frame.** Tick the tasks you have already finished. Treat yourself with a chocolate if you finish your assignments ahead of deadlines.
- **Understand the difference between urgent and important work.** Manage your work well. Do not begin your day with something which is not so important and can be done a little later. First finish off what all is urgent and important. Do not wait for your Boss's reminders.
- **Stay focused.** Do not leave your work station if some urgent work needs to be done. Going for strolls in the middle of an urgent work breaks continuity and an individual tends to lose his focus. Individuals who kill time at work find it difficult to survive workplace stress.
- **Do include time for your tea breaks, net surfing, personal calls and so on in your daily schedule.** It is important. Human being is not a machine who can work at a stretch for eight to nine hours. Assign half an hour to forty five minutes to check updates on social networking sites, call your friends or family or go for smoke breaks etc.

- **Set realistic and achievable targets for yourself.** Know what you need to achieve and in what duration? Do not lie to yourself. Assigning one hour to a task which you yourself know would require much more time does not make sense.
- **Do not overburden yourself.** Say a firm no to your boss if you feel you would not be able to complete a certain assignment within the assigned deadline. Don't worry, he will not feel bad. Probably he can assign the same to any of your fellow workers. Accept tasks which you are really confident about.
- **Be disciplined and punctual.** Avoid taking unnecessary leaves from work unless there is an emergency. Reach work on time as it helps you to plan your day better.
- **Keep things at their proper places.** Files must be kept at their respective drawers. Staple important documents and put them in a proper folder. Learn to be a little more organized. It will save your time which goes on unnecessary searching.
- **Do not treat your organization as a mere source of money.** Change your attitude. Avoid playing games on computer or cell phones during office hours. It is unprofessional. Do not work only when your boss is around. Taking ownership of work pays you in the long run.
- **Develop the habit of using an organizer.** It helps you plan things better. Keep a notepad and a pen handy. Do not write contact numbers or email ids on loose papers. You will waste half of your time searching them. Manage your emails. Create separate folders for each client. Do not clutter your desktop.