

Handbook of

**Principles of
management**

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Principles of Management

1. MANAGEMENT - NATURE AND SCOPE

I. NATURE OF MANAGEMENT

1. Multidisciplinary
2. Dynamic, not static or rigid
3. Universal process
4. Continuous process
5. Multi-disciplinary method
6. Group activity
7. Intangible force
8. Social management
9. Coordinating force
10. Goal oriented
11. Relative, not absolute principles
12. An integrative method

II. IMPORTANCE OF MANAGEMENT

1. Management helps in achieving group goals
2. Optimum utilization of resources
3. Reduces costs
4. Establishes sound organization
5. Establishes equilibrium
6. Essentials for well being of society
7. Maximum production at minimum cost
8. Coordinates human effort
9. Limits or ends business failures
10. Paves way to development economically
11. Essential in all organizations at all levels

III. MANAGEMENT AS ART

1. Trained ability
2. Personal skill
3. Practical knowledge
4. Creativity
5. Perfection through practice
6. goal-oriented

IV. MANAGEMENT AS SCIENCE

1. System of acquiring knowledge
2. Knowledge covering general truths
3. Experimentation and observation
4. Cause and effect relationship
5. Test of validity and predictability

V. MANAGEMENT AS BOTH SCIENCE AND ART

1. Scientific knowledge and art of managing
2. Judicious blend of science as well as art
3. Maintains a dynamic equilibrium
4. Reduces absenteeism and labor turnover
5. Motivates employees

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6. Encourages team work
7. Management is the catalyst

VI. MANAGEMENT AS A UNIVERSALITY OF MANAGEMENT FAVOUR

1. Management as a universal process
2. Universal principles
3. Fundamentals are the same only techniques differ
4. Practical evidence

VII. ARGUMENTS AGAINST UNIVERSALITY

1. Based on objective
2. Culture-bound
3. Organizational philosophies differ
4. Applications differ
5. Harbinson and Mayers

VIII. MANAGEMENT AS A PROFESSION

1. Specialized knowledge
2. Formal education and training
3. Social responsibility
4. Professional autonomy
5. Code of conduct

IX. FUNCTIONS OF MANAGEMENT

1. Planning
2. Organizing
3. Staffing
4. Directing
5. Leading
6. Controlling
7. Co-ordination
8. Budgeting

X. LEVELS OF MANAGEMENT

1. Top level
2. Middle level
3. Lower level

XI. MANAGERIAL SKILLS

1. the conceptual skill
2. The technical skill
3. Human relations skill
4. Focusing skill
5. Delegating skill
6. Problem solving skills
7. Decision making skills
8. Listening skills

XII. IMPORTANCE OF MANAGER

1. Optimum utilization of resources

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2. Establishes equilibrium
3. Serves as a leader
4. Develops human talent
5. Channelise the efforts
6. Liaison officer
7. Delegates the authority
8. Disseminator
9. Innovative force
10. Custodians of organization
11. Mentors

XIII. FUNCTIONAL AREAS OF MANAGEMENT

1. Financial management
2. Personnel management
3. Purchasing management
4. Operation management
5. Marketing management
6. Distribution management

2. MODERN MANAGEMENT THEORY

I. STREAMS/APPROACHES

1. Quantitative approach
2. System approach
3. Contingency approach
4. The interpersonal behavior approach
5. The socio-technical systems approach
6. The decision theory approach
7. The managerial roles approach

II. MINTZBERG'S 10 ROLES

1. Interpersonal roles
2. Figurehead role
3. Leader role
4. Liaison role
5. Informational roles
6. Recipient roles
7. Disseminator role
8. Spokesperson role
9. Entrepreneurial role
10. Handler role
11. Resource allocator role
12. Negotiator role

III. SCIENTIFIC MANAGEMENT

OBJECTIVES

1. Standardization
2. Control cost
3. Improve quality

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4. Fair wage
5. Training and development
6. Specialization
7. Improve morale of workers
8. Motivate workers for promotion to higher positions
9. Better contentment and a happier life for workers

TECHNIQUES

1. Time study
2. Motion study
3. Functional foremanship
4. Standardization

IV. BENEFITS

1. Increased productivity
2. Efficient utilization of resources
3. Prosperity of employees
4. Setting high standard for all the work
5. workers paid by results increased productivity
6. Training and development of employees
7. Effective control over work process

LIMITATIONS

1. Complete restructuring to organization
2. Employees dissatisfaction
3. Too much pressure on employees
4. Reduced flexibility
5. Motivation
6. Scientific management does not always give best way for solving problems
7. System of bargaining for conditions of work was absent

V. PRINCIPLES OF MANAGEMENT BY HENRY FAYOL

1. Division of work
2. Authority
3. Discipline
4. Unity of command
5. Unity of direction
6. Subordination of individual interests to the general interests
7. Remuneration
8. Centralization
9. Scalar chain
10. Order
11. Equity
12. Stability of tenure of personnel
13. Initiative
14. Esprit de corps

VI. HAWTHORNE EXPERIMENT

1. Illumination experiment
2. Relay assembly test room experiment
3. Interviewing programme
4. Bank writing test room experiment

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3. PLANNING

I. FACTORS INVOLVED IN PLANNING

1. Contribution to objectives
2. Efficiency of planning
3. Primacy of planning
4. Planning premises
5. Policy of framework
6. Timing of plan
7. Limiting factor
8. Commitment
9. Flexibility
10. Competitive strategies

II. ELEMENTS OF PLANNING

1. Forecasting
2. Objectives
3. Policy
4. Programmes
5. Schedules
6. Procedure
7. Budget

III. CHARACTERISTICS OF PLANNING

1. Primacy of planning
2. Rationality
3. Intellectual process
4. Dynamism
5. Planning is flexible
6. Planning involves decision making
7. Formation of premises
8. Pervasiveness of planning

IV. PLANNING PROCESS

1. Analyzing the environment
2. Establishing objectives
3. Determining planning premises
4. Developing alternative course of action
5. Evaluation of alternative
6. Selecting the best course
7. Formulating derivative plans

V. MERITS OF PLANNING

1. Planning helps to focus attention
2. Provides economy in operation
3. Helps in achieving objectives
4. Better utilization of resources
5. Planning facilitates controlling
6. Planning provides competitive edge

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7. Planning encourages innovations
8. Reduce uncertainty and risk
9. Planning facilitates management by objectives
10. Planning provide basis for decentralization

VI. OBSTACLES TO PLANNING

1. Inadequate inputs
2. Lack of ability
3. Emergencies
4. Need for creativity
5. Resistance to change

VII. POLICIES

1. Originates
2. Imposed
3. Appealed
4. Explicit and implicit
5. Functional
6. Level

FEATURES

1. Behavioral
2. Define boundaries
3. Allows freedom to decide
4. Provides standing answers to recurring questions
5. Important management tool

4. ORGANISATION

I. NATURE

1. Common purpose
2. Division of Labor
3. Authority structure
4. People
5. Communication
6. Coordination
7. Environment
8. Rules and regulations

II. PRINCIPLES

1. Unity of objectives
2. Division of work
3. Span of control
4. Scalar principle
5. Principle of exception
6. Unity of command
7. Functional definition
8. Unity of direction
9. Delegation

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10. Correspondence
11. Absoluteness of responsibility
12. Simplicity
13. Flexibility
14. Efficiency
15. Continuity

III. ADVANTAGES

1. Aid to management
2. Facilitates growth
3. Ensures optimum use of resources
4. Stimulates creativity
5. Facilitates continuity
6. Helps in coordination

IV. STEPS/PROCESS OF ORGANISING

1. Determining the activities to be performed
2. Grouping of activities
3. Assignment of duties
4. Delegation of authority
5. Defining authority relationships

V. FEATURES

1. Unity of objectives
2. Division of work
3. Span of control
4. Scalar principle
5. Principle of exception
6. Unity of command
7. Functional definition
8. Unity of direction
9. Delegation
10. Correspondence
11. Absoluteness of responsibility
12. Simplicity
13. Flexibility
14. Efficiency
15. Continuity

VI. TYPES/FORMS OF ORGANISATION STRUCTURE

1. Line organization
2. Functional organization
3. Line & staff organization committee organization
4. Project organization
5. Matrix organization

VII. FUNCTIONAL ORGANISATION

ADVANTAGES

1. Specialization
2. Reduction of workload
3. Better control

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4. Easier staffing
5. Higher efficiency
6. Scope for expansion

MILDISADVANTAGES

1. Double command
2. Complexity
3. Delay in decision-making
4. Problem of succession
5. Lack of co-ordination

IX. LINE AND STAFF ORGANISATION

ADVANTAGES

1. Expert advice
2. Relief to top executives
3. Quality decisions
4. Training personnel

DISADVANTAGES

1. Line and staff conflicts
2. Confusion
3. Ineffective staff

TYPES OF STAFF

1. PERSONAL STAFF
2. SPECIALISED STAFF
3. GENERAL STAFF

X. COMMITTEE ORGANISATION

TYPES OF COMMITTEES

1. Standing/adhoc committee
2. Executive/advisory committee
3. Line and staff committee
4. Formal/informal committee

ADVANTAGES

1. Group judgment
2. Effective decisions
3. Motivation through participation
4. Representation diverse interest groups
5. Management development
6. Check against misuse of powers

DISADVANTAGES

1. Expensive
2. Slow decisions
3. Compromise decisions
4. Dividend responsibility
5. Misuse of committees

XI. TOOLS FOR EXECUTIVE COMMITTEE

1. Right size

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2. Selection of members
3. Well-defined scope
4. Adequate preparation
5. Follow-up
6. Task
7. Service organizations
8. Common wealth organizations

XII. FACTORS INFLUENCING STRUCTURE OF ORGANISATION

1. Technology
2. Strategy
3. Size
4. Span of control
5. Form
6. Managerial characteristics
7. Employee characteristics

5. DEPARTMENTATION

I.NEED

1. Specialization
2. Expansion
3. Autonomy
4. Fixation of responsibility
5. Appraisal
6. Management development
7. Administrative control

II.TYPES

1. Functional departmentation
2. Product departmentation
3. Territorial departmentation
4. customer departmentation
5. process of equipment departmentation
6. time departmentation
7. combined departmentation

6. DELEGATION OF AUTHORITY

I.ELEMENTS/PRINCIPLES

1. assignment of duties
2. granting of authority
3. creating obligation/accountability
4. functional definition
5. delegation of results expected
6. parity between authority & responsibility
7. absoluteness of responsibility
8. unity of command

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9. well defined limits of authority

II.TYPES

1. general
2. specific
3. formal
4. informal
5. written/oral
6. downward/sideward

III.PROCESS

1. determination of results expected
2. assignment of duties
3. granting of authority
4. creating accountability for performance

IV.EFFECTIVE DELEGATION

1. establishment of definite goals
2. clear definition of authority
3. proper motivation
4. appropriate environment
5. proper training
6. effective control mechanism
7. proper communication

V.AUTHORITY/POWER

1. nature
2. flow
3. organizational charts
4. level of management
5. legitimacy
6. position and person

7. CENTRALISATION AND DECENTRALISATION

I.CENTRALISATION

MERITS

1. standardized system & procedure
2. professional & personal leadership
3. economy of operation
4. co-ordination & co-operation of functional activities
5. utilization of personnel

DEMERITS

1. individual efforts are restricted
2. over burden of work of sub-ordinates
3. slow operations of business
4. distance from customer
5. no scope for specialization

II.DELEGATION V/S DELEGATION

1. nature

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2. scope
3. significance
4. freedom of action

III. DECENTRALISATION

MERITS

1. reduces burden of top executives
2. quick decisions
3. motivation to subordinates
4. growth and diversification
5. management development
6. diversion of risk
7. effective supervision and control

DEMERITS

1. Lack of coordination
2. Difficulty in control
3. High cost of operations
4. Non availability of talented managers
5. External constraints

IV. FACTORS CONSIDERED FOR DECENTRALISATION

1. Size of the organization
2. Nature of operations
3. Level of diversification
4. History of business
5. Availability of skilled personnel
6. Perception of the top management
7. Types of functions
8. Communication system
9. Complexity of the environment

8. SPAN OF CONTROL

I. TYPES OF SUPERIOR SUBORDINATE RELATIONSHIPS

1. Direct single relationships = n
2. Direct group relationships = $n(2n-1)$
3. Cross relationships = $n(n-1)$
4. Total relationships = $n[2+(n-1)]$

II. FACTORS AFFECTING SPAN OF MANAGEMENT

1. Capacity of superior
2. Capacity of subordinates
3. Nature of work
4. Degree of decentralization
5. Degree of planning
6. Communication techniques

III. ELEMENTS

1. Sender
2. Message

9. COMMUNICATION

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3. Encoding
4. Channel receive
5. Decoding
6. Feedback

II. NATURE

1. Two way process
2. Knowledge of language
3. Identity of minds
4. Message must have substance
5. Communication through gestures
6. Communication continuous process
7. Communication may be formal/informal

III. IMPORTANCE

1. essential for planning
2. basis of co-ordination
3. establishment of effective leadership
4. increases managerial efficiency
5. promotes co-operation & industrial peace
6. basis of decision making
7. morale building & motivation
8. avoid interpersonal conflict
9. job satisfaction

IV. COMMUNICATION NETWORKS

1. circle network
2. chain network
3. wheel network
4. free flow network

V. GUIDELINES FOR EFFECTIVE COMMUNICATION

1. sound organization structure
2. clear messages
3. two way communication
4. multiple channels
5. good listening
6. effective control
7. modern instruments
8. human relations attitude

VI. BARRIERS

1. physical barriers
2. semantic barriers
3. attitudinal barriers
4. physiological barriers
5. cultural barriers
6. linguistic barriers

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7. psychological barriers
8. socio-psychological barriers

VII. MIS

Role of MIS

1. facilities planning
2. reduces information overload
3. improves decentralization
4. assists coordination
5. simplifies control

Designing of MIS

1. preliminary survey & problem definition stage
2. conceptual design stage
3. detailed design stage
4. final implementation stage
5. addition to the above stages

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10. CONTROL

I. CHARACTERISTICS

1. control is an end function
2. control is continuous process
3. control is mainly forward-looking
4. control is all a pervasive function
5. control is a normative and positive force
6. control guides behavior
7. control allows the organization to cope up with uncertainty

II. IMPORTANCE

1. stimulates action
2. managerial accountability
3. efficiency and effectiveness
4. facilitates other managerial functions
5. enhances employee morale
6. co-ordination in action

III. ELEMENTS

1. focus on objectives and needs
2. prompt indicator
3. forward looking
4. understandable and economical
5. control by function and factors
6. strategic points control
7. flexible
8. objective
9. indicative as well as suggestive
10. correct action at correct time
11. alteration to human factor

IV. PROBLEMS

1. realistic standard
2. resistance from employees
3. lack of good system of communication
4. rigidity
5. difficult to measure qualitative standards
6. delay in taking corrective action
7. expensive

V. EFFECTIVE CONTROL SYSTEMS

1. controls must be understandable
2. controls must be flexible
3. controls must be economical
4. controls must be objective
5. controls should recognize the importance of the time element
6. controls system should provide useful, understandable information
7. controls should be forward looking
8. controls should be selective
9. controls should reflect the organization structure and needs

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10. control should lead to correct action

VI. CONTROL PROCESS

A. ESTABLISHMENT OF STANDARDS

1. physical
2. monetary
3. time

B. MEASUREMENT OF PERFORMANCE

1. what to measure
2. how to measure

C. PROBLEMS OF MANAGEMENT

D. TECHNIQUES

1. personal observation
2. sampling
3. managerial accounting and computer science
4. management by exception
5. appraisal by results

E. WHEN TO MEASURE

1. comparison of performance with standards
2. corrective action
3. integrated control system

F. FEEDBACK CONTROL SYSTEM

VII. CONTROL TECHNIQUES

NON BUDGETARY CONTROL TECHNIQUES

1. personal observation
2. statistical data
3. special reports and analysis
4. break even analysis
5. audit
6. financial statements
7. ratio analysis

MODERN TECHNIQUES OF CONTROLLING

1. MIS
2. PERT and CPM techniques
3. Management audit system
4. Management by objectives
5. Responsibility accounting
6. Swot analysis

11. MOTIVATION

I. TYPES

1. incentive
2. fear
3. achievement
4. growth
5. power
6. social

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II. FINANCIAL MOTIVATORS

WAGES OF INCENTIVES

1. piece rate
2. time rate
3. salaries
4. commission
5. profit sharing
6. bonus
7. performance related pay
8. share ownership

NON-FINANCIAL MOTIVATION

INTRINSIC

1. acceptance
2. curiosity
3. honor
4. independence
5. order
6. power
7. social contact
8. social status

EXTRINSIC

1. challenging work
2. recognition and status
3. job security
4. responsibility

III. NATURE OF MOTIVATION

1. one motive may result in many different behaviors
2. motives are the energizing forces within
3. the same behavior may result from many different motives
4. motives may operate in harmony or in conflict
5. behavior can be used as an estimate of an individual's motives
6. motives come and go
7. motives interact with environment
8. individuals differ in their motivation
9. sometimes the individual himself is unaware of his motivation
10. Motivation is complex

IV. PROCESS OF MOTIVATION

1. Motives
2. Behavior
3. Goals

V. IMPORTANCE OF MOTIVATION

1. Puts human resources into action
2. Improves level of efficiency of employees
3. Leads to achievement of organizational goals
4. Build friendly relationship
5. Leads to stability of workforce

VI. DETERMINATION OF MOTIVATION

1. The individual

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2. Organization climate

VII. MASLOW'S NEED HIERARCHY

1. Physiological needs
2. Safety needs
3. Social needs
4. Esteem and status needs
5. Self-realization needs
6. Appraisal of Maslow's theory

VIII. THEORY Z OF MOTIVATION

1. strong bond between organization and employees
2. Employee involvement
3. No formal organization structure
4. Coordination of human beings

IX. FACTOR AFFECTING MORALE

1. Job factors
2. Personal factors
3. Other factors

X. CAUSES OF DISCIPLINARY ACTION

1. Attendance problem
2. On the job behavior problem
3. Dishonesty and related problem

XI. DISCIPLINARY PROCEDURE

1. Rules
2. Offences
3. Penalties
4. Procedure steps

XII. APPEAL PROCEDURE

1. Up the line approach
2. Personnel directors intervention
3. Disciplinary and appeals committee

12. MANAGEMENT BY OBJECTIVES

I. PROCESS OF MBO

1. Setting of organizational purpose and objective
2. Key result areas
3. Setting subordinates objectives
4. Matching resources with objectives
5. Appraisal
6. Recycling

II. BENEFITS OF MBO

1. Clarity of objectives
2. Role clarity

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3. Periodic feedback of performance
4. Participation by managers in the management process
5. Realization that there is always scope for improvement performances

III. LIMITATION OF MBO

1. Time and cost
2. Failure to teach MBO in objectives
3. Problems in objectives setting
4. Emphasis on short term objective
5. Inflexibility
6. Frustration

13. COORDINATION

I. NEED FOR CO-ORDINATION

1. Pooled interdependence
2. Sequential interdependence
3. Reciprocal interdependence

II. PRINCIPLE OF CO-ORDINATION

1. Direct contact
2. Early start
3. Reciprocity
4. Continuity
5. Self co-ordination

III. TYPES OF CO-ORDINATION

SCOPE

1. Internal
2. External

FLOW

1. Vertical
2. Horizontal or lateral
3. Procedural and substantive

IV. CHARACTERISTICS OF CO-ORDINATION

1. Coordination integrates group efforts
2. Coordination ensures unity of action
3. Coordination is a continuous process
4. Coordination is all pervasive function
5. Coordination is the responsibility of all managers
6. Coordination is a deliberate function

V. EFFECTIVE COORDINATION

1. Direct contact
2. Early start
3. Continuity
4. Reciprocity
5. Dynamism

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6. Clear-cut objectives
7. Simplified organization
8. Clear definition of authority and responsibility
9. Effective communication
10. Effective leadership and supervision

VI. TECHNIQUES OF CO-ORDINATION

1. Sound planning
2. Simplified organization
3. Effective communication
4. Effective leadership and supervision
5. Chain of command
6. Indoctrination and incentives
7. Liaison departments
8. General staff
9. Voluntary co-ordination

VII. CONTROL V/S COORDINATION

1. Meaning
2. Scope-a widening thought
3. Attitudes
4. System of analysis

14. DECISION MAKING

I. PROCESS OF DECISION MAKING

1. Identification of a problem
2. Diagnosing the problem
3. Collect and analyze the relevant information
4. Discovery of alternative course of action
5. Analyzing the alternatives
6. Screening of alternatives
7. Selection of best alternative
8. Conversion of decision into action
9. Implementation
10. Verifying the decision

II. MERITS OF DECISION MAKING

1. Decision making helps to adopt best course of action
2. Optimum use of resources
3. It helps to find a solution
4. It proves to promote efficiency
5. It helps to resolve conflicts

III. DEMERITS OF DECISION MAKING

1. Decision maker is unaware of the alternatives available
2. Indecisiveness
3. Failure to make correct diagnosis
4. Quick decision
5. Unavailability of necessary information
6. Resistance

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7. Making decision by itself cannot solve any problem

IV. PRINCIPLES OF DECISION MAKING

1. MARGINAL THEORY OF DECISION MAKING
2. Mathematical theory
3. Psychological theory
4. Principle of alternatives
5. Principle of limiting factors
6. Principle of participation

V. PROBLEM IN DECISION MAKING

1. Accuracy
2. Environment for decision
3. Timely decision
4. Communication of decision
5. Participative decision making
6. Implementation

VI. TYPES OF DECISION MAKING

1. Programmed decisions
2. Non-programmed decisions
3. Major decisions
4. Minor decisions
5. Operative decisions
6. Organizational decisions
7. Personal decision
8. Individual decision
9. Group decision
10. Departmental decision
11. Non-economic decision
12. Crisis decision
13. Research decision
14. Problem decision
15. Opportunity decision
16. Certainty decision
17. Uncertainty decision

VII. PERSONAL PHASE OF DECISION MAKING

1. Intelligence
2. Education
3. Experience
4. Courage
5. Motivation
6. Forecasting ability
7. Self-confidence

VIII. METHODS OF DECISION MAKING

1. Brainstorming
2. Decision tree
3. Models

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4. Simulation
5. Games theory
6. PERT and CPM

IX. EFFECTIVE DECISION MAKING

1. Decision should be rational and fair
2. Decisions should be scientific and professional
3. Adequate information, data and knowledge
4. Uncertainty in the environment
5. Decision maker should be able to predict the future
6. Decision maker should not be influenced by personal elements
7. Adequate provision for contingency
8. Involve subordinates in decision making
9. Ensure follow up action

15. DIRECTION

PRINCIPLES OF DIRECTION

1. Harmony of objectives
2. Maximum individual contribution
3. Unity of command
4. Appropriate techniques
5. Direct supervision
6. Strategic use of informal organization
7. Managerial communication
8. Comprehension
9. Effective leadership
10. Follow through

II. IMPORTANCE OF DIRECTION

1. Integrative force
2. Initiate the action
3. Improves efficiency
4. Facilitates change
5. Helps in stability and growth
6. Helps to achieve the organizational goals
7. Means of motivation
8. Efficient utilization of resources

III. CHARACTERISTICS OF DIRECTION

1. Pervasive function
2. Continuous activity
3. Human factor
4. Creative activity
5. Executive function
6. Delegate function

IV. TECHNIQUES OF DIRECTION

1. Consultative direction
2. Free rein direction
3. Automatic direction

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4. Autocratic direction
5. Delegation
6. Supervision
7. Communication

16. LEADERSHIP

I. CHARACTERISTICS OF A LEADER

1. Drive
2. Intelligence
3. Energy levels and stress tolerance
4. Optimistic
5. Emotional maturity
6. Honesty and integrity
7. Leadership motivation
8. Self-confidence
9. Cognitive ability
10. Knowledge of the business

II. IMPORTANCE OF LEADERSHIP

1. Initiates action
2. Motivation
3. Providing guidance
4. Creating confidence
5. Building morale
6. Builds work environment
7. Co-ordination

III. ROLE OF A LEADER

1. Required at all levels
2. Representative of the organization
3. Integrates and reconciles the personal goals with organizational goals
4. He solicits support
5. As a friend, philosopher and guide

IV. FUNCTION OF A LEADER

1. Policy maker
2. Planner
3. Executive
4. External group representative
5. Controller of internal group relationship
6. Controller of reward and punishment
7. Arbitrator and mediator
8. Exemplar
9. Father figure
10. Scapegoat

V. QUALITIES OF A LEADER

1. Physical appearance
2. Vision and foresight
3. Intelligence
4. Communicative skills

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5. Objective
6. Knowledge of work
7. Sense of responsibility
8. Self confidence and will power
9. Humanist
10. Empathy

VI. ETHICAL LEADER HAS THE FOLLOWING CHARACTERISTICS

1. Dignity and respectfulness
2. Serving others
3. Justice
4. Community building
5. Honesty
6. Personal values

VII. AUTOCRATIC LEADER CHARACTERISTICS

1. Centralized authority
2. Single-man decisions
3. Wrong belief regarding employees
4. Only downwards communication

ADVANTAGES

1. Quick and clear decisions
2. Satisfactory work
3. Necessary for less educated employees

DISADVANTAGES

1. Lack of motivation
2. Agitation by employees
3. Possibility of partiality

VIII. DEMOCRATIC LEADERSHIP CHARACTERISTICS

1. Cooperative relations
2. Belief in employees
3. Open communication

ADVANTAGES

1. High morale
2. Creation of more efficiency and productivity
3. Availability of sufficient time for constructive work

DISADVANTAGES

1. Requirement of educated subordinates
2. Delay in decisions
3. Lack of responsibility in managers

IX. LEISSEZ-FAIRE/FREE-REIN LEADERSHIP CHARACTERISTICS

1. Full faith in subordinates
2. Independent decision-making system
3. Decentralization of authority
4. Self-directed, supervisory and controlled

ADVANTAGES

1. Development of self-confidence in subordinates

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2. High-level motivation
 3. Helpful in development and extension of the enterprise
- #### DISADVANTAGES
1. Difficulty in cooperation
 2. Lack of importance of managerial post
 3. Suitable only for highly educated employees

X. INTELLECTUAL LEADERSHIP

Institutional leadership

Paternal leadership

Combining task and relationship behavior

S-1 Telling S-3 participating Ra

S-2 Selling S-4 Delegating Ra

XI. LIKERT'S MANAGEMENT SYSTEM

- | | |
|----------|----------------------------|
| system.1 | Exploitative authoritative |
| system.2 | Benevolent authoritative |
| system.3 | Consultative |
| system.4 | Participative |

XII. HENSEY BLANCHARD MODEL

1. R-1 low follower readiness
2. R-2 Low to moderate follows realness
3. R-3 moderate to high follower realness
4. R-4 high followers readiness

17. SUPERVISION

I. FUNCTIONS OF SUPERVISION

1. Planning and organizing
2. Provision of working conditions
3. Leadership and guidance
4. Motivation
5. Controlling
6. Linking pin
7. Grievance handling
8. Reporting
9. Introducing new work methods
10. Enforcing discipline

II. ROLE OF A SUPERVISOR

1. As a planner
2. As a manager
3. As a guide and leader
4. As a mediator
5. As an inspector
6. As a counselor

III. QUALITIES OF A SUPERVISOR

1. Excellent communication skills
2. Fairness

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3. Good organizational skills are essential
4. Knowledge
5. Accountability
6. Adaptability
7. Social skills
8. Diplomacy

18. STAFFING

I. OBJECTIVES OF STAFFING

1. Scheduling
2. Flexibility
3. Building skills
4. Cutting costs

II. STAFFING PRINCIPLES

1. Principle of the purpose of staffing
2. Principle of staffing
3. Principle of job definition
4. Principle of managerial appraisal
5. Principle of open competition
6. Principle of management training and development
7. Principles of training objectives
8. Principle of ongoing development

III. STAFFING PROCESS

1. Manpower requirements
2. Recruitment
3. Selection
4. Orientation and placement
5. Training and development
6. Remuneration
7. Performance evaluation
8. Promotion and transfer

IV. STEPS IN MANPOWER PLANNING

1. Analyzing the current manpower inventory
2. Making future manpower forecasts
3. Developing employment programs
4. Design training programs

V. IMPORTANCE IN MANPOWER PLANNING

1. Key to managerial functions
2. Efficient utilization
3. Motivation
4. Better human relations
5. Higher productivity

VI. OBSTACLES IN MANPOWER PLANNING

1. Underutilization of manpower
2. Degree of absenteeism
3. Lack of education and skilled labor

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4. Manpower control and review

VII. SOURCES OF RECRUITMENT

INTERNAL

1. Transfer
2. Promotion

EXTERNAL

1. Advertisement
2. Employment agencies
3. On campus recruitment
4. Deputation
5. Recommendation by existing employees
6. Labor unions
7. Gate hiring

VIII. SELECTION PROCESS

1. Receiving application form
2. Screening of applications
3. Selection tests
4. Interview
5. Checking of references
6. Physical examinations
7. Approval by appropriate authority
8. Placement

IX. SELECTION TESTS

1. Achievement test
2. Intelligence test
3. Personality test
4. Aptitude test
5. Interest test
6. Trade test
7. Psychological tests
8. Intelligence tests
9. Aptitude test
10. Interest tests
11. Dexterity tests
12. Achievement tests or trade tests
13. Personality tests
14. Medical tests
15. On-the-job test and selection

X. TYPES OF INTERVIEW

1. Unstructured or non-directive or informal or unaided interview
2. Structured as patterned interview
3. Indirect interview
4. Stress interview
5. Group interview
6. Series interview
7. Board interview

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8. Depth interview

XI. PLAN FOR INTERVIEW

1. Review of applications
2. Create a good climate for interview
3. Conduct an objective-oriented interview
4. Allow sufficient time
5. Questions and inconsistencies
6. Avoid certain types of questions
7. Immediate recording of results

XII. IMPORTANCE OF TRAINING AND DEVELOPMENT

1. Optimum utilization of human resources
2. Development of human resources
3. Development of skills of employees
4. Productivity
5. Team spirit
6. Organization culture
7. Organization climate
8. Quality
9. Healthy work environment
10. Health and safety
11. Morale
12. Image
13. Profitability

XIII. MERITS OF TRAINING

1. Increased productivity
2. Job satisfaction
3. Reduction in accidents
4. Better use of resources
5. Reduced supervision
6. Greater flexibility
7. Management by exception
8. Stability and growth

XIV. PROCESS OF TRAINING

1. Identifying the training needs of the staff
2. Establishment of training goal
3. Selecting the right method
4. Of training
5. Making an evaluation of training effectiveness

XV. ON THE JOB TRAINING

1. Induction training
2. Apprenticeship training
3. Refresher training
4. Job rotation
5. Placement as assistants
6. Vestibule training

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XVI. OFF-THE-JOB-TRAINING METHODS

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

XVII. COMPONENTS OF REMUNERATION

1. Wages and salary
2. Incentives
3. Individual incentive
4. Scheme
5. Group incentive scheme
6. Fringe benefits
7. Prerequisites
8. Non monetary benefits
9. Theories of remuneration

19. JOB ANALYSIS AND JOB EVALUATION

I. IMPORTANCE OF JOB ANALYSIS

1. Organization and manpower planning
2. Recruitment and selection
3. Training and development
4. Wage and salary administration
5. Performance appraisal
6. Job re-engineering
7. Health and safety

II. ADVANTAGES OF JOB ANALYSIS

1. Provides first hand job-related information
2. Helps in creating right job-employee fit
3. Helps in establishing effective hiring practices
4. Guides through performance evaluation and appraisal processes
5. Helps in analyzing training and development needs
6. Helps in deciding compensation package for a specific job

III. DISADVANTAGES OF JOB ANALYSIS

1. Time consuming
2. Involves personal biases
3. Sources of data is extremely small
4. Involves lots of human efforts
5. Job analyst may not possess appropriate skills
6. Mental abilities can not be directly observed

IV. PRINCIPLES OF JOB EVALUATION

1. Definition

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2. Evaluation
3. Job understanding
4. Concern assessment
5. Assessment

V. ADVANTAGES OF JOB EVALUATION

1. Reduction in inequalities in salary structure
2. Specialization
3. Helps in selection of employees
4. Harmonious relationship between employees and manager
5. Standardization
6. Relevance of new jobs

VI. METHODS OF JOB EVALUATION

1. Ranking method
2. Classification method
3. Factor comparison method
4. Point method

20. PERFORMANCE APPRAISAL

I. USE OF PERFORMANCE APPRAISAL

1. Promotions
2. Confirmations
3. Training and development
4. Compensation reviews
5. Competency building
6. Improve communication
7. Evaluation of human resources programs
8. Feedback and grievances

II. METHODS OF PERFORMANCE APPRAISAL PAST ORIENTED METHODS

PAST ORIENTED METHODS

1. Rating scales
2. Checklist
3. Forced choice method
4. Forced distribution method
5. Critical incidents method
6. Behaviorally anchored rating scales
7. Field review method
8. Performance tests and observations
9. Confidential records
10. Essay method
11. Cost accounting method
12. Comparative evaluation method

FUTURE ORIENTED METHODS

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1. MBO
2. Psychological appraisal
3. Assessment centers
4. 360 degree feedback

III. FACTOR OF PERFORMANCE APPRAISAL

1. Defenders
2. Prospectors
3. Analyzers
4. Feedback mechanism
5. Consistency between strategy & job behavior
6. Values of a job behavior

IV. PROCESS OF PERFORMANCE APPRAISAL

1. Setting performance standards
2. Communication standard set of the employee
3. Measuring performance
4. Comparing performance with standard
5. Discussing result
6. Collective action
7. Implementation and review

V. ADVANTAGES OF PERFORMANCE APPRAISAL

1. Promotion
2. Compensation
3. Employees development
4. Selection validation
5. Communication
6. Motivation

VI. LIMITATION OF PERFORMANCE APPRAISAL

1. Halo effect
2. Horn effect
3. Central tendency
4. Leniency and strictness
5. Spillover effect
6. Fear of losing subordinates and spoiling relations
7. Goodwill and techniques to be used

21. PROMOTION AND TRANSFER

I. NEED FOR PROMOTION

1. Organizational needs
2. Providing motivation
3. Providing satisfaction

II. BIAS OF PROMOTION

1. Promotion on merit basis
2. Promotion of security basis

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III. TYPES OF TRANSFER

1. Production transfer
2. Replacement transfer
3. Versatility transfer
4. Remedial transfer
5. Shift transfer

22. SOCIAL RESPONSIBILITY AND MANAGERIAL ETHICS

I. IMPORTANCE OF SOCIAL RESPONSIBILITY

1. Best interest of business to promote and improve the communities
2. Improves public image of the firm
3. Improving stock price
4. Solving social problems
5. Resource given by the organizations to solve the social problem

II. SOCIAL RESPONSIBILITIES OF A COMPANY

1. Increase the profit
2. Put the customer first
3. The case for shared value
4. Shareholders vs. society

III. VARIOUS METHODS OF RESPONSIBILITY

1. Responsibility towards owners
2. Responsibility towards investors
3. Responsibility towards employees
4. Responsibility towards suppliers
5. Responsibility towards customers
6. Responsibility towards competitors
7. Responsibility towards government
8. Responsibility towards society.