

# **MANAGEMENT CONCEPT**

**I- M.COM (CA)**

# SYLLABUS

## **UNIT- I**

**Nature and process of management- Management & science, Art and profession-: Manager & environment: System approach to management: Responsibilities of management: The social responsibilities of manager: Ethics in managing**

## **UNIT-II**

**Planning: principles of planning, types of planning, steps in planning, limitation of planning: objectives**

**Strategic planning process, major kinds of strategies, implementation of strategies, SWOT analysis, business portfolio analysis- BCG matrices, GE business screen**

**Decision making: models and techniques, management by objectives, policy formulation**

## **UNIT-III**

**Organizing: organization structure and design, span of management, delegation and decentralization: line and staff organization: effective ongoing and organizational culture**

**Staffing: system approach to human resource management: selection: selection process: techniques and instruments**

## **UNIT – IV**

Directing- importing of directing  
leading: managing the human factor:  
motivation techniques, leadership styles,  
communication process

Controlling: process of control, perquisites,  
method of control

## **UNIT – V**

Organizational behavior- motivation-  
perception- organizational development and  
changes

# INTRODUCTION

**‘The work organisation is the detailed arrangement of work and working conditions in order to perform the assigned activities in an effective manner’.**

# DEFINITION

- **‘HANEY’** Organization is a harmonious adjustment of specialised parts for the accomplishment of some common purpose or purposes.
- **MC FARIAND** ‘An identifying and group of people contributing their efforts towards the attainment of goals is called an organisation.’

# FUNCTION OF ORGANISATION

- Determination
- Grouping of activities
- Allotment of duties to specified persons
- Delegation of authority
- Defining relationship
- Co-ordination of various activities

# PRINCIPLES OF ORGANISATION

- ❖ principle of definition
- ❖ Principle of objective
- ❖ Principle of specialization or division of work
- ❖ Principle of co-ordination
- ❖ Principle of authority
- ❖ Principle of responsibility
- ❖ Principle of explanation
- ❖ Principle of efficiency

❖ Principle of explanation  
Principle of efficiency  
Principle of efficiency  
Principle of uniformity  
Principle of correspondence  
Principle of unity command  
Principle of balance  
Principle of equilibrium balance  
Principle of continuity  
Principle of span of control  
Principle leadership facilitation  
Principle exception



- Principle of flexibility
- The scalar principle
- Principle of simplicity and homogeneity
- Principle of unity of direction
- Principle of joint decisions

# NATURE OR CHARACTERISTICS OF ORGANISATION

- i. Division of labour
- ii. Co- ordination
- iii. Objectives
- iv. Authority- responsibility structure
- v. Communication

# IMPORTANCE OF ORGANISATION OR ADVANTAGES OF ORGANISATION

- ❖ Facilitate administration
- ❖ Increases the efficiency of management
  - ❖ Facilitates growth and diversification
- ❖ Ensures optimum utilization of material resources and human efforts
  - ❖ Adoption of new technology

- ❖ Places proportionate importance to activities enterprise
- ❖ Encourages creativity and initiative
- ❖ Facilitates co-ordination
- ❖ Facilitates training and development personnel
- ❖ Prevents the growth secret influence and corruption

# ***SPAN OF MANAGEMENT***

## *Synopsis:*

- *Introduction*
- *Meaning*
- *Factors affecting the span*
- *GRAICUNA'S THEORY OF SPAN*

## ***INTRODUCTION:***

- Span of management it indicates the number of people directly managed by effectively by a single person.
- If the number of members is too large it will be difficult to manage the persons and perform the work effectively.

## ***MEANING:***

- Only limited number of people are allocated to the executive for dividing the work or duties among the workers.
- Span of control are decreased top level and increased at the bottom level management.

# FACTORS AFFECTING THE SPAN

## 1.Character of the supervision work:

- It result in the control of more number of subordinates.
- If the nature of work is a complicated one the span of control has to be restricted.

## 2.Leadership qualities:

- If the supervisor has more skill to control the subordinates the span of management may be increased and vice versa.

## 3.Time available to supervisor.

- Most will spend lot of time for operating work and administrative duties like planning and organising.

## 4. Qualities of the subordinates

- The subordinates have a enough talent to perform the work.
- Assigned the manager and supervisor can control number of subordinates.

## 5. Nature of work

- Works are repetitive in nature and does not require any extra ordinary talent to perform
- control a large number of subordinates.

## 6. Level of supervision

- Span of control increased it means bottom level management and decreased at the top level management.



## 7. Delegation of authority

- If the authority delegates the powers of decision of making,
- Planning and execution to the subordinates the span of control may be increased.

## 8. Fixation of authority

- Subordinate Is clearly defined he need not contact the superior for getting guidance and instruction.
- Superior can supervise a large number of subordinates.

## 9. Using of standards

- To detect the errors or faults in the performance of work.
- No need for an executive to spend more times in watching the performance.

# GRANICUNA'S THEORY OF SPAN

- His theory is identified the relationship prevailing between the superior and the subordinates .
- They are given below.

- I. Direct single relationship
- II. Direct group relationship
- III. Cross relationships

# Advantages of Committee organisation

- ❖ The committee can take valuable decisions .
- ❖ The committee members can make use of their experience and knowledge while tasking decisions .
- ❖ The committee members are encouraged to participate in the decision making process .
- ❖ By participating in the decision making processes an officer is persuaded to accept the decision and implement the decision without any delay .

# Disadvantages of committee organisation

- Men from various fields are included in the committee .
- Each member expresses his own ideas and decisions or solutions .
- It results in delay in taking a decision .
- It has been observed that irrelevant matters are at times discussed .
- The decision should be taken by a committee with in a short period of time .

# Recommendations for efficient functioning of a committee

## Clear objectives :

The scope of the function of a committee should be clearly laid down .

## Size of the committee :

The number of members of a committee should not be too large or too small .

Only necessary members should be included in a committee .

## Selection of meetings :

The success of a committee depends upon the members of a committee .

The management should be very careful while selecting a member of a committee .

### Role of chairman :

Great care should be taken while selecting the chairman at a committee .

The chairman of a committee may be selected by the committee members or nominated by the management .

### Preparation for a meeting :

The flow of work should be maintained by taking correct decisions .

It is desirable to collect various essential information necessary to take a decision .

### Follow up :

The minutes of the meeting should be intimated to all the members of a committee .

The follow up procedure is also carried on for the purpose of ensuring proper implementation of the decisions .

## Evaluation :

The functioning of the committee should be periodically evaluated .

If any need arises certain members may be included in or excluded from the committee .

## Selection of subject matter :

Certain kinds of subjects can be dealt with by an individual only .

# Project organisation

- A project organisation idea was developed after the Second World War .
- A project organisation is suitable for the accomplishment of a small number of large projects .
- According to Middleton ,”A project organisation can also be the beginning of an organisation cycle . The project may become a long term or permanent effort that eventually becomes a programme or branch organisation” .



# Features of project organisation

- ✓ The success of the project organisation depends upon the co ordination of activities .
- ✓ The responsibility is fixed for each group with regard to the respective projects and it results in the meaningful control .

## Drawbacks of project organisation :

- The professionals are deputed for the project
- The decision is taken in the project organisation under pressure of the top management .
- It results in dangerous consequences .

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# Matrix organisation

- ❑ These are several departments under matrix organisation .
- ❑ Each department is assigned with a specified task .
- ❑ According to Stanley Davis and Paul Lawrence matrix organisation is , “Any organisation that employs a multiple command structure but also related support mechanism and an associated organisational culture and behaviour pattern “.

# Conditions For Effective Matrix Organisation

- ❖ The matrix organisation can effectively function if the following conditions are present .
- ❖ There should be an agreement among the managers regarding the authority of utilising the available resources .
- ❖ A conflict may arise among the managers regarding the utilisation of available resources .

# Merits of Matrix Organisation

- **Achievement of objectives :**

The matrix organisation reaps the benefits of functional organisation and line and staff organisation .

- **Best utilisation of resources :**

The available resources are used by the managers for the specified project .

- **Appropriate structure :**

Matrix organisation is an appropriate structure of an organisation to adopt the external changes .

- **Flexibility :**

Matrix organisation is a highly flexible organisation .

- **Motivation :**

Any department is functioning slowly towards the completion of the particular project .

- **Personal development :**

matrix organisation gives organisation gives an excellent scope for training and development of efficient persons .

# Demerits of matrix organisation

- **Complex relationship :**

The matrix organisation does not follow the principle of scalar chain of command .

- **Struggle for power :**

A subordinate is controlled by many superiors .

- **Excessive emphasis on group decision making:**

The available resources are utilised by the department for taking group decisions .

- **Arising conflict resolution :**

The resolution or the decision is taken matrix organisation with too much of self analysis of decision makers .

- **Heterogeneous :**

A matrix organisation is created by deputing the staff temporarily .

# Free Form Organisation

- ❖ Free Form Organisation resembles the project and matrix organisation .
- ❖ The formation of the Free Form Organisation depends upon the external environment of the business .
- ❖ Decision is taken under Free Form Organisation without following the policies or guidelines which are determined in advance .
- ❖ It is otherwise called organic or adhoc ([ratio](#)) organisation .

# TYPES OF ORGANISATION

## Synopsis:

- ❖ Introduction
- ❖ Line organisation
- ❖ Characteristics of line organisation
- ❖ Suitability



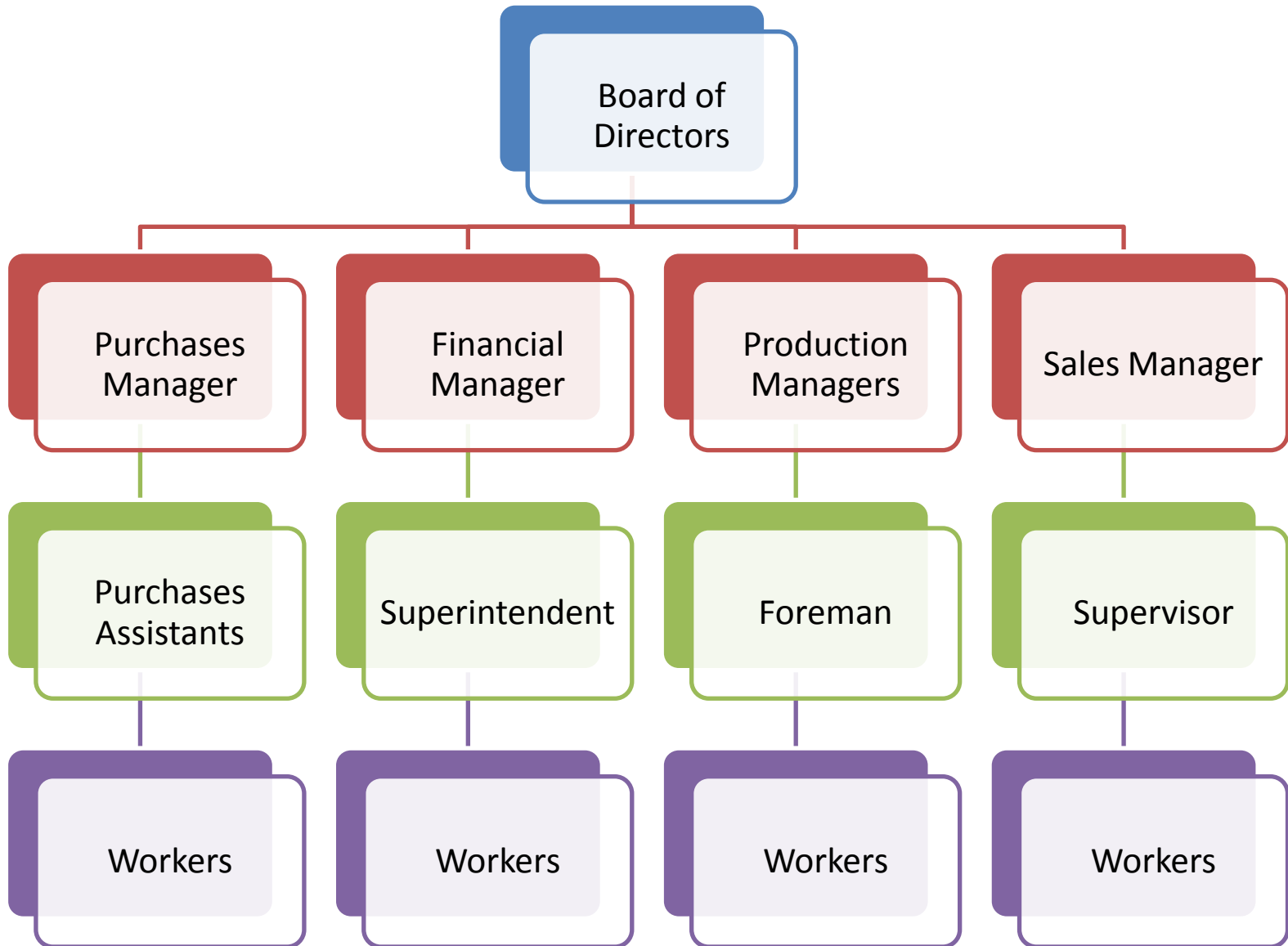
# INTRODUCTION

- Nature scale and size of the business are the normal factors which determine forms of internal organisation.
- The following common types of organisation find a place in structure of internal organisation

- |      |                         |
|------|-------------------------|
| I.   | line military           |
| II.  | functional organisation |
| III. | Line and staffing       |
| IV.  | Committee organisation  |
| V.   | Project organisation    |
| VI.  | Matrix organisation     |
| VII. | Freeform organisation   |

# **LINE ORGANISATION**

- It is a simple and oldest type of organisation
- Each department is generally a complete self contained unit.
- He communicates them to those who are Immediately under them.
- Decision making authority is to flow the top level management to the bottom level
- The top level people have a greater decision .
- The bottom level people have the executives.



# CHARACTERISTICS OF LINE

- Direct vertical relationship
- Top level to bottom level
- Full freedom to control their departments
- Get orders and whom he should give his orders
- Operation of this system is very easy
- A senior member has direct command
- Relationship between superiors and subordinates
- Each member has a responsible of the organisation
- Superior takes the decisions with the scope and authority,

# INTRODUCTION

- Change is a necessary way of life in most organizations. In fact, change is all around us in the seasons, in social environment, and in biological processes. In the dynamic society surrounding today's organisations, the question of whether change will occur is no longer relevant. Instead, the issue is how do managers cope with the inevitable barrage of change that confronts them daily in attempting to keep their organisations viable and current. Organisations that do not adapt to change find it difficult or even impossible to survive. For example, Arun Bharat Ram, senior managing director of SRF limited has observed as follows:
- “Around 25 to 30 per cent of the existing companies might be forced to stop operations in the country in the next 2-3 years. This trend is likely to take place because of the increasing change in the Indian economy which has moved from the regulated and protected regime towards a more open and competitive economy. In this changing perspective, only those who have capacity to complete and survive would emerge and take over the place of old ones”.

# Nature of organisational changes

The term change refers to an alternative in system whether physical, biological, or social. Thus, organisational changes may have following features.

1. When change occurs in any part of the organisation, it disturbs the old equilibrium necessitating the development of a new equilibrium.
2. Any change may affect the whole organisation; some parts of the organisation may be affected more, others less; some parts are affected directly, others indirectly.
3. Organisational change is a continuous process. However, some changes which are of minor type, may be absorbed by the existing equilibrium; others, which are major ones may require special change efforts.

# FACTORS IN ORGANISATIONAL CHANGES

## EXTERNAL FACTORS:

Every organisation exists in some context;no organisation is an island in itself.each must continuly interact with other organisation and individuals the consumers ,suppliers,unions,shareholders,government and many more. Each organisations has goals and responsibility related to others in its environment.

- **Technological changes:**

When there is a change in technology in the organisations environment and other organisations adopt the new technology,the organisations under focus becomes less cost effective and its competitive position weakens.we have seen in chapter 20 that technology has impact on organisation struture,organisational process,and behaviour of people.

- **Changes in marketing conditions:** Since every organisation exports its outputs to the environment, and organisation has to face competition in the market. There may be two types of forces which may affect the competitive position of an organisation-other organisations supplying the same products and buyers who are buying the product. Any change in these forces may require suitable changes in the organisation. For example, When Indian economy was liberalized (the process still continues), there were many foreign organisations which entered the Indian market.
- **Social Changes:** Social changes reflect in terms of people's aspirations, their needs , and their way of working.

- **Political and Legal changes:** political and legal factors broadly define the activities which an organisation can undertake and the methods which will be followed by it in accomplishing those activities. Any changes in these political and legal factors may affect the organisational operations.
- **INTERNAL FACTORS:**

It is not only the change in external factors which may necessitate organisational change. Any change in organisations internal factors may also necessitate change. Such a change is required because of two reasons: change in managerial personnel and deficiency in existing organisational practices.

1. **Change in Managerial Personnel:** Besides environmental changes, there is a change in managerial personnel. Old managers are replaced by new managers which is necessitated because of retirement, promotion, transfer or dismissal. Each new manager brings his own ideas and ways of working in the organisation.
2. **Deficiency in Existing organisation:** Some times, changes are necessary because of deficiency in the present organisational arrangement and process. These deficiencies may be in the form of unmanageable span of management, large number of managerial levels, lack in coordination between various departments, obstacles in communication, multiplicity of committees, lack of uniformity in policy decisions, lack of co-operation between management and staff and so on.



- One of Newton's laws is that "bodies in motion tend to stay in motion ;bodies at rest tend to stay at rest. "there is an organisational version of this basic truth. Those who believe in growth and forward movement tend to be exemplars or change, while those who believe in "this is how we do things around here"lead to doom.
- 1.ENVIRONMENTAL ADAPTATION:
- Organisation is basically adaptive-coping system.it has to work in an environment which is marked by dynamic characteristics. Every organisations has a tendency to maintain balance and equilibrium. Because of changes in the environment. The organisational equilibrium is affected.if the changes are minor and come within the perview of existing programmes,the organisation will accommodate them automatically.
- 2.INDIVIDUAL ADAPTATION:
- The second objectives of planned change is to achieve individual adaptation.The organisation cannot reach to the objectives of its environmental adaptation unless some basic internal adaptation is achieved.These internal factors may be individuals,organisations struture ,technology,and task.

# IDENTIFYING NEEDS FOR H

- The first basic step in planned changes is to identify when change in the organisation is required because change for the sake of change may produce much stronger resistance while useful and necessary changes may get support from people.
- ELEMENTS TO BE CHANGE:
- changes in people include changes in their behaviour ,interaction pattern ,informal grouping ,skills,attitudes etc.example,a change in technology from manual to automation may require change in people but at the same time,change in organisation structure also.
- PLANNING FOR CHANGE:
- At this stage,managers should plan about how the change can be brought in the light of the above two sub-processes. planning for change includes who will brings change,when to bring change,and how to bring change.
- ASSESSING CHANGE FORCES:

# Organizational growth and change

organizational change discussed so far,  
related to the problems in the organization that  
are already established. For new and  
emerging organization.

# STAGES OF ORGANISATIONAL GROWTH

Most of the writers dealing with problem of organisational growth agree that all organisations followed similar pattern of growth. They all so agree that growth can be conveniently classified into various stages and each stage organisation required to solve some specific problem.

- CREATIVITY STAGE
- DIRECTION STAGE
- DELEGATION STAGE
- COORDINATION STAGE
- COLLABORATION STAGE

**STAFFING**

# Introduction :

In a new enterprise the staffing function follows the planning and organising

Function. In the case of running an enterprise, staffing is a continuous process. so The manager should perform this function at all times. The staffing function includes recruitment, selection, training, development, transfer, promotion and compensation of personnel.

The selected personnel should be physically, mentally and temperamentally

Fit for the job.

# DEFINITION :

according to koontz and o'Donnell, “the Managerial function of staffing involves managing the organisation Structure through proper and effective selection, appraisal and Development of personnel to fill the roles designed into the struture”.

“ The process involved in identifying, assessing,placing. evaluating And directing individual at work.”

# ELEMENTS OF STAFFING :

- ✓ Effective recruitment and selection
- ✓ Proper classification of personnel and pay fixed for them
- ✓ Proper placement
- ✓ Adequate and appropriate training for development
- ✓ Satisfactory and fair transfer and promotion
- ✓ Sound relationship between management and workers
- ✓ Adequate provision for retirement.



# Functions of staffing :

## 1.Manpower planning :

manpower may be planned for short-term and Long-term.manpower planning may achieve the objectives of the company At present conditions.the long-term manpower planning should be concerned With the estimation of staff members required in future.

## 2.Development :

development is concerned with the development of staff Memers through adequate and appropriate training programmes.the training is Given only to the needs persons.

## 3.Fixing the employment standards:

it involves the job specification and job description. These Enable the management to select the personnel and train them scientifically. Jop description is a systematic and organised written statement of the duties And responsibilities in a specific job.

# **Processing of staffing :**

## **Planning :**

**The term planning of staff memers includes estimation of The number of staff memers required to the company in various Grades.**

## **Recruitment and selection:**

**It deals with the selection of qualified application to fill the jobs in the organisation.a standerd procedure may be followed while selecting the staff memers.**

## **Tranning of developments :**

**It is concerned with providing training to new staff members as well As the existing staff members.the working efficiency of the staffb Members may be developed through the training programmes.**

# Performance operation:

**It deals with assessment of the work performed by the staff**

**Members on organisation . A standard may be fixed in order to value the Efficiency of the staff members.**

# Proper staffing :

**Proper staffing means providing adequate qualified staff  
Members functioning of office. the executive or the general  
Manager undertakes this function. identifying appropriate staff  
Members is a difficult task. So some of the staffing function  
May be assigned to a separate department in a large concern.**

# **Advantages of proper staffing:**

- 1. It helps in the recruitment of efficient staff members.**
- 2. It helps the proper placement of staff members according to their ability**
- 3. Proper selection ,training and development of staff members, will**
- 4. Result in the maximum production in an organisation.**

# Recruitment :

**The success of any recruitment depends upon the Procedure followed by the company while recruiting members. Jobs with low Salary, difficult jobs cannot be filled up by the company very easily. The variation May be to the size of the company recruitment policy of the company nature of Job the like**

# Sources of requirement:

**The source of requirement is based on the policy followed by the Company. The job can be filled up out of the employee of the Company from the outside the company. if the same job filled up the**

**Available in the society it is based to be external source.**

# Sources of recruitment

**internal**

**Transfer**

**promotion**

**External**

**Learning**

**Waiting list**

**Education institutions**

**Empolyment exchange  
Govt,private.**

**Advertisement**

**Company invitations and  
(Walk in interview.)**

# Internal sources:

1. Giving promotion keeps the employee happy
2. It attracts efficient staff members
3. The training expenses may be reduced to some extent
4. It increases the security of the job of the staff member
5. It induces the staff members to work hard to get promotion



# Disadvantages :

1. IF the promotion is a guarantee to the internal staff members after the expiry of a specific period , the concerned staff member does not care to work efficiently.
2. The outsiders do not have a scope to show their ability in the performance of the work
3. An under qualified person may be appointed in the higher post

# External sources :

## ADVERTISEMENT:

The company may receive the applications in response to the advertisement after that interview will be conducted. In certain cases the walking interview method may be adopted.

By the company the walking interview method. Applications are received from the candidates the date and time and place of the interview are mentioned in the advertisement in this way a person can be recruited immediately through an advertisement.

# Recommendations:

Recommendation means appointment of a person on getting a Recommendation letter from a person reliable and well-known to the company. In certain cases an employee of the company may bring the Candidates to the company for the purpose of being appointed when the company does not do an interview for selection.

## Gate application:

Even the company might not have issued any advertisement for the post. The candidate personally approaches the appointing authority of the company. If such candidate is found fit for the any one of the posts which are vacant at that time the candidate is appointed.

# Employment exchange :

The job seekers register their names with their qualification with the Employment exchange . the company can get a list of candidates who have requisite qualification to fit in a job . out of the listed candidates, any One of them can be selected . the employment exchange is of two kinds i.e public employment exchange and private employment exchange.

# Personel consultant:

Private consultant is a separate specified agency doing the function of recruitment of the personel on behalf of the company. It receives the application from the candidates ,verifies , the application ,conducts interview and selects the candidates. the personel consultant receives fees from the Company for its service.

# Educational institutions:

The educational institutions make an arrangement for campus interview .

The business concerns come to the campus of educational institutions to

Recruit the students for various posts.

# Waiting:

The business concern prepares a waiting list of candidates

Who have already been interviewed .

They are not appointed

For lack of vacancy.



# Unsolicited application:

The application brings the information regarding the name and address of the candidate, his age , educational qualification ,experience , area of interest , etc . if there is any vacancy at that time , the candidate will be recruited for the specified post.

Normally,

This type of application is considered for the posts at the lower level

# Jobbers and contractors:

The casual vacancy may be filled up the company through the jobbers

And contractors. They are available at short notice and for a small salary .

this type of candidate is brought by the jobbers and contractors to the place of work and they receive some wages from the company for this service.

# Field trips:

A company may send a group of experts to the towns and the cities where the various kinds of candidates required by the company are available. The advertisement contains information regarding the date, venue and time of the interview. The interview is conducted in different places.

# Leasing:

This type of source of recruitment is followed by the public sector organisation . The reason is that the organisation wants to manage the Problems particularly at higher level. before recruiting the staff members , the period of service is fixed by the company and it is conveyed to the staff members.

# Merits :

## Choice:

A company can recruit a person out of a large number of application . each and every candidate plus points and minus points are taken into consideration . for the purpose Of recruitment. then the best candidate can be selected by the company.

## New outlook:

If a new person is recruited by the company,a new way of approach May down to solve the problem which will give maximum benefits To the company.

# Wide experience:

**If the recruited new candidate has experience in various fields, the company can get the benefit of the candidate experience**

# Demerits:

## Lack of co-operation:

The existing staff members do not extend their co-operation to the person who is selected from out of external sources.

## Expensive:

The formalities includes issuing advertisement ,receiving the Application,screening the application,despatching the interview letters, fixation of interview date,time and place, Formation of an interview committee etc.

# Trade union:

**If the trade union of the company is very strong, it is very difficult**

**To convince the trade union and recruit a person from outside a Company.**

# Danger of non- adjustment:

**If a newly recruited person fails to adjust himself to the working**

**Conditions of the company.**



# Selection:

**Selection is the device used in an organisation to select a**

**Suitable person who has required educational qualification,**

**Skills , abilities , personality, and the like.**

**In words a screening test may be conducted through which unsuitable candidates may be rejected .**

**selection procedure starts with the end of recruitment.**

# Importance of selection:

- 1. The high degree of education and employment opportunities have made**
- 2. The labour market a buyer market.**
- 3. The inexperienced candidates cannot meet the requirements of today**
- 4. Job. now education is developed and training is given the study.**
- 5. Managers know the techniques used to discover the deficiencies in candidates**
- 6. Selection requires high cost but results in a very high rate of return**

# **IMPORTANT OF SELECTION**

## *MEANING:*

Selection is the process adopted by an organization to select adequate number of persons who are fit for the job.

Selection is the device used in an organization to select a suitable person who has required educational qualification, skills, abilities, personality and the like.

When an organization gets more information of applicants than need, the applicant in excess are rejected.

## **IMPORTANT OF SELECTION:**

**Selection is a tough task at present. They have higher education qualifications and experience. So more care is needed in the selection of proper personnel.**

**Manager is informed about the Complexities of selection and the weakness and limitations of various selection techniques.**

**The high degree of education and employment opportunities have made the labor market a buyer's market. The economic security has made it a seller's market.**

**The inexperienced candidates cannot meet the requirements of today's job. Now, education is development in such a way that that training is given within the study.**

**Selection requires high cost but results in average high rate of return.**

## ★ STAGES OF SELECTION PROCEDURE:

- ★ *Receiving and screening of applications*
- ★ *Initial interview*
- ★ *Black application*
- ★ *Test*
- ★ *Checking Reference*
- ★ *Interview*
- ★ *Final selection*
- ★ *Medical selection*
- ★ *Orientation*

## Black application:

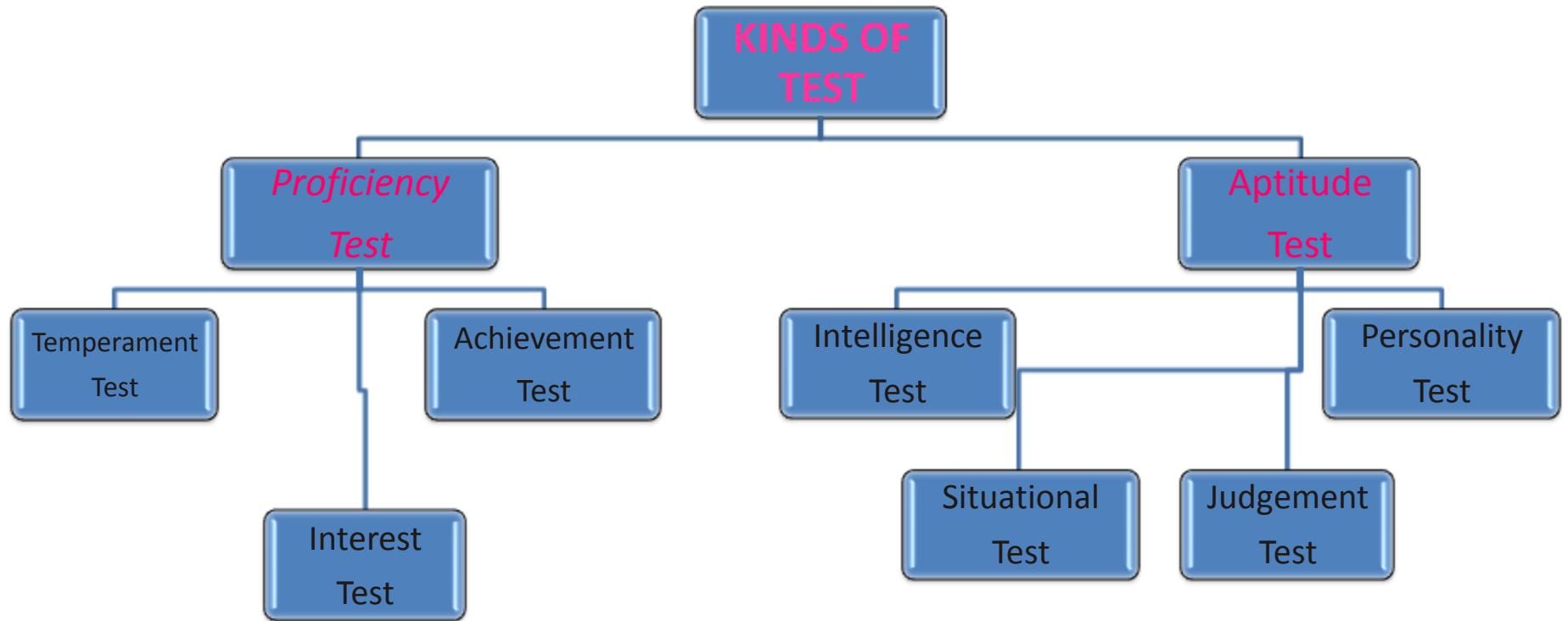
A. Acts as an urgent test device

B.shy candidates

C. Aid to build trust among  
applicants

D. Basis for final interview

Aid to preparing waiting list





## ADVANTAGES OF TEST:

Tests help the employer to find whether a candidate is fit for the job or not.

Besides, tests help in checking candidate's claims in respect of his qualification, experience, etc.

Tests avoid the scope for personal preference of a particular candidate.

Tests highlight the hidden talents and placement.

Tests may be conducted for transfer and promotion.

Administrative expenses regarding training may be reduced to some extent.

Failure in performing the job is reduced.

## DISADVANTAGES OF TEST:

Hundred percent best selection is not possible through test. So the test is used as a supplementary method of selection.

Test is more suitable to an organization where for limited number of jobs, more number of candidates have applied.

Tests is not able to measure the combination of characteristics required for various jobs.

Tests is not provide any basis for motivation.  
The actual performances of a candidate cannot be found out through the test.

## PER-REQUISTIES OF EFFECTIVE TEST:

Validity

Reliability

Norms

No partiality

specialization

supplementary

## KINDS OF INTERVIEW:

Direct interview

Indirect interview

patterned interview

Stress interview

Systematic in-depth interview

Board or panel interview

Group interview

## Principle of interview:

The management should define the specific objectives of an interview.

Next, the management has to prepare the procedure followed to achieve the specified objectives.

The interviewer should ask the question which are related to the job to be filled.

The tension or nervousness of the applicants are removed by the interviewer.

The interviewer should listen to the answers given by the applicants carefully.

The evaluations of the performance of the applicant is done immediately after the interview is over.

The interviewer may say 'thanks' to the applicants while closing the interview. This carries much better impression about the interview and interviewer.

## PROCESS OF INTERVIEW:

Review of background information  
preparation of questions  
putting the applicant at ease  
drawing out the best applicants  
Concluding the interview

## PROMOTION:

Promotion may be defined as the placement of an employee to a better job which results in extending prestige, salary, power, duties, responsibilities, and it require more knowledge and skills to perform the job.

## BASIS FOR PROMOTION:

The promotion is given to any employee on a widely acceptable basis.

The basis may be seniority or competence.

Seniority refers to the possession of more number of year of service in the same organization than those of the other employees.

Senior employees prefer seniority to competence for promotion.

Senior people argue that they have more experience in the job than others .

So, they demand seniority as the basis for promotion.



# QUALITIES OF GOOD PROMOTION :

Whatever the promotion policy followed by the management, that should be widely published and strictly adhered to.

Each and every employee should work in all jobs in an organization to get through knowledge and experience.

A detailed and accurate job description should be prepared in each job. The employees can know the qualifications and experience required for each job through job description.

Promotion is given to any employee through widest publicity.

Employees are permitted to acquire qualification and experience through job training, vocational courses and the like.

**DIRECTING**

# INTRODUCTION;

- Direction is a managerial function performed by the top level Officers of management .
- direction is necessary in order to achieve proper implementation of direction .

# Definition;

Urwick and Breach, “Directing is the guidance , the inspiration ,the Leadership of those men and women that constitute the real core of the responsibilities of management” .

## Principles of direction;

Generally, the manager should understand the need, motives and attitudes of his subordinates. However, the following principles of direction may be useful to the manager.

- ✓ Harmony of objectives
- ✓ Maximum individual contribution
- ✓ Unit of direction or command
- ✓ Efficiency
- ✓ Direct supervision
- ✓ Feedback information
- ✓ Effective communication
- ✓ Appropriateness of direction technique
- ✓ Efficient control
- ✓ Comprehension
- ✓ Follow through

## Harmony of objectives;

- Individuals have their own objectives .
- Organisation has its own objectives.
- The management should co-ordinate the Individual objectives With organisational objective

## **Maximum individual contribution;**

- Every member's contribution is necessary for the organization's development .
- Hence , the management should adopt a technique of direction which enables maximum contribution by members .

## **Unit of direction or command;**

An employee should receive orders and Instructions only from one superior .



## **Efficiency ;**

Subordinates are requested to participate in the Decision-making process .

## **Direct supervision;**

- Managers should have direct relationship with their Sub-ordinates .

- Face to face communication and personal touch With sub-ordinates will ensure successful direction .

## **Feedback information ;**

**Direction does not end with issuing orders and Instructions to the subordinates .**

**Sometimes , suggestions given by the sub-ordinates Are necessary for the development of the management .**

## **Effective communication ;**

**The superior must ensure that plans , policies And responsibilities are fully understood by the sub-ordinates In the right direction .**

## **Appropriateness of direction technique ;**

**There are three direction techniques available  
To the management.**

**They are authoritarian , consultative and  
free-rein.**

## **Comprehension ;**

**The extent of understanding by subordinates  
Is more important than what and how orders are communicated  
To them .**

## **Efficient control ;**

**The management should monitor the behaviour  
And per-formance of subordinates to exercise efficient control  
Over the sub-ordinates.**

## **Follow through ;**

**Direction is a continuous process .**

**Mere issuing orders or instructions is not an end itself.**

## **Issuing orders or instructions ;**

**An order is used by the management as tool for direction .**

**In the words of Kootns and O”Donnel, “As a Directional technique , an instruction is understood to be a char By a superior requiring a subordinate to act or refrain from act In a given circumstance” .**

# Characteristics of a good order ;

**An order should be reasonable and enforceable**

**Sub-ordinates.**

**A clearly defined order should be easily understood**

**An order should be complete in all respects .**

**A written order is preferable to an oral order.**

**An order should be intelligible .**

## **Techniques of direction ;**

**There are three techniques of direction followed By the management. They are briefly explained below :**

**Consultative direction**

**Free-rein direction**

**autocratic direction**

**LEADERSHIP**



# LEADERSHIP

- INTRODUCTION
- DEFINITION
- NEED OF IMPORTANCE OF LEADERSHIP
- APPROACHES OR THEORIES OF LEADERSHIP
- WEAKNESS OF TRAIT'S THEORY
- FUNCTION OF A LEADER

# INTRODUCTION

**Success of a business concern is dependent upon the ability of its leadership. Leadership exist in any type of organisation. Whenever and in whatever situation if someone tries to influence the behaviour of another individual or a group, there is leadership.**

# DEFINITION

**Allen,** “Leader is one who guides and directs other people. He must give effective direction and the purpose.”

**George R. Terry says,** “Leadership is activity of influencing people to strive willingly for mutual objectives.”

# NEED OF IMPORTANCE OF LEADERSHIP

- Perfect organisation structure
- Directing group activities
- Technological, economic and social change
- Better utilisation of manpower
- Avoiding imbalances
- Source of motivation
- Reconciliation of goals
- Developing good human relations
- Promoting the spirit of co-ordination
- Fulfilling social responsibilities

# Need of importance leadership

## ➤ **PERFECT ORGANISATION STRUCTURE:**

An organisation structure cannot provide for all kinds of relationships. That is why, informal relationship are made to exist within the framework or formal organisation structure .

## ➤ **DIRECTING GROUP ACTIVITIES:**

The personal conduct and behaviour of a leader can direct other to achieve organisation goals. The main responsibility of a leader is to get The work done effectively by the followers.

## ➤ **Technological, economic and social change:**

There is frequent change in technology, economic and social structure in the present computer world. This possible only with the help effective leadership.

## ➤ **BETTER UTILISATION OF MANPOWER:**

A leader treats with equal importance, plans, policies and programmes of an organisation. The plants, polices and programmers do not work themselves.

- **AVOIDING IMBALANCES:**

An organisation grows in size and complexity with the imbalances. Complexity arises due to the introduction of new functions.

- **SOURCE OF MOTIVATION:**

Simply, the existence of leadership does not motivate the workers. The leadership style should be utilised to motivate the workers according to the situations prevailing.

- **RECONCILIATION OF GOALS:**

An organisation has its own goals. The employees of the organisation have either own goals.

- **DEVELOPING GOOD HUMAN RELATIONS:**

Human relations represent the relations between the leader and the follower (subordinates).

- **PROMOTING THE SPIRIT OF CO-ORDINATION:**

A dynamic leader can co-ordinate the activities of subordinates. A leader promotes the spirit of co-ordination among the workers.

- **FULFILLING SOCIAL RESPONSIBILITY:**

Social responsibility refers to the high standard of living to workers, higher productivity and income to the organisation, more revenue to the government, reasonable price to consumer and fair return on investment to the investors.

**PLANNER:**

The type of activities or type the worker is to be decided by the leader.

**REWARDS AND PUNISHMENTS:**

There is a standard for some set of work. Some workers perform their work within standard time and properly .

**INTEGRATION:**

Each individual does a part of a whole work. They perform the according to their specialization.

**COMMUNICATION:**

Communication is necessary to every organisation. Nothing will succeed without effective communication.

**PRODUCTION:**

A Leadership is expected to show high production figures.

# APPROACHES OR THEORIES OF LEADERSHIP

- TRAITIST'S APPROACH OR THEORY:

Trait means quality. According to this theory, leadership behaviour is influenced by certain qualities of person (leader).

research has been found out a number of qualities of leadership from their study. A leader successful following quality: 1. good personality 2. tirelessness 3. ability to take quick decisions 4. courage 5. persuasion 6. less on of the experience 7. intelligence and etc



# WEAKNESS OF TARAIT'S THEORY

- ❖ **No common equality list:**

the qualities of successful leader are listed by various thinkers.

- ❖ **Measurement of quality:**

Thinkers simply provide the list of qualities. They fail to give the scale measure quality.

- ❖ **No scope for future development:**

Trait's theory focuses on the inborn qualities of an individual.

- ❖ **No consideration for situational factor:**

Thinkers do not take into consideration the situation which influences the leader.

- ❖ **No need of uniform traits:**

Different qualities are necessary for different levels of management. There is direct contact between the leader and the followers as the lower level management.

## **BEHAVIOURAL APPORACH OR THEORY**

Thinkers diverted their attention to study leader's behaviour instead of leadership qualities. The reason is that trait's theory has many weakness. Behaviour theory had popularity during 1950s. So the behaviour that theory lies in the fact that how the management viewed the workers.

## **SITUATIONALIST APPORACH OR THEORY:**

Trait theory explains the characteristics required for the an effective leader. But it does not specify the person who should possess particular traits to be a leader.

## **FOLLOWER'S THEORY OR ACCEPTANCE THEORY:**

According to this theory, only followers the whether person is leader or not. Follower take a decision analysing the qualities of the person who helps the need fulfilled.

## **SYSTEM THEORY OR A PATH-GOAL THEORY:**

System theory is focused on a person's act rather than his traits or behaviour .

# FUNCTION OF LEADER

- **TAKING INITIATIVE:**

A leader has to take all initiative to the business activities.

**REPRESENTATION:**

A leader is representation of an organisation . The leader represented the purpose of organisation to workers and outside

**GUIDE:**

the leader has the primary duty of guiding others. Proper direction should be given by a leader.

**ENCOURAGING OTHERS:**

The leader is the caption of a team. The leader must win the workers. Generally people accept friendly advice.,

**ARBITRATOR AND MEDIATOR:**

The leader can settle the dispute arising among the workers.

**PLANNER:**

The type of activities or type the worker is to be decided by the leader.

**REWARDS AND PUNISHMENTS:**

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# QUALITIES OF LEADERSHIPS

- A leadership should have some leadership Qualities in order to provide effective leader ship.
- According to Henry Fayal, a leader should have the qualities of :
  - Health and physical fitness,
  - Mental vigour & energy,
  - Courage to accept responsibility ,
  - Steady , persistent thoughtful determination,
  - Sound general education, &
  - Management ability embracing foresight &
  - The art of handling men .

# THE IMPORTANT QUALITIES OF A LEADERSHIP :

## 1. Physical appearance and strength :

The leader has to put in hard work physically.

## 2. Mental vigour :

The leader is also strong mentally.

## 3. Emotional stability :

The leader should not be emotion or sentiment .

#### 4.Sense of judgement:

A leader should know the human psychology.

#### 5.Good will :

A leader should be able to understand the feeling of others.

#### 6.Motiving :

A leader should know the motivation techniques and how to use them .

## 7.Communication skill :

whatever the information needed to workers, it should be passed through the leader.

## 8.Guiding ability :

The leader acts as a teacher to new workers.

## 9.Sociability :

An able leader can easily mingle with the workers .

## 10.Technical knowledge :

A leader should possess a thorough knowledge of the theory and practice of his job.



# TYPES OF LEADERS

The types of leaders are classified on the basis of behaviour of leaders.

- ✓ Autocratic leader.
- ✓ Intellectual leader.
- ✓ Liberal leader.
- ✓ Democratic leader.
- ✓ Institution leader.
- ✓ Inducing leader.
- ✓ Paternal leader.
- ✓ Creative leader.

## Autocratic leader :

A leader is one who wants to run the organisation all by himself .

## Intellectual leader :

A leader wins the confidence of his intelligence.

## Liberal leader :

A leader is one who permits his followers to do their job howsoever they want to do.

## Democratic leader :

The leader frames the policy or procedure according to the opinion of the majority of his followers.

## Institutional leader :

A leader exercises his power over his followers because of his position held in the organisation hierarchy.

## Inducing leader :

The leader is one who influences his followers with his personality and persuades them to join him in doing a work.

## Paternal leader :

Paternal leader has job maturity followers only.

## Creative leader :

The leader is one who encourages his followers to suggest, new ideas, thoughts or ways.

# TECHNIQUE OF LEADERSHIP

A leader can use a number of techniques to extract work from his followers.

- ✓ Securing co-operation.
- ✓ The use of power.
- ✓ Co-ordination.
- ✓ Discipline.
- ✓ Morale.

## Securing co-operation:

A leader should get co-operation from his followers.

## The use of power :

leadership goes with power. So the leader must use his power which subsequently result in getting things done by others.

## Co-ordination :

A leader can co-ordinate the activities of his followers through orders or commands.

## Discipline :

Discipline is nothing but the adherence to Rules, regulations and procedures.

## Morale :

“Morale is the attitude of an individual and group growing out of the conditions under which he or they complete the job effectively”.

# CHARACTERISTICS OF LEADERSHIP

Following are some of the characteristics of leadership.

- ✓ There must be followers.
- ✓ Working relationship between leader & followers.
- ✓ Personal quality.
- ✓ Reciprocal relationship.
- ✓ Community of interests.
- ✓ Guidance.
- ✓ Related to a particular situation.
- ✓ Shared function.
- ✓ Power relationship.



## There must be followers:

Leadership exists both in formal and informal organisations.

## Working relationship between leader and followers:

There must be a working relationship between the leader and his followers.

## Personal quality :

The character and behaviour of a man influence the works of others.

## Reciprocal relationship :

leadership kindles a reciprocal relationship between the leader and his followers.

## Community of interests :

There must be community of interests between the leader and his followers.

## Guidance :

A leader guides his followers to achieve the goals of the organisation.

## Related to a particular situation :

leadership is applicable to a particular situation at a given point of time.

## Shared function :

leadership is a shared function. A leader is also along with his followers to achieve the objectives of the organisation.

## Power relationship :

A leader has powers to exercise over his followers.

# LEADERSHIP STYLES

Leadership style describes how a leader has relationship with his group .

- ✓ Positive style.
- ✓ Negative style.
- ✓ Autocratic or authoritarian style.
- ✓ Democratic style.
- ✓ Free-rein style.

## Positive style :

A leader motivates his followers to work hard by offering them rewards.

## Negative style :

A leader forces his followers to work hard and penalises them if the work is not up to the organisations standard.

## Autocratic or authoritarian style :

under this leadership style, the leaders have full power or authority to take a decision.

## Democratic style :

It is otherwise called as participative style .

It is just opposite to autocratic style.

## Free-rein style :

The leaders have no authority and responsibility under this style, so the followers themselves take decisions for which they get authority.

COMMUNICATION

# COMMUNICATION

- INTRODUCTION
- MEANING
- DEFINITION
- IMPORTANCE OF COMMUNICATION
- EFFECTS OF COMMUNICATION
- OBJECTIVES OF COMMUNICATION
- ELEMENTS OF COMMUNICATION
- PROBLEMS OF COMMUNICATION
- METHODS OF OVERCOMING THE BARRIERS
- CHARACTERISTICS OF EFFECTIVE COMMUNICATION
- PROCESS OF COMMUNICATION
- PRINCIPLES OF EFFECTIVE COMMUNICATION
- FACTORS DECIDING THE COMMUNICATION



# INTRODUCTION

- ❖ Communication is the passing of information.
- ❖ Communication is necessary for better performance of job.
- ❖ Communication ends only when it reaches the destination.
- ❖ Communication is also a part of the function of management.
- ❖ The term 'Communication' is derived from the latin word 'communis' which means common.
- ❖ Thus ,information common to a person should be communicated to him

# MEANING

- ❖ Communication is a process through which an information idea or opinion is transferred to more number of persons
- ❖ If information is communicated to only one person, it will also be termed as communication.
- ❖ But, the essential element of communication is that the communicated information should be understood correctly and transferred in the right direction

# DEFINITION

- Newman and summer, “Communication is an exchange of facts, ideas, opinions or emotions by two or more persons”.
- Keith Davis, “Communication is defined as the process of passing information and understanding from one person to another”.

# IMPORTANCE OF COMMUNICATION

- 1) An aid to managerial performance
- 2) Achieving co-ordination
- 3) Helps in smooth working
- 4) Increase managerial efficiency
- 5) Helps in decision-making
- 6) Maintaining industrial peace
- 7) Aid to leadership
- 8) Aid to job satisfaction
- 9) Saving time
- 10) Aid to public relation

# EFFECTS OF COMMUNICATION

## ☐ **Successful Communication:**

It refers to the changes desired by the sender in the receiver's action, behaviour or attitude

## ☐ **No Communication:**

‘No Communication’ means that the Communication has not brought any changes in the behaviour, action, attitude of the receiver

## ☐ **Miscommunication:**

‘Miscommunication’ refers to the undesirable changes in the receiver's action, behaviour or attitude

# OBJECTIVES OF COMMUNICATION

- ✓ **Communicating right information:**

The information should be communicated to the concerned person.

- ✓ **Co-ordination of efforts:**

Co-ordination is one of the functions of management. Communication is an effective tool of co-ordination.

- ✓ **Better industrial relationship:**

It may reduce misunderstanding and develop better industrial relations.

## ✓ **Development of managerial skill:**

Manager may receive the information regarding the facts, ideas and opinions from his subordinates. So, the manager can know the happenings as and when they occur. This will develop managerial skill.

## ✓ **Effectiveness of policies**

Policies and programmes should be communicated to the persons who are responsible for their execution. Effectiveness of policies depends upon effective communication.

# ELEMENTS OF COMMUNICATION

## ➤ **Information:**

The term 'information' refers to the content of communication which is to be transmitted.

## ➤ **Sender:**

A person who is supposed to pass on the information is called 'Sender'.

## ➤ **Receiver:**

A person who is supposed to receive the information is called 'Receiver'.



## ➤ **Communication channel:**

Communication channel is the way through which the information is passed from the sender to the receiver.

## ➤ **Symbols:**

The sender can correctly transmit the information with help of symbols. Symbols include spoken or written words, signs, play cards or even gestures

## ➤ **Feedback:**

There is a need for using a technique to know the effect of transmitting the information.

# PROBLEMS OF COMMUNICATION

- ❖ Noise
- ❖ Missing information
- ❖ Alteration of information
- ❖ Overloading
- ❖ Lack of facility
- ❖ Inadequate policies, rules and procedures
- ❖ Status patterns
- ❖ Lack of attention
- ❖ Quick conclusion
- ❖ Lack of confidence over the communicator
- ❖ Improper state of mind
- ❖ Lack of time
- ❖ Badly expressed messages
- ❖ Technical language
- ❖ Poor retention

# METHODS OF OVERCOMING THE BARRIERS

- ❑ The management should clearly define its policy to the employees. It should encourage the free flow of information.
- ❑ The management sets up a system through which only essential information could be supplied.
- ❑ All the information should be supplied through a proper channel. But , it should not be insisted upon always.
- ❑ Every person in the management shares the responsibility of good communication. It can be achieved only if there is strong support from the top management.

- ❑ Adequate facilities should be provided by the management. In other words, the available communication facilities should be properly utilised.
- ❑ In large organisations, the disparity status pattern may be reduced through forming good friendship between the superior and the sub-ordinates
- ❑ The communication should be in a known language for both the receiver and the communicator.

# CHARACTERISTICS OF EFFECTIVE COMMUNICATION

- **Complete communication:**

There are two persons necessary for complete communication

i.e., a sender and the receiver

- **Understanding in the same sense:**

The receiver should understand the message in the same sense.

i.e., in right direction

- **Message to have substance:**

The receiver can take ideas, information or facts out of the message. It means, only related information is communicated to the concerned persons.

- **Communication may be oral, written or a gestural:**

These three modes of communication have equal importance. So, the apt mode should be selected for effective communication.

- **Communication may be formal or informal:**

An information passed through proper channel is referred to as formal communication.

If the message are not passed through proper channels, they will be referred to as informal communication

- **Vital to managerial function:**

Communication is not only necessary to the planning function of management but also necessary to organising, staffing, directing, controlling and decision-making.

- **Continuous process:**

Communication is a regular process just like blood circulation in our body.

- **Mutual understanding:**

Management can achieve its objectives with the helps of group efforts. Group efforts are obtained through mutual understanding.

# PROCESS OF COMMUNICATION

- **Ideation:**

The sender can create an idea to communicate. This is the content of communication.

- **Encoding:**

The sender can decide the series of symbols which are necessary to communicate the information. Different words are used in different methods of communication to extend the same information.

- **Transmission:**

Transmission confirms the channel of communication. The term channel of communication includes a letter, telegram, telephone and the like.



- **Receiving:**

Receiving the message is the fourth step in the process of communication. The receiver should pay great attention in this regard.

- **Decoding:**

Decoding means translation of symbols encoded by the sender into the message for understanding.

- **Action:**

The receiver has the responsibility to see that the received message reaches its destination. Sometimes, the message may be direction to 'stop the work'

# PRINCIPLES OF EFFECTIVE COMMUNICATION

1. Language
2. Clarity
3. Purpose of communication
4. Physical and human setting
5. Consultation
6. Content of message
7. Follow-up action
8. Time and opportunity
9. Training to the communicators
10. Action support communication
11. Personnel co-operation
12. Listening

# FACTORS DECIDING THE

## ➤ COMMUNICATION PROGRAMME

➤ Secrecy

➤ Accuracy

➤ Speed

➤ Convenience

➤ Suitability

➤ Proper recording

➤ Expressive

# **Types of communication**

Types of communication can be classified on the following basis.

## **on the basis of organizational relationship**

### **1. Formal communication:**

The communication flows through the formal channel. Formal channel refers to the way in which the information is passed and it has a recognized position in the organization structure.

### **Advantages of formal communication:**

The authority and respect of senior staff members are protected through formal communication. Nobody is allowed to by-pass anybody while communicating information.

# **Disadvantages of formal communication**

1. There is a possibility of filtering of information in formal Communication.
2. Future is uncertain . So action-based information cannot be formalized.

## **2. Informal communication:**

An information is passed not in accordance with any formalities and rules and regulations of an organization. Most executives use the informal communication as a supplement to formal communication.

### **Grapevine:**

Grapevine is the primary source of upward communication. Under the grapevine system of communication.

## **Advantages of informal communication**

- 1.The information is passed very quickly.
- 2.There is a social sanction for information communication.  
Information is transmitted without any difficulty. Both the sender and the receiver exchange their information freely.

## **Disadvantages of informal communication:**

- 1.It is not in order.
2. Informal communication carries inaccurate information very often. So it is of no use.

## **On the basis of direction of flow of communication**

The following types of communication are classified on the basis of the direction of their flow. They are discussed below.

### **1.Downward communication:**

A communication which starts from the top level executive and ends with the lower functionaries through middle management is known as downward communication.

### **Objective of downward communication**

The major objective of downward communication are listed below

- 1.To provide job instruction specifically.
- 2.To supply the information regarding the rules and regulations and organizational procedures.

## **Advantages of downward communication**

- 1.This system of communication helps in explaining organization rules and regulations of the new staff members and third parties.
- 2.It helps to exercise control over subordinated.

## **Disadvantages of downward communication**

- 1.The information passed is interpreted and re-interpreted at every level of management people.
2. The information passed may be distorted.

## **2.Upward communication:**

Upward communication is just the reverse of downward communication . Passing of an information which the lowest level.



## **Advantages of upward communication**

### Advantages of upward communication

- 1.The grievances of the subordinates may be redressed at an early data.
- 2.Upward communication helps the management to take decision promptly.

### **Disadvantages of upward communication**

- 1.Superiors may ignore the information give by the sub-ordinates.
- 2.The information may be distorted.

### **3.Horizontal communication:**

Horizontal communication refers to the passing of information among the executives who are at equal level in an organization.

#### **Advantages of horizontal communication**

- 1.Horizontal communication helps the management to co-ordinate the activities of different department.

#### **Disadvantages of horizontal communication**

- 1.There is a possibility of arising different of opinions among the executive. the reason is that each person has a different approach. It may have an impact on productivity and efficiency of the organization.

## **On the basis of way of expression**

There types of communication are classified on the basis of the way of expression. They are discussed below:

### **1.Oral communication:**

It is otherwise called verbal communication. Oral communication is used when the contents of the communication are little. Generally, in the case of emergency , oral communication is adopted.

### **Forms of oral or verbal communication**

- 1.face to face orders, instructions, responses, information's and observations.
- 2.Talks on telephone or on intercom.
3. Lectures.

4. conferences

5.Meeting

6.Interviews

7.Group meeting of workers and management people or executives.

8.Television and news magazine through cinema.

9. Ratio

10.Message through tape-recorder [it is normally followed in big sized business unit .

11.Calling

12.whistling.

There are some of the forms of oral communication.

# **Advantages of oral communication**

The following are the main advantages of oral communication.

- 1. Economical**
- 2. Personal touch**
- 3. Effective**
- 4. Better understanding**
- 5. Immediate motivation**
- 6. Flexibility**
- 7. Spreading the information**

## **Disadvantages of oral communication**

- 1. Physical distance**
- 2. No evidence**
- 3. lengthy information**
- 4. created unnecessary problems**
- 5. not useful to large number of receivers**
- 6. filtering the receiver information**
- 7. misunderstanding**

## **2. Written communication**

This type of communication is followed to transmit any information. written communication is an essential one , not only to a small organization but also to a large organization.

### **Forms of written communication**

the following are the forms of written communication.

- 1.Graphs**
- 2.Diagrams**
- 3.pictures**
- 4.Circulars**
- 5.Notes**
- 6. Manuals**
- 7. Reports**
- 8. Bulletin**

# **Advantages of written communication**

The main advantages of written communication are discussed below:

- 1. Binding the authorities**
- 2. Covering distance**
- 3. Useful for lengthy information**
- 4. Reaches large number of persons**
- 5. Permanent record for future reference**
- 6. Reduce dispute**
- 7. Helps to analyze the matter**
- 8. Avoiding alternation**



## **Disadvantage of written communication**

Even though the written communication is the best type of communication, it suffers from the following weaknesses:

**1. Costly and time consuming**

**2. Red-tapsim**

**3. No secrecy**

**4. No flexibility**

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There types of communication are classified on the basis of the way of expression. They are discussed below:

### **1.Oral communication:**

It is otherwise called verbal communication. Oral communication is used when the contents of the communication are little. Generally, in the case of emergency , oral communication is adopted.

### **Forms of oral or verbal communication**

- 1.face to face orders, instructions, responses, information's and observations.
- 2.Talks on telephone or on intercom.
3. Lectures.

4. conferences
- 5.Meeting
- 6.Interviews
- 7.Group meeting of workers and management people or executives.
- 8.Television and news magazine through cinema.
9. Ratio
- 10.Message through tape-recorder [it is normally followed in big sized business unit .
- 11.Calling
- 12.whistling.

There are some of the forms of oral communication.

# **Advantages of oral communication**

The following are the main advantages of oral communication.

- 1. Economical**
- 2. Personal touch**
- 3. Effective**
- 4. Better understanding**
- 5. Immediate motivation**
- 6. Flexibility**
- 7. Spreading the information**

## **Disadvantages of oral communication**

- 1. Physical distance**
- 2. No evidence**
- 3. lengthy information**
- 4. created unnecessary problems**
- 5. not useful to large number of receivers**
- 6. filtering the receiver information**
- 7. misunderstanding**

## **2. Written communication**

This type of communication is followed to transmit any information. written communication is an essential one , not only to a small organization but also to a large organization.

### **Forms of written communication**

the following are the forms of written communication.

- 1.Graphs**
- 2.Diagrams**
- 3.pictures**
- 4.Circulars**
- 5.Notes**
- 6. Manuals**
- 7. Reports**
- 8. Bulletin**

# **Advantages of written communication**

The main advantages of written communication are discussed below:

- 1. Binding the authorities**
- 2. Covering distance**
- 3. Useful for lengthy information**
- 4. Reaches large number of persons**
- 5. Permanent record for future reference**
- 6. Reduce dispute**
- 7. Helps to analyze the matter**
- 8. Avoiding alternation**

## **Disadvantage of written communication**

Even though the written communication is the best type of communication, it suffers from the following weaknesses:

**1. Costly and time consuming**

**2. Red-tapsim**

**3. No secrecy**

**4. No flexibility**

**CONTROLLING**



Introduction

Definition

Areas or scope of control

Steps in control process

Requirements of effective control system

Techniques of control

# Introduction

- Control is the last function of management. The controlling function will be unnecessary to the management if other functions of management are performed properly. If there is any imperfection in the planning and actual performance, control will be needed. The deviation is set right by the controlling function.

# Definition

- J.K.Rosen, “control is that function of the system which provides direction in performance to the plans.”
- Henry Fayol, “control consists in verifying whether everything occurs in conformity, is with the plans adopted, the instructions issued and principles established. It has for its object to point out weaknesses and errors in order to rectify them and prevent recurrence.”

# Areas or scope of control

- The term control covers all activities of a business concern. The main areas of control are as follows:
  - 1) Control over the policies of concern.
  - 2) Control over organisation
  - 3) Control over personnel employed in an organisation.
  - 4) Control over capital available to the concern.
  - 5) Control over production.
  - 6) Control over capital expenditure.
  - 7) Control over public relations
  - 8) Control over tools and equipment.
  - 9) Control over research and development.
  - 10) Control over the cost of production.
  - 11) Control over wages and salaries paid to employees.
  - 12) Overall control.

# Steps in control process

- Establishing standards.
- Measuring performance.
- Comparison of actual with standards.
- Taking corrective action.

# Requirements of effective control system

- Feedback
- Objective
- Suitability
- Prompt reporting
- Forward looking
- Pointing out exceptions
- Flexible
- Economy
- Intelligible
- Suggest remedial action
- motivation

# Techniques of control

- **Statistical control reports**
- **Personal observation**
- **Cost accounting and cost control**
- **Break-even analysis**
- **Special control reports**
- **Management audit**
- **Standard costing**
- **Return on investments**
- **Internal audit**
- **Responsibility accounting**
- **Managerial statistics**
- **Performance evaluation and review technique (PERT)**
- **Critical path method (CPM)**
- **Gantt milestone chart**
- **Production control**
- **Management information system**
- **External audit control**
- **Zerobase budgeting**
- **Standing orders**
- **Budgetary control**

1. PERT/CPM.
2. Suitability of PERT/CPM
3. characteristics or features of control.
4. Need of control.
5. Advantages of control.
6. Limitations of control.
7. Types of managerial control.



# PERT/CPM

- PERT stands for programme evaluation and review technique or project evaluation and review technique or performance evaluation review technique. CPM stands for critical path method. In response to the need of U.S.A. Navy in 1957-58 in connection with polaris weapons system. There is a basic difference between PERT and CPM, even though, both utilise the same principle. The basic difference is that PERT focus on time only and CPM focus on cost and time. Both PERT and CPM are used as control techniques to know time spent in completing a project. PERT is used as a planning tool and as a controlling tool.

# Suitability of PERT/CPM

- PERT/CPM is a very important control technique for project management. This technique is best suitable for the following projects.
- Large weapon system
- Ship building
- Construction of a building or olympic site
- Reinforcing weakdam
- Planning and launching a new project
- Air port facilities building
- Installation of computer system
- Launching new products
- Creation of road facilities
- Creation of model village/town
- Creation of picnic spot
- Creation of colony

# Characteristics or features of control

- Controlling process
- Universal
- Forward looking
- Dynamic process
- Control involves management
- Influencing factor
- An essence of action

# Need of control

- Judging the accuracy of standards
- Minimise dishonest behaviour
- Better performance

# Advantages of control

- Adjustments in operation
- Verification of policy
- Managerial accountability
- Psychological pressure
- Maintaining morality
- Co-ordination
- efficiency

# Limitations of control

- Absence of perfect standards
- Uncontrollable factors
- Difficulty in fixing responsibility
- Expensive process

# Types of managerial control

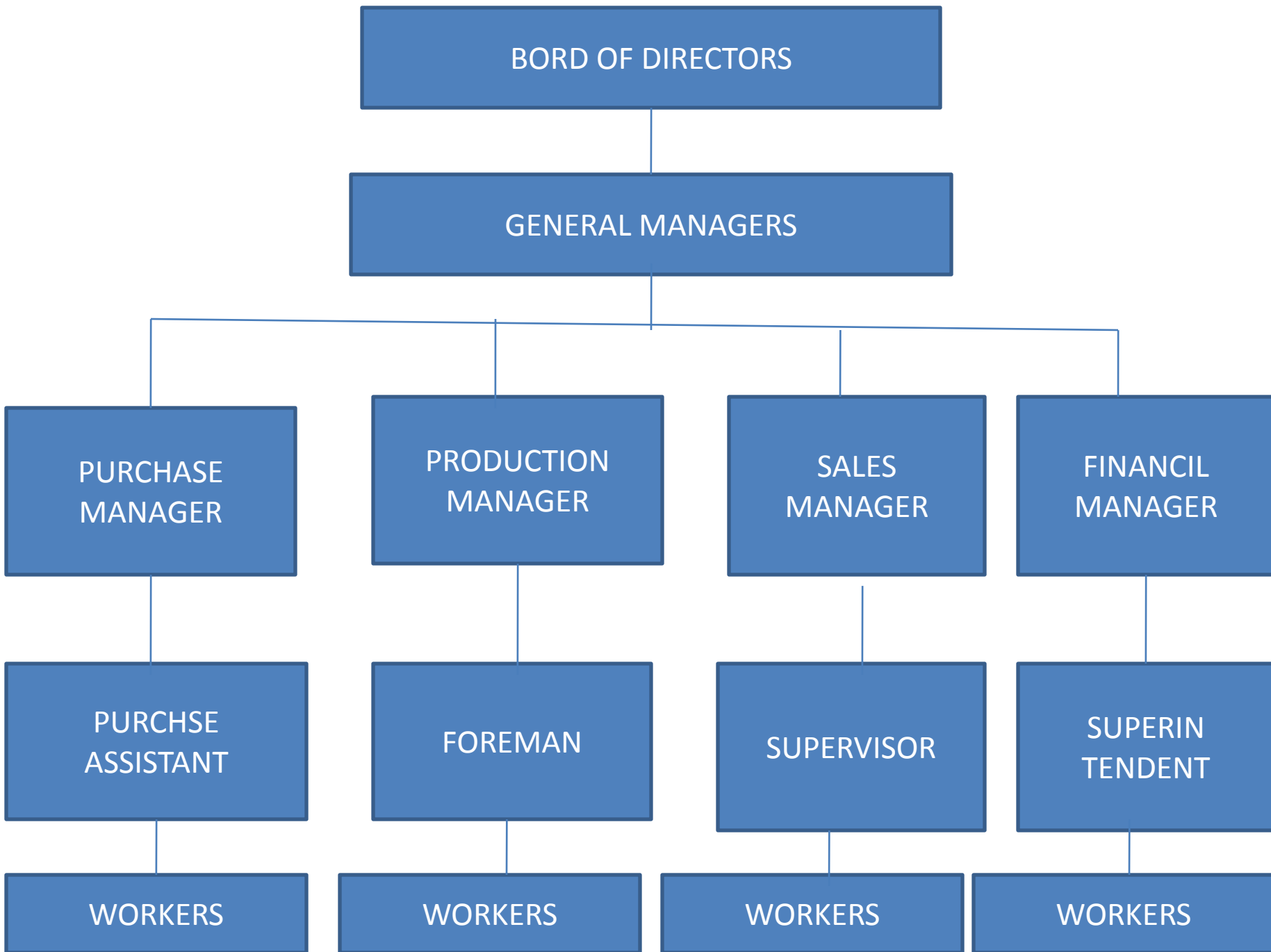
- Standardising control
- Preserving control
- Delegation of authority control
- Measurement control
- Motivating control

**ORGANIZATION**



# INTRODUCTION

Organization is designed on the basis of principles of division of labor and span of management. The success of the organization depends upon the experience and competence of the officers of the organization.



# **TYPING OF ORGANIZATION**

- ☐ Line, Military or Scalar organization
  - ☐ Functional organization
  - ☐ Line and staff organization
  - ☐ Committee organization
    - ☐ Project organization
    - ☐ Matrix organization
  - ☐ Freeform organization

# **LINE ORGANIZATION**

Line organization is the simple and oldest type of organization followed in an organization. Under line organization, each department is generally a complete self-contained unit. A separate person will look after the activities of the department and he has full control over the department

# **FUNCTIONAL ORGANIZATION**

Under line organization, a single person is in charge of all the activities of the concerned department, here the person in charge finds it difficult to supervise all the activities efficiently.

# **LINE AND STAFF ORGANIZATION**

There are some advantages and disadvantages both in the line organization and functional organization. In order to reap the advantages of both line organization and functional organization, a new type of organization is developed.

# **COMMITTEE ORGANISATION**

In the modern business world, some administrative tasks cannot be performed by a single person alone when two or more persons are required to perform the same administrative task collectively. It shapes into a committee of an organization. A committee is a group of person to whom certain managerial functions are assigned and from whom some advice or recommendations are expected.

# **PROJECT ORGANISATION**

The project organization idea was developed after the second World war. This organization is developed with the object of eliminating the defects of functional organization. Delay in taking in decisions and lack of co- ordination are same of he defects of functional organization.



# **MATRIX ORGANIZATION**

There are several departments under Matrix organization. Each department is assigned with a specified task. The available resources of the organization can be used by each department along with the co-ordination of the departments in an organization

# **FREE FORM ORGANIZATION**

This type of organization is formed whenever a need arises to form an organization, for achieving a particular object. It will be dissolved after achieving the object of the organization. In many ways, the Free Form Organization resembles the project and matrix organization. It is otherwise called organic or adhoc (ratio) organization.

# FORMAL ORGANISATION

The formal organisation represents the classification of activities within the enterprise, indicates who reports to whom and explains the vertical channel of communication which connects the chief executive to the ordinary workers. In other words, an organisation prescribed by the top management.

# CHARACTERISTICS OF FORMAL ORGANISATION

- It is properly planned.
- It is based on delegated authority.
- It is deliberately impersonal.
- The responsibility and accountability at all levels of organisation should be clearly defined.
- Organisational charts are usually drawn.
- Unity of command is normally maintained.
- It provides for division of labour.

# ADVANTAGES OF FORMAL ORGANISATION

- ❖ The definite boundaries of each worker is clearly fixed. It automatically reduces conflict among the workers.
- ❖ Overlapping of responsibility is easily avoided. The gaps between the responsibilities of the employees are filled up.
- ❖ A sense of security arises from classification of the task.
- ❖ There is no chance for favouritism in evaluation and placement of the employee.
- ❖ It makes the organisation less dependent on one man.

# ARGUMENTS AGAINST FORMAL ORGANISATION

- In certain cases, the formal organisation may reduce the spirit of initiative.
- Sometimes authority is used for the sake of convenience of the employees without considering the need for using the authority.
- It does not consider the sentiments and values of the employees in the social organisation
- The formal organisation may reduce the speed of informal communication.
- It creates the problems of creation.

# INFORMAL ORGANISATION

- Informal organisation is an organisational structure which establishes the relationship on the basis of the likes and dislikes officers without considering the rules, regulations and procedures. these types of relationships are not recognised by officers but only felt.
- The friendship, mutual understanding and confidence are some of the reasons for existing informal organisation.
- For example: a salesman receives orders or instructions directly from the sales manager instead of his supervisors.

# CHARACTERISTICS OF INFORMAL ORGANISATION

- Informal organisation arises without any external cause i.e., voluntarily.
- It is a social structure formed to meet personal needs.

Informal organisation has no place in the organisation chart.



# ADVANTAGES OF INFORMAL ORGANISATION

- It fills up the gaps and deficiency of the formal organisation.
- Informal organisation gives satisfaction to the workers and maintains the stability of the work.
- It is a useful channel of communication

# DISADVANTAGES OF INFORMAL ORGANISATION

- It has the nature of upsetting the morality of the workers.
- It acts according to mob psychology.
- Information organisation indirectly reduces the efforts of management to promote greater productivity
- It spreads rumour among the workers regarding the functioning of the organisation unnecessarily.

# THEORIES OF ORGANISATION

Organisation theory means structure ,functioning and performance of individual and groups .

The various of organisation are given below:

- Classical theory.
- Neo-classical theory .
- Modern theory.
- Motivation theory.
- Decision theory.

## **FORMAL ORGANISATION**

- It arises due to delegation of authority.
- It is created deliberately.
- Formal organisation may grow to maximum size.
- It is created for technological purposes.
- Formal organisation is permanent and stable.

## **INFORMAL ORGANISATION**

- It arises due to social interaction of people.
- It is spontaneous and natural.
- Informal organisation tends to remain smaller.
- It arises from man's quest for social satisfaction.
- There is no such permanent nature and stability.

# 1. CLASSICAL THEORY

The classical theory is mainly deals with each and every part of a formal organisation. Organisation was made by money and reicey.

- Division of labours;
- Scalar and functional processes;
- structure; and
- Span of control.

## A. Division of labour:

- This theory fully depends upon the principle of division of labour. The division of labour results in the maximum production or output with minimum expenses incurred and minimum capital employed.s

## B. Scalar and functional processes:

- The functional process deals with the growth of organisation horizontally.

## C. Structure:

- The organisation structure is used as a tool for creating a relationship among the various functions which make up the organisation.
- Specialisation and co-ordination are the main issues in the design of an organisational structure.
- Normally, the business units are organised on a functional basis.

## D.Span of control:

- ❖ According to Brech, "span refers to the number of persons, themselves carrying managerial and supervisory responsibilities, for whom the senior manager retains his over-arching responsibility of direction and planning, co-ordination, motivation and control."
- ❖ In many organisations, a single supervisor supervises the work of 15-20 workers and does not follow the principle of span of control.



# CHARACTERISTICS OF CLASSICAL THEORY

- It is based on division of labour.
- It is based on objectives and tasks of organisation.
- It is concerned with formal organisation.

# CRITICISM OF CLASSICAL THEORY

- This theory is based on authoritarian approach.
- It does not care about the human element in an organisation.
- It does not give two way communication.
- This theory neglected the importance of informal groups.

# NEO-CLASSICAL THEORY

- It is concerned with human relations movement.
- The neo-classicals have only given new insights rather than new techniques.
- The main contribution of this theory highlights the importance of the committee management and better communication.

# CONTRIBUTIONS OF NEO-CLASSICAL THEORY

- Person should be the basis of an organisation.
- Organisation should be viewed as a total unity.
- Individual goals and organisation goals should be integrated.
- Communication should be moved from bottom to top and from top to bottom.

# CRITICISM OF NEO-CLASSICAL THEORY

- A survey conducted by the American Management Association (AMA) indicates that most of the companies reported found little or nothing useful in behavioural theory.

# 3. MODERN THEORY

According to one authority, it was organised in the early 1950s. This theory composed of the ideas of different approaches to management development.

General system theory, modern organisation theory.

- The parts in aggregates and the movement of individuals and out of the system.
- The interaction of individual with the environment found in the system.
- The interaction among individual in the system..

# ESSENTIALS OF MODERN THEORY

- ❖ It views the organisation as a whole.
- ❖ It is based on systems analysis.
- ❖ The findings of this theory are based on empirical research.

# CRITICISM OF MODERN THEORY

- This theory puts old wine into a new pot.
- It does not represent a unified body of knowledge.
- This theory forms only the questions and not the answers.
- It is based on behavioural, social and mathematical theories.



## 4.MOTIVATION THEORY

Maslow's hierarchy of needs theory and honberg's two factor theory are some of the examples of motivation theory.

## 5.DECISION THEORY

The other name of decision theory is decision making theory. This theory was given by herbert.

the decisions were taken at all levels of the organis  
ation and ioportant decisions are taken at the higher levels  
of organisation.

# What Is Organizational Behaviour?

1. What is organizational behaviour?
2. Isn't organizational behaviour common sense? Or just like psychology?
3. How does knowing about organizational behaviour make work and life more understandable?
4. What challenges do managers and employees face in the workplace of the twenty-first century?

# Organizational Behaviour

- a field of study that investigates how individuals, groups and structure affect and are affected by behaviour within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

# Why Do We Study OB?

- To learn about yourself and others
- To understand how the many organizations you encounter work.
- To become familiar with team work
- To help you think about the people issues faced by managers and entrepreneurs

# • What is an Organization?

- A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals

# Developing Effective Employees

## Organizational Citizenship Behaviour (OCB)

- Discretionary behaviour that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organization.

**MOTIVATION**

# Introduction

- Management is the art getting things done by others. Getting work done is a difficult task. It is related to human behaviour. The success of any organisation depends upon the behaviour and interest of the employees. Before guiding or directing the employees, the reasons for such behaviour should be identified. The management can strategically motivate the employees based on such reasons.



# Definition

- Beach defines, "motivation as a willingness to expend energy to achieve a goal or a reward."
- Robert dubin defines motivation , "as the complex of forces standing and keeping a person at work in an organisation ."
- Shartle defines , "motivation as a reported urge or tension to move in a given direction or to achieve a certain goal."

# Nature of motivation

- Unending process
- A psychological concept
- The whole individual is motivated
- Motivation may be financial or non-financial
- Frustrated man cannot be motivated
- Goals are motivators
- Unifying force
- Motivation can be positive or negative
- Motivation and job satisfaction are different

# Importance of motivation

- Maximum utilisation of factors of production
- Willingness to work
- Reduced absenteeism
- Availability of right personnel
- Reduced labour turnover
- Building of good labour relations
- Increase in the efficiency and output
- Sense of belonging
- Basis of co-operation
- Helps in realising organisational goals
- Improvement upon skill and knowledge

# Types of motivation

- Negative motivation
- Positive motivation
- Extrinsic motivation
- Intrinsic motivation
- Financial motivation
- Non-financial motivation

# Requirements of a sound motivational system

- A motivational system should balance the objectives and philosophy of organization workers.
- Motivational system should be understood by the members of the organization in the right direction.
- The motivational system should cover all the activities of the workers.
- The motivational system should have corresponding relationship with efforts and rewards .
- The motivation system should be flexible.

**PERCEPTION**

- ❖ Concept of perception
- ❖ Definition
- ❖ Sensation and perception
- ❖ Perceptual process
- ❖ Perceptual selectivity
- ❖ Perceptual organisational
- ❖ Interpersonal perception
- ❖ Managerial applications of perception
- ❖ Developing perceptual skills.

## Concept of perception ;

“Perception may be defined as a process by which Individual organize and interpret their sensory impressions In order to give meaning to their environment” .



## Definition ;

The physical process of obtaining data from environment, known as sensation, is distinct it.

The manner in which a person perceives the environment  
Affects his behaviour.

## Sensation and perception;

Sometime, confusion arises between sensation and perception

As both are the cognitive processes and both are beads of the same string.

the physical senses are vision, hearing, touch, smell, and taste.

## Perceptual process;

Perception is a process consisting of several sub processes.

We can take an input-throughput- output approach to understand the dynamics of the perceptual process.

## Perceptual inputs;

Strictly speaking, perceptual inputs in the form of stimuli are not the part of actual perceptual process though these are necessary for the occurrence of perception.

## Perceptual mechanism;

perceptual mechanism involves three elements – selection of stimuli, organisation of stimuli, and interpretation of stimuli.

## Selection of stimuli;

After receiving the stimuli from the environment, some are Selected for further processing while others are screened out because it is not possible for a person to select all stimuli which he sees in the Environment.

these external and internal factors are of several types.

## Organisation of stimuli ;

After the stimuli are received, these are organised in some form in order to make sense out of that.

## Interpretation of stimuli;

They also become judgemental as well and tend to interpret the things as good/bad, beautiful/ugly, and so on which are quite relative terms.

## Perceptual outputs;

these outputs may be in the form of covert actions like development of attitudes, opinions, beliefs, impression about the stimuli under consideration.

## Perceptual selectivity;

This is caused by a variety of factors which may be grouped into two categories: external and internal .

## Size;

generally, bigger is the size of perceived stimulus, higher is the probability that it attracts of the perceiver and he may select it for perception.

## Intensity;

A loud sound, strong odour, or bright light is noticed more  
As compared to a soft sound, weak odour, or dim light.

## Repetition

advertisers use the principle by repeated advertisement of the same product to attract people's attention.

In the organisational context, repeated instruction, even for the routine work, is based on this principle.

## Novelty and familiarity;

Novelty and familiarity principle states that either a novel or a Familiar external situation can serve as attention-getter.



## Contrast;

Letters of bold types, persons dressed differently then other, buildings of different colours in the in the same locality.

## Motion

motion principle states that a moving object draws more attention as compared to a stationary object.

For example, commercials on television get more attention than print Media.

## Internal factors in perceptual selectivity;

people generally select those stimuli and situations from the environment that appeal to them, their personality, motivation, and other personal factors.

self-concept

beliefs.

expectations.

inner need.

response disposition.

response salience.

perceptual defence.

## Self – concept;

it can be thought of as an internal form of attention – getting and is largely based on the individual's complex psychological makeup.

## Beliefs;

1. an individual self censors.
2. an individual seeks out communications.
3. the latter is particularly true.

## Perceptual organisation;

in other words, the person's perceptual process organises the Incoming information into a meaningful whole.

Figure – ground  
grouping  
proximity  
similarity  
simplification  
closure

## Interpersonal perception;

distortion in person perception may occur because of the following factors:

factors in perceiver  
factors in perceived  
situational factors.

## Factors in perceiver;

the more important factors are perceiver's personality, his Mental set, attribution, first impression, halo effect, and stereotyping.

personality

mental set

attribution

first impression

halo effect

stereotyping

## Factors in person perceived

Besides the factors associated with the perceiver, there are certain factors associated with the person perceived which also cause distortion in perception.

status

visibility of traits

## Situational factors;

situational factors also affect the perception.

this may be the main reason for having lavishly furnished offices or showrooms.



## Managerial applications of perception;

A manager is primarily concerned with the achievement of Organisational objectives through specified behaviour of its members.

interpersonal working relationship  
selection of employees  
performance appraisal

## Developing perceptual skills;

looking into the need for correct perception, it is imperative that people in the organisation develop skills to perceive correctly.

- Perceiving oneself accurately

  - Enhancing self-concept

  - having positive attitudes

  - being empathic

  - communicating more openly

  - avoiding common perceptual distortions

# **Organizational development and changes**

# Organization development

- Richard Beckhard
  - Organizational development is an effort planned, organization wide and managed from the top to increase organization effectiveness and health through planned interventions in the organization's processes using behavioral science knowledge.

# Introduction

- Rapidly changing environments demand that organizations generate equally fast responses in order to survive and prosper.
- We begin by proposing a new model of the change process rooted in a conception of organizations presented by Portrays(1987).

# Organization development

- Organizing arrangement
- Social factors
- Technology
- Physical setting
- Other areas of interest

# Organization arrangement

- Research on a variety of interventions focuses on this stream of target variables.
- Quality circles gain sharing interventions and other forms of employee involvement are the topics most prevalent in the period reviewed.
- Some research also focused on other OA dimensions such as alternatives work schedules, new design tools and new design options.

# Social factors

- The social factors variables have historically been the most frequent targets of organization development in organization but research in this areas has decreased somewhat in recent years.
- An exciting development in the social factor area is the increased integration of personality theory with organization development .



# Technology

- Research focusing on interventions in the technology area has utilized primarily sociotechnical systems and quality of work life approaches.
- Two studies explored theoretical issues about sociotechnical systems interventions.
- Reviewing the technology interventions as a whole we are heartened that by and large they increasingly focus on whole system issues and change.

# Physical setting

- Although planned change interventions focusing on physical setting have been part of the organizational development literature for over 15 years.
- We located only two or more recent studies that focused on this intervention strategy.
- Oldham one of the more active researchers in this area investigated the effects of changing from a normal open office plan to either a more spacious open office plan or partitioned cubies.

# Other areas of internet

- A substantial amount of theory and research in organizational development focuses on general processes and issues.
- New settings for organizational development  
GRAY & HAY extended political analysis to inter organizational domains to explicate the necessary conditions and actions for successful intervention in this area.