

(17E00101) MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

Objective of the course is to give a basic perspective of Management theories and Practices. This will form foundation to study other functional areas of management and to provide the students with the conceptual framework and the theories underlying Organisational Behaviour.

1. Role of Management – Concept – Significance – Functions – Principles of Management - Patterns of Management: Scientific – Behavioural – Systems – Contingency.

2. Decision Making & Controlling – Process – Techniques. Planning – Process – Problems — Making It Effective. Controlling - System of Controlling – Controlling Techniques – Making Controlling Effective

3. Individual Behaviour & Motivation – Understanding Individual Behaviour – Perception – Learning – Personality Types – Johari window- Transactional Analysis- Motivation – Concept of Motivation - Motivational Theories of Maslow, Herzberg, David Mc Clelland, and Porter and Lawler

4. Group Behavior & Leadership: Benefits of Groups – Types of Groups – Group Formation and Development. Leadership and Organizational Culture and Climate: Leadership – Traits Theory – Managerial Grid – Transactional Vs Transformational Leadership – Qualities of good leader- Women Leadership in India.

5. Organisational Behaviour–Organizing Process – Departmentation Types – Making Organizing Effective – Organisational culture- Types of culture – Organisational Culture Vs Organisational climate - Conflict management - Change Management

Textbooks:

- Organisational Behaviour, Stephen P. Robbins, Pearson Education
- Management and Organisational Behaviour, Subbarao P, Himalaya Publishing House
- Principles of Management, Koonz, Weihrich and Aryasri, Tata McGraw Hill.

References:

- Organisational Behaviour ,S.S.Khanka, S.Chand
- Organisational Behaviour , Mishra .M.N ,Vikas
- Management and Organisational behaviour, Pierce Gordner, Cengage.
- Behaviour in Organizations, Hiriyaappa .B.New Age Publications
- Organisational Behaviour, Sarma, Jaico Publications.
- Principles of Management ,Murugesan ,Laxmi Publications

UNIT-1

ROLE OF MANAGEMENT

1. CONCEPT

1.1 INTRODUCTION ABOUT MANAGEMENT

- Companies of the same industry are being affected same environment factors.
- Same companies attract a number of customers while some other companies repel them.
- Why do companies perform differently when they operate under the same environmental conditions serve the customer, use the same raw material and technology and employ the people with similar skills? The answer for this question invariably is management practices.
- Thus management makes remarkable difference between the companies regarding their performance in terms of productivity sales profitability etc.
- Management plays a vital role in deciding the destiny of business as well as non-business organizations.

CONCEPT

- Management is the co-ordination of all resources through the process of planning, organizing, directing and controlling in order to attain stated goals.
- Management is the process of planning, organizing, staffing, directing, co-coordinating and controlling the activity of business enterprises.
- Management deals with both internal and external environment.
- Management is applicable to all kinds of organizations i.e. both profit and non-profit oriented organization.

1.2 DEFINITION OF MANAGEMENT

ACCORDING TO GEORGE R. TERRY

Management is a distinct process consisting of planning, organizing and controlling, utilizing in each both science and arts and followed in order to accomplish pre-determined objective.

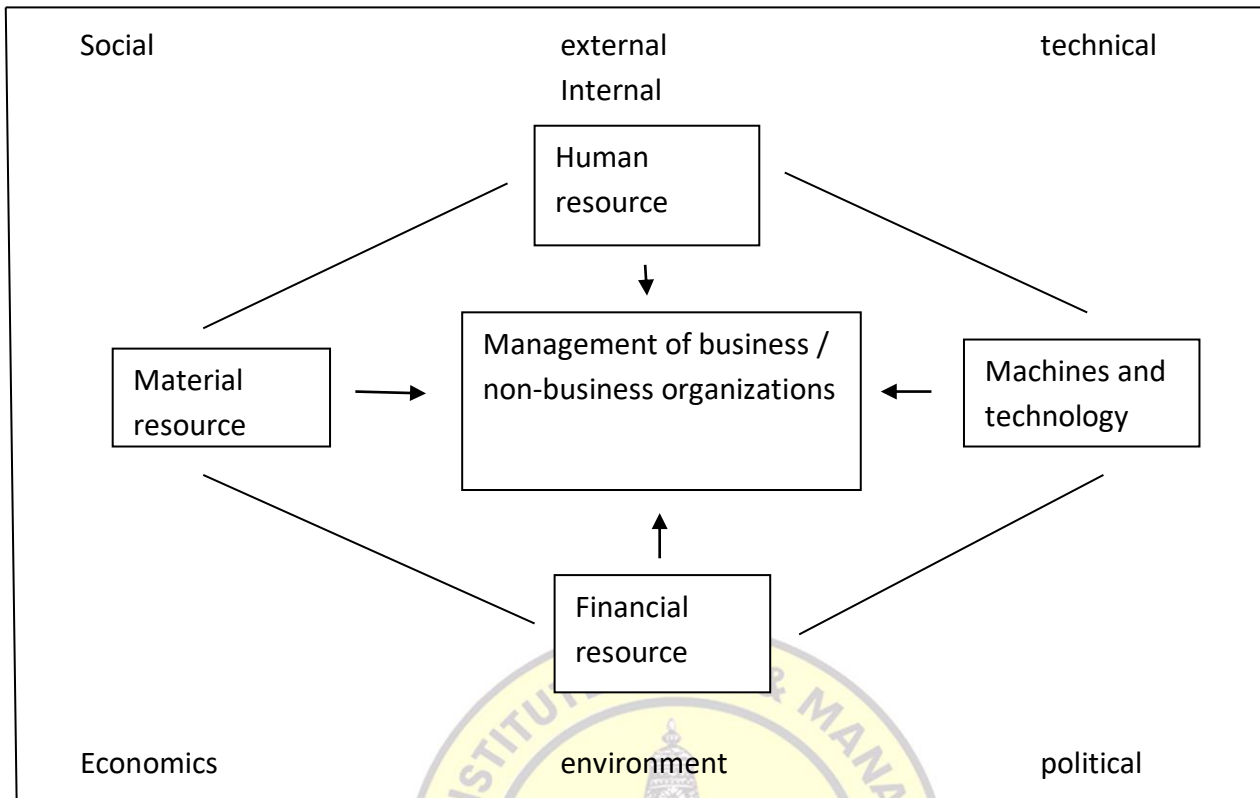
1.3 MANAGEMENT IN BOTH SCIENCE AND ART

a. SCIENCE

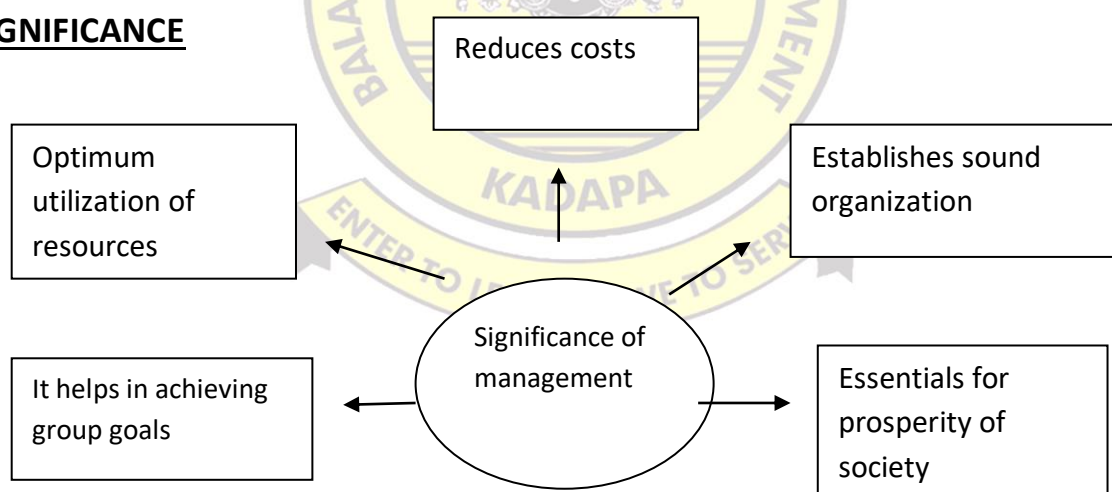
- Science is a body of knowledge developed systematically based on observation, measurement, experimentation and drawing inferences based on data.
- Management is a developing science. however ,management can't be equated with exact sciences like physics and chemistry.
- Most of the managerial activities like decision making, planning, organizing and directing can't be an exact science.

b. ART

- Art is understanding how a particular activity can be done.
- Art can be acquired by conscious effort and practice.
- Management is getting things done by and through other people.
- They have to consciously analyze the environment and formulate the plans and strategies.



2. SIGNIFICANCE



A. IT HELPS IN ACHIEVING GROUP GOALS

- Management arranges the factors of production, assembles and organizes the resources, integrates the resources in effective manner to achieve goals.
- Management converts dis-organized resources of 3M's (men, machines, money) into useful enterprise.
- These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.

B. OPTIMUM UTILIZATION OF RESOURCES

- Management utilizes all the physical and human resources productively.

- The planning and controlling function of management should be efficient ,so that the resources are utilized in an efficient manner.

C. REDUCES COSTS

- Management gets maximum results through minimum input by proper planning and getting maximum output.
- Managers are able to increase the organizational efficiency by using different managerial tools and techniques.
- Management uses physical human and financial resources in such a manner which results in best combination.
- This helps in cost reduction and managerial activities bring prosperity to the organization and provide benefits to the employees.

D. ESTABLISHES SOUND ORGANIZATION

- To establish sound organizational structure is one of the objectives of management which is intune with objective of organization and for fulfillment of this. It establishes effective authority and responsibility relationship i.e. “who is accountable to whom”,

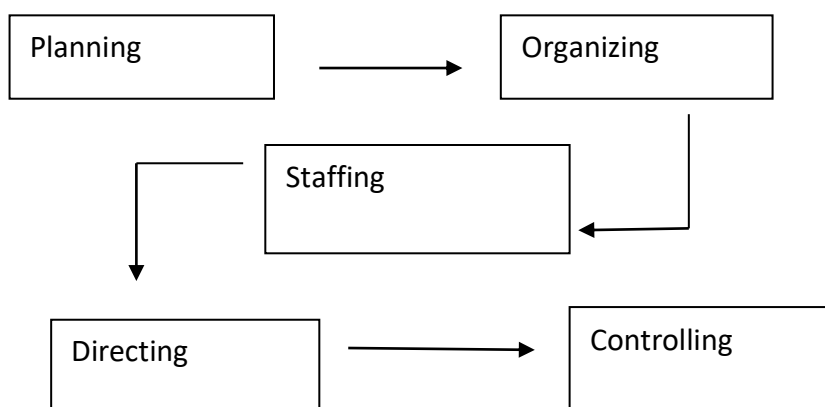
who can give instructions to whom who are superiors and who are subordinates.

- Management fills up various positions with right persons, having right skills, training and qualification.

E. ESSENTIALS FOR PROSPERITY OF SOCEITY

- Efficient management leads to better economical production which helps in turn to increase the welfare of people.
- Good management makes a difficult task easier by avoiding wastage of scarce resource. It improves standard of living.
- It increases the profit which is beneficial to business and society will get maximum output at minimum cost by creating employment opportunities.
- Organization comes with new products and researches beneficial for society.

3. FUNCTIONS



A. PLANNING

- Planning consists of the activities involved in choosing courses of action to achieve organizational objectives. It is deciding in advance –

“what to do, when to do, how to do and who will do it”

- Planning is an ongoing step and can be highly specialized based on organizational goals, division goals, departmental goals and team goals.
- Both long-term and short-term plans are necessary to achieve goals. Planning is a part of the activities of all managers.

B. ORGANISING

- Organizing is the process of linking and arranging activities in a sequence.
- Organizing involves the determination of activities that need to be done in order to reach the company goals.
- By organizing properly the effectiveness of the organization is enhanced, redundancy, (no longer needed or useful.) repetition and duplication of the activities is avoided.
- It is important to prioritize which resources are essential at any given time.

C. STAFFING

- Staffing is planning ,organizing, directing and controlling of procurement, development, compensation, integration and maintenance of people for the purpose of contributing to individual, organizational and social goals.
- Staffing function is also known as human resource management.
- This process requires the performance of the functions like job analysis human resources planning, recruitment, selection, placement, training wage and salary administration, leadership, motivation etc.
- Once the employee is employed, his development needs are identification through performance appraisal.

D. DIRECTING

- Direction is the key to achieve required goal directing motivates the employees to perform their responsibilities in realising the organizational goals.
- The willing and effective co-operation of employees for the attainment of organizational goals is possible through direction.
- Tapping the maximum potentialities of the people is through motivation and command.
- Thus, direction is an important managerial function in securing employees contribution.

E. CONTROLLING

- Controlling also involves checking, verifying and comparing the actual performance with the plans, identifications of deviation if any and correcting of identified deviations.
- The purpose of control is ensure the effective operation of an organization by focusing on all resources human, material, finance and matching.

4. PRINCIPLES OF MANAGEMENT

1. DIVISION OF LABOR

- HENRY FAYOL has stressed on the specialization of jobs.
- He recommended that work of all kinds must be divided and subdivided and allotted to various persons according to their expertise in a particular area.
- This division makes the task much easier and improves the efficiency of individuals.

2. AUTHORITY AND RESPONSIBILITY

- Authority is the legal power.
- A superior in any organization is entitled to give instructions and orders to his sub-ordinates take important decisions, provide guidance to subordinates etc.
- While responsibility is the outcome of authority .Responsibility involves duties like performing various functions in-order to attain the company's objectives.
- A manager should never be given authority without responsibility and also should never be given responsibility without the authority to get the work done.

3. PRINCIPLE OF ONE BOSS

- A sub-ordinate should receive orders and be accountable to one and only one boss at time.
- In other words a sub-ordinate should not receive instruction from more than one person because,
- It undermines authority
- Weakness discipline
- Divides loyalty
- Creates confusion
- Duplication of work
- Escaping responsibilities
- Therefore dual sub-ordination should be avoided unless and until it is absolutely essential.

4. UNITY OF DIRECTION

- According to this principles efforts of all the members of the organization should directed towards common goal.
- Without unity of direction, units of action can't be achieved, unity of command is not possible without unity of direction.

5. EQUITY

- Equity means equality of fair treatment equity results from a combination of kindness and justice.
- Employees expect management to be equally just to everybody.
- It requires managers to be free from all prejudices, personal likes or dislikes.
- It ensures healthy industrial relations between management and labor which is essential for the successful working of the enterprise.

6. ORDER

- It refers to the arrangement of people and things at the right place.
- There should be a fixed place for everything in the organization and everything should be in its own place in the organization.Social order involves right person at the right place.

7. DISCIPLINE

- Discipline is absolutely essential for the smooth running of business and without it,
- Standards, consistency of action, adherence to rules and values no enterprise could prosper.
- The rules should be clearly defined and in case of any disciplines imposed penalties should be fair.
- Clear and fair agreement between the employees and the employer.
- In order to follow and maintain discipline organization must have good supervisor at all levels.

8. INITIATIVE

- Initiative means freedom to think out and execute a plan.
- Innovation which is the hallmark of technological progress is possible only where the employees are encouraged to take initiative.
- At all levels of the organizational structure, zeal, enthusiasm and energy are enabled by people having the scope for personal initiative.

9. FAIR REMUNERATION TO EMPLOYEES

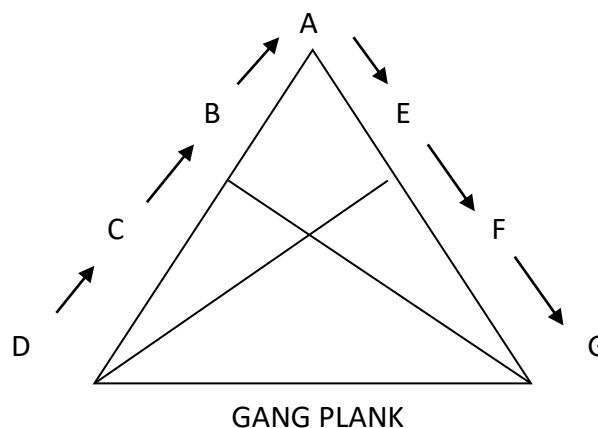
- Every employee in an organization should receive a fair and reasonable remuneration.
- The wage structure of the employees should be based on the job assigned, cost of living and average wage rate followed in the industry and the financial situation of the company.

10. STABILITY OF TENURE

- The time period of service in a particular position should be fixed and employees should not shift from the allotted position repeatedly.
- In order to motivate workers to do more and better work, it is necessary that they should be assured security of job by the management.
- Once the employee is selected for a position then he should remain at that position for a fixed tenure.

11. SCALAR CHAIN

- Scalar chain means the hierarchy of authority from the highest executive to the lowest one for the purpose of communication.
- According to FAYOL every organization should have a distinct chain of authority from top to bottom linking all the managers at all levels.



- A gang plank is temporary arrangement between and different points to facilitate quick and easy communication.
- Gang plank clarifies that management principles are not rigid.

12. SUBORDINATION OF INDIVIDUAL INTEREST TO GENERAL INTEREST

- The interest of the organization should be kept at the highest priority over the interest of individuals.
- Every employee has certain individual interests which motivates the employees to work for the organization.
- According to FAYAL the management should make efforts to unite the interest in general (both employee and employer).

13. ESPRIT DE CORPS

- Esprit de corps means team spirit.
- The management should create team spirit among the employees.
- Managers should promote team work to achieve common goals of the company. This will raise the level of trust between the members.

14. CENTRALISATION AND DE-CENTRALISATION

- The concentration of decision making authority in the hands of the top management leads to **centralization**.
- If the authority is shared with the lower level management then it leads to **decentralization**.
- In small organization centralization of authority exists as the number of activities is less compared to large organization. Where as, in large organization the level of decentralization is high.

5. PATTERNS OF MANAGEMENT

5.1 SCIENTIFIC MANAGEMENT/APPROACH

- Scientific management was used widely by the managers in the early 1900s.
- It is a classical management study which focuses on scientific approaches so as to improve the efficiency level of workers in an organization.

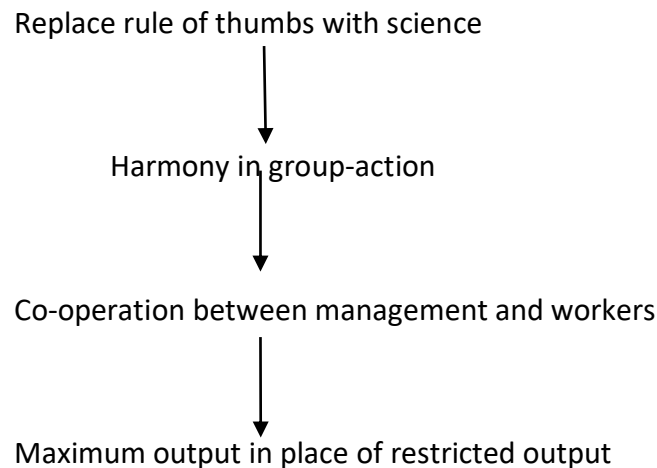
5.2 DEFINITION

According to TAYLOR scientific management is concerned with knowing exactly what you want men to do and then see in that they do it the best and cheapest way.

5.3 OBJECTIVE OF SCIENTIFIC MANAGEMENT

- It provides trained minds for attaining a higher degree of excellence.
- It improves and holds to standard such things as equipment, tools and materials, working conditions and method of working.
- Its promptness provides timely construction, constant guidance and immediate goals and prompt rewards.
- Decrease in the cost of production by systematic planning, regulation and cost control techniques.
- Placement of right persons on the right jobs through scientific selection and training of works.

5.4 PRINCIPLES OF SCIENTIFIC MANAGEMENT



1. REPLACING RULE OF THUMBS WITH SCIENCE

- It is essential that all these are measure precisely and should not based on mere estimates.
- It consists of observation and analysis of each work determination of standard of work and ensure that works is done best possible way.
- Rule of thumbs means decisions taken by management as per their personal judgments.
- This approach can be adopted in all aspects of management.

2. HARMONY IN GROUP-ACTION

- Harmony focuses on the units of action while discord means different approach.
- Management should always be ready to share the gains of the company with the workers.
- It helps to produce synergy effect both management and workers work in unison (simultaneous performance).It becomes possible by sharing a part of surplus with workers. Trying of employee's team spirit and positive attitude.

3. CO-OPERATION

- Both management and workers should realize the importance of each other.
- All the activities done by different people must be carried on with a spirit of mutual co-operation.

4. MAXIMUM OUTPUT

- Maximum production ensures more wages to worker more profit to owner.
- It involves continuous increase in production and productivity increase production by management.

6. BEHAVIOURAL THEROY

6.1 BEHAVIOUR DEFINITION

Behavior is defined as the way a person conducts themselves towards other. When workers are treated as humans rather than machines, they response to their particular work situation in a positive way by increasing individual productivity.

6.2 BEHAVIOURAL APPROACH

- In behavioral approach prominence is given to increase productivity through developing human relations and motivating employees.
- The core concepts of behavioral approach are leadership motivation participative management communication and group dynamics.

7. SYSTEM THEORY/APPROACH

- System is a set of interrelated but separate parts working towards a common purpose.
- An organization as a system is consisting of several interconnected interactions and interdependent parts.
- An organizational system has a boundary that determines which parts are internal and which are external.
- CHESTER BARNARD was the first person to utilize the system approach in the field of management. It helps the general managers to maintain balance among various subsystems and the organization.
- The arrangement of elements must be orderly and there must be proper communication facilitating interaction between the elements and finally this interaction should lead to achieve a common goal.
- System approach helps the dynamic and inters related nature of organizations to plan for action and anticipate consequences and mutual effects.

7.1 KEY CONCEPTS OF SYSTEMS APPROACH

A. SUBSYSTEM

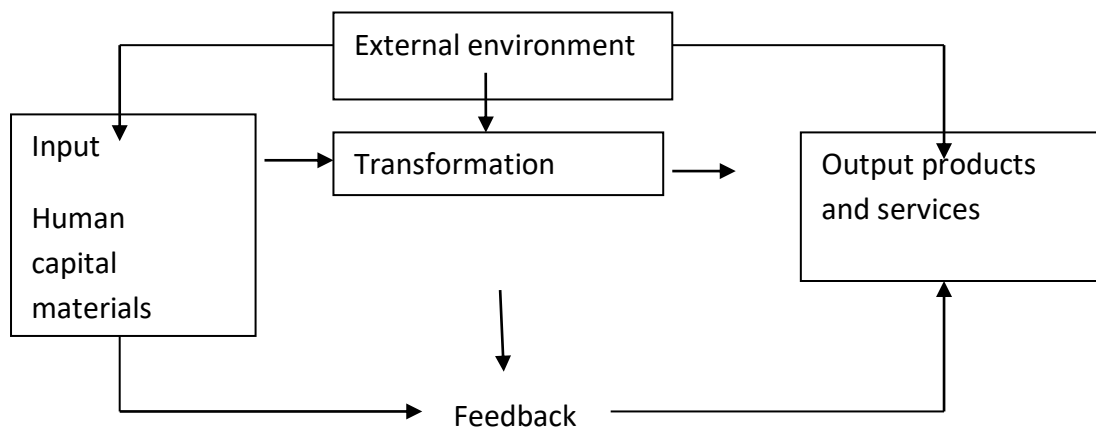
- Sub systems are those parts which make up the whole system.
- Each system turn may be sub systems of a still larger system.

B. SYNERGY

- Synergy is the situation in which the whole is greater than the sum of its parts.
- In organizational terms synergy means that departments that interact co-operatively are more productive than they would be.

C. FLOWS

- A system has flows of information material and energy.
- These enter the system from the environment as inputs (like raw material) undergo transformation process within the system (like production process) and exist in the system as outputs (like products and services).



8. CONTINGENCY APPROACH

- Contingency approach is also called situational approach.
- This approach was developed by managers, consultants and researchers who tried to apply the concepts of the major schools to real life situations.
- It helps to devise motivational and leadership approaches to motivate the workers.
- Wide range of external and internal factors must be considered.
- Organizational action should be based on the behaviors of actions outside the system, so that organization should be integrated with the environment.
- This approach builds upon systems approach. It is an approach where the behaviors of one sub unit depends on its environment relationship to other units that have control over the consequences desired by that subunit.
- There is no one best way to structure a corporation and solve employee problems. It all depends on the situation.
- The contingency approach has a wide-ranging applicability and practical utility in organization and management.

External Questions: (Old Question papers)

UNIT-I

1. What are the principles of management? Explain each of them?
2. What is meant by scientific management and explain its implications in organizational behavior?
Or Patterns of Management(Scientific,Behavioural,Systems ,Contingency)
3. Describe the functional areas of management? Or Functions of Management?
4. What is the system approach in management? Explain the contingency theory.?

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UNIT-2

DECISION MAKING AND CONTROLLING

1. PROCESS

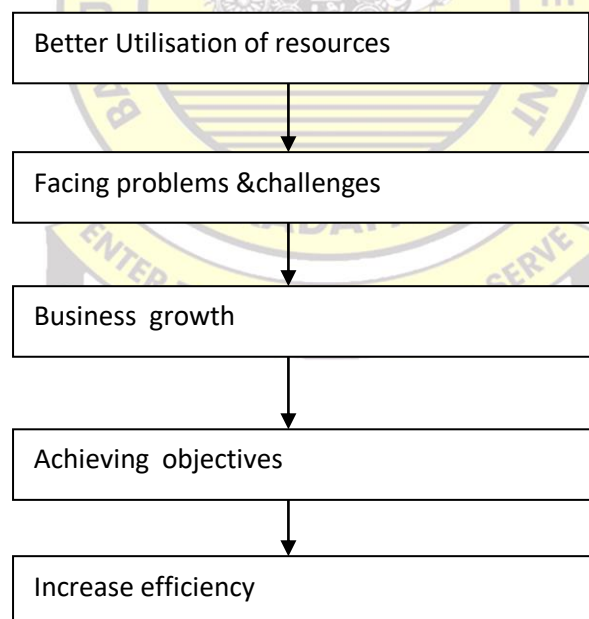
1.1 INTRODUCTION ABOUT DECISION MAKING

- Decision making is a process of choosing the best from among the alternative solutions under a given set of circumstances.
- All managers continuously make decisions regarding all kinds of problems issues opportunities threats etc. in fact management is decision making.
- Hundreds of decisions are made by the manager consciously and sub consciously every day.
- Decision making involves a certain commitment. This commitment may be short run or long run depending upon the types of decisions.

1.2 DEFINITION

According to MACFARLAND a decision is an act of choice where in executive forms a conclusion about what must be done in a given situation. A decision represents a course of behavior chosen from a number of alternatives.

1.3 IMPORTANCE OF DECISION MAKING



A. BETTER UTILISATION OF RESOURCES

- Decision making helps to utilize the available resources for achieving the objectives of the organization.
- Organization has various resources like man, money, methods, materials, machines and markets.

B. FACING PROBLEMS AND CHALLENGES

- Decision making helps the organization to face and tasks new problems and challenges.
- Quick and correct decisions help to solve problems and to accept new challenges.

C. BUSINESS GROWTH

- Quick and correct decision making results in better utilization of the resources.
- It also helps to achieve its objectives. All this results in business growth.

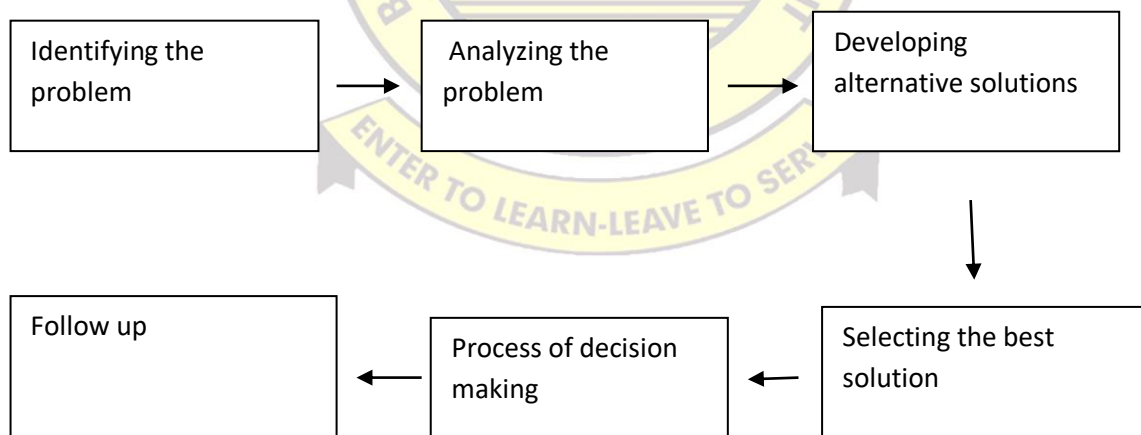
D. ACHIEVING OBJECTIVES

- Rational decisions help the organisation to achieve all its objectives quickly.
- This is because rational decisions are made after analysing and evaluating all the alternatives.
- It searches the best alternative, utilize the resources properly and satisfy the employees at the workplace. As a result, organizational goal or objectives can be achieved as per the desired result.

E. INCREASES EFFICIENCY

- Rational decisions help to increase efficiency. Efficiency is the relation between returns and cost. If the returns are high and the cost is low, then there is efficiency and vice versa.
- Rational decisions result in higher returns at low cost.

1.4 PROCESS OF DECISION MAKING



A. IDENTIFYING THE PROBLEM

- The first and the foremost step in the decision-making process are to define the real problem. A problem can be explained as a question for and appropriate solution.
- The manager should consider critical or strategic factors in defining the problem
- Mostly individual employees identify the problems in various areas

B. ANALYSING THE PROBLEM

- Once the problem has been correctly diagnosed, the next logical step is analyzing it.
- Sound decisions are based on proper collection, classification and analyze of facts and figures.
- Try to define the problem through debates and discussions and also get an organizational view or consensus on the problem to be solved.
- The problem then may take a clear shape by inter weaving managerial experience of the executives and political process in the organization.

C. DEVELOPING ALTERNATIVE SOLUTIONS

- After the problem is diagnosed clearly the tendency of managers is that of searching for readymade solutions (tendency = type of behaviors).
- They start designing or developing solutions through a vague () idea, gradually improve it, refine it by recycling.

D. SELECTING THE BEST SOLUTION

- Selecting the best solution is done by comparing each alternative solution with one another in terms of predetermined objectives.
- Drucker Suggests 4 criteria for selecting the best among the possible alternative like, risk, economy of effort, timing and limitation of resources.
- Timing is a very important factor in decision making. While making a decision the manager must also consider the availability of existing and potential resources that would be required for implementing it.
- The most precious resource of an organization is its manpower abilities, motivation, vision and level of aspiration of its employee.

E. IMPLEMENTING AND VERIFYING THE DECISION

- Effectiveness of decision in achieving the desired goals depends on its implementation.
- The manager should secure the support of the top management for allocation of resources time etc, regarding the implementation of the decision.
- A detailed programme of action should be formulated specifying the minute details of action, people who will execute it, when it will be implemented, who will be implemented and who will co-ordinate the work.
- The managers should also ensure for getting the information back about the progress of implementation.

STEPS TO BE EFFECTIVE DECISION MAKER

1. Be alert to signals indicating the need for a decision.
2. Set priorities for different decisions.
3. Separate yourself from the problem and solution. How would another person decide the issue?
4. Make quite uninterrupted time for thinking and reflecting about things to be decided.
5. Take adequate time to reach a decision over the subject.

FEED BACK

- Feedback is necessary to decide whether the decision already taken should be continued or be modified in the light of changed conditions.
- Feedback is possible in the form of organized information reports and personal observations.

2. TECHNIQUES OF DECISION MAKING



1. THE DELPHI TECHNIQUE

- Members with expertise and relevant information concerning an issue are selected to make the decision regarding that issue.
- Questionnaire is sent to the group members who record their answers in writing.
- The group members do not meet face-to-face replies of all the members to the questionnaires are summarized and feedback to them are sent for review.
- This process is repeated until a satisfactory decision is made.
- This technique is mostly used for decisions relating to demand forecast future problem etc.

SUCCESS OF THIS TECHNIQUE DEPENDS ON

- Seriousness of the group members.
- Expertise of the group member's availability of adequate time.
- Written communication skills of the member's use of information technology like e-mail, voice mail etc.
- Level of involvement and motivation of the members.

2. NOMINAL GROUP TECHNIQUE

The steps involved in nominal group decision making are

- Group members are brought together presented with a problem
- Members ask questions just to get clarification during brief sessions.
- They share their ideas with each other in a structured format (all members get an opportunity in a round table format)
- Members ask questions just to get clarification during brief sessions members develop the solution independently and write them on card.

ADVANTAGES/BENEFITS

- All members get equal opportunity for participation no member can dominate the discussion.
- Ego problem and interpersonal problems are solved decision can be taken in the right time due to control of time.

DISADVANTAGES

- The procedure is too rigid. Members may be frustrated.

- Members can have interpersonal relations. Group cohesiveness (united and working together effectively) cannot be ensured.

3. BRAIN STORMING TECHNIQUE

- This technique is used to encourage creative thinking in groups of around and members.
Brain storming is built on the following lines,
 - a. Generate as many ideas as possible
 - b. Be creative, free-wheeling & imaginative
 - c. With hold criticism of others ideas
- The success of this technique depends upon the member's ability to listen to others use this interaction as a stimulus to spark new ideas and feel free to express them.
- More members of ideas should be encouraged so that eventually higher quality ideas would be generated.

ADVANTAGES

- Group members would be enthusiastic, involved immensely and emotional.
- Broader participation of the members. Members have a sense of belongingness and the final product is the team effort.

DISADVANTAGES

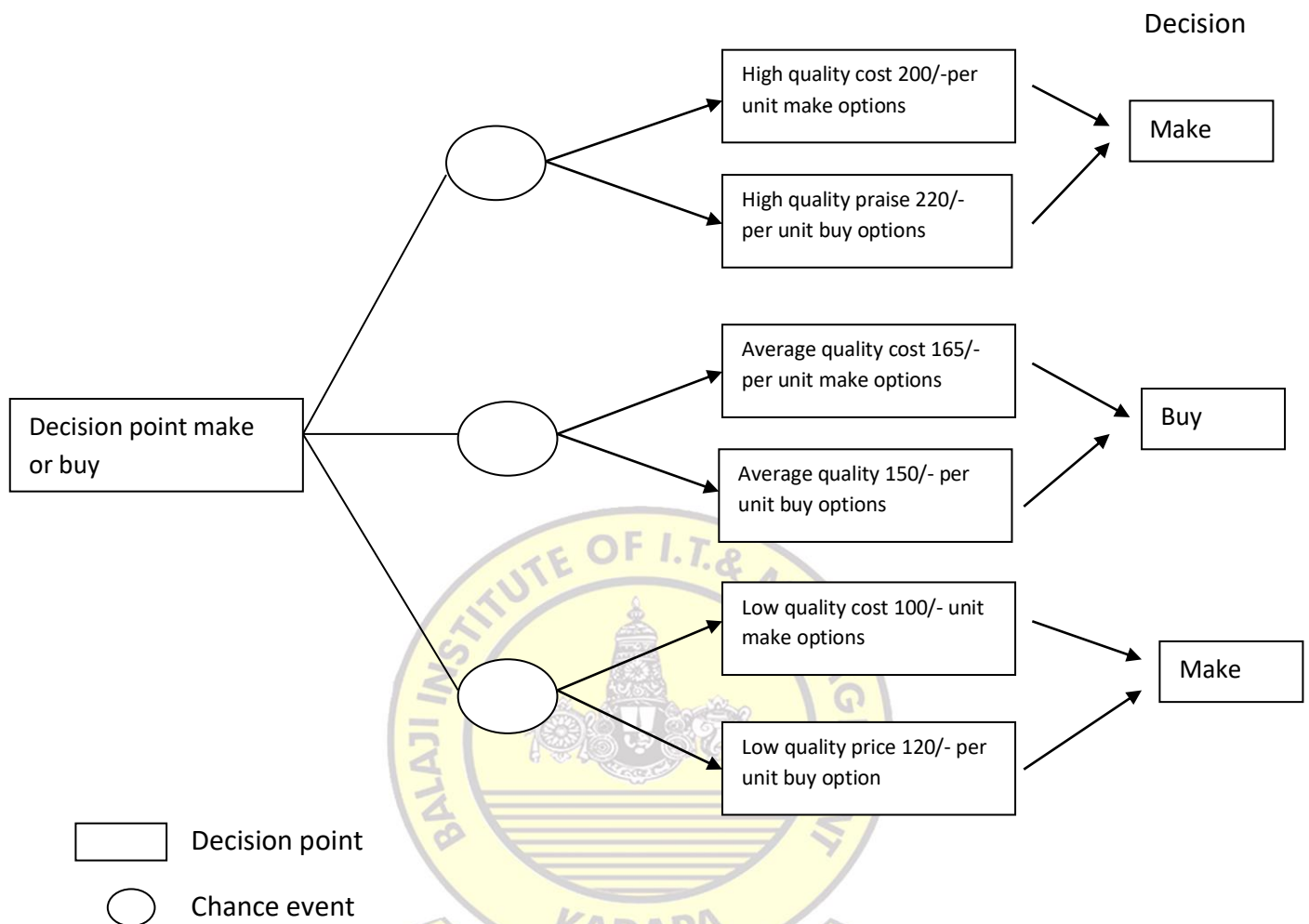
- Some members may fear that their ideas may be looked down by others.
- Criticism of ideas kills creativity some people may dominate the process of decision making.

4. DECISION TREE

- The decision tree is a model in the form of a graphical tool that charts the steps to consider in evaluating each alternative solution in decision making.

THE MAIN POINTS OF THE DECISION TREE ARE,

- Using the information acquired in preparing to make the decision
- Recognizing the sequential nature of the decision making process.
- Decision tree helps managers to evaluate and arrange the information in order
- Decision tree enables managers to introduce a degree of justifiability.



- It is observed from the figure that the car manufacturing company has to take decision whether to make the wipers or to pay them from other companies.
- Managers make the decision based on the information and quantified data provided in the decision tree.

3. **PLANNING**

- Planning means having a view of the future and deciding in advance where we would like to be and what is to be done in order to reach there.
- Planning starts with defining the objectives and the formulation of the specific goals or targets to be achieved.
- Planning is concerned with the future. It is done by managers at all levels of organizations.
- Planning is a primary function of corporate management. It is a bridge between the present and the future.
- It helps in the process of motivation and provides a frame work for decision making.

3.1 DEFINITION

- According to HAROLD KNOONTZ and O'DONNELL, planning is deciding in advance what is to be done in future. Plan bridges the gap between where we are and we want to go.

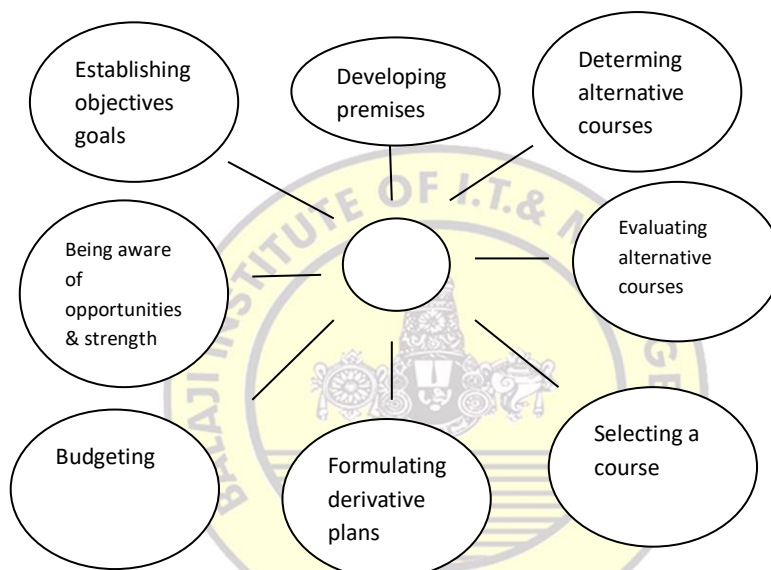
B. The process of establishing goals and suitable action for achieving these goals.

- **STONER AND FREEMAN.**

4.PROCESS OF PLANNING

Planning is a continuous process. Planning is an organizations plan for the total business or any part of the business includes the departments or any part of it.

STEPS IN PLANNING PROCESS



1. BEING AWARE OF OPPORTUNITIES AND STRENGTHS

- Business firms analyze both internal and external environment.
- Analysis of internal environment reveals organizations strength and weakness.
- Analysis of external environment includes the factors which are characterized as technological economic political international.
- Analysis of these factors reveals the opportunities offered by the external environment and threats posed by the external environment.
- Business firms can plan to match the organizations strength with the environment opportunities.

2. ESTABLISHING OBJECTIVES AND GOALS

- Business firms have to formulate objectives. Objectives are the ends towards which activity is aimed.
- The organizations formulate objectives not only for the entire enterprise but for each department.
- Objectives provide directions to the organization plans.
- Managers and subordinates formulate the objectives in collaboration by exchanging their ideas and view.

3. DEVELOPING PROMISES

- The next step is getting acceptance from the employers regarding the planning premises like forecast.
- All managers involved in planning should have a common understanding about the planning premises forecast is an important planning premises.

FORECASTING PREMISES INCLUDE

- A. What will be the population?
- B. What will be the new products?
- C. What new market will emerge?
- D. What will be the new technologies?
- E. What political factors will affect the business?
- F. What will be the salary level of employees?

4. DETERMINING ALTERNATIVE COURSES

- The managers have to develop alternative courses. there would be several ways to achieve the predetermined objectives.
- The objective of profit maximization can be achieved through the following courses.
 - a. Through forward linkage of the business and joint ventures.
 - b. Through expansion of the capacity and diversification.
 - c. Through mergers and acquisition.

5. EVALUATING ALTERNATIVE COURSES

- Managers have to evaluate the alternative course each alternative course has to be analyzed in terms of strength and weaknesses.
- Each alternative course of action has to be evaluated in terms of strength, weakness, opportunity and threat (SWOT) analysis.

6. SELECTING A COURSE

- After SWOT analysis a manager has to rank them based on relative strength and opportunities of each alternative.
- The alternative with highest strength and opportunities and with the lowest threats and weakness would be ranked as number one.

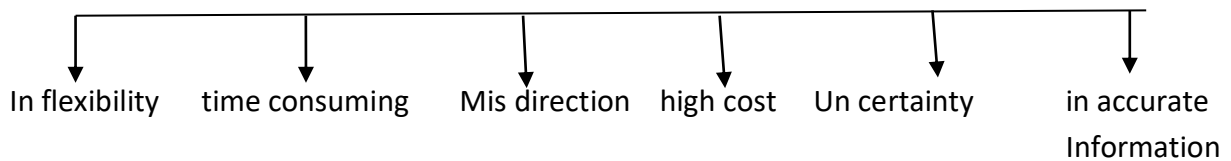
7. FORMULATING DERIVATIVE PLANS

- Managers have to prepare derivative plans after finalizing the main and basic plan.
- These plans are essential to support and achieve the basic plan.

8. BUDGETING

- The final step is converting the plans and derivative plans into budgets.
- The budgets provide clear direction in numerical terms. These budgets include capital budgets financial budgets, sales budgets, human resource budgets etc.

5.PROBLMES OF PLANNING



a. IN FLEXIBILITY

- Once a plan has been agreed upon, it is not easy to deviate from the selected course of action.
- This rigidity (inability to be changed) acts as a barrier for the employees in successful implementation of their functions.
- Liberalization and globalization made the change and adaptability as the order of the day in the business world.

b. TIME CONSUMING

- Planning process requires a lot of time to perform all these activities and to make planning effective and systematic.
- Planning involves collection of data its analysis forecasting and making assumption.
- Hence, it is a time taking exercise which involves considerable intellectual efforts.
- Forecast of future events is based on a number of statistical tools.

c. MIS DIRECTION

- Sometimes planning efforts are not successful due to the mis direction of an individual on a group of individuals.
- Planner or manager try to formulate the objective and plans to serve their personal interests rather than achieving the overall goals of the organization.

d. HIGH COST

- The planning process is not only time consuming but also expensive.
- The planning process requires vast data and information to be collected and processed.
- It requires use of statistical techniques and services of a number of personnel.
- As such planning is an expensive activity.

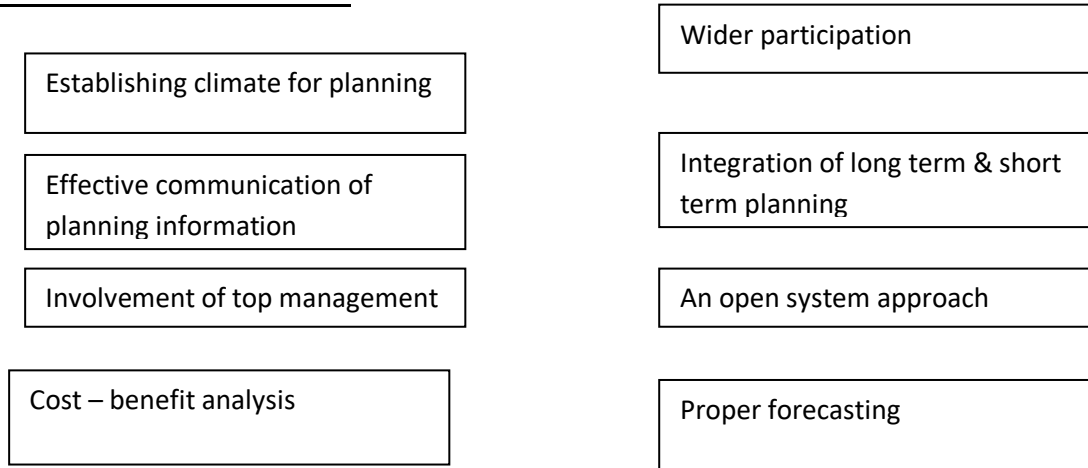
e. UN-CERTANITY

- Planning process also suffers from the un-certainty of change.
- Planning is for the future but is based on present business conditions. Changes in business conditions. Like anticipated risks, absolution of technology, unfavorable market conditions etc, limit the successful execution of plans.

f. IN ACCURATE INFORMATION

- Planning is essentially a futuristic exercise that is based on assumption and forecasts made by the planners or managers.

6. MAKING IT EFFECTIVE



A. ESTABLISHING CLIMATE FOR PLANNING

- Managers should create a climate where every person in the organization takes planning action.
- Every superior manager should remove obstacles to planning and present facilities for planning.
- Managers at every level should be encouraged and give necessary facilities to plan their goals and activities with active participation of the workers.

B. WIDER PARTICIPATION

- The most effective way of planning is where every manager is granted freedom to plan in respect of his areas of activities.

PARTICIPATION BY THE SUBORDINATES MAY BE MADE POSSIBLE THROUGH VARIOUS WAYS LIKE:-

- Formation of planning committee at various level which may be made responsible for providing planning information, inviting suggestions and reactions from sub ordinates managers of plans.
- Management by objectives under which common goals at each level of activity are established by managers and workers together.

C. EFFECTIVE COMMUNICATION OF PLANNING INFORMATION

- Many planning efforts fail because managers do not really understand their goals and other planning premises.
- The organization should have an effective network to communicate all the information that is relevant for planning of the goals at events level.
- This should include specific and clear information regarding resource availability organizational policies strategies.

D. INTEGRATION OF LONG TERM AND SHORT TERM PLANNING

- Short term plans of an organization should contribute to the accomplishment of its long term plans.

E. INVOLVEMENT OF TOP MANAGEMENT

- In any organization the role of top management in planning is quite unique and important.
- Effective planning may start at top level and get support from lower level managers.

- But, this should not mean that subordinate managers can do nothing in initiating the planning process.

F. AN-OPEN SYSTEM APPROACH

It suggests that managers must take into account interaction with their total environment in every aspect of planning premises represent a clear recognition.

G. COST-BENEFIT ANALYSIS

- The planners must undertake cost benefit analysis to ensure that the benefits of planning are more than the cost involved in it.
- Any plan which is not worth its costs should be discarded.
- This can be achieved by establishing measurable objectives proper decision making reasonable premising and formulation of derivative plans for the changing environment.

H. PROPER FORECASTING

- One of the important steps in planning is forecasting. Accurate forecasting is essential for correct premising.
- Management must have a mechanism of forecasting changes in environment which are influenced by economic social political and international factors.

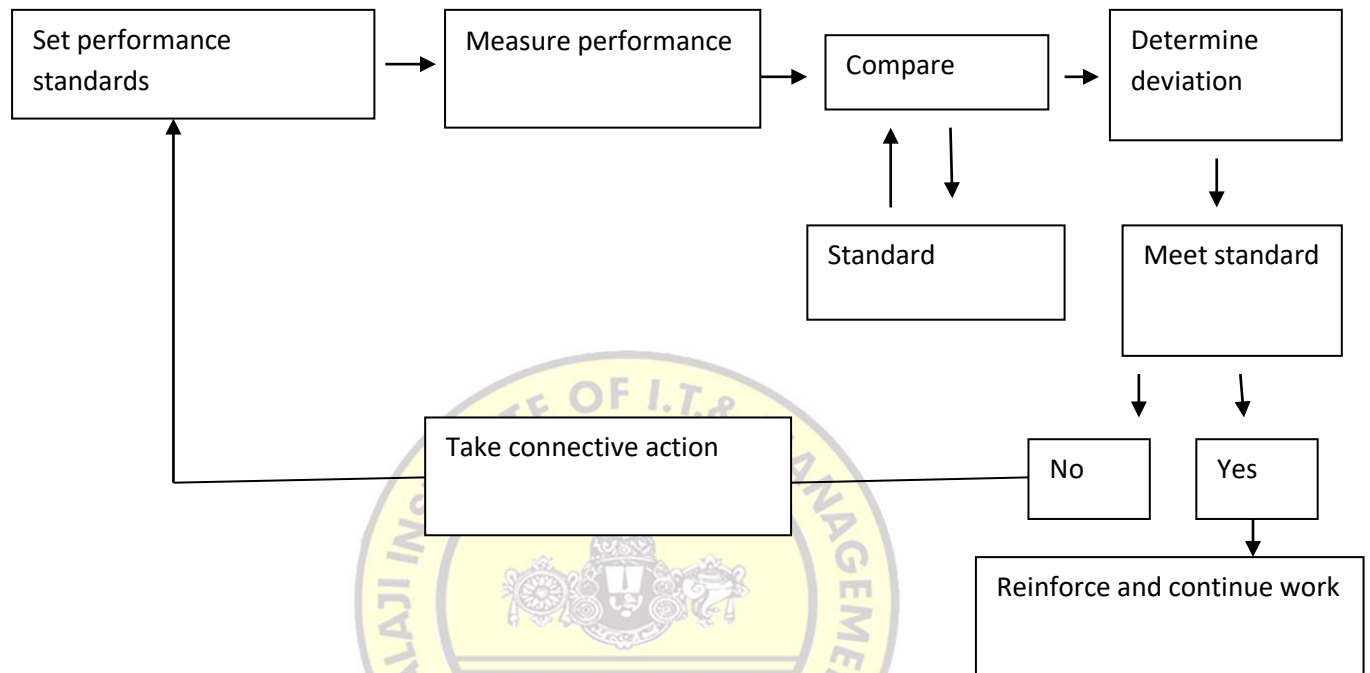
7.CONTROLLING

- Just as every automobile require brakes to stop the vehicle and a steering system to give a direction to it.
- Each and every organization requires a control system to direct the organization towards the goals also enhance effectiveness.
- Organizations use the technique of controlling to ensure that they are making a considerable progress towards their goals and utilizing the available resources.
- Controlling is a function of management that strives to measure the performances and take the remedial actions when needed.
- Controlling also ensure that an organizations resources are being used effectively and systematically for the achievement of pre-determined goals.

3.2 DEFINITION OF CONTROLLING

According to **HENRY FAYOL** control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and principles established.

8.SYSTEM OF CONTROLLING



A. SETTING PERFORMANCE STANDARDS

- Evaluating an organizational performance is normally based on certain standards.
- These standards may be previous year's achievement or the competitor's records or the fresh standards established by the management.

Companies should establish the standards for evaluating the performance of the strategies taking several factors into consideration like,

- Quality of products /services
- Quality of management
- Creativity
- Ability to attract develop and retain competent and skilled people
- Corporate image among the customers and general public.
- Soundness of human resource management in terms of percentage of employee grievances redressed employee satisfaction rate, employee turnover rate etc.

B. MEASURING PERFORMANCE

- Performance may be measured through quantitative terms or qualitative terms.
- Reports and statements help to measure the actual performance through quantitative terms and managerial observations help to measure performance through qualitative terms.

FOLLOWING ARE THE 3 SOURCES

i.WRITTEN REPORTS

- With the help of computer and its abilities data can be gathered and analyzed easily.
- This technology can provide enormous (very large size, quantity) benefits to the managers in presenting written reports.

ii ORAL REPORTS

Oral reports are the presentations or summary provided by the managers to their superiors.

iii .PERSONAL OBSERVATION

- The person or manager goes to the place where the work is going on and observes what exactly is happening.
- It is possible for the manager personally observe methods adopted by the personnel (employee) their non-verbal language.

C. COMPARE PERFORMANCE WITH STANDARDS

- Organizations standards are yard sticks and bench marks that place organizational performance in perspective.
- The manager should set standards for all performance areas of the organization based on organizational goals and strategies.
- Normally the standards vary from one company to the other company.
- They also vary from time to time in the same company.

THE STANDARDS DEVELOPED BY GENERAL ELECTRICAL CAN BE USED MODEL STANDARDS IT INCLUDES:-

1. PRODUCT LEADERSHIP STANDARDS

They include the innovations and modifications in products to increase the new uses of existing product developing new products with new uses etc.

2. EMPLOYEE ATTITUDE STANDARDS

They include employee's favorable attitude towards the nature of work organization salaries quality of work like treatment by superiors etc.

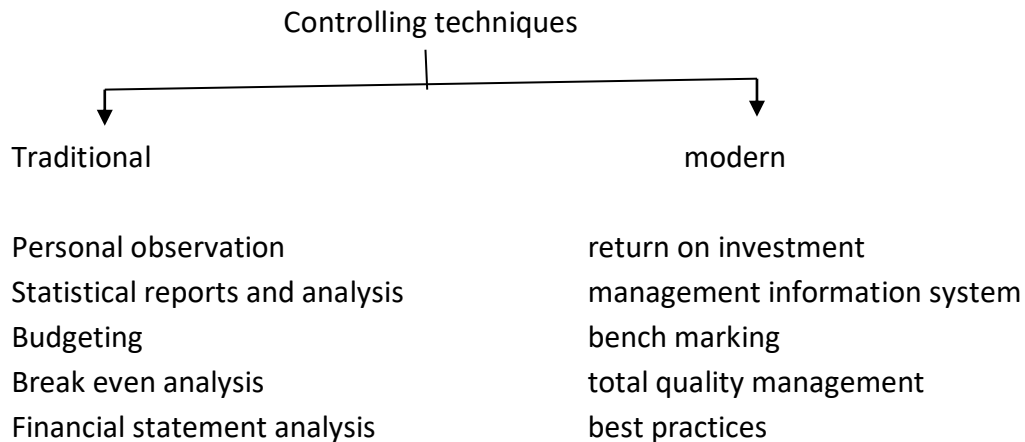
3. PRODUCTIVITY STANDARDS

These standards indicate the performance of the organization in terms of convention of inputs into output. These standars include capital productivity, labor productivity material productivity etc.

D. TAKE CORRECTIVE ACTIONS

- Managers should take necessary corrective action if performance is not in harmony with standard.
- The choice of the remedial measures relies on the nature of the issue.

9.CONTROLLING TECHNIQUES



1. TRADITIONAL TECHNIQUES

A. PERSONAL OBSERVATION

- One of the most efficient and conventional techniques for controlling his personal observation, where the supervisor monitor the performance of employees as well as inspects the proper execution of operations by observing the situation.
- Many problems are solved during supervision. It helps a manager to collect first hand information about the performance of the employees and it is time consuming process.

B. STATISTICAL REPORTS AND ANALYSIS

In this technique the managers compare and analyze various ratios, percentages, averages etc. this technique is widely used in inventory control production control etc.

C. BUDGETTING AND BUDGETARY CONTROL

- Budgets are for a specific time frame work.
- Budget would be basis for delegation of authority and responsibility without loss of control.
- The budgetary control denotes the process of establishing the budgets for different operations and comparing the actual outcome against the budgets.
- Budgeters control is continuous in nature, which helps in on-going process i.e. planning and decision making processes of an organization.
- The best is a techniques and budgetary control is the outcome.

D. BREAK-EVEN ANALYSIS

- The techniques used by managers to study the relationship between sales volume, cost and profit are known as break-even analysis. It helps in making important managerial decisions.
- It is beneficial because It provides the information regarding the market potential and profit of products which in turn helps in creating and deleting product lines.
- Break-even analysis finds out the sales mix, channels of distribution and sales promotion.

E. FINANCIAL STATEMENT ANALYSIS

- Financial statement plays a vital role some of the important financial statements like profit and loss statement balance sheet etc.
- These statements also help in analyzing the ratios that highlight the financial status of an organization.

2. MODERN TECHNIQUES

A. RETURN ON INVESTMENT

- It is very useful techniques for determining whether the capital invested in business has been effectively used or not for generating reasonable amount of return.
- The prime motive of calculating ROI is to optimize the revenue on investment capital rather than increasing the revenue.

Net income

The formula is – ROI =

Sales

B. MANAGAEMENT INFORMATION SYSTEM

- In MIS raw data are collected from direct and indirect sources after that data are classified.
- It providely timely information to the managers, so that they can take appropriate corrective measures in case of deviations from standards.

C. BENCH MARKING

- Bench marking has become embedded in most originations as part of the way they stay competitive.
- Bench marking is the process of determines who is the very best ,who sets the standard and what that standard it. Now bench marking is a management tool that is being applied almost anywhere.

D. TOTAL QUALITY MANAGEMENT

- TQM is a consent which is based on the notion of responsibility towards quality maintain throughout the firm.
- The primary objective of TQM is the active participation of the production staff to quit for quality and to inculcate the attitude of constant improvement them.

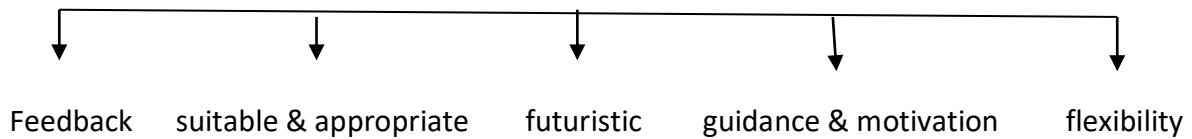
E. BEST PRACTICES

- A best practice is the process of finding and using ideas and strategies from outside your company and industry to improve performance in any given area.

THE STEPS FOR INSTALLING BEST PRACTICES INVOLVES

- Identifying one business process or service to improve ,looking for one metric to measure.
- Collecting information on the successful best practices of other companies modifying the best practices for the situation.
- The benefits of best practices for small business include reduced cost, avoidance of mistakes, finding hew ideas and improving performance.

10.MAKING CONTROLLING EFFECTIVE



A. FEEDBACK

The feedback system should follow management system, so that it can trace out the past actions and provide necessary information to the management for making effective decision in future.

B. SUITABLE AND APPROPRIATE

- The control mechanism should be suitable to the organization and its structure.
- The degree and extent of control should also be appropriate and adequate.

C. FUTURISTIC

Control should also be futuristic in the sense that it should be able to anticipate situation in the future, and as such provide necessary inputs for planning as well.

D. GUIDANCE AND MOTIVATION

- Control mechanism should be focused on prevention rather than punishment.
- If performance deviations are found they should be properly guided instead of being punished.

E. FLEXIBILITY

- Flexibility of controlling system can be achieved by formulating alternative strategies and preparing budgets.

External Questions: (Old Question papers)

UNIT-II

1. What are the tools and techniques of decision making?
2. Describe the meaning and process involved in decision making?
3. Define planning? Discuss the techniques in planning?
4. What is meant by system of controlling? When controlling can be make effective?

Explain with an example

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(17E00101) MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

Objective of the course is to give a basic perspective of Management theories and Practices. This will form foundation to study other functional areas of management and to provide the students with the conceptual framework and the theories underlying Organisational Behaviour.

1. Role of Management – Concept – Significance – Functions – Principles of Management - Patterns of Management: Scientific – Behavioural – Systems – Contingency.

2. Decision Making & Controlling – Process – Techniques. Planning – Process – Problems — Making It Effective. Controlling - System of Controlling – Controlling Techniques – Making Controlling Effective

3. Individual Behaviour & Motivation – Understanding Individual Behaviour – Perception – Learning – Personality Types – Johari window- Transactional Analysis- Motivation – Concept of Motivation - Motivational Theories of Maslow, Herzberg, David Mc Clelland, and Porter and Lawler

4. Group Behavior & Leadership: Benefits of Groups – Types of Groups – Group Formation and Development. Leadership and Organizational Culture and Climate: Leadership – Traits Theory – Managerial Grid – Transactional Vs Transformational Leadership – Qualities of good leader- Women Leadership in India.

5. Organisational Behaviour–Organizing Process – Departmentation Types – Making Organizing Effective – Organisational culture- Types of culture – Organisational Culture Vs Organisational climate - Conflict management - Change Management

Textbooks:

- Organisational Behaviour, Stephen P. Robbins, Pearson Education
- Management and Organisational Behaviour, Subbarao P, Himalaya Publishing House
- Principles of Management, Koontz, Weihrich and Aryasri, Tata McGraw Hill.

References:

- Organisational Behaviour ,S.S.Khanka, S.Chand
- Organisational Behaviour , Mishra .M.N ,Vikas
- Management and Organisational behaviour, Pierce Gordner, Cengage.
- Behaviour in Organizations, Hiriappa .B.New Age Publications
- Organisational Behaviour, Sarma, Jaico Publications.
- Principles of Management ,Murugesan ,Laxmi Publications

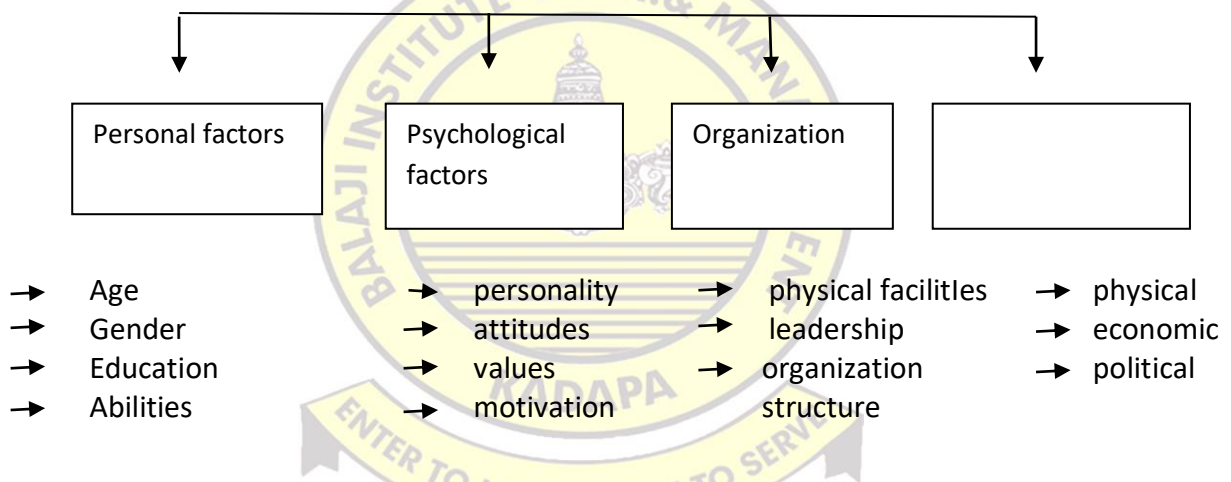
UNIT-3

INDIVIDUAL BEHAVIOUR & MOTIVATION

1. UNDERSTANDING INDIVIDUAL BEHAVIOUR

- Individual behavior is the set of actions performed by an individual
- Performance of an organization depends on the individual behavior
- Human behavior is affected by numerous factors like attitudes culture, emotions, ethics, values etc.
- Humans may be physically but not behaviorally, infact the same person behaves differently in different situations. This is due to the influence of various factors.
- It is the responsibility of managers to ensure accomplishment of organization goals.
- Understanding of human behaviors is necessary for managers to become aware of how to motivate and encourage employees for better performance.

1.1 FACTORS AFFECTING INDIVIDUAL BEHAVIOUR



1. PERSONAL FACTORS

A. AGE

- Age is a very important factor. Performance is dependent on age.
- As age advances performance is likely to decline aging also has an impact on turnover.
- With regard to productivity old age results in reduced productivity skill as he or she grows older in age.
- Age can also be factor of adaptability.

B. GENDER

- The traditional view was that man is tougher than woman or women are highly emotional than men.
- Initially, some roles were considered to be exclusive domain of women e.g. nurses, airhostesses etc.
- Specially, in some are like problem solving ability, analytical skill, competitive drive, motivation, leadership, sociability and learning ability, there are no consistent male-female differences

C. EDUCATION

- Systematic knowledge and learning is called education.
- Increased levels of education serve to increase an individual's expectations about positive outcomes.

D. ABILITY

- Ability refers to an individual's capacity to perform various tasks in a job.
- It has a great impact on the performance and satisfaction level of employees.

2. PSYCHOLOGICAL FACTORS

A. PERSONALITY

- Personality generally refers to personal traits like aggressiveness, behavior and other qualities.
- Personality has both internal and external elements. The external traits are the observable behaviors that we notice in an individual's personality for example sociability. Internal states represent the thoughts, values.

B. ATTITUDES

- Attitudes are evaluative statements either favorable or unfavourable attitudes or values interrelated.

C. VALUES

- The fundamental beliefs about the way should behave or communicate are called values.
- Values affect an individual's personalities as well as his perception.

D. MOTIVATION

- Motivation is the result of processes internal and external to the individual, that arouses enthusiasm and persistence to pursue a certain course of action.
- Motivation is a process that starts with a physiological or psychological deficiency or need that activities behavior or a drive that is aimed at a goal or incentive.

3. ORGANISATIONAL

A. PHYSICAL FACILITIES

Physical facilities like air conditioning, space lighting, equipment given to employee's environment etc. also affect the employee's performance and his or her approach towards their work and the organization.

B. LEADERSHIP

- Leader plays a pivotal role in an organization.
- Leadership is defined as the process whereby one individual influences other group's members towards the attainment of defined group or organizational goals

C. ORGANISATION STRUCTURE AND DESIGN

Organizational configuration like line, staff functional organizations, duties and responsibilities of organization towards its employees that constitute the organizational structure.

4. ENVIRONMENTAL FACTORS

A. PHYSICAL FACTORS

- Physical factors include climate demographical factors etc.
- The body structure and facial skin color, hair etc, vary one geographical area to the other.

B. ECONOMIC FACTORS

- Economic position of a person influence different aspects of his development like motivational emotional social education carrier living with other etc.

C. POLITICAL FACTORS

- Political factors influence investment, fiscal policy and job opportunities within a country.

2. PERCEPTION

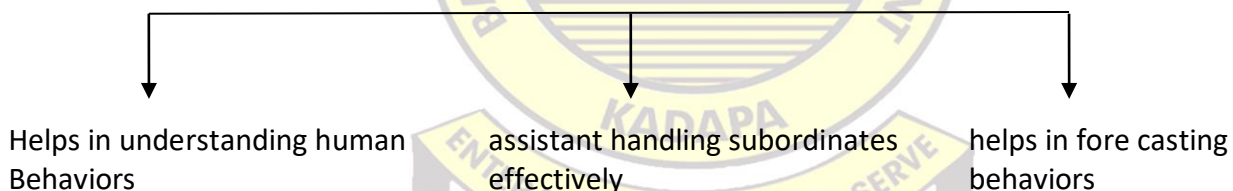
- In simple terms perception is understood as the act of seeing what is there to be seen.
- Perception is the process of receiving information about and making sense of the world around us.
- Perception includes all those process by which an individual receives information about the environment seeing hearing feeling tasting and smelling.
- Perception is the process of receiving and interpreting stimuli.
- Perception is the process of receiving, selecting, organizing, interpreting, checking and reacting to sensory stimuli or data.
- Perception is a complicated interaction of selection organization and interpretation.
- Perception is based on the psychology of individuals. Behavior of a person depends on how he perceives reality rather than what the reality actually it.
- In an organization people respond according to their perception about the fact rather than the actual fact.

2.1 DEFINITION OF PERCEPTION

ACCORDING TO STEPHAN P.ROBBINS,

A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environments.

2.2 IMPORTANCE OF PERCEPTION



A. HELPS IN UNDERSTANDING HUMAN BEHAVIOURS

- Every individual observes the world in a different way and clears with the problems differently.
- If a person purchase fruits from a particular vendor it's not due to the fact that vendor is selling the best fruits in the whole market.
- People's behavior is based on their perceptions of what realites are not on reality itself.

B. ASSIST INHANDLING SUBORDINATES EFFECTIVELY

- Perception is very important for managers who want to avoid making errors when dealing with peoples and events in the work setting.
- In order to clear with the subordinates effectively, the managers must understand their perceptions property.

C. HELPS IN FORECASTING BEHAVIOURS

- Different individuals behave differently when facing the same situation as they view the same situation differently.
- A person's behavior can be predicted by understanding his current situation and current perception about the environment.

3. **LEARNING**

- Human resources play a critical role in implementing organizational strategies need different kinds of employee behavior.
- Employees change their behaviors by learning new competencies, knowledge beliefs and values.
- Learning is a relatively permanent change in knowledge or observable behavior that results from practice or experience.
- This learning influences the individuals to change their knowledge or wisdom and / or observable behavior.
- Learning takes place through education training, management development programmes self-observation of various activities.
- Various organizations provide job training to prepare the candidates for jobs.
- Individuals learn by observing others while performing various activities.
- Similarly individuals learn through converting the ideas, imaginations and assumptions into practice as well as through various research activities.

3.1 **LEARNING PRINCIPLES**

The principles of learning development by Sikula are as follows,

- a. All human beings can learn
- b. Learning is active and not passive
- c. Time must be provided to practice learning.
- d. Learners may acquire knowledge more rapidly with guidance. Learning is based on past experience.
- e. Appropriate material (like case studies, tools, problem etc) should be provided is essential to effective learning.
- f. Learners need reinforcement () of correct behaviors.
- g. Learning is a cumulative process.
- h. The rate of learning decreases when complex skills are involved.
- i. Standards of performance should be set for the learner.
- j. The learner must secure from learning.
- k. Learning is closely related to attention and concentration, learning requires motivation.
- l. Learning should be goal-oriented. Learning involves long-run retention and immediate application of knowledge.
- m. Early success increases chances for effective learning. Continuous evaluation is essential to effective learning.

External Questions: (Old Question papers)

UNIT-III

1. What is individual behavior? What are the factors that affect individual behavior?

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