FAA- 1ST Sem

Subject- 1.2 PRINCIPLES OF MANAGEMENT

UNIT – 1

Introduction & Planning

Management (introduction)

Management means getting things done with the help of people to achieve goals. It involves planning, organizing, leading, and controlling activities to make sure everything runs smoothly.

Features of Management:

1. Goal-Oriented:
   Management always works to achieve specific goals (like profit, growth, customer satisfaction).
2. Involves People:
   It includes managing people — like employees, teams, and departments.
3. Continuous Process:
   Management is not a one-time thing. It goes on all the time.
4. Works at All Levels:
   Management is needed at all levels – top, middle, and lower levels.
5. Uses Resources:
   Management uses resources like time, money, machines, and people wisely.
6. Dynamic:
   It changes as the business environment (like market trends, customer needs) changes.
7. Universal:
   Management is used in all types of organizations – businesses, schools, hospitals, etc.

Objectives of Management:

1. Achieve Organizational Goals:
   To reach the goals set by the organization (like making profit, growing the company, etc.).
2. Efficient Use of Resources:
   To use time, money, materials, and people in the best possible way.
3. Growth and Development:
   To help the business grow and become better over time.
4. Employee Satisfaction:
   To keep workers happy, motivated, and productive.
5. Customer Satisfaction:
   To provide good products or services so that customers are happy.
6. Create a Good Work Environment:
   To make sure there's teamwork, discipline, and coordination.
7. What are Management Principles?

8. Management principles are basic rules or guidelines that help managers manage work and people effectively. They show how to plan, organize, lead, and control things in a better way.

Principles of Management

No.	Principle	Meaning
1.	Division of Work	Give people specific jobs to do — they get better with practice.
2.	Authority and Responsibility	Managers must have the right to give orders, and they must also take responsibility.
3.	Discipline	Rules and respect must be followed by everyone.
4.	Unity of Command	Each employee should get orders from only one boss.
5.	Unity of Direction	Everyone should work toward the same goal.
6.	Subordination of Individual Interest	Team goals are more important than personal goals.
7.	Remuneration	Employees should be paid fairly for their work.
8.	Centralization	Decision-making should be balanced — not all power to the top, not all to the bottom.
9.	Scalar Chain	There should be a clear chain of command (like a ladder).
10.	Order	Everything and everyone should be in the right place.
11.	Equity	Treat everyone fairly and kindly.
12.	Stability of Personnel	Keep employees for a long time — too much turnover is bad.
13.	Initiative	Let employees take ideas and start things on their own.
14.	Esprit de Corps	Build team spirit and unity in the workplace.

Functions of management are the main tasks that managers perform to run an organization smoothly. These include planning, organizing, staffing, directing, and controlling.
Functions of Management:

1. Planning
   - Thinking in advance about what needs to be done.
   - Setting goals and making a plan to achieve them.
2. Organizing
   - Arranging people, work, and resources properly.
   - Creating a structure of roles and responsibilities.

3. Staffing
    - Hiring the right people for the right job.
    - Training and developing employees.
4. Directing
    - Guiding and motivating employees.
    - Giving instructions and leadership.
5. Controlling
    - Checking if work is going as planned.
    - Finding and fixing mistakes or problems.

Levels of Management

There are 3 main levels of management in most organizations:

1. Top Level Management

(Examples: CEO, MD, Chairman)

- Makes big decisions for the whole organization.
- Sets goals, policies, and plans.
- Controls and guides all other levels.
- Represents the company to outsiders.

2. Middle Level Management

(Examples: Department Managers, Branch Managers)

- Carries out the plans made by top-level managers.
- Manages and supervises lower-level managers.
- Coordinates between top and lower levels.
- Makes department-level plans.

3. Lower Level Management

(Examples: Supervisors, Team Leaders, Foremen)

- Directly manages workers and staff.
- Gives tasks and instructions to employees.
- Ensures work is done on time and correctly.
- Maintains discipline and motivation at the ground level.

MEANING, FEATURES AND IMPORTANCE OF PLANNING

Planning:

Planning means thinking in advance about what to do, how to do it, when to do it, and who will do it.

It is the first step in management and helps in setting goals and deciding the best way to achieve them.

Features of Planning

1. Goal-Oriented:

    Planning is always done to achieve specific objectives.

2. Primary Function:
   It is the first step in the management process.
3. Future-Oriented:
   Planning is about making decisions for the future.
4. Continuous Process:
   It is not done just once; it is needed again and again.
5. Involves Decision-Making:
   Planning requires choosing the best option among many.
6. Pervasive:
   Planning is needed at all levels of management.
7. Flexible:
   Plans may change when situations change.

Importance of Planning

1. Provides Direction:
   It guides employees on what to do and how to do it.
2. Reduces Uncertainty:
   Planning prepares the organization for future problems.
3. Helps in Decision-Making:
   It helps managers choose the best action.
4. Improves Efficiency:
   Proper planning saves time, money, and resources.
5. Encourages Innovation:
   It allows managers to think creatively for better results.
6. Sets Standards for Control:
   Planning gives goals that help in checking actual performance later.

Planning Process (Steps of Planning):

1. Setting Objectives

- Decide what you want to achieve.
- Example: Increase sales, launch a new product, reduce costs.

2. Developing Premises

- Think about the future conditions (like market trends, competition, resources).
- These are the assumptions for planning.
- Example: Prices may rise, or demand may grow.

3. Identifying Alternatives

- Think of different ways to reach your goal.
- Example: Advertise online or through newspapers.

4. Evaluating Alternatives

- Compare the pros and cons (costs, time, risk) of each option.

- Find out which option is best.

5. Choosing the Best Alternative
   - Select the most suitable and practical plan.
   - This becomes your action plan.
6. Implementing the Plan
   - Put the chosen plan into action.
   - Assign tasks to people and start working on the plan.
7. Follow-Up / Monitoring
   - Keep checking if the plan is working.
   - Make changes if needed to stay on track.

Types of Planning:

Planning can be divided into different types based on purpose and level. Here are the main types:

1. Strategic Planning
   - Done by: Top-level management (e.g., CEO, directors)
   - Purpose: Sets long-term goals and direction for the whole organization.
   - Example: Expanding to a new country in the next 5 years.
2. Tactical (or Functional) Planning
   - Done by: Middle-level management (e.g., department managers)
   - Purpose: Turns strategic plans into specific actions for departments.
   - Example: Marketing department plans a new campaign to support the expansion.
3. Operational Planning
   - Done by: Lower-level management (e.g., supervisors, team leaders)
   - Purpose: Focuses on day-to-day tasks and short-term goals.
   - Example: Creating a daily work schedule for employees.
4. Contingency Planning *(Backup Planning)*
   - Purpose: Preparing for unexpected events or emergencies.
   - Example: Having a plan in case the supplier fails to deliver goods.

Effective Planning

Effective planning means making plans that are clear, realistic, practical, and helpful in achieving goals. A good plan saves time, uses resources well, and helps everyone know what to do and when.

Features of Effective Planning

1. Clear Objectives:
   - The goals should be specific and easy to understand.
2. Realistic:
   - The plan should be practical, not imaginary or impossible.
3. Flexible:

    - The plan should be able to adjust if situations change.
4. Time-bound:
    - It should clearly mention when tasks need to be done.
5. Based on Facts:
    - Planning should use correct data and real information, not guesses.
6. Simple and Easy to Follow:
    - Everyone should understand the plan easily.
7. Helps in Decision-Making:
    - A good plan helps managers make the right choices.
8. Focus on Results:
    - The plan should be made to actually achieve the goal, not just look good on paper.

UNIT – II

ORGANIZING

Meaning of Organizing:

Organizing means arranging and grouping people, tasks, and resources in a way that helps achieve the goals of an organization. It decides who will do what, who will report to whom, and how different jobs fit together.

Features of Organizing

1. Division of Work:
   Work is divided into smaller tasks for better efficiency.
2. Departmentalization:
   Similar tasks are grouped together into departments (like sales, finance).
3. Hierarchy:
   A clear chain of command is created, showing who reports to whom.
4. Coordination:
   Different departments and people work together smoothly.
5. Resource Allocation:
   Assigning the right people and resources to the right tasks.
6. Goal-oriented:
   Organizing always focuses on achieving the organization's objectives.

Importance of Organizing

1. Helps Achieve Goals:
   Organizing arranges everything so the goals can be met easily.
2. Clear Authority and Responsibility:
   Everyone knows their job and who they report to.
3. Better Use of Resources:
   Organizing ensures resources like people, money, and materials are used properly.

4. Improves Efficiency:
   By dividing work and grouping tasks, work is done faster and better.
5. Reduces Conflicts:
   Clear roles and responsibilities prevent misunderstandings.
6. Facilitates Growth:
   Organizing helps the company expand smoothly with clear structure.

Formal Organization

- Meaning:
  A formal organization is a planned and official structure created by the management to achieve specific goals.
- Features:
  - Has clear rules and procedures.
  - Jobs and roles are clearly defined.
  - Communication follows official channels.
  - Authority and responsibility are well established.
- Example:
  A company's organizational chart showing departments, managers, and employees.

Informal Organization

- Meaning:
  An informal organization is a network of personal and social relationships that naturally develop among employees at work.
- Features:
  - No official rules or structure.
  - Based on friendships, common interests, or social groups.
  - Communication is casual and unofficial.
  - Can influence work behavior positively or negatively.
- Example:
  Friends chatting during lunch breaks or employees helping each other informally.

Difference

Aspect	Formal Organization	Informal Organization
Structure	Planned and official	Natural and unofficial
Rules	Clear and written	No fixed rules
Communication	Official channels only	Casual and informal
Purpose	Achieve organizational goals	Social and personal relationships
Authority	Clearly defined	No official authority

Organizational Structure

Organizational structure is the way a company arranges people and jobs so everyone knows their roles and who they report to. It shows the relationships between different positions and departments.

1. Functional Structure

Groups people based on their job functions or specialties, like marketing, finance, production, HR, etc.

Example:All marketing staff in one group, all finance staff in another.

Merits (Advantages):

- Specialization: People focus on their area of expertise.
- Efficiency: Tasks are done quickly because of specialized skills.
- Easy supervision: Managers supervise people with similar skills.
- Clear roles: Everyone knows their duties.

2. Divisional Structure

The organization is divided based on products, locations, or customer groups. Each division works like a mini-company with its own departments.

Example:One division for electronics, one for clothing, and one for food products.

Merits (Advantages):

- Focus on product/customer: Divisions focus on their specific area.
- Flexibility: Each division can operate independently.
- Better control: Managers handle their own profit and loss.
- Faster decision-making: Divisions respond quickly to market changes.

3. Matrix Structure

A combination of functional and divisional structures. Employees report to both a functional manager and a project or product manager.

Example:A software developer reports to the development manager and the project manager.

Merits (Advantages):

- Efficient use of resources: Employees can work on multiple projects.
- Better communication: Links different departments together.
- Flexibility: Easy to adapt to changes.
- Skill development: Employees learn from different managers and projects.

4. Line Structure

A simple structure with a direct chain of command from top to bottom. Everyone knows their boss.

Example:Small business or military where orders flow straight down.

Merits (Advantages):

- Clear authority: Everyone knows who is in charge.
- Simple and easy to understand: No confusion about roles.

- Fast decision-making: Quick communication and orders.
- Discipline: Clear command helps maintain order.

5. Line and Staff Structure

Combines line structure with specialized staff departments (like HR, legal, IT) who advise and support line managers.

Example:A factory where production managers make decisions, but HR and legal provide support.

Merits (Advantages):

- Expert advice: Staff specialists help line managers with decisions.
- Clear responsibility: Line managers have authority, staff managers advise.
- Better support: Staff departments improve efficiency and planning.
- Balanced structure: Combines clear command with expert input.

Summary Table:

Structure	What It Is	Merits (Advantages)
Functional	Grouped by job/function	Specialization, efficiency, easy supervision
Divisional	Grouped by product/location	Focus, flexibility, control, fast decisions
Matrix	Dual reporting (function + project)	Efficient resource use, better communication, flexibility
Line	Straight chain of command	Clear authority, simple, fast decisions
Line and Staff	Line + specialized advisors	Expert advice, clear responsibility, support

Centralization

In centralization, all important decisions are made by top-level managers or a small group of people at the center of the organization.

Advantages of Centralization:

1. Clear control: Top managers control everything, so decisions are consistent.
2. Easy to manage: Fewer people making decisions means less confusion.
3. Better coordination: All departments follow one plan.
4. Strong leadership: Experienced managers make decisions.

Disadvantages of Centralization:

1. Slow decision-making: Top managers may be busy, causing delays.
2. Less motivation: Lower-level employees don’t get to make decisions.
3. Not flexible: Hard to respond quickly to local problems.
4. Overburdened managers: Top managers may get overwhelmed with all decisions.

Decentralization

In decentralization, decision-making power is spread out to lower levels of management. Managers at different levels can make their own decisions.

Advantages of Decentralization:

1. Faster decisions: Managers closer to the problem decide quickly.
2. More motivation: Lower managers feel important and responsible.
3. Flexibility: Can respond quickly to local issues.
4. Reduces burden: Top managers have less work.

Disadvantages of Decentralization:

1. Less control: Top management may lose control over decisions.
2. Poor coordination: Different managers may work in different directions.
3. Risk of mistakes: Less experienced managers might make wrong decisions.
4. Higher costs: More managers making decisions can increase expenses.

Aspect	Centralization	Decentralization
Decision Maker	Top-level managers	Lower and middle managers
Speed	Slower decisions	Faster decisions
Control	Strong control by top management	Less control by top management
Motivation	Low for lower-level employees	High for lower-level employees
Flexibility	Less flexible	More flexible

Meaning of Delegation of Authority:

Delegation of authority means a manager gives some of their power and responsibility to a lower-level employee to perform certain tasks or make decisions.

Purpose of Delegation of Authority:

1. To Share Workload:
   Managers can't do everything alone, so they give tasks to others.
2. To Improve Efficiency:
   Tasks get done faster when authority is shared.
3. To Develop Employees:
   It helps employees learn new skills and gain experience.
4. To Make Quick Decisions:
   Lower-level employees can decide without always waiting for managers.
5. To Focus on Important Tasks:
   Managers can concentrate on more important work.

Advantages of Delegation of Authority:

1. Saves Time for Managers:
   Managers have more time for planning and important decisions.
2. Increases Efficiency:
   Work is done faster and smoothly.

3. Employee Development:
   Employees get chances to grow and take responsibility.
4. Better Decision Making:
   People closer to the work can make better decisions.
5. Motivates Employees:
   Delegation shows trust, which encourages employees to work hard.
6. Reduces Burden on Managers:
   Managers don’t get overloaded with small tasks.

UNIT - III
STAFFING

Staffing is the process of hiring the right people for the right jobs in an organization. It involves finding, selecting, training, and keeping employees who help the company achieve its goals.

Need for Staffing:

1. Right People for the Job:
   To ensure the organization has skilled and capable employees.
2. Helps in Growth:
   Good staffing supports business growth and success.
3. Avoids Labor Shortage:
   Prevents lack of employees during busy times.
4. Improves Productivity:
   Hiring the right staff increases work efficiency.
5. Reduces Employee Turnover:
   Proper staffing helps keep employees satisfied and reduces quitting.

Objectives of Staffing:

1. To Forecast Manpower Needs:
   To predict how many and what kind of employees are required.
2. To Recruit Suitable Candidates:
   To attract and select the best people.
3. To Train Employees:
   To improve skills and knowledge of the staff.
4. To Provide Job Satisfaction:
   To make sure employees are happy and motivated.
5. To Maintain Qualified and Competent Staff:
   To keep employees who can perform well.
6. To Ensure Effective Utilization of Human Resources:
   To use employees’ talents in the best way.

Characteristics of Staffing

1. Continuous Process
   Staffing is not a one-time activity. It happens continuously to meet the organization's changing needs.
2. Goal-Oriented
   Staffing aims to place the right person in the right job to achieve organizational goals.
3. Involves Human Resource
   Staffing deals with people, their skills, and abilities.
4. Multistep Process
   Staffing includes many steps like recruitment, selection, training, promotion, etc.
5. Right Person at Right Job
   Staffing ensures matching employees' abilities with job requirements.
6. Dynamic Function
   Staffing changes according to internal and external business conditions.
7. Involves Motivation
   Staffing also focuses on motivating employees to perform better.
8. Helps in Effective Utilization
   Ensures employees' talents are used efficiently for organizational success.

<u>Staffing Process</u>

Staffing is done in several steps to make sure the right people are hired and placed in the right jobs. The main steps are:

1. Manpower Planning

Estimate how many employees and what kind of skills are needed in the future.

2. Recruitment

Attract candidates to apply for jobs through ads, referrals, job portals, etc.

3. Selection

Choose the best candidates by screening applications, interviews, tests, and background checks.

4. Placement and Orientation

Assign selected candidates to suitable jobs and introduce them to the company culture and policies.

5. Training and Development

Provide necessary training to improve employees' skills and prepare them for their roles.

6. Performance Appraisal

Regularly review employee performance to give feedback and plan for promotions or improvements.

7. Promotion and Transfer

Move employees to higher positions or different jobs to use their skills better.

8. Compensation and Benefits

Provide fair pay and benefits to motivate employees.

9. Retention

Take steps to keep employees happy and reduce turnover.

Recruitment Process

Recruitment is the process of finding and attracting the right people to apply for jobs in an organization. It is the first step of staffing.

Steps in the Recruitment Process:

1. Identifying Job Vacancies
   - The company finds out how many and what types of employees are needed.
2. Preparing Job Descriptions
   - Write down the duties, responsibilities, and required qualifications for the job.
3. Choosing the Recruitment Method
   - Decide whether to hire from inside the company (internal sources) or outside (external sources).
     - Internal: Promotions, transfers.
     - External: Advertisements, job portals, campus recruitment, agencies.
4. Advertising the Job
   - Publish the job opening using newspapers, websites, social media, etc., to attract applicants.
5. Receiving Applications
   - Collect applications from interested candidates.
6. Shortlisting Candidates
   - Filter out unqualified applications and select suitable ones for the next stage (selection process).

Selection Process

The selection process helps an organization choose the best candidate from all those who apply for a job. The main steps are:

1. Application Form
   - Candidates fill out a form with their personal and educational details.
2. Screening of Applications
   - Review the applications to shortlist candidates who meet the job requirements.
3. Written Test
   - Conduct tests to check candidates' knowledge and skills related to the job.
4. Interview
   - Talk to candidates to learn more about their experience, skills, and personality.
5. Physical or Medical Examination
   - Check if candidates are physically fit for the job (if needed).

6. Reference Check
   - Contact previous employers or references to verify the candidate's background and work history.
7. Final Selection
   - Choose the best candidate based on all information collected.
8. Job Offer
   - Offer the job to the selected candidate with details about salary, benefits, and joining date.
9. Appointment Letter
   - Give an official letter confirming the job offer and terms of employment.

<u>Essentials of Effective Training</u>

For training to be useful and successful, the following points (essentials) must be followed:
1. Clear Objectives
The purpose of training should be well-defined (e.g., improve skills, increase productivity).
2. Needs-Based
Training should match the actual needs of the employees and the organization.
3. Qualified Trainers
Trainers should be experienced, skilled, and good at communication.
4. Right Training Methods
Choose suitable methods like on-the-job training, workshops, or online courses based on the topic and audience.
5. Practical and Relevant Content
Training should focus on real job situations and tasks.
6. Active Participation
Employees should be encouraged to ask questions, give feedback, and participate actively.
7. Proper Environment
The training environment should be comfortable, with the necessary tools and resources.
8. Regular Feedback and Assessment
Trainers should give feedback and check if learning is taking place.
9. Follow-Up and Evaluation
After training, check if the employee is using the new skills and if the training was effective.
10. Support from Management
Top management should support training by providing time, budget, and motivation.

On-the-Job Training

Training given to employees while they are doing their actual job at the workplace.

Examples:

- Coaching
- Job rotation
- Apprenticeship
- Shadowing a senior employee

Merits (Advantages):

1. Practical experience – Learn by doing real tasks.
2. Cost-effective – No need for extra classrooms or trainers.
3. Immediate feedback – Mistakes can be corrected right away.
4. Builds confidence – Employees feel more comfortable in their role.

Demerits (Disadvantages):

1. Work may slow down – Training may affect regular work.
2. Lack of proper attention – Trainers may be too busy.
3. Risk of mistakes – Errors during training may affect customers or operations.
4. Not suitable for all jobs – High-risk jobs may need outside training.

Off-the-Job Trainin

Training given outside the workplace in a classroom, training center, or online environment.

Examples:

- Lectures
- Seminars
- Role-playing
- Simulation
- E-learning

Merits (Advantages):

1. Focused learning – No work pressure or distractions.
2. Expert trainers – Training is often conducted by professionals.
3. New ideas and creativity – Exposure to different ways of thinking.
4. Safer for risky jobs – Best for jobs like pilots, machine operators, etc.

Demerits (Disadvantages):

1. Costly – More expensive due to travel, trainers, and materials.
2. No real job practice – Learning may not match real work situations.
3. Time-consuming – Employees are away from their jobs during training.
4. Less personal attention – One trainer may handle many trainees.

Comparison

Feature	On-the-Job Training	Off-the-Job Training
Location	At the workplace	Away from the workplace
Cost	Low	High

Feature	On-the-Job Training	Off-the-Job Training
Learning Type	Practical and job-specific	Theoretical and general
Risk of Mistakes	Yes	No (simulated environment)
Suitable For	Regular and simple tasks	Complex or risky tasks

UNIT – 1V

DIRECTING

Meaning of Directing:

Directing means guiding, leading, supervising, and motivating employees to do their work properly and help the organization achieve its goals.

It is one of the main functions of management and happens after planning, organizing, and staffing.

Objectives of Directing:

1. To Give Clear Instructions
   → So that employees know what to do, how to do it, and when to do it.
2. To Motivate Employees
   → To keep employees excited and committed to their work.
3. To Maintain Discipline
   → To ensure employees follow rules and work with responsibility.
4. To Build Teamwork
   → To promote cooperation and help people work together smoothly.
5. To Supervise Activities
   → To keep an eye on work progress and make sure it goes as planned.
6. To Communicate Effectively
   → To make sure information flows clearly between managers and employees.
7. To Achieve Organizational Goals
   → Directing helps align employee efforts with the overall goals of the company.

Concept of Leadership:

Leadership is the ability to influence, guide, and motivate people to work together toward a common goal.A leader helps the team stay focused, solves problems, and encourages everyone to do their best.

Leadership = Guiding + Inspiring + Directing people.

Importance of Leadership:
1. Provides Direction
A good leader shows the way and keeps the team on track.
2. Motivates Employees
Leaders encourage and inspire employees to give their best effort.
3. Builds Team Spirit
Leadership helps in creating a sense of unity and cooperation.
4. Improves Efficiency
When employees are well-guided and motivated, their performance improves.
5. Handles Conflicts
Leaders help solve problems and manage disputes between team members.
6. Builds Confidence
Leaders boost the confidence of employees by appreciating and supporting them.
7. Facilitates Change
Good leadership helps the organization and employees adjust to change smoothly.
Types of Leaders
There are three main types of leaders based on their style of working and decision-making:
1. Autocratic Leader (Authoritarian Leader)
An autocratic leader takes all decisions alone and expects others to follow orders without question.
Features:

- No input from employees
- Strict control
- Quick decision-making

◇ Suitable When:Quick action is needed (e.g., emergencies)
◇ Example:A factory manager ordering workers to follow instructions strictly.

2. Democratic Leader (Participative Leader)
A democratic leader involves employees in decision-making and values their opinions.
Features:

- Teamwork and discussion
- Encourages feedback
- Builds trust and motivation

Suitable When:Teamwork and creativity are important
Example:
A manager discussing ideas with employees before launching a new product.
3. Laissez-Faire Leader (Free-Rein Leader)
This leader gives complete freedom to employees to make decisions and work in their own way.

Features:

- No interference
- Employees are self-directed
- Useful when staff are skilled and experienced

Suitable When:
Employees are experts and need little supervision

Example:A research team working independently with little direction.

Type of Leader	Decision-Making	Employee Role	Control Level
Autocratic	Only by leader	Follow orders	High
Democratic	Shared with team	Give suggestions	Moderate
Laissez-Faire	By employees mostly	Work independently	Low

Qualities of a Good Leader

A good leader is someone who guides and motivates people effectively. Here are some important qualities:

1. Confidence
   - A good leader believes in themselves and their team.
   - Confidence inspires others to trust and follow them.
2. Honesty and Integrity
   - A leader should be truthful, fair, and ethical.
   - People follow leaders they can trust.
3. Good Communication Skills
   - A leader must be able to clearly share ideas, instructions, and feedback.
   - Also listens to others.
4. Decision-Making Ability
   - A good leader makes smart, timely, and fair decisions.
5. Motivational Skills
   - Encourages and inspires the team to give their best.
6. Responsibility
   - Takes full responsibility for both success and failure.
   - Doesn’t blame others.
7. Visionary
   - Has a clear vision or goal and guides the team toward it.
8. Empathy
   - Understands the feelings and needs of team members.
9. Discipline
   - Follows rules and expects others to do the same.

10. Adaptability

- Ready to accept changes and handle unexpected situations calmly.

Meaning of Motivation:

Motivation means encouraging and inspiring people to work willingly and do their best to achieve goals.

It is the process of stimulating a person to take action. In the workplace, motivation helps employees stay active, focused, and productive.

Motivation = Creating a reason to work better.

Types of Motivation:

1. Intrinsic Motivation (Internal)

- Comes from inside a person — like passion, interest, or personal satisfaction.
- Example: A person works hard because they enjoy the job.

2. Extrinsic Motivation (External)

- Comes from outside rewards or pressure — like salary, bonus, praise, or fear of punishment.
- Example: A person works hard to earn a promotion or avoid being scolded.

Types of Motivation

There are mainly two types of motivation:

1. Intrinsic Motivation (Internal Motivation)

This comes from inside a person — like interest, passion, or personal satisfaction.

Example:

- A student studies because they enjoy learning.
- A painter paints for happiness, not money.

You do something because YOU want to do it.

2. Extrinsic Motivation (External Motivation)

This comes from outside rewards or pressure — like money, praise, grades, or fear of punishment.

Example:

- An employee works hard to get a bonus.
- A student studies to avoid getting scolded.

Importance of Motivation:

1. Improves Performance
   – Motivated employees work harder and give better results.
2. Increases Productivity
   – More work is done in less time when employees are motivated.
3. Reduces Employee Turnover
   – Motivated staff are more likely to stay with the company.

4. Builds Team Spirit
   – Motivated teams cooperate better and have fewer conflicts.
5. Encourages Innovation
   – Motivated employees come up with new ideas and solutions.
6. Helps Achieve Goals
   – It aligns individual effort with organizational goals.
7. Boosts Morale
   – Employees feel happy, confident, and satisfied with their job

UNIT - V

CONTROLLING

Meaning of Controlling:

Controlling is a management function that ensures everything is going according to the plan. It m eans checking and measuring actual performance, comparing it with set standards, and correcting any differences to achieve the goals.

Controlling = Checking progress + Making corrections

Importance of Controlling:

1. Ensures Goal Achievement
   - Helps make sure the organization meets its targets.
2. Measures Performance
   - Shows how well employees and departments are doing.
3. Identifies Problems Early
   - Finds issues before they become big problems.
4. Improves Efficiency
   - Helps use resources like time and money in the best way.
5. Maintains Standards
   - Keeps work quality and behavior up to the mark.
6. Facilitates Coordination
   - Ensures all parts of the organization work smoothly together.
7. Encourages Accountability
   - Makes people responsible for their work.

Objectives of Controlling

1. To Achieve Organizational Goals
   - Make sure the organization's plans and goals are met effectively.
2. To Ensure Proper Utilization of Resources

    - Use materials, money, and manpower efficiently without waste.
3. To Maintain Quality Standards
    - Keep the quality of products or services consistent and up to standard.
4. To Identify and Correct Deviations
    - Detect mistakes or problems early and fix them quickly.
5. To Improve Efficiency and Productivity
    - Help employees work better and produce more.
6. To Facilitate Coordination
    - Ensure different departments and people work together smoothly.
7. To Provide Feedback
    - Give information about performance so future plans can be improved.
8. To Establish Authority and Responsibility
    - Clarify roles and make sure everyone is responsible for their tasks.

Traditional Methods of Controlling

Common Traditional Methods:

- Personal Observation: Manager personally watches the work process.
- Statistical Reports: Use of written reports, records, and charts.
- Budgetary Control: Comparing actual expenses with budgeted expenses.
- Break-Even Analysis: Analysis to control profit and loss by comparing costs and revenues.

Merits (Advantages):

1. Simple and Easy to Understand
   Traditional methods are straightforward, so managers and employees find them easy to use and understand.
2. Low Cost
   These methods don't require expensive tools or technology, so they are affordable for small businesses.
3. Direct Control
   Personal observation allows managers to directly supervise and guide workers, improving immediate control.
4. Useful for Small Organizations
   Since operations are less complex, traditional methods work well in small or medium-sized companies.

Demerits (Disadvantages):

1. Time-Consuming
   Methods like personal observation and manual report analysis require a lot of time and effort.
2. Limited Accuracy
   Reports may not be updated regularly or may contain errors due to manual handling.

3. Delayed Information
   Information is often historical, not real-time, which can delay corrective action.
4. Not Suitable for Large or Complex Organizations
   Traditional methods are less effective when dealing with multiple departments and complicated processes.
5. Subjective
   Personal observation can be biased and may not always give a true picture of performance.

Modern Methods of Controlling

Common Modern Methods:

- Management Information Systems (MIS): Computerized systems providing timely and accurate data.
- Performance Appraisal: Systematic evaluation of employee performance against standards.
- Total Quality Management (TQM): Focus on continuous quality improvement.
- Benchmarking: Comparing business processes against best practices in the industry.
- Enterprise Resource Planning (ERP): Integrated software systems managing all business processes.

Merits (Advantages):

1. Real-Time Data Access
   Modern systems provide up-to-date information, enabling quick and informed decisions.
2. High Accuracy and Reliability
   Automated data collection and analysis reduce human errors.
3. Handles Complexity
   Suitable for large organizations with multiple processes and departments.
4. Encourages Continuous Improvement
   Techniques like TQM and benchmarking help organizations constantly improve their products and services.
5. Better Resource Management
   ERP and MIS allow efficient allocation and monitoring of resources across departments.

Demerits (Disadvantages):

1. High Initial Cost
   Setting up modern control systems requires significant investment in hardware, software, and training.
2. Complexity and Training Needs
   These systems can be complicated to operate and require skilled personnel.

3. Resistance to Change
   Employees and managers might resist new technology and processes.
4. Dependence on Technology
   If systems fail or there is a technical issue, it can disrupt operations and control functions.
5. Security Risks
   Computerized systems are vulnerable to cyber-attacks and data breaches.

Steps in Controlling Process

1. Setting Standards

- First, set clear and measurable standards (benchmarks) for performance.
- Standards can be related to quality, quantity, time, cost, etc.

2. Measuring Actual Performance

- Measure or observe the actual work done or results achieved.
- Use reports, observation, or tools to collect data.

3. Comparing Actual Performance with Standards

- Compare the measured performance against the set standards.
- Identify any differences or deviations.

4. Analyzing Deviations

- Find out why deviations occurred.
- Determine the causes of differences between planned and actual results.

5. Taking Corrective Action

- Take necessary steps to fix problems and bring performance back on track.
- This may involve training, re-planning, or improving processes.

6. Feedback

- Provide feedback to employees and management about performance and improvements.
- Use feedback to improve future planning and control.