UNIT - I Introduction to Management

Meaning

Management word is derived from latin word "manu agree" which means "to lead by hand".

Management is the art of getting things done by and with the people in a formally organised group.

Management is the process of planning organising, leading and controlling the human, physical, financial and information resources of the organisation in an effective and efficient manner to achieve organisational goals.

Definitions :

According to F.W. Taylor, Management is the art of knowing what you want to do and then seeing that it is done in the best and cheap way.

According to Peter F. Drucker, "Management is an organ, organs can be described and defined only through their functions.

Nature / Features / characteristics of Management.

1. Management is Universal
2. Goal - Oriented
3. Social Process
4. Multidisciplinary
5. Management is a Continuous Process.
6. Management is Situational
7. Management is an Art as well as Science
8. Management as Profession
9. Management is Activity-Based.

Management is a Science or Art.

Management satisfies the basic characteristics of Science as it is a body of organized and systematized Knowledge which includes general principles related to planning, decision making coordinating, controlling.

Management is also an art. Management principles are optimized by the managers in solving the management problems in a given situation.

Importance / Significance / Advantages of Management

1. Improve Performance
2. optimum use of Resources.
3. Smooth functioning
4. Acheive Goals.
5. Group Effort
6. Expansion of Business
7. Innovations.

Role of Management in Changing Dynamic Environment

Internal Environment

(i) mission and objectives
(ii) Human Resources
(iii) Marketing Management
(iv) Research and Development

External Environment

(i) Customes
(ii) Competitors
(iii) political and Government
(iv) Technological Environment
(v) Geographic Environment
(vi) Economic Environment.

Functions of Management

1. Planning :- It means defining goals for future organizational Performance and deciding on the task and use of resource to attain them.

Planning is outlining what, how where, when and by whom, a task is to be acheived.

2. Organising :- It involves identification of activities required for the acheivement of objectives of the firm and implementation of plans.

3. Staffing :- It is the function which enables the recruitment of Suitable Personnel.

4. Directing :- Directing consist of guiding and Supervising the Sub-ordinates in activities.

5. Controlling :- Controlling is a process through which managers assure that actual activities confirm to the planned work.

6. Co-ordinating :- Co-ordinating means achieving team Spirit and unity of action among the Subordinates for achieving common business objectives.

Taylor's Scientific Management Theory

F. W. Taylor is the founder of Scientific management. He is known as the father of Scientific management.

principles of Scientific Management:-

1. Replacement of Thumb Rule method by a Scientific One.
2. Scientific Selection, placement, Training and Development of Workers.
3. Harmonious Relationship between the workers and the management.
4. Co-operation between the workers and the management and between workers
5. Maximum and Not Restricted Output

Fayol's Principles of Management

Henry fayol. the father of principles of management or father of administrative management. He was born in 1841 at Constantinople in France.

He started his Career as a junior engineer in a colamine Company in France. He became General manager of the Same Company in 1880 and Served for 22 years.

Fayol 14 Principles of Management Thought :-

1. Division of work
2. Authority and Responsibility
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of Individual to General Interest :-
7. Remuneration of Personnel
8. Centratization
9. Scalar Chain
10. Order
11. Equity of Treatment
12. Stability
13. Initiative
14. Esprit de Corps.

Elton Mayo's / Hawthorne Experiments.

Elton Mayo was the leader of the team that conducted at the Hawthorne experiments These experiments were conducted at the Hawthorne plant of Western Electric Company in Chicago, U.S.A. Mayo was a Professor of industrial Psychology at the Harvard Business School.

The Hawthorne Experiments were conducted in four stages.

1. Illumination Experiments
2. Relay Assembly Test Room Experiments
3. Mass Interviewing Programme
4. Bank Wiring Observation Room Experiments

Criticism

→ The Study is Confined to a Particular Company

→ The Study has Considered only the internal environment and has ignored the external environment Completely

Maslow's Theory of Human Needs

There are two types of needs basic and Secondary or acquired. Basic needs are important for Survival whereas acquired needs are not so important. ~~for Survival. whereas~~

Need Hierarchy :- Maslow has presented the hierarchy of needs in the following order.

1. Basic Physiological Needs :-
2. Safety and Security Needs
3. Social Needs
4. Esteem and Status Needs
5. Self Actualization.

Self Actualization

Esteem Needs

Social Needs

Safety and Security Needs

Basic Physiological needs.

Maslow's Hierarchy of Needs Theory.

Herzberg's Two factors Theory of motivation.

Frederick Herzberg and his associates developed the "Motivation Hygiene Theory". Commonly known as the "Two factors Theory". Herzberg advocated that there are certain factors that tend to be consistently related to job satisfaction and on the other hand, there are some factors, which are consistently related to job dissatisfaction. These two factors are described

→ Hygiene factors :- the hygiene factors are the company policy and administrat

→ motivational factors :-

Social Responsibility

Social responsibility of a business is viewed as conducting its operations in a free and fair manner by discharging its commitment towards different segments of its operational environment such as share-holders

(a) Responsibility towards Share-holders
(b) Responsibility towards Consumer
(c) Responsibility towards employees.
(d) Social responsibility towards creditors
(e) Responsibility towards the Government
(f) Responsibility towards Competitors
(g) Responsibility towards general public.

Trait Theory of Leadership

1. Drive
2. Motivation to Lead.
3. Self Confidence
4. Honesty / Integrity
5. Emotional Maturity

Situational Theory of Leadership

According to this approach, a leader is the product of a given situation and his behaviour may, in fact, vary from one situation to another.

There are five kinds of leaders

1. Natural Leader
2. Charismatic Leader
3. Rational leader
4. Consensus leader
5. Leader by force:

Leadership Styles

* Autocratic Leadership :-
* Democratic or participative Leadership
* Free - Rein Leadership

Leader and Leadership Styles

Meaning

Leadership is the factor that helps individual and groups to achieve the goal.

According to Koontz and O' Donnel, "Leadership is the ability of a manager to induce subordinates to work with confidence and zeal."

Needs / Importance of Leadership

1. Guiding People
2. Developing Team work.
3. Maintaining Discipline.
4. Building Morale
5. Representing the Group.

Leadership Skills / Qualities

1. Good Communication Skills
2. Critical Thinking
3. Creative Thinking
4. Listening
5. Reading
6. Writing
7. Speaking
8. Motivating

Leadership Theories / ~~STYLES~~ APPROACHES

1. Behavioural Theory of Leadership : It emphasizes that strong leadership is the result of effective role behaviours.

   Task- Related function

   Group -Maintenance function.

Douglas Mc Gregor's Theory X and Theory Y.

Douglas Mc Gregor in 1960 Stressed the importance of understanding the relationships between motivation and behaviour.

Theory X :- employees are inherently lazy and will avoid work if they can. workers need to be closely Supervised and Comprehensive System of Controls and a hierarchical Structure is needed to Supervise the workers closely.

Assumptions of Theory X

1. The average human being has an inherent dislike for work and will avoid it if he can
2. Because of their dislike of work, most people must be coerced, controlled, directed and threatened

Theory Y :- Employees may be ambitious, self-motivated, anxious to accept greater responsibility and exercise self-control, self-direction, autonomy and empowerment. It is believed that enjoy their mental and Physical work duties

Assumption of Theory Y.

1. The average human being does not inherently dislike work. The expenditure of physical and mental effort in work is as natural as play or rest

II. INTRODUCTION TO ORGANISATION.

Organisation is viewed as a System, its Sub-System are the departments of production, marketing, finance and Personnel.

Organisation is different from organising. Organising is the means to achieve the Plans. Organisation is form of Organising which is a part of management process.

Process of Organisation.

* Determination of objectives, Strategies, plan and Policies.
* Determination of activities
* Separation and grouping activiti
* Delegation of authority
* Delegation of responsibility
* Establish inter-relationships
* Providing Physical facilities and proper environment

2. Basic Concepts Related to Organisation

(a) Organisational Hierarchy

(B) Authority and Responsibility

(c) Delegation of Authority
(d) Span of Management
(e) Flat and Tall Organisation

Principles of Organisation

(a) Align departmental objectives to corporate goals.
(b) Cost-effective operation
(c) Optimum number of subordinates
(d) Specialisation
(e) Define authority
(f) Flow of authority
(g) Manage via exceptional cases
(h) Ensure one employee, one superior
(i) One head and one plan.
(j) Define responsibility
k Commensurate authority and responsibility
l Attain balance
m Ensure flexibility
n provide for continuity

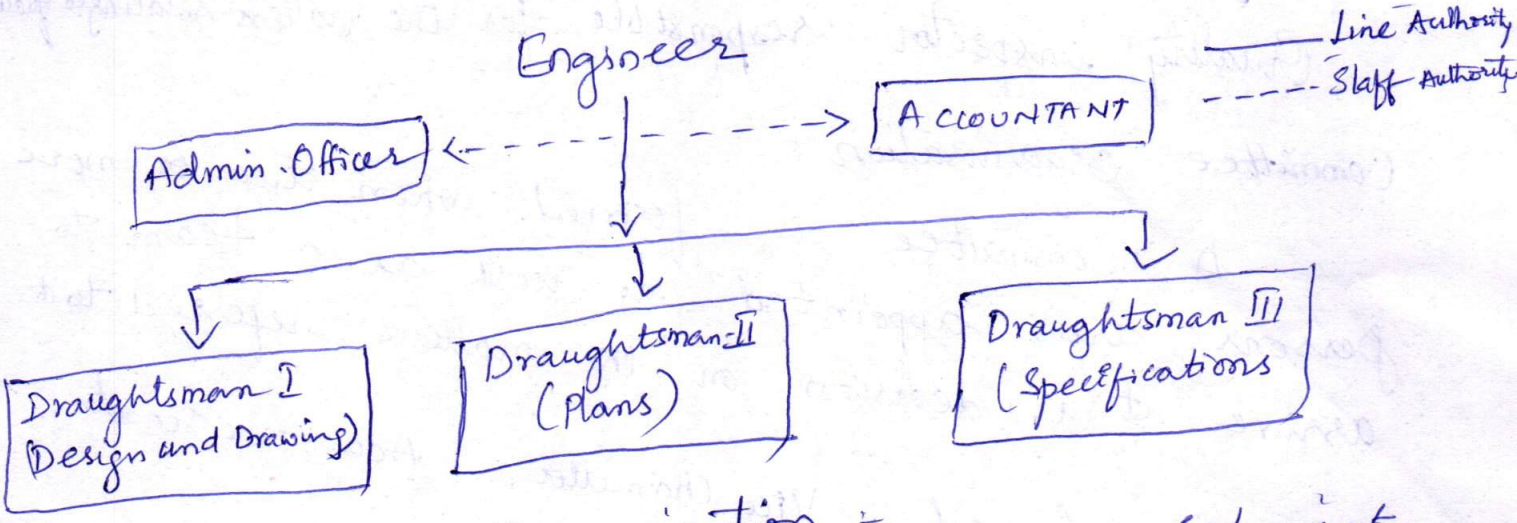
Types of Organisation

→ Line Organisation :-

Managers in this organisation have directly responsibility for the results.

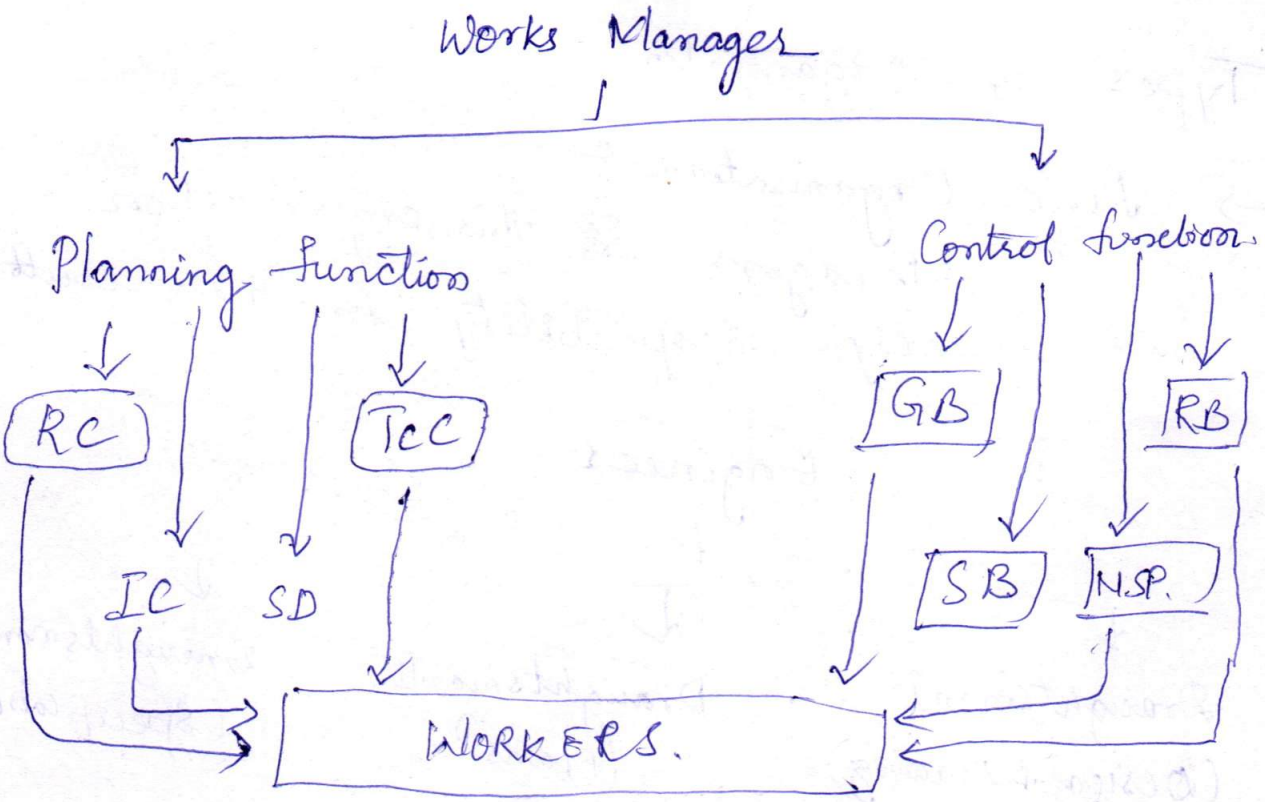
→ Line and Staff Organisation

We have both the line managers and staff managers.



→ Funtional Organisation :-

Management divides the job into different functional relationships



Gang Boss. → assembles the machinery needed for worker

Speed Boss → Standardises and sets speed of the machine

Repair boss → repairs the machinery in case of breakdown

Quality inspector → responsible for the matters relating to quality

Committee organisation :-

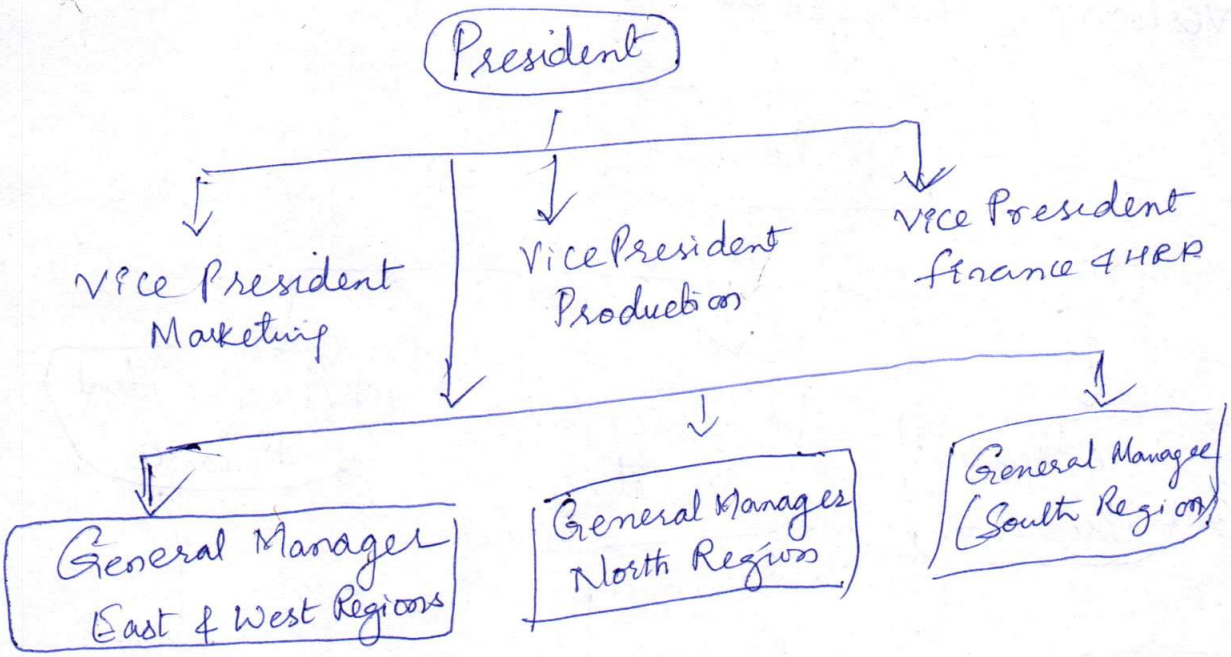
A Committee is formed when two or more persons are appointed to work as a team to arrive at a decision on the matters referred to it.

Executive Council → Finance Committee

Vice Chancellor → Rector → Registrar → Selection Committee, Purchases Committee, Convocation Committee.

Academic Senate → Board of Studies

Territorial organisation :- Organisation is divided into tessrtories or regions commonly used for the decentratisation of responsibility over certain areas



Virtual Organisation

Virtual Organisation facilitate Competitiveness particularly when these organisations are part of the global economy. It allows easy reassignment and reallocation of resources to take Quick advantage of shifting opportunities in global market.

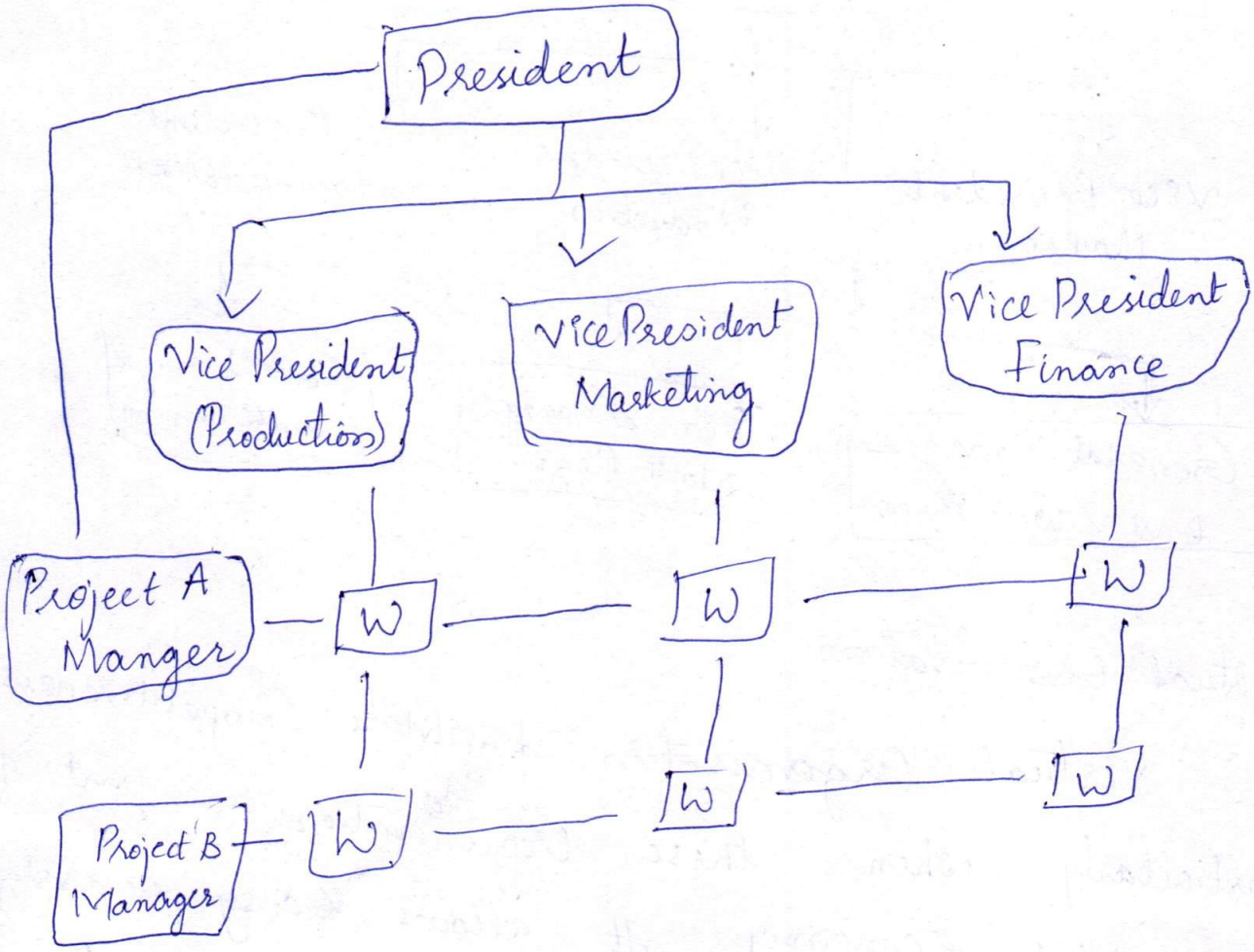
Cellular :-

Organisation structured around the units/cells that complete the entire assembly processes are called Cellular Organisation.

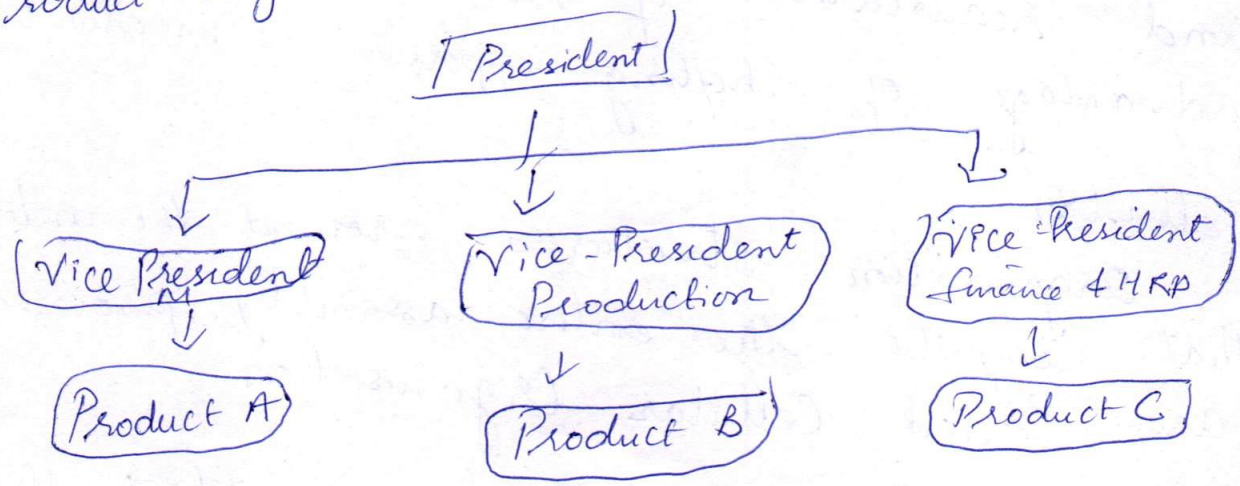
Team Structure :- A structure in which the entire organisation is made up of work groups

Matrix Organisation

This is also project Organisation. It is a Combination of all relationship in the organisation - vertical, horizontal and diagonal.



Product Organisation



or teams is known as team structure

Team structures are both permanent and also temporary in nature as situation demand 'We report to each other' is the main feature of team structure

Boundary less Organisation :-

It is combination of team and network structures with the addition of temporariness. It is a dynamic organisation structure wherein organisational needs are met through a judicious mix of outsourcing contracts and alliances as and when needed.

Inverted Pyramid :-

This is a structure which is narrow at the top and wide at the base. It includes a few levels of management

Production refers to the actual amount of goods and services produced.

Productivity is different from Production.

Methods of Production.

- → Job Production
- → Batch Production.
- → Mass and flow line Production.

Job Production

every job is different from the other in terms of type, cost, efforts, consumption of materials, or its specification. It is costliest

Batch Production -

All the Products manufactured under a bath are similar in terms of type, cost, efforts, consumption of materials, or the specifications.

Mass Production :- This is also called flow Production. Here, the production can be undertaken on large and specialised machines and processes.

- → Mechanisation and division of labour
- → large scale
- → Sophisticated material handling systems to minimise the material
- → work study techniques.

Plant Layout :-

It can be defined as the Process of determining a spatial location for a collection of physical Production facilities Suitable to manufacture a product or provide a Service.

→ Plant layout affects both productivity and the Profitability of a Company.

Goals of Plant layout can be identified.

ⓐ Minimise unit cost

ⓑ Optimise quality

ⓒ Promote Stable and effective use of people, equipment, Space, energy.

ⓓ Employees convenience, Safety and Comfort.

ⓔ Control project Cost.

Systems of Plant Layout.

The major Systems of plant layout are

→ Product layout

→ Process layout / functional layout

→ fixed layout.

Process or functional layout :-

If the equipment is arranged as per the nature or types of the given set of products operations major it is called Process layout.

Advantages :-

(a) Optimum Utilisation of resources
(b) Flexibility
(c) Continuity
(d) Interesting to workers.
(e) Monitoring.

Disadvantages

(a) Higher material handling Costs
(b) Larger Production Cycle
(c) Monitoring may be complex
(d) Higher inspection costs
(e) Higher wage bill.

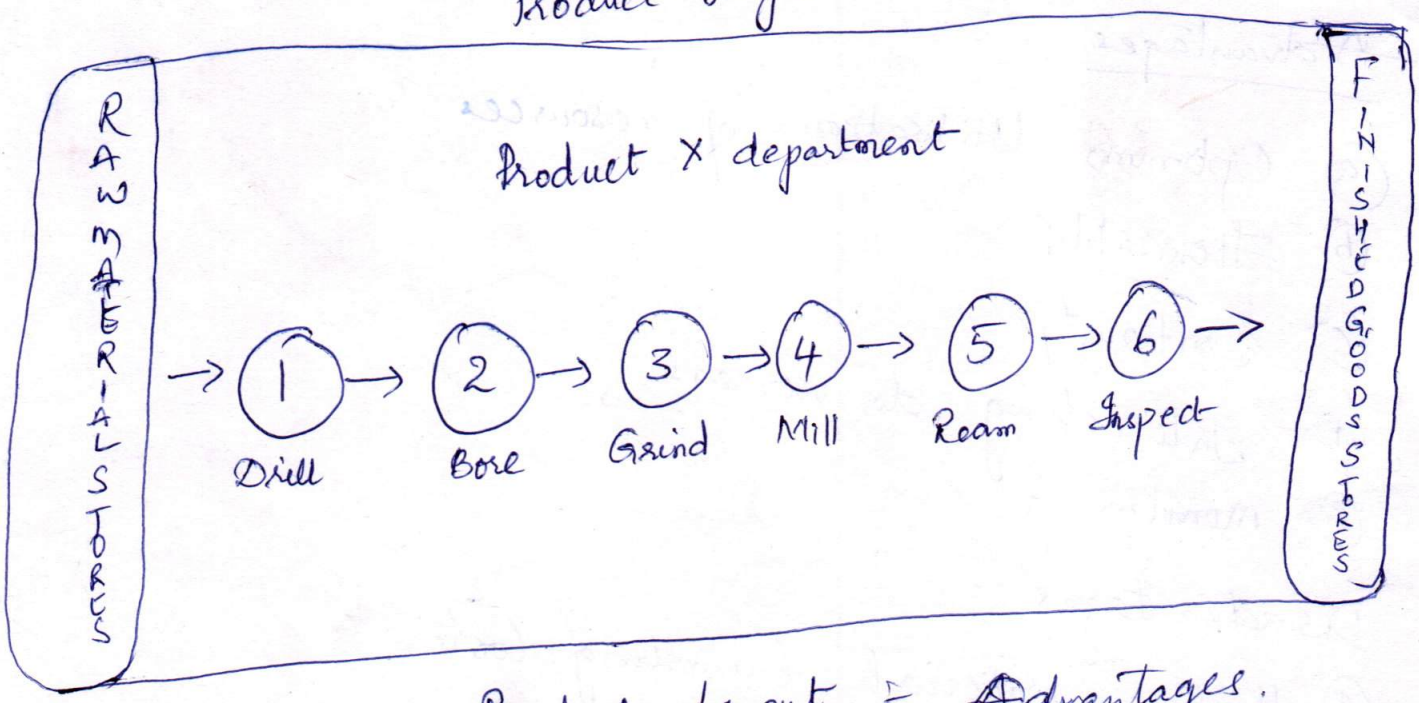
fixed layout

They cannot be shifted from one place to another.

This type of layout is used in case of large Projects such as building ships, manufacture of aircrafts, heavy pressure vessels, automobiles, construction of oil rigs and the like.

Product Layout :- In the Product layout, to meet the mass production requirement, production facilities and auxiliary services are located based on the process details of the given product to be manufactured.

Product Layout



Evaluation of Product layout :- Advantages.

a Faster and Cheaper Production.
(b) lower cost of material handling
(c) Effective utilisation of floor space
(d) Easy monitoring
(e) Team work benefits.

Disadvantages :-

(a) Threat of duplication
(b) Huge Capital Outlay.
(c) Little flexibility
(d) Discontinuity in production likely.
(e) Mointoring each worker made difficult.

Method Study

↓

Aim: To develop better working methods

↓

Procedure

- Select the task to be studied
- Record all related facts about current or proposed method
- Examine the facts critically considering the purpose, sequence, place & resources
- Develop the best possible method
- Define the best method so developed
- Install the new method
- maintain the installed method

↓

Result

Increased Efficiency, Cost Effectiveness and Productivity through

(a) Improve workplace layout
(b) improved equipment design
(c) reduction in worker fatigue
(d) improved product/process design

Basic Procedure :-

The Process of method Study involves the following

(a) select (b) Record. (c) Examine
(d) Develop and define (e) Install (f) Maintain

Work Measurement

↓

Aim:- To develop Time Standard

↓

Procedure.

- Describe the given work for measurement
- Break the job into elements
- Measure the Performance of Operator
- Determine the basic Time
- Provide Time allowance for fatigue etc
- Determine Standard time

Result:-

Increased Efficiency & Higher Productivity through

- Scientific basis to develop incentive systems
- Maintain reasonable levels of employment
- Reliable means of planning and control.

advantages

(a) It does not involve large investment.

(b) There is a high degree flexibility in matters relating to product design, product mix and production volume.

(c) Job-enlargement refers to the practice of Providing the worker a bigger role to play in the job. when he gets bored with his/her job.

Work-Study

Definition :- work study refers to the method Study and work measurement, which are used to examine human work in all its contents by systematically investigating into all factors affecting its efficiency and economy to bring forth the desired improvement.

Nature and Scope

The principal aim of work Study is to bring efficiency and economy by making improvements in the method of doing the job. work Study is more concerned with human manual work. It deals with the efficient design and execution of manual work.

Work-Study has two parts :- method study and work measurement (Time Study).

Benefits :

Work Study offers the following benefits

-> It directly leads to standardisation of the job process

-> It determines the cost of the work performed.

-> It saves, and thus, minimises time since the unnecessary movements are eliminated.

-> It enhances productivity of the workers and machine.

-> It contributes cost savings.

-> It enhances the employee morale.

METHOD STUDY

Method Study is the systematic recording and critical examination of the existing and proposed ways of doing work, as a means of developing and applying easier and more effective methods, reducing costs and increasing efficiency.

Method Study attempts answering questions of the type : What? When? How? Who? and where?

Method Study is used in order to effect solutions to a variety of production problems.

STATISTICAL QUALITY CONTROL

Quality is defined as 'Customer Satisfaction' in general and 'fitness for use' in particular

SQC :- The process of applying statistical principles to solve problem of controlling the quality control of a product or service is called statistical quality control.

Quality can be 2 elements

(a) quality of design → Performance, reliability,

(b) Quality of Conformance → Product meets the given quality specifications or not

Inspection :- The process of measuring the output and comparing it to check whether it meets the given specified requirements or not, is called inspection.

Elements of Statistical Quality Control

The techniques under SQC can be divided into SQC.

Process Control

Control Charts

for Variable

$\bar{X}$ chart

R chart

for attributes

'c' chart for no of defects p. unit

'p' chart for defectives in a given sample.

Acceptance Sampling

1. Single Sampling Plan
2. Double Sampling Plan
3. Multiple Sampling Plan
4. Sequential Sampling Pl

$\bar{X}$ - Chart :-

Procedure for constructing $\bar{X}$ chart

(a) Compute average of averages $\bar{X}$

(b) Calculate average range $\bar{R}$

(c) Multiply the average range by the Conversion factor A_2. This gives $A_2\bar{R}$

i) To obtain upper Control limit apply the following formula.

Upper Control limit $= \bar{X} + A_2\bar{R}$

ii) To obtain lower Control limit, apply the following formula.

Lower Control limit $= \bar{X} - A_2\bar{R}$

Procedure for Constructing R chart

(a) Compute $\bar{X}$ and R for each of the Samples obtained

(b) Calculate average range $\bar{R}$

(c) Multiply the Average range by the conversion factor (D_4 or D_3)

i) To obtain the upper Control limit, apply the following formula.

Upper Control limit $= D_4\bar{R}$

Lower Control limit $= D_3\bar{R}$

Simple Problems.

Construct $\bar{x}$ and R charts from the following. State whether the Process in in Control. for each of the following $\bar{x}$ has been computed from a Sample of 5 units drawn at an interval of half an hour.

Sample	1	2	3	4	5	6	7	8	9	10
$\bar{x}$	20	34	45	39	26	29	13	34	37	23
R	23	39	14	5	20	17	21	11	40	10

$$\bar{x} = \frac{\Sigma \bar{x}}{n} = \frac{300}{10} = 30$$

$$\bar{R} = \frac{\Sigma R}{n} = \frac{200}{10} = 20$$

$$UCL = \bar{x} + A_2\bar{R}$$
$$= 30 + (0.58 \times 20)$$
$$= 30 + 11.6 = 41.6$$
$$LCL = \bar{x} - A_2\bar{R}$$
$$= 30 - 11.6 = 18.4$$

$$UCL = D_4\bar{R} = 2.11(20) = 42.2$$
$$LCL = D_3\bar{R} = 0(20) = 0$$

Control Charts for Attributes

'C' chart is used where there are a number of defects per unit. It controls the number of defects per unit.

$$UCL = \bar{c} + 3\sqrt{\bar{c}} \; ; \quad LCL = \bar{c} - 3\sqrt{\bar{c}}$$

$$\text{where } \bar{c} = \frac{\text{Total no of defects in all the Samples}}{\text{Total no of Samples inspected}}$$

'p' Chart is used where there is data about the number of defectives per sample. It is called fraction defective chart or percentage defective chart

$$UCL = \bar{p} + 3\frac{\sqrt{\bar{p}(1-\bar{p})}}{n} \qquad \bar{p} = \frac{\text{Total no of defectives found}}{\text{Total no of pieces inspected}}$$

$$LCL = \bar{p} - 3\frac{\sqrt{\bar{p}(1-\bar{p})}}{n}$$

(1)

UNIT - V

Introduction to Human Resources management and Basic Concepts.

Introduction: Human resources management is the process of acquiring, training, appraising, and compensating Employees, and attending to their labor relations, health and safety, and fairness Concerns.

Concepts:

→ Conducting Job analyses
→ planning labor needs and recruiting Job candidates
→ Selecting Job Candidates.
→ Orienting and training new Employees.
→ managing wages and salaries
→ Providing incentives and benefits
→ Appraising performance.
→ Communicating
→ Training and developing managers.
→ Building Employee committment.

Functions of HR manager

① planning of Job and people.
② Acquiring Resource
③ Training the Employees
④ Rewarding Employees
⑤ International Human Activities.
- Selecting Overseas Employees
- Developing and Implementing HR Policies & practices
- To make ready and willing to work Effectively in abroad.

Manpower planning and Recruitment

Definition: Manpower planning is the process by which a management determines how an organisation should move from its current manpower position to its desired manpower planning

Need

1. Determining Recruitment Needs
2. Determining Training Needs
3. Mangement Development
4. expansion plans
5. Labour Turnover

Functions

→ forecasting the Requirement

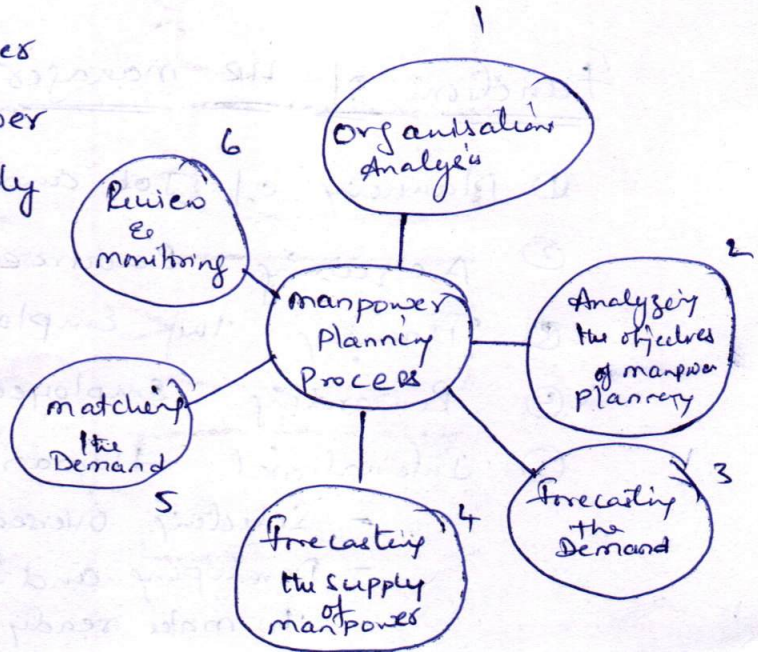
→ Estimation of manpower Resources

→ Anticipating manpower problems.

→ Planning.

Process

1. organisational Analysis
2. Analysing the objectives of manpower planning
3. Forecasting the Demand for manpower
4. Forecasting the supply of manpower
5. Matching the Demand and supply
6. Reviewing and monitoring.



Recruitment

Recruitment means the process of attracting, screening and hiring personnel.

Acc. to Edwin B. Flippo: " The process of searching for prospective Employees and stimulating them to apply for Jobs in the organisation.

Objectives :

- To attract people with multidimentional skills & Experiences that suit the present and future organisational strategies.
- To induce outsiders with a new perspective to lead the company.
- To infuse fresh blood at all levels of the organisation
- To develop an organisational culture that attract competent people to the company.

Process :-

Recruitment Planning	Number of candidates, type of candidates.
Strategic Development	where and how to call, when to call.
Searching	Using various sources, media selling.
Screening for Candidates	knock out round, bio-graphical information blanks.
Evaluating and Controlling	cost benefit analysis ROI method

Selection :

Selection is a long process of hiring the suitable candidates from the pool of Job applications to fulfill the various Jobs in the organisation.

Acc. to Knootz: "Selection is the process of choosing from among the candidates from within the organisation or from outside, the most suitable person for the current or future position".

Need :

- To check the needs of the Job and match with the profile of candidates.
- To decrease the unnecessary process.
- To make effective use of multiple selection Technique.
- To match the individuals with work.

Process :-

1. Priliminary Screening
2. Selection Test :- Proficiency Test, Psycological Test, other tests.
3. Employment Interview.
4. Reference and Background Checks.
5. Selection Decisions.
6. medical Examination. - Physical fitness for the Job concerned.
   - To protect the business organisation from infectious diseases
   - To check excessive expenditure on the treatment of the employees.
7. Job offer
8. contract of Employment.

Techniques for Selection

- Initial Screening / Short listing
- Biodata Screening
- Aptitude testing
- Group Discussion
- Personal Discussion / interview
- medical examination
- Employment offer

Advantages of Selection :

- They will be aware about the complexities & sophistication of selection devices.
- For weeding out the candidates.
- helps in identifying specialized skills or knowledge.

Problems :-

① Respondent Induced Bias:

① faulty memory
② failure to answer Questions correctly
③ Misunderstanding purpose of Interview
④ Influence of groups at Interviews

② Bias Induced by Interviewer:

i, Desire to help the Respondents
ii, Failure to follow instructions in Administrating the Questions
iii, Reactions to Responses.

Training and Development

Training is the process of teaching the new and or already present Employees skills required to perform their Job effectively.

Acc. to Dale S. Beach: "Training is the organised procedure by which people learn knowledge and/or skills for a definite purpose.

Needs:

1. Effective performance
2. Production of Quality Goods and Services
3. Fast changing Technique.
4. To keep pace with the Development of Technology.
5. Change of profession.

Process:-

1. Preparing the instructor / Trainer
2. Preparing the Trainee / Learner
3. Getting Ready of the instructor to Teach:
   - Plan the programme clearly
   - Should prepare an outline of what he want to teach
   - Should take session logically.
   - Discuss the concept in depth
   - Gathering the teaching material from standardized textbooks
   - Taking the regular process of the trainees.
4. Presenting the operation:

   Aids like:- films, slides, projectors, movies
   - Charts, graphs, flash cards, pictograms.
   - Pamphlets, brochures, handbook, manuals
   - Libraries, reading rooms.
5. Typing out the Trainee's performance
6. Follow-up

Methods / Techniques / Approaches of Training

There are two methods of training the employees.

① On-the-Job Training (OJT): In this method, the Employee is placed on his regular Job and taught and skills necessary to do that Job under the guidance of a Supervisor.

i, Job Rotation

ii, Committee Assignments

iii, Job instruction Training (JIT)

- Preparation (of the learner)
- Presentation (of the operations & knowledge)
- Performance Tryout
- Follow-up.

iv, Internship Training

v, Coaching and mentoring.

vi, Under Study

vii, Apprenticeship Training

② Off-the-Job Training: The trainee is separated from his actual Job and trained for his future Job performance.

① Vestibule Training

② Programmed instructions

③ Role playing

④ lecture Method

⑤ Conference / Discussion

⑥ Incident Training

⑦ In basket Training

⑧ Case-study.

PLACEMENT

Acc. to pigors and myers : "Placement is the determination of the Job to which an accepted candidate is to be assigned and his assignment to that Job".

Placement process

Individual
↓
Individual profile
↓
Group profile

Job
↓
Job profile
↓
Job Family

matching Group profile and Job family
↓
If matched
↓
Assign the individual to Job family
↓
Assign the Individual to specific Job.

1. Individual
2. Individual profile
3. Group profile
4. Job
5. Job profile
6. Job family
7. matching Group profile and Job family.

Significance of placement.

1. Helps to labour Turnover Rate
2. Increase Employee morale
3. Increase productivity
4. Avoid misfit
5. Reduction to Accident
6. Pre-determined objective.

WAGE AND SALARY ADMINISTRATION

Salary: It is defined as the remuneration paid to the clerical and managerial personnel employed on monthly or annual basis

Wage: Monetary remuneration based on the hours, daily, weekly, or piece is considered as wage. The compensation given to hired person for services is called wage.

Objectives of wage & salary

- To Ensure desired Behaviour
- Labour Costs
- Follow up of wage Act
- Pay According to Ability

Methods

1. Time Rated payment system
2. Piece Rated " "
3. Incentive payments
4. Performance based " "

Wage structure

1. minimum wage
2. Living wage
3. Fair wage.

PROMOTION

Acc to Flippo : "A promotion involves a change from one Job to another that is better in terms of status and responsibility.

Promotion means placement of an Employee from a lower post to a higher post involving greater amount of responsibility, better status, more Pay and more perks from a lower post.

Objectives :

- To promote Job satisfaction and motivate Employees to higher productivity.
- To attract and retain the services and qualified and competent people.
- To fill up the vacancies from within the organisation
- Increase the effectiveness of the Employee and the orgⁿ.
- To build loyalty, morale and a sense of belongingness in the Employee.

Types :

① Multiple chain promotions

② Up or out promotion

③ Dry promotions

TRANSFER :

Transfer means shifting of an Employee from one place to another, on the same salary, same status, same responsibility, same working conditions and same level of post.

Objectives

- To increase the effectiveness of the organisation in attaining its service and profit objectives.
- To provide an opportunity to present Employees for movement to new Jobs that may open up for advancement through greater compensation, personnel satisfaction and prestige or bringing about Job enlargement by adding the spice of variety to daily routines.

Types :

1. Production Transfer
2. Replacement "
3. Versatality "
4. Shift "
5. Remedial Transfer
6. Departmental "
7. Inter-plant Transfer

Advantages

1. They correct faulty selection and placement of Employees
2. Good Transfer policy helps to stabilize fluctuations in work requirement
3. It increases the effectiveness of the organisation and raises its productivity.
4. It provides greater Job satisfaction to present Employees through Job enlargement.

Separation :-

Separation means cessation of service with the organisation for one or other reason.

Acc. to Yoder: Separation is a negative recruitment. It may be in form of resignation, dismissal, suspension, retrenchment or lay-off.

TYPES :

① Voluntary Separation :

ⓐ Professional reasons

ⓑ personal Reasons

② Involuntary separation

ⓐ Health problems

ⓑ Behavioural problems.

ⓒ Organisational problems.

Consequence for Separation

① Resignation

② Discharge

- Discharge becomes necessary :

ⓐ when the volume of business does not Justify the continuing Employ

ⓑ when fails to work accordingly to the requirements of the Job.

ⓒ when an individual forfeits his rights.

③ Suspension

↳ This is a serious punishment and is generally awarded only after proper Enquiry has been conducted

↳ The Employee receives a subsistence allowance.

④ Lay-off

- Breakdown of machinary
- Seasonal fluctuation in markets
- Accumulation of stocks
- shortage of raw material
- Production delays
- other Technological delays.

⑤ Retrenchment

↳ It is permanent termination of an Employee's services

↳ It creates a sense of in security and resentment among the staff.

Performance Appraisal

Performance Appraisal refers to all those procedures that are used to evaluate the personality, the performance and the potential of the Employees in the organisation

Acc. to Edwin B. Flippo: " Performance Appraisal is a systematic, periodic and an impartial rating of Employee's excellence in matter pertaining to his/her present Job and his/her potential for a better Job.

Objectives

- To promote
- To Assess
- To Decide
- To improve
- To provide

Steps:

Creating performance standards

↓

Communicating the performance standards

↓

measuring Employees Actual performance

↓

Comparing the Actual performance with standards

↓

Communicating the Appraisal with Employees

↓

Taking Corrective Actions.

Methods / Approaches

Methods of merit Rating

Traditional methods	modern methods
→ Ranking methods	→ Management by objectives (MBO)
→ Grading methods	→ Behaviorally Anchored Rating Scales (BARS)
→ Paired comparison method	→ Assessment Centers.
→ Forced-choiced method	→ 360° Appraisal
→ Forced Distribution method	→ Psychological Appraisal.
→ Check-List method	
→ Critical Incidents methods	
→ graphic Rating Scale method	

Limitations :

① Rating errors :
- ① Halo effect
- ② Sterotyping
- ③ Central tendency
- ④ Spill over effect.

② Lack of knowledge.

③ Resistance by Trade Unions.

④ Negative Approach

⑤ Multiple objectives of Performance Appraisal.

Grievance Handling

A grievance indicates the dissatisfaction of Employees with the Job and its nature.

Acc. to ILO: "A grievance is a Complaint of one or more workers with respect to wages and allowances, conditions of work and interpretation of service conditions covering such area as overtime, leave, transfer, promotion, seniority, Job assignment and termination of service".

Causes or Sources

1. Demands for individual wage adjustment
2. Complaints about the Job classifications and incentive system.
3. Complaints concerning disciplinary measures and procedures
4. Disciplinary discharge or lay-off
5. Transfer for another department or another shift.
6. Inadequacy of safety and health service / devices.

Steps or procedures

Step 5 — Impartial Third party
Arbitration by National Union Representative and Company Executive or Corporate Industrial Relations officers

Step 4 meeting b/w — Committee of senior officers and Company managers.

Step 3 meeting b/w — Union Steward and Supervisor's manager and/or HR manager

Step 2 meeting b/w — Employee, Union steward and Supervisor

Step 1 Discussion of written Grievance b/w

Steps in Setting Grievance cell / machinery

Identify & Settle the Problem → Redress without any Damage → Explore the Possibility → Decision Binding on Both parties

Advantages:

- It brings grievances into the open Environment.
- The management catches and solves a grievance before it becomes a dispute.
- It helps in establishing and maintaining a work culture.

WELFARE ADMINISTRATION

The HR manager is a liable person who handle the various welfare and social assistance services and schemes to provide benefits to the Employees

① Factories Act 1948:

- ↳ Washing facilities to male & female workers separately.
- ↳ Facilities for storing and drying clothes.
- ↳ Facilities for occasional rest for workers who work in a standing position for long hours.
- ↳ First aid box for every 150 workers and Ambulance for 500
- ↳ Canteens.

② The payment of wages Act, 1936 and minimum wages Act 1948.

③ The workmen's Compensation Act 1923

④ Employee State Insurance Act 1951.

⑤ Employees provident Fund Act 1952.

JOB EVALUATION

It is a formal and systematic comparision of Jobs in order to determine the relative worth of Jobs, so that salary or wage constraints can be determined.

Acc. to ILO: 'Job evaluation is an attempt to determine and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers concerned.

Objectives:

1. Standardized procedures
2. Equitable wage
3. Removing inequalities
4. Basis for incentives and Bonus.
5. Solving Grievances.

Methods:

Job evaluation Techniques

- Non quantitative methods
  - Ranking
  - Job classification Grading method
- Quantitative methods
  - Point Rating
  - Factor comparison.

1. Non-Qualitative method
   a. The Ranking system

      Adv: 1. Simple
      2. Low cost
      3. Short-time period

      Disadvantages:
      1. Exists in personnel bias
      2. All the Jobs are Rated
      3. Does not give the Brief information

(i) Job classification or Grading method

Advantages :

① Simplicity
② Systematic Criteria
③ Determination of pay grades
④ Used in Government Jobs

Disadvantages

① Personal evaluations
② Incorrect classification
③ Difficult in operation.

② Quantitative methods

① Point Rating system

Advantages

① Numerical Basis for wage Differentials
② Long time use
③ Easy Categorization
④ Assignment of money values
⑤ Favourable response of workers
⑥ Easy manipulations

Disadvantages

- Heavy expenditure
- Difficult Task
- Considerable clerical work.

(ii) The factor Comparision method :

Advantages

- Systematic
- Compared
- Easy
- No limits to value

Disadvantages

- Expensive
- Change in wage levels
- Actual Rate more than abstract Point
- Difficult to explain

Steps / Process

Analying and preparing Job Description → Select and Prepare a Job evaluation plan → Classify Job → Install the programme → Maintain the programme.

Advantages of Job evaluation

1. Easy to understand
2. Accurate
3. Acceptable wage - Criteria
4. New Jobs Adjustment and their Ranking
5. Suitability

PERFORMANCE RATING

Merit rating is the process of determining the relative merit of the person on a given Job

Acc. to Edwin. B. Flippo : "Merit Rating is a systematic, periodic and so far as humanly possible, an impartial rating of an Employee's Excellence in matters pertaining to his present Job and to his potentialities for a Job".

Objectives of Merit Rating

1. To Recognize and reward the Employees by determining their worthiness.
2. Evaluating performance regularly in order to decide the promotion transfer or demotion.
3. Identification of training needs
4. To enhance the creativity in individuals
5. To guide the Employees who lack in their performance.
6. To Judge whether the employee is suitable for the given task.

Advantages

1. workers get incentive to improve all the qualities required by the scheme
2. Discipline from workers may be restored.
3. The careful study of men and the qualities required to them leads to a better all-round understanding.

UNIT – VII

STRATEGIC MANAGEMENT

Strategic Management

Strategic management is the art and science for formulating, implementing and evaluating cross functional decisions, that enables an organisation to achieve its objectives.

Acc-to Lloyd L. Byars: "Strategic management is concerned with making decisions about organisation's future direction and implementation those decisions".

Characteristics / Features

① Strategic management Act as a Decision for long-term.
② Strategic management Aim to achieve advantage
③ Strategic issues are future Oriented.
④ Strategic Issues have Consequences of multi Business.
⑤ Strategic management is a process.

Objectives

- To help the entrepreneur to unify its managerial and organisational efforts.
- To promote the development of a constantly evolving business model
- Improve communication, coordination, allocation and resource.

Advantages :-

1. Financial Benefits
2. Enhanced capability of problem prevention
3. Improved Quality of strategic decision through group interaction.
4. Greater Employee motivation.

Disadvantages :

- Expensive
- Poor communication
- Development of vision, mission with no effective measures.
- Danger to Rigidity
- Lead to conflict.

Prevention of Strategic Failure

1. Simple and Non-Routine
2. Eliminate difficult language
3. Adapt Flexibility
4. Sufficient Resources
5. Development of programmes.

MISSION :

Mission is a statement that defines the roles of the organisation plays in the society and purpose as anything which an organisation strives for.

Acc to Thompson : "Mission is the essential purpose of the organisation, concerning particulars why it is in existence, the nature of the business (es) it is in and the customers it seeks to serve and satisfy".

Nature

① Market focus rather than Product Focus.

② Achievable.

③ Specific

④ Achievement of the policies.

⑤ It should be precise

⑥ It should be clear.

Needs

① To ensure unanimity of purpose within the organisation

② To provide a basis for motivating the use of organisational resources

③ To develop a basis, or standard for allocating organisational resources.

④ To establish a general tone or organisational climate

⑤ To serve as a focal point for those who can identify with the organisations purpose and direction.

Advantages

- It provides the boundary for strategy formulation
- Mission statement outlines norms for individual behaviours.
- It formally acknowledges responsibilities towards various stake-holders and sets standards for organisational performance along related dimensions.

GOALS :

Meaning : The term goal signifies a general statement of direction in line with the mission.

Goal is defined as what a organisation want to achieve within the desired period time.

Importance :

① Goals provide a sense of Direction

② " Focus out efforts

③ " Guid our plans and Decisions.

④ " help us to evaluate our progress.

OBJECTIVES :

Objectives are the set target, that define what the organisation has to achieve for its Employees, Share holders, consumers, etc.

Acc. to Robert L. Trewalta & M. Gene Newport : "Objectives may be defined as the targets people seek to achieve over various time periods.

Functions :

① Objectives provide the basis for strategic Decision making.

② Objectives provide the Standards for performance appraisal.

③ " Defines the organisational Relationship with its environment.

④ Objectives help an organisation pursue its mission and purpose.

⑤ Legitimacy.

Advantages

→ It encourages unified planning, the unifying effect arises when the plans prepared by different departmental heads are adjusted to a common objectives.

② When the work is goal oriented, unproductive tasks can be avoided.

③ objectives provide standard, which aid in the control of human efforts in an organisation.

④ It provides motivation to people in the organisation.

⑤ It serves to identify the organisation and to link it to the groups upon which its existence depends.

POLICY :

Policy may define as the mode of thought and the principles underlying the activities of an organisation or an institution.

Acc to Koontz & O'Donnell : "Policies are general statements or understandings which guide or channel thinking in decision-making of subordinates".

Process of policy making :

Definition of policy Area

Generation of Policy Alternatives

evaluation of Policy Alternatives

Review of Policy.

Application of Policy

Communication of policy

choice of policy

↳ Identification of the problem

↳ Development of policy

↳ Announcing the policy.

↳ Educating about the policy

↳ Acceptance of the policy.

↳ Review and Feed-back.

IDAEAR

Advantages:

1) View point of the course.
   ↳ Deals with complexities and constraints of real life business.
   ↳ offers very broad perspective to its learners.

2) Understanding of Business Environment.
   - mgrs become more receptive to the ideas and suggestions of senior management.

3) Understanding the organisation
   ↳ provides a basic framework for understanding strategic decision-making.
   ↳ improves in Job performance.

4) Personal development.
   ↳ Avoid risk with regards to career planning and development.
   ↳ Executives to understand the senior mgt view point.

STRATEGY

A strategy is an action that manager take to attain one or more of the organisational goals.

Acc-to George. A. Steiner: "strategy means deciding the basic mission of a company, the objectives which it seeks to achieve its objectives".

Purpose:
- To take high quality project decisions.
- To develop internal ability to anticipate change.
- To save time, money and executive talent.
- To search new opportunities both inside and outside the firm.

Levels of strategy

1. Corporate level strategy
2. Business-level strategy
3. Functional-level strategies.

PROGRAMMES :

A programme is a allocation of activities that are designed to achieve a certain end or specific purpose.

Objectives

- To divide the activities into steps needed for achieving the objectives.
- Divide the responsibility for doing each activity and accountability for each step.

Corporate planning

Planning is deciding in advance what to do, how to do it, when to do it and who is to do. It bridges the gap from where we are to where we want to go.

Acc-to Henry Fayol : "Planning is deciding the best alternatives among others to perform different managerial operations in order to achieve the pre-determined goals".

Planning is the process which involves deciding the future course of action in order to achieve the goal.

Nature :

- Planning is Forward looking
- Planning is a primary function
- " involves choice
- " is Dynamic process
- " is continuous process

Need / Purpose / Objectives

1. Reduce Uncertainty
2. Bring Cooperation and co-ordination
3. Economy in operation
4. Anticipate unpredictable contingencies.
5. Achieving the pre-determined Goals.
6. Reduce Competition.

Principles of Planning

1) Principle of Contribution to objectives
2) principles of efficiency of plans
3) principles of policy Framework.
4) principles of Timing
5) " " Alternatives.
6) " " Limiting Factor

Types / methods of Planning

1. Corporate planning & Functional planning
2. Strategic and operational planning
3. Long-term and Short-term planning
4. Proactive and Reactive planning
5. Formal and informal planning.

Elements / steps of corporate

Identification of opportunity
↓
Establishment of objectives
↓
Determine Internal and External Factors
↓
Identify Alternatives
↓
Evaluate the Alternatives
↓
Select the Best strategy
↓
Formulate the support plans
↓
Establish sequence of Activities
↓
Follow up.

ENVIRNMENTAL SCANNING / ANALYSIS

Environmental Analysis is the process of monitoring the organisational Environmental to identify both present and future threats & opportunities that may influence the firm's ability to reach its goals.

Objectives :

→ Ability to respond to critical issues.

→ To Explore future conditions of the organisational Environment

Components

① Social ③ Economic ⑤ Technological

② legal ④ Political ⑥ Ethical

Steps / Process

Developing Group work for Scanning → Estimating Future Business → Comparing Actual with Projected Results → Refining the Scanning Forecasting process

① Scanning
② Business
③ Helpful for Projected Results
④ Helpful for forecasting process

Importance

→ It is a process of gathering, filtering and analysing information relation to the environment.

→ It helps the firm to evaluate the corporate strategy with respect to the opportunities.

→ Identify the opportunities and threats in the environment.

Factors

① Internal Environment : Diagnose Industrial Environment.

② External Environment : Diagnose External Environment.

→ marketing Environment

→ Financial "

→ Demographic "

→ Economic "

→ political / legal "

→ The Social / cultural Environment

→ Supplier and Technological Environment

→ The International / Global Environment.

SWOT Analysis

SWOT Analysis is defined as the rational and overall evaluation of a Company's strengths, weaknesses, opportunities, and threats which are likely to affect the strategic choices significantly.

① Internal Environment (Strength & weakness)

Internal Assessment of the organization

What are our strengths?
- manufacturing Efficiency?
- Skilled workforce?
- Good market share?
- Strong financing?
- Superior Reputation?

What are our weaknesses?
- outdated facilities?
- Inadequate R&D?
- obsolete Technologies?
- weak management?
- Past planning failure?

SWOT Analysis

What are our opportunities
- Possible New markets?
- Strong Economy?
- weak market Rivals?
- Emerging Technologies?
- Growth of Existing market?

What are our Threats?
- New Competitors?
- Shortage of Resources?
- Changing market Tastes?
- New Regulations?
- Substitute Products

External Assessment of the organization

② External Environment (Opportunity & Threat)

→ opportunities
- Threats :

Conducting SWOT Analysis

Setting Objectives → Identifying Strengths, weakness, opportunity & Threat → Asking Four Question → Recommending strategies

③ Asking Four Questions:

① How do we maximize our strengths?

② How do we minimize our weakness?

③ How do we capitalize on the opportunities in our external environment.

④ How do we protect ourselves from threat in our external environment.

Steps in Strategy Formulation & Implementation

① Environmental Scanning:

① External Environment

② Internal Environment.

② Strategy Formulation

① Vision of the company

② Business mission: what is a mission?

③ Objectives

④ Choice of Strategy

⑤ Policies

③ Strategy Implementation:

- Programs → Budgets → Procedures

④ Evaluation and Control.

⑤ Feedback.

Generic Strategy Alternatives

Generic strategy alternatives is defined as process which includes the corporate level strategies for an alternative in broader sense for improving and efficiency.

Types of Strategic Alternatives

① Stability strategies.

② Growth (or) Expansion strategies

③ Retrenchment strategies.

④ Combination (or) mixed strategies.

MICHAEL PORTER GENERIC STRATEGIES

Competitive Advantage.

Competitive scope	lower cost	Differentiation
Broad Target	Cost leadership	Differentiation
Narrow Target	Cost Focus	Differentiation Focus

① overall cost leadership

② Differentiation

③ Cost Focus

④ Focused Differentiation.

③ Outbound logistics: Outbound logistics collect, store and distribute the product to customers.

iv) Marketing and Sales: They make users aware of the product or service so that they are able to purchase it.

v) Services: It helps in improving the effectiveness or efficiency of primary activities.

② Support Activities:

i) Procurement: This is the process for acquiring the various resource inputs to the primary activities and this is present in many parts of the organisation.

ii) Technology Development: There are key technologies attached to different activities which may be directly linked with the product or with processes or with resource inputs.

iii) HRM: It recruiting, managing, training, developing and rewarding people within the organisation.

Enterprises Resource Planning (ERP)

ERP is the way to integrate the data and processes of an organisation into one single system.

According to APICS: "ERP is an accounting oriented information system for identifying and planning the enterprise-wide resources to make, ship and account for customer order.

modules:

① manufacturing / production system
② Financial System
③ Human Resource System
④ marketing system
⑤ customer Relationship mgt (CRM)

Advantages :

1. Automatic updations to new Techology.
2. Improved customer satisfaction
3. Work-flow
4. Reporting
5. Business intelligence.

UNIT - VIII

CONTEMPORARY MANAGEMENT PRACTICES

Basic concepts of JUST-IN-TIME (JIT)

Taichi Ohno, who is recognised as the father of Just-in-time, claims that it was born out of the need to develop a system for manufacturing small numbers of different kinds of automobiles.

Just-in-time is also called as zero inventory synchronous manufacturing, lean production, stockless production.

Acc. to Monden; "JIT is a production system to produce the kind of unit needed, at the time needed and in the quantities needed."

Thus, JIT is an approach to minimise waste in manufacturing in the form of time, material, energy & errors.

Characteristics of JIT

① Pull method of Materials
② Constant high quality
③ Small lot size
④ Uniform work load
⑤ Flexible work force
⑥ Preventive maintainance.

Objectives:

① Primary goal → lower costs associated with meeting customer demand
→ Cost reduction
ⓐ Excessive production resource
ⓑ Overproduction
ⓒ Excessive inventory
ⓓ Unnecessary capital investment.

② Secondary goal → Quality control
→ Quality assurance
→ Respect for humanity

Essentials for an effective JIT

- It involves the teamwork
- coordination of work centers
- flexible to perform the work.
- maintain an effective communication
- Suitable according to demand
- proper and effective prevention & maintance.

Benefits / Advantages

- It helps in continuous improvement in quality
- It improves preventing over-production
- It enhance in minimizing waiting times and transport costs.
- It helps in reducing the capital which have tied up in stock

Limitations / Disadvantages

- unable to mange sudden variations
- Difficult and expensive
- Risk, Constant in process
- Demand Forecasting
- Adoptation and changes.

TOTAL QUALITY MANAGEMENT

TQM was developed by "williams Deming" a management consultant whose work had great impact on Japanese manufacturing

Acc. to Bil creech : "A total approach to put quality in every aspect of management".

Objectives

→ Customer Satisfaction
→ Performance : speed, cost, Quality, flexibility

Techniques / methods

① Joint problem solving :

- Depersonalizing conflicts by diluting emotions and do systematic approach.
- Providing a logical framework which encourages the facts come to the surface.
- Integrating the objectives of the organization and the people working in it.

② Brain storming :

Brainstorming is a way of getting as many ideas as possible on the problem or a solution in the shortest possible time.

- Don't Discuss
- Build on other suggestions
- Go for quality
- Be Imaginative.

③ Just-in-time.

Importance / Advantages / Benefits of TQM

① Benefits for the company

- Better product quality
- Staff are more motivated and quality-conscious
- Productivity improvement
- Reduced quality costs

② Benefits to staff

- Empowerment
- Enhancement of Job interest and Security
- More training and improvement in skills
- Reduced Employee grievances.

SIX SIGMA (6-)

Six Sigma stands for Six Standard Deviations (Sigma is the Greek letter used to represent "standard deviation in statistics") from mean.

Acc. to James Harrington: "Six Sigma is a TQM process that use process capability Analysis as a way ~~to~~ of measuring process".

Thus, Six Sigma is a method that provides the tools and techniques to improve the capability and reduce the defects in any process.

Objectives of Six Sigma

1. To decrease deviations
2. To bring down defect / Reworks
3. To Enhance the yield / productivity level.
4. To improve customer satisfaction

Methods

1. **DMAIC** (Define, Measure, Analyze, Improvement, Control): It improves any existing business process by constantly reviewing and refining the process.

2. **DMAVD**: (Define, measure, Analyze, Design, verify): It is used by organisations where there is either no existing process in place, or the process currently being utilized is unworkable.

Steps / Process

→ Define / Identity	→ Control
→ measure	→ Designing
→ Analyze	→ Verifying
– Improve	→ Check

DMAIV
DMAVD

Capability Maturity Model (CMM) Levels.

CMM is a maturity framework strategy, that focus on continuously improving the management and development of the organisational workforce.

This model provides organisation with guidance for measuring the software process maturity and establish process improvement programs.

CMM levels :

Optimizing (5)

Process change management Technology change management
Defect prevention

↑

Managed (4)

Software Quality management Quantitative process management

↑

Defined (3)

- Peer Reviews, Inter-group co-ordination, Software product Engineering, Integrated Software management, Training program, organisation process Definition, Organisation process focus.

↑

Repeatable (2)

- Software Configuration management, Software quality Assurance, Software Subcontract management, Software project planning, Requirements management.

↑

Initial (1)

processes are adhoc & org. doesnt provide stable envi
So success depends on ppl at in org

Value Chain Analysis

Value chain Analysis is an attempt to understand how a business create customer value by examining the contribution of different activities within the business to that value.

Support activities:

- Firm infrastructure
- Human Resource management
- Technology Development
- Procurement

Primary activities:

- Inbound logistics
- Operations
- Outbound logistics
- Marketing & Sales
- Services

① Primary activities

① Inbound activities: These are concerned with receiving, storing, and distributing the inputs to the product or services.

② Operations Transform: Operations transform these various inputs into the final product or service, machineries, packaging, assembly testing, etc.

iii, Outbound logistics : outbound logistics collect, store and distribute the product to customers. (Eg: Entertainment show)

iv, Marketing & Sales : marketing and Sales makes consumers / users aware of the product or service so that they are able to purchase it. (sales administration, advertising, selling, etc)

v, Services : It helps in improving the effectiveness or efficiency of primary activities.

② Supportive Activities :- These assist the primary activities in happening the organisation to achieve its competitive advantage.

i, Procurement : This is a process for acquiring the various resource inputs to the primary activity and this is present in many parts of the organisation

ii, Technology Development : They are key technologies attached to different activities which may be directly linked with the product or with processes or with the resource input.

iii, Human Resource management : This involve with recruiting, managing, training, development and rewarding people within the organisation.

ENTERPRISE RESOURCE PLANNING (ERP)

ERP is a way to integrate the data and process of an organisation into one single system. It is a software for running a business.

The ERP System / Modules

① manufacturing / Production Sales
② Financial System
③ HR systems
④ marketing system
⑤ Customer relationship management.

Advantages of ERP

① **Automatic updation of New Technology**: ERP systems can automatically update itself according to the new Technology.

② **Improved customer satisfaction**: customer have an individual login name and password and they are able to solve their grievance by Internet alone specifically no need to waste time in visiting personally.

③ Work flow

④ Reporting

⑤ Business Intelligence.

PERFORMANCE MANAGEMENT

Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities.

Needs/ objectives

1) Increase Two-way communication
2) Clarifies mission
3) Identifies and Resolves problems
4) Recognise performance
5) provide a Basis for Decisions.

Scope/ functions

- managing the organisation
- meaning within the content of Business
- Concerns Everyone
- Involves customers
- Involves managers and their Teams
- Involves Holistic Approach.

Advantage / Benefits of PM

- Maintains Ongoing Dialogue.
- PM Focuses on Result, rather than Behaviours and activities.
- Provides Protection Against Legal activities.
- Enhancement in Self - Respect.
- Knowledge of Self Capabilities and Developmental Needs.

BUSINESS PROCESS OUTSOURCING (BPO)

BPO is a process of hiring another company to handle business activities, that involves the contracting of the operations and responsibilities of specific business functions (or processes) to a third-party service provider.

Functions of BPO

1. Data processing
2. Basic Data Entry
3. Provides Technical Support
4. Provides E-mail Support to its customers.
5. Setting-up of a Bank Account.

Advantages

1. Saves cost
2. Provides Quality Service
3. Feasibility for customers.
4. Primary Emphasis on Core Competencies.
5. Time Saving.

Business process Re-Engineering (BPR)

BPR is a management approach aiming at improvements by means of Elevating Efficiency and Effectiveness of the processes that exist within and across organisation.

Needs / objectives

- To revised the way they do work to satisfy their customers.
- To be competitive.
- To cure systemic process and behavioural problems.
- To Enhance their capability to expand to other industries
- To accomodate an era of change.

Steps / Process

Developing the Business Vision & process objectives

Identify the business processes to be redesigned

Understood and measure the Existing processes

Identify IT levels

Design and Build a prototype of the New processes.

Benefits

- Satisfaction
- Increase Effectiveness
- Reduce cost
- Growth of Business