

UNIT-IV

CO-3 Students will be able to **interpret** the basic concept of staffing, leading and controlling.

SN	CONTENT	HOURS
5	Leading Human Factors and Motivation; Leadership: Committees, Terms, and Group Decision making; Communication.	3
	Controlling The system and process of controlling; Control Techniques and Information Technology; Productivity, Operations Management and Total Quality Management.	2

Leading

Leading is another of the basic function within the management process "*Leading is the use of influence to motivate employees to achieve organizational goals*" (Richard Daft). Managers must be able to make employees want to participate in achieving an organization's goals.

Three components make up the leading function:

- Motivating employees
- Influencing employees
- Forming effective groups.

The leading process helps the organization move toward goal attainment.

Human Factors and Motivation

Money

Money can never be overlooked as a motivator. Money is often more than monetary value.

Status or power go with money. Money can be given in the form of wages, piecework rate, incentive pay, bonus, stock options, company paid insurance and in some other forms.

Economists and most managers have tended to place money high on scale of motivators.

Behavioral scientists tend to place it low. But neither view right.

As regards money as a motivator some points to be mentioned are:

1. Money is likely to be more important to people who are beginning their career and raising a family than people who have arrived (means late in their career and family obligations are taken care of).
2. Money payments are used to attract employees to work in an organization and they may not motivate people further.
3. Money as a motivator becomes a dull instrument if all managers at a certain level are paid similar compensation.
4. If salaries and bonuses reflect the individual performance it is likely to be more potent as a motivator.
5. Money can acts as a motivator, when the payment promised is large relative to a person's income.

Participation

People when they are consulted on action affecting them or affected by them by being on the act. Right kind of participation yields both motivation and knowledge relevant to the issue on which decisions are being taken. Participation also provides recognition. But still managers have to take decisions after weighing the pros and cons of various alternatives.

Quality of Work Life

Quality of Work Life (QWL) has a base on sociotechnical system approach to management and it uses knowledge from multiple subjects, industrial and organizational psychology and sociology, industrial engineering, organization theory and development, motivation and leadership theory, and industrial relations. Wehrich and Koontz indicate that QWL programmes are being promoted by well-managed companies to promote productivity and improve working conditions.

Job Enrichment

Research on motivation pointed out that challenging and meaningful jobs motivate people. Herzberg's theory of motivation advocates that jobs have to be enriched to provide opportunities for achievement, recognition and responsibility.

Job enrichment can be achieved by:

1. Giving workers more freedom in deciding about such things as work methods, sequence, and pace or the acceptance or rejection of input materials.
2. Encouraging workers in decision making and also allowing interaction among workers.
3. Giving workers a feeling of personal responsibility for their tasks.
4. Giving information that shows how the task of a worker is contributing to the finished product performance and the welfare of the organization.
5. Giving feedback to workers first before supervisors
6. Involvement of workers in the analysis and change of physical aspects of the work environment, such as the layout of the office or plant, temperature, lighting and cleanliness.

Leadership

Leadership in business is the capacity of a company's **management** to set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at the highest level they can.

What Is Leadership?

Leadership in business is the capacity of a company's management to set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at the highest level they can.

It can be difficult to place a value on leadership or other qualitative aspects of a company, versus quantitative metrics that are commonly tracked and much easier to compare between companies. Leadership can also speak to a more holistic approach, as in the tone a company's management sets or the culture of the company that management establishes.

Individuals with strong leadership skills in the business world often rise to executive positions such as CEO (chief executive officer), COO (chief operating officer), CFO (chief financial officer), president, and chairman.

Understanding Leadership

Leadership provides direction for a company and its workers. Employees need to know the direction in which the company is headed and who to follow to reach the destination. Leadership involves showing workers how to effectively perform their responsibilities and regularly supervising the completion of their tasks.

Leadership is also about setting a positive example for staff to follow, by being excited about the work, being motivated to learn new things, and helping out as needed in both individual and team activities.

[Important: Leadership involves setting and achieving goals, taking action, and beating the competition, but it also relates to the tone of the company's management and what kind of culture is built for the employees.]

How Leadership Works

Effective leadership includes exhibiting a strong character. Leaders exhibit honesty, integrity, trustworthiness, and ethics. Leaders act in line with how they speak and earn the right to be responsible for others' success in the company.

Strong leadership involves clear communication skills. Leaders speak with and listen to staff members, respond to questions and concerns, and are empathetic. Leaders use effective communication skills for moving the company forward and achieving new levels of success.

True leadership sees where the company is headed and plans the steps needed to get there. Visualizing what is possible, following trends in the industry, and taking risks to grow the business are all required of leaders.

Productive leadership shows optimism and provides positive energy for staff. Good leaders are supportive and are truly concerned about the well-being of others. Leaders find answers to challenges and reassure and inspire workers when things go awry. Leaders find ways for staff to work together and achieve maximum results in an efficient and effective manner.

An Example of Leadership

Jack Welch exhibited leadership as chief executive officer (CEO) of General Electric Co. from 1981 to 2001. He played an integral part in 600 acquisitions in emerging markets and increased GE's market value from \$12 billion to \$505 billion at the time of his retirement. Because the world is constantly changing, Welch insisted everyone at GE embrace change. To continue evolving company operations and producing greater output, managers and employees had to continuously reinvent themselves and their work.

Welch hired managers who shared his vision of GE, had endless amounts of energy, and were able to encourage employees to stay engaged in their work. He sought managers who created, developed and refined ideas for the future and found ways to make them a reality. He also insisted that managers work side-by-side with employees as a way of understanding what they were doing and why.

As a result of Welch's leadership style, managers and employees were more empowered, products gained higher quality, and customer satisfaction and profits increased dramatically.

Committees, Terms, and Group Decision making

Committees are small **Managerial groups** formed inside an **organization** for **decision making** purpose. All organizational **decisions** are **group decisions**. **Group dynamics** is the continuous change and adjusting relationships among members of a **group**.

Committees: Meaning, Need, Types, Advantages and Weakness!

Meaning:

A number of persons may come together to take a decision, decide a course of action, advise line officers on some matters, it is a committee form of organization. It is a method of collective thinking, corporate judgment and common decision. A committee may be assigned some managerial functions or some advisory or exploratory service may be expected from it. A committee is not a separated type of organization as such. But it is a method of attaching persons or groups to line departments for advice and guidance in business planning and execution. A group of competent and interested persons pool their thoughts for facilitating decision making process.

Sometimes there is a need to get opinion of other persons for taking important decisions. The thinking of varied persons is pooled together through deliberations and discussions and common decisions are reached. Because of collective information and analysis, committees are more likely to come up with solutions to complex problems. With the growth of organizations the need for committee is more.

Need for Committees:

The main reason for committees is to secure common judgment on administrative matters.

The committees are set up for the following reasons:

1. The committees provide a forum for exchanging ideas among organisational members.
2. The exchange of ideas among members may generate some suggestions and recommendations which may be useful for the organisation.
3. There can be proper discussion on present problems and efforts are made to find solutions.
4. The committees may also be needed in establishing and developing organisational policies.

Types of Committees:

Different committees may be formed with different ideas and purposes. Some committees may be only advisory while some may perform managerial functions.

There may be following types of committees:

1. Formal and Informal Committees:

If a committee is formed as a part of organisation structure and is delegated some duties and authority, it is a formal committee. An informal committee may be formed to tackle some problem. A manager may call some experts to help him in analyzing a problem and suggesting a suitable solution. The chief executive may call a meeting of departmental heads and some experts to find out a solution to some problem. In both the cases it is a case of an informal committee.

2. Advisory Committees:

These are the committees to advice line heads on certain issues. Line officers may refer some problems or issues to a committee for advice. The committee will collect information about the problem and recommend solution for the same. The line officers have the powers to accept, modify or reject the suggestions of advisory committees. These committees have no managerial powers and cannot exert their views on the line executives.

3. Line Committees:

There may be committees with managerial powers. Instead of giving a work to one person it may be assigned to a number of executives. The committees having administrative powers are called line or plural committees. Line committees help in planning company policies and programmes and organizing efforts at fulfillment of these plans, etc. These committees also direct and control the activities of employees for achieving organisational goals.

Advantages of Committee Form of Organisation:

The committee form of organisation has the following advantages:

1. Pooling of Opinions:

The members of committees come from different background and areas of expertise and have different viewpoints and values. When persons with varied abilities sit together and discuss a problem, various aspects of the case are highlighted and pros and cons are assessed. The pooled opinion will help in taking a realistic view of the problem.

2. Better Co-Ordination:

Committee form of organisation brings more co-ordination among different segments of the organisation when representatives of different departments sit together; they understand and appreciate the difficulties faced by others. This type of frank discussions help on fixing the targets of different departments and better co-ordination is achieved through this type of decision making.

3. *Balancing of Views:*

This type of organisation helps in balancing the views expressed by different persons. There is a tendency to over emphasize the aspects of one's own department by ignoring the inter dependent character of problems of different departments. A committee helps to bring out an agreed view of the problem by taking into account divergent views expressed in such meetings.

4. *Motivation:*

The committees consist of managers as well as subordinates. The views of subordinates are given recognition and importance. It gives them encouragement and makes them feel as an integral part of decision making process. Such committees boost the morale of subordinates and motivate them to improve their performance.

5. *Dispersion of Power:*

The concentration of power in few persons may lead to misuse of authority and wrong decisions. By spreading powers among committee members this problem can be solved.

6. *Better Acceptance of Decisions:*

The decisions taken by committees are better accepted by subordinates. The decisions of an individual may be autocratic whereas committees decide in wider perspective of organisation. Since various shades of people are represented in committees, these decisions are better accepted.

7. *Better Communication:*

It is a better form for discussing matters of mutual interest and reaching certain conclusions. These decisions can be properly communicated to subordinates through committee members. The members will transmit correct and authentic information and also convey the background of taking those decisions.

8. *Executive Training:*

Committees provide a good forum for training executives. They learn the value of interaction, group dynamics and human relations. They are exposed to various view points and learn the art of reaching decisions and solving organisational problems.

Weakness of Committee Form of Organisation:

This form of organisation suffers from the following weaknesses:

1. *Delay:*

The main drawback of committee form of organisation is delay in taking decisions. A number of persons express their view points in meetings and a lot of time is taken on reaching a decision. The fixing of committee meetings is also time consuming. An agenda is issued and a convenient date is fixed for the meeting. The decision making process is very slow and many business opportunities may be lost due to delayed decisions.

2. *Compromise:*

Generally, efforts are made to reach consensus decisions. The view Point majority is taken as a unanimous decision of the committee. The thinking of the minority may be valid but it may not be pursued for being singled out. They may accept less than an optimal solution because of a fear that if their solution proves wrong then they will be blamed for it.

3. *No Accountability:*

No individual accountability can be fixed if these decisions are bad. Every member of the committee tries to defend himself by saying that he suggested a different solution. If accountability is not fixed then it is the weakness of the organisation.

4. *Domination by Some Members:*

Some members try to dominate in the committee meetings. They try to thrust their view point on others. The aggressiveness of some members helps them to take majority with them and minority view is ignored. This type of decision making is not in the interest of the organisation.

5. Strained Relations:

Sometimes relations among committee members or with others become strained. If some members take divergent stands on certain issues, some may feel offended. In case some issue concerning other persons is discussed in a committee and members taking stand not liked by those persons may offend them. The discussions in the meetings are generally leaked to other employees. Some unpleasant decisions may not be liked by those who are adversely affected. It affects relations of employees not only on the job but at personal level also.

6. Lack of Effectiveness:

The role of committees is not effective in all areas. The committees may be useful where grievance redressal or inter personal departmental matters are concerned. Committees may not be effective where policies are to be framed and quick decisions are required. Individual initiative will be more effective in these cases. So committees have a limited role to play.

GROUP DECISION MAKING

Group decision making is a type of participatory process in which multiple individuals acting collectively, analyze problems or situations, consider and evaluate alternative courses of action, and select from among the alternatives a solution or solutions. The number of people involved in group decision-making varies greatly, but often ranges from two to seven. The individuals in a group may be demographically similar or quite diverse. Decision-making groups may be relatively informal in nature, or formally designated and charged with a specific goal. The process used to arrive at decisions may be unstructured or structured. The nature and composition of groups, their size, demographic makeup, structure, and purpose, all affect their functioning to some degree. The external contingencies faced by groups (time pressure and conflicting goals) impact the development and effectiveness of decision-making groups as well.

In organizations many decisions of consequence are made after some form of group decision-making process is undertaken. However, groups are not the only form of collective work arrangement. Group decision-making should be distinguished from the concepts of teams, teamwork, and self managed teams. Although the words teams and groups are often used interchangeably, scholars increasingly differentiate between the two. The basis for the distinction seems to be that teams act more collectively and achieve greater synergy of effort. Katzenback and Smith spell out specific differences between decision making groups and teams:

- The group has a definite leader, but the team has shared leadership roles
- Members of a group have individual accountability; the team has both individual and collective accountability.
- The group measures effectiveness indirectly, but the team measures performance directly through their collective work product.
- The group discusses, decides, and delegates, but the team discusses, decides, and does real work.

GROUP DECISION MAKING METHODS

There are many methods or procedures that can be used by groups. Each is designed to improve the decision-making process in some way. Some of the more common group decision-making methods are brainstorming, dialectical inquiry, nominal group technique, and the delphi technique.

BRAINSTORMING.

Brainstorming involves group members verbally suggesting ideas or alternative courses of action. The "brainstorming session" is usually relatively unstructured. The situation at hand is

described in as much detail as necessary so that group members have a complete understanding of the issue or problem. The group leader or facilitator then solicits ideas from all members of the group. Usually, the group leader or facilitator will record the ideas presented on a flip chart or marker board.

The "generation of alternatives" stage is clearly differentiated from the "alternative evaluation" stage, as group members are not allowed to evaluate suggestions until all ideas have been presented. Once the ideas of the group members have been exhausted, the group members then begin the process of evaluating the utility of the different suggestions presented. Brainstorming is a useful means by which to generate alternatives, but does not offer much in the way of process for the evaluation of alternatives or the selection of a proposed course of action.

One of the difficulties with brainstorming is that despite the prohibition against judging ideas until all group members have had their say, some individuals are hesitant to propose ideas because they fear the judgment or ridicule of other group members. In recent years, some decision-making groups have utilized electronic brainstorming, which allows group members to propose alternatives by means of e-mail or another electronic means, such as an online posting board or discussion room. Members could conceivably offer their ideas anonymously, which should increase the likelihood that individuals will offer unique and creative ideas without fear of the harsh judgment of others.

DIALECTICAL INQUIRY.

Dialectical inquiry is a group decision-making technique that focuses on ensuring full consideration of alternatives. Essentially, it involves dividing the group into opposing sides, which debate the advantages and disadvantages of proposed solutions or decisions. A similar group decision-making method, devil's advocacy, requires that one member of the group highlight the potential problems with a proposed decision. Both of these techniques are designed to try and make sure that the group considers all possible ramifications of its decision.

NOMINAL GROUP TECHNIQUE.

The nominal group technique is a structured decision making process in which group members are required to compose a comprehensive list of their ideas or proposed alternatives in writing. The group members usually record their ideas privately. Once finished, each group member is asked, in turn, to provide one item from their list until all ideas or alternatives have been publicly recorded on a flip chart or marker board.

Usually, at this stage of the process verbal exchanges are limited to requests for clarification—no evaluation or criticism of listed ideas is permitted. Once all proposals are listed publicly, the group engages in a discussion of the listed alternatives, which ends in some form of ranking or rating in order of preference. As with brainstorming, the prohibition against criticizing proposals as they are presented is designed to overcome individuals' reluctance to share their ideas. Empirical research conducted on group decision making offers some evidence that the nominal group technique succeeds in generating a greater number of decision alternatives that are of relatively high quality.

DELPHI TECHNIQUE.

The Delphi technique is a group decision-making process that can be used by decision-making groups when the individual members are in different physical locations. The technique was developed at the Rand Corporation. The individuals in the Delphi "group" are usually selected because of the specific knowledge or expertise of the problem they possess. In the Delphi technique, each group member is asked to independently provide ideas, input, and/or alternative solutions to the decision problem in successive stages. These inputs may be provided in a variety of ways, such as e-mail, fax, or online in a discussion room or electronic bulletin board. After each stage in the process, other group members ask questions and alternatives are ranked

or rated in some fashion. After an indefinite number of rounds, the group eventually arrives at a consensus decision on the best course of action.

ADVANTAGES AND DISADVANTAGES OF GROUP DECISION MAKING

The effectiveness of decision-making groups can be affected by a variety of factors. Thus, it is not possible to suggest that "group decision making is always better" or "group decision making is always worse" than individual decision-making. For example, due to the increased demographic diversity in the workforce, a considerable amount of research has focused on diversity's effect on the effectiveness of group functioning. In general, this research suggests that demographic diversity can sometimes have positive or negative effects, depending on the specific situation. Demographically diverse group may have to over-come social barriers and difficulties in the early stages of group formation and this may slow down the group. However, some research indicates that diverse groups, if effectively managed, tend to generate a wider variety and higher quality of decision alternatives than demographically homogeneous groups.

Despite the fact that there are many situational factors that affect the functioning of groups, research through the years does offer some general guidance about the relative strengths and weaknesses inherent in group decision making. The following section summarizes the major pros and cons of decision making in groups.

ADVANTAGES.

Group decision-making, ideally, takes advantage of the diverse strengths and expertise of its members. By tapping the unique qualities of group members, it is possible that the group can generate a greater number of alternatives that are of higher quality than the individual. If a greater number of higher quality alternatives are generated, then it is likely that the group will eventually reach a superior problem solution than the individual.

Group decision-making may also lead to a greater collective understanding of the eventual course of action chosen, since it is possible that many affected by the decision implementation actually had input into the decision. This may promote a sense of "ownership" of the decision, which is likely to contribute to a greater acceptance of the course of action selected and greater commitment on the part of the affected individuals to make the course of action successful.

DISADVANTAGES.

There are many potential disadvantages to group decision-making. Groups are generally slower to arrive at decisions than individuals, so sometimes it is difficult to utilize them in situations where decisions must be made very quickly. One of the most often cited problems is groupthink. Irving Janis, in his 1972 book *Victims of Groupthink*, defined the phenomenon as the "deterioration of mental efficiency, reality testing, and moral judgment resulting from in-group pressure." Groupthink occurs when individuals in a group feel pressure to conform to what seems to be the dominant view in the group. Dissenting views of the majority opinion are suppressed and alternative courses of action are not fully explored.

Research suggests that certain characteristics of groups contribute to groupthink. In the first place, if the group does not have an agreed upon process for developing and evaluating alternatives, it is possible that an incomplete set of alternatives will be considered and that different courses of action will not be fully explored. Many of the formal decision-making processes (e.g., nominal group technique and brain-storming) are designed, in part, to reduce the potential for groupthink by ensuring that group members offer and consider a large number of decision alternatives. Secondly, if a powerful leader dominates the group, other group members may quickly conform to the dominant view. Additionally, if the group is under stress and/or time pressure, groupthink may occur. Finally, studies suggest that highly cohesive groups are more susceptible to groupthink.

Group polarization is another potential disadvantage of group decision-making. This is the tendency of the group to converge on more extreme solutions to a problem. The "risky shift" phenomenon is an example of polarization; it occurs when the group decision is a riskier one than any of the group members would have made individually. This may result because individuals in a group sometimes do not feel as much responsibility and accountability for the actions of the group as they would if they were making the decision alone.

Decision-making in groups is a fact of organizational life for many individuals. Because so many individuals spend at least some of their work time in decision-making groups, groups are the subjects of hundreds of research studies each year. Despite this, there is still much to learn about the development and functioning of groups. Research is likely to continue to focus on identifying processes that will make group decision-making more efficient and effective. It is also likely to examine how the internal characteristics of groups (demographic and cognitive diversity) and the external contingencies faced by groups affect their functioning.

Communication

Communications is fundamental to the existence and survival of humans as well as to an organization. It is a process of creating and sharing ideas, information, views, facts, feelings, etc. among the people to reach a common understanding. Communication is the key to the Directing function of management.

A manager may be highly qualified and skilled but if he does not possess good communication skills, all his ability becomes irrelevant. A manager must communicate his directions effectively to the subordinates to get the work done from them properly.

Communications Process

Communications is a continuous process which mainly involves three elements viz. sender, message, and receiver. The elements involved in the communication process are explained below in detail:

1. Sender

The sender or the communicator generates the message and conveys it to the receiver. He is the source and the one who starts the communication

2. Message

It is the idea, information, view, fact, feeling, etc. that is generated by the sender and is then intended to be communicated further.

3. Encoding

The message generated by the sender is encoded symbolically such as in the form of words, pictures, gestures, etc. before it is being conveyed.

4. Media

It is the manner in which the encoded message is transmitted. The message may be transmitted orally or in writing. The medium of communication includes telephone, internet, post, fax, e-mail, etc. The choice of medium is decided by the sender.

5. Decoding

It is the process of converting the symbols encoded by the sender. After decoding the message is received by the receiver.

6. Receiver

He is the person who is last in the chain and for whom the message was sent by the sender. Once the receiver receives the message and understands it in proper perspective and acts according to the message, only then the purpose of communication is successful.

7. Feedback

Once the receiver confirms to the sender that he has received the message and understood it, the process of communication is complete.

8. Noise

It refers to any obstruction that is caused by the sender, message or receiver during the process of communication. For example, bad telephone connection, faulty encoding, faulty decoding, inattentive receiver, poor understanding of message due to prejudice or inappropriate gestures, etc.

Importance of Communication

1. The Basis of Co-ordination

The manager explains to the employees the organizational goals, modes of their achievement and also the interpersonal relationships amongst them. This provides coordination between various employees and also departments. Thus, communications act as a basis for coordination in the organization.

2. Fluent Working

A manager coordinates the human and physical elements of an organization to run it smoothly and efficiently. This coordination is not possible without proper communication.

3. The Basis of Decision Making

Proper communication provides information to the manager that is useful for decision making. No decisions could be taken in the absence of information. Thus, communication is the basis for taking the right decisions.

4. Increases Managerial Efficiency

The manager conveys the targets and issues instructions and allocates jobs to the subordinates. All of these aspects involve communication. Thus, communication is essential for the quick and effective performance of the managers and the entire organization.

5. Increases Cooperation and Organizational Peace

The two-way communication process promotes co-operation and mutual understanding amongst the workers and also between them and the management. This leads to less friction and thus leads to industrial peace in the factory and efficient operations.

6. Boosts Morale of the Employees

Good communication helps the workers to adjust to the physical and social aspect of work. It also improves good human relations in the industry. An efficient system of communication enables the management to motivate, influence and satisfy the subordinates which in turn boosts their morale and keeps them motivated.

Types of Communication

1. Formal Communication

Formal communications are the one which flows through the official channels designed in the organizational chart. It may take place between a superior and a subordinate, a subordinate and a superior or among the same cadre employees or managers. These communications can be oral or in writing and are generally recorded and filed in the office.

Formal communication may be further classified as Vertical communication and Horizontal communication.

Vertical Communication

Vertical Communications as the name suggests flows vertically upwards or downwards through formal channels. Upward communication refers to the flow of communication from a subordinate to a superior whereas downward communication flows from a superior to a subordinate.

Application for grant of leave, submission of a progress report, request for loans etc. are some of the examples of upward communication. Sending notice to employees to attend a meeting, delegating work to the subordinates, informing them about the company policies, etc. are some examples of downward communication.

Horizontal Communication

Horizontal or lateral communication takes place between one division and another. For example, a production manager may contact the finance manager to discuss the delivery of raw material or its purchase.

Types of communication networks in formal communication:

- **Single chain:** In this type of network communications flows from every superior to his subordinate through a single chain.
- **Wheel:** In this network, all subordinates under one superior communicate through him only. They are not allowed to talk among themselves.
- **Circular:** In this type of network, the communication moves in a circle. Each person is able to communicate with his adjoining two persons only.
- **Free flow:** In this network, each person can communicate with any other person freely. There is no restriction.
- **Inverted V:** In this type of network, a subordinate is allowed to communicate with his immediate superior as well as his superior's superior also. However, in the latter case, only ordained communication takes place.

2. Informal Communication

Any communication that takes place without following the formal channels of communication is said to be informal communication. The Informal communication is often referred to as the 'grapevine' as it spreads throughout the organization and in all directions without any regard to the levels of authority.

The informal communication spreads rapidly, often gets distorted and it is very difficult to detect the source of such communication. It also leads to rumors which are not true. People's behavior is often affected by the rumors and informal discussions which sometimes may hamper the work environment.

However, sometimes these channels may be helpful as they carry information rapidly and, therefore, may be useful to the manager at times. Informal channels are also used by the managers to transmit information in order to know the reactions of his/her subordinates.

Types of Grapevine network:

- **Single strand:** In this network, each person communicates with the other in a sequence.
- **Gossip network:** In this type of network, each person communicates with all other persons on a non-selective basis.
- **Probability network:** In this network, the individual communicates randomly with other individuals.
- **Cluster Network:** In this network, the individual communicates with only those people whom he trusts. Out of these four types of networks, the Cluster network is the most popular in organizations.

Barriers to Communication

The communication barriers may prevent communication or carry incorrect meaning due to which misunderstandings may be created. Therefore, it is essential for a manager to identify such barriers and take appropriate measures to overcome them. The barriers to communication in organizations can be broadly grouped as follows:

1. Semantic Barriers

These are concerned with the problems and obstructions in the process of encoding and decoding of a message into words or impressions. Normally, such barriers result due to use of wrong words, faulty translations, different interpretations, etc.

For example, a manager has to communicate with workers who have no knowledge of the English language and on the other side, he is not well conversant with the Hindi language. Here, language

is a barrier to communication as the manager may not be able to communicate properly with the workers.

2. Psychological Barriers

Emotional or psychological factors also act as barriers to communication. The state of mind of both sender and receiver of communication reflects in effective communication. A worried person cannot communicate properly and an angry recipient cannot understand the message properly.

Thus, at the time of communication, both the sender and the receiver need to be psychologically sound. Also, they should trust each other. If they do not believe each other, they cannot understand each other's message in its original sense.

3. Organizational Barriers

The factors related to organizational structure, rules and regulations authority relationships, etc. may sometimes act as barriers to effective communication. In an organization with a highly centralized pattern, people may not be encouraged to have free communication. Also, rigid rules and regulations and cumbersome procedures may also become a hurdle to communication.

4. Personal Barriers

The personal factors of both sender and receiver may act as a barrier to effective communication. If a superior thinks that a particular communication may adversely affect his authority, he may suppress such communication.

Also, if the superiors do not have confidence in the competency of their subordinates, they may not ask for their advice. The subordinates may not be willing to offer useful suggestions in the absence of any reward or appreciation for a good suggestion.

Controlling

One of the most essential qualities required in a manager is that he should command the respect of his team. This allows him to direct and control their actions. In fact controlling is one of his more important functions. Let us learn the importance and meaning of controlling function.

Meaning of Controlling

Controlling is one of the important functions of a manager. In order to seek planned results from the subordinates, a manager needs to exercise effective control over the activities of the subordinates.

In other words, the meaning of controlling function can be defined as ensuring that activities in an organization are performed as per the plans. Controlling also ensures that an organization's resources are being used effectively & efficiently for the achievement of predetermined goals.

Controlling is a goal-oriented function.

It is a primary function of every manager.

Controlling function of a manager is a pervasive function.

How Controlling Function Helps Managers

Managers at all level of management Top, Middle & Lower – need to perform controlling function to keep a control over activities in their areas. Therefore, controlling is very much important in an educational institution, military, hospital, & a club as in any business organization.

Therefore, controlling function should not be misunderstood as the last function of management. It is a function that brings back the management cycle back to the planning function. Thus, the controlling function act as a tool which helps in finding out that how actual performance deviates from standards and also finds the cause of deviations & attempts which are necessary to take corrective actions based upon the same.

This process helps in the formulation of future plans in the light of the problems that were identified &, thus, helps in better planning in the future periods. So from the meaning of controlling we understand it not only completes management process but also improves planning in the next cycle.

Importance of Controlling

After meaning of controlling, let us see its importance. Control is an indispensable function of management without which the controlling function in an organization cannot be accomplished and the best of plans which can be executed can go away. A good control system helps an organization in the following ways:

1. Accomplishing Organizational Goals

The controlling function is an accomplishment of measures which further makes progress towards the organizational goals & brings to light the deviations, & indicates corrective action. Therefore it helps in guiding the organizational goals which can be achieved by performing controlling function.

2. Judging Accuracy of Standards

A good control system enables management to verify whether the standards set are accurate & objective. The efficient control system also helps in keeping careful and progress check on the changes which helps in taking the major place in the organization & in the environment and also helps to review & revise the standards in light of such changes.

3. Making Efficient use of Resources

Another important function of controlling is that in this, each activity is performed in such manner so as in accordance with predetermined standards & norms so as to ensure that the resources are used in the most effective & efficient manner for the further availability of resources.

4. Improving Employee Motivation

Another important function is that controlling help in accommodating a good control system which ensures that each employee knows well in advance what they expect & what are the standards of performance on the basis of which they will be appraised. Therefore it helps in motivating and increasing their potential so to make them & helps them to give better performance.

5. Ensuring Order & Discipline

Controlling creates an atmosphere of order & discipline in the organization which helps to minimize dishonest behavior on the part of the employees. It keeps a close check on the activities of employees and the company can be able to track and find out the dishonest employees by using computer monitoring as a part of their control system.

6. Facilitating Coordination in Action

The last important function of controlling is that each department & employee is governed by such pre-determined standards and goals which are well versed and coordinated with one another. This ensures that overall organizational objectives are accomplished in an overall manner.

Control Techniques and Information Technology

In management, Controlling is one of the most important functions in an organization which is goal-oriented. Types of Control techniques in management are Modern and Traditional control techniques. Feedforward, feedback and concurrent controls are also types of management control techniques.

10 Types of Traditional Control Techniques

The ten types of traditional techniques of controlling are discussed below :-

1. Direct Supervision and Observation:

'Direct Supervision and Observation' is the oldest technique of controlling. The supervisor himself observes the employees and their work. This brings him in direct contact with the workers. So, many problems are solved during supervision. The supervisor gets first hand information, and he has better understanding with the workers. This technique is most suitable for a small-sized business.

2. Financial Statements

All business organisations prepare Profit and Loss Account. It gives a summary of the income and expenses for a specified period. They also prepare Balance Sheet, which shows the financial

position of the organisation at the end of the specified period. Financial statements are used to control the organisation. The figures of the current year can be compared with the previous year's figures. They can also be compared with the figures of other similar organisations.

Ratio analysis can be used to find out and analyse the financial statements. Ratio analysis helps to understand the profitability, liquidity and solvency position of the business.

3. Budgetary Control

A budget is a planning and controlling device. Budgetary control is a technique of managerial control through budgets. It is the essence of financial control. Budgetary control is done for all aspects of a business such as income, expenditure, production, capital and revenue. Budgetary control is done by the budget committee.

4. Break Even Analysis

Break Even Analysis or Break Even Point is the point of no profit, no loss. For e.g. When an organisation sells 50K cars it will break even. It means that, any sale below this point will cause losses and any sale above this point will earn profits. The Break-even analysis acts as a control device. It helps to find out the company's performance. So the company can take collective action to improve its performance in the future. Break-even analysis is a simple control tool.

5. Return on Investment (ROI)

Investment consists of fixed assets and working capital used in business. Profit on the investment is a reward for risk taking. If the ROI is high then the financial performance of a business is good and vice-versa.

ROI is a tool to improve financial performance. It helps the business to compare its present performance with that of previous years' performance. It helps to conduct inter-firm comparisons. It also shows the areas where corrective actions are needed.

6. Management by Objectives (MBO)

MBO facilitates planning and control. It must fulfill following requirements :-

- Objectives for individuals are jointly fixed by the superior and the subordinate.
- Periodic evaluation and regular feedback to evaluate individual performance.
- Achievement of objectives brings rewards to individuals.

7. Management Audit

Management Audit is an evaluation of the management as a whole. It critically examines the full management process, i.e. planning, organising, directing, and controlling. It finds out the efficiency of the management. To check the efficiency of the management, the company's plans, objectives, policies, procedures, personnel relations and systems of control are examined very carefully. Management auditing is conducted by a team of experts. They collect data from past records, members of management, clients and employees. The data is analysed and conclusions are drawn about managerial performance and efficiency.

8. Management Information System (MIS)

In order to control the organisation properly the management needs accurate information. They need information about the internal working of the organisation and also about the external environment. Information is collected continuously to identify problems and find out solutions. MIS collects data, processes it and provides it to the managers. MIS may be manual or computerised. With MIS, managers can delegate authority to subordinates without losing control.

9. PERT and CPM Techniques

Programme Evaluation and Review Technique (PERT) and Critical Path Method (CPM) techniques were developed in USA in the late 50's. Any programme consists of various activities and sub-activities. Successful completion of any activity depends upon doing the work in a given sequence and in a given time.

CPM / PERT can be used to minimise the total time or the total cost required to perform the total operations.

Importance is given to identifying the critical activities. Critical activities are those which have to be completed on time otherwise the full project will be delayed.

So, in these techniques, the job is divided into various activities / sub-activities. From these activities, the critical activities are identified. More importance is given to completion of these critical activities. So, by controlling the time of the critical activities, the total time and cost of the job are minimised.

10. Self-Control

Self-Control means self-directed control. A person is given freedom to set his own targets, evaluate his own performance and take corrective measures as and when required. Self-control is especially required for top level managers because they do not like external control.

The subordinates must be encouraged to use self-control because it is not good for the superior to control each and everything. However, self-control does not mean no control by the superiors. The superiors must control the important activities of the subordinates.

Some more control techniques is as follows.

Budgeting

Variable budgets

Zero bed budgeting

Nonbudgetary control devices

Statistical data

Special Reports and Analyses

Operational audit

Personal observation

Information technology management

Information technology management (IT management) is the process whereby all resources related to information technology are managed according to an organization's priorities and needs.

This includes tangible resources like networking hardware, computers and people, as well as intangible resources like software and data. The central aim of IT management is to generate value through the use of technology. To achieve this, business strategies and technology must be aligned.

Productivity

A measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs.

Productivity is computed by dividing average output per period by the total costs incurred or resources (capital, energy, material, personnel) consumed in that period. Productivity is a critical determinant of cost efficiency.

The 3 key elements of productivity.

Productivity is big business. After all, who wouldn't pay good money to find out how to become faster and better at work and play? The less reputable books, blogs and podcasts available would lead you to believe that there is some kind of 'dark art' or 'magic formula' to becoming more productive.

Productivity boils down to three very straightforward things:

- Motivation
- Efficiency
- Choices

1. Motivation

These three key elements to productivity are actually somewhat hierarchical. At the bottom of the hierarchy comes *motivation*. This can come from a variety of sources but all lead to a realisation that your day-to-day routine can be made faster, better and more interesting by making some changes.

Some of the best ways to get motivated that I've found are:

Getting up early

Reading something motivational (including the Bible)

Finding an audience (e.g. through blogging)

Holding yourself accountable to someone else

Having a goal in mind (e.g. spending more time with family, achieving a target amount of something)

2. Efficiency

Efficiency is doing things you already do, but faster and/or better. It's like replacing *You 1.0* with *You 1.5*. So instead of using a paper calendar you use an online calendar. You multitask. If there's a way to use keyboard shortcuts in an application you use routinely, you seek them out and start using them.

Motivation must be present before time-savings and productivity boosts through efficiency can be found. It's far too easy to maintain the status quo and do things in the same old tried-and-tested way. Efficiency involves *experimentation* and, as such, can be tiring as you are exercising your mental faculties more. This, of course, is good in the long run for mental development and memory retention.

3. Choices

Ultimately, though, being productive means making the correct choices, constantly improving workflows and having a decent feedback system. One of the best ways of doing this is by being part of a self-improvement community.

Twitter and other social networks are good places to find motivated, enthusiastic people willing to share ideas and tips on becoming more productive. Some of the absolutely top tips, however, come from the comments sections of productivity blogs.

Operation Management

Definition: Operations management is the administration of business practices to create the highest level of efficiency possible within an organization. It is concerned with converting materials and labor into goods and services as efficiently as possible to maximize the profit of an organization.

Two major responsibilities of operations manager

So operations managers are responsible for managing activities that are part of the production of goods and services. Their direct responsibilities include managing both the operations process, embracing design, planning, control, performance improvement, and operations strategy.

The soft skills necessary for successful operations management are:

- Strong communication skills.
- Good motivational skills.
- Strong negotiation skills.
- Exceptional organizational skills.
- Awareness of internal and external customer needs

TOTAL QUALITY MANAGEMENT (TQM)

A core definition of total quality management (TQM) describes a management approach to long-term success through customer satisfaction. In a TQM effort, all members of an organization participate in improving processes, products, services, and the culture in which they work.

PRIMARY ELEMENTS OF TQM

TQM can be summarized as a management system for a customer-focused organization that involves all employees in continual improvement. It uses strategy, data, and effective communications to integrate the quality discipline into the culture and activities of the organization. Many of these concepts are present in modern quality management systems, the successor to TQM. Here are the 8 principles of total quality management:

Customer-focused: The customer ultimately determines the level of quality. No matter what an organization does to foster quality improvement—training employees, integrating quality into the design process, or upgrading computers or software—the customer determines whether the efforts were worthwhile.

Total employee involvement: All employees participate in working toward common goals. Total employee commitment can only be obtained after fear has been driven from the workplace, when empowerment has occurred, and when management has provided the proper environment.

High-performance work systems integrate continuous improvement efforts with normal business operations. Self-managed work teams are one form of empowerment.

Process-centered: A fundamental part of TQM is a focus on process thinking. A process is a series of steps that take inputs from suppliers (internal or external) and transforms them into outputs that are delivered to customers (internal or external). The steps required to carry out the process are defined, and performance measures are continuously monitored in order to detect unexpected variation.

Integrated system: Although an organization may consist of many different functional specialties often organized into vertically structured departments, it is the horizontal processes interconnecting these functions that are the focus of TQM.

Micro-processes add up to larger processes, and all processes aggregate into the business processes required for defining and implementing strategy. Everyone must understand the vision, mission, and guiding principles as well as the quality policies, objectives, and critical processes of the organization. Business performance must be monitored and communicated continuously.

An integrated business system may be modeled after the Baldrige Award criteria and/or incorporate the ISO 9000 standards. Every organization has a unique work culture, and it is virtually impossible to achieve excellence in its products and services unless a good quality culture has been fostered. Thus, an integrated system connects business improvement elements in an attempt to continually improve and exceed the expectations of customers, employees, and other stakeholders.

Strategic and systematic approach: A critical part of the management of quality is the strategic and systematic approach to achieving an organization's vision, mission, and goals. This process, called strategic planning or strategic management, includes the formulation of a strategic plan that integrates quality as a core component.

Continual improvement: A large aspect of TQM is continual process improvement. Continual improvement drives an organization to be both analytical and creative in finding ways to become more competitive and more effective at meeting stakeholder expectations.

Fact-based decision making: In order to know how well an organization is performing, data on performance measures are necessary. TQM requires that an organization continually collect and analyze data in order to improve decision making accuracy, achieve consensus, and allow prediction based on past history.

Communications: During times of organizational change, as well as part of day-to-day operation, effective communications plays a large part in maintaining morale and in motivating employees at all levels. Communications involve strategies, method, and timeliness.

ADVANTAGES OF TOTAL QUALITY MANAGEMENT:

The advantages of total quality management (TQM) include: Cost reduction. When applied consistently over time, TQM can reduce costs throughout an organization, especially in the areas of scrap, rework, field service, and warranty cost reduction.

Practical approach Total Quality Management

When you implement total quality management, you implement a concept. It is not a system that can be implemented but a line of reasoning that must be incorporated into the organization and its culture.

Practice has proved that there are a number of basic assumptions that contribute to a successful roll-out of total quality management within an organization.

These basic assumptions are:

- Train senior management on total quality management principles and ask for their commitment with respect to its roll-out.
- Assess the current culture, customer satisfaction and the quality system.;
- Senior management determines the desired core values and principles and communicates this within the organization.

5ME4-05: Principles of Management

- Develop a basic total quality management plan using the basic starting principles mentioned above.
- Identify and prioritize customer needs and the market and determine the organization's products and services to meet those needs.
- Determine the critical processes that can make a substantial contribution to the products and services.
- Create teams that can work on process improvement for example quality circles.
- Managers support these teams using planning, resources, and by providing time training.
- Management integrates the desired changes for improvement in daily processes. After the implementation of improved processes, standardization takes place.;
- Evaluate progress continuously and adjust the planning or other issues if necessary.
- Stimulate employee involvement. Awareness and feedback lead to an overall improvement of the entire process. Support this for example by means of a reward model, i.e. Management by Objectives, and recognition.