

Management ?

- Your Mom manages home:finance,relations,cleaning,food,safety
 - Policeman manages traffic
 - Teacher manages classes,exams,activities
 - Student manages learning, sports, family responsibilities
 - Politician manages policies, governs the land
1. Mgmt is getting things done
 2. Mgmt is a process in which we : Plan, Organize, Staff, Decide, Co-ordinate, Motivate & Control
 3. Mgmt is planning,organising,controlling, directing,co-ordinating,supported by leadership,communication,motivation and morale
 4. Koontz & O'Donell- mgmt is the creation and maintenance of internal environment in an enterprise,where individuals working together in groups can perform efficiently and effectively towards the attainment of group goals'
 5. Peter Drucker
 - manager is a multipurpose organ that manages a business,manages a manager and manages workers and work'
 6. Mgmt is the effective use of - 5M- Men, Money, Machines, Materials and Methods

Features of Management

1. Purposeful and goal oriented (definite economic and social objectives)
2. Universal
3. Situational (differs in different situations)
4. Continuous process
5. Creative
6. Multi-disciplinary(knowledge of Eco,Maths, Stats,Socio,Psycho,Laws etc.)
7. Dynamic (ever changing)
8. Mgmt is what it does (performance oriented)
- 9 Mgmt is a hierarchical system of authority
- 10 Mgmt involves decision making
- 11 Mgmt is concerned with productivity
- 12 Mgmt is intangible
- 13 Mgmt has distinct identity
- 14 Mgmt is an art and science

Management is an Art

- 1 Art requires skills(tech,conc,HR,DM)
- 2.Knowledge(financial,marketing,production)
3. Creative(challenges of competition,intro of new product,advertising....)

4. Art is Personalised (autocratic, democratic, bureaucratic.....)
5. Art is Performance (indicated by profit, growth, assets, market share.....)

Management is a Science

1. Body of organised knowledge
2. Developed over a period of time
3. Establishes cause and effect relationship
4. Has a predictive power
5. Rules verified from time to time (old changed for new ones)
6. Perfect science/social science (may happen/ may not happen)

Management as a Profession

1. Requires a definite period of learning
2. Centralised rule making authority
3. Enforceable code of conduct
4. Membership through qualification
5. Needs certificate of practice
6. Social commitment/obligation/accountability

Importance of Management

1. Wants are unlimited and Resources are limited
(Wants can be arranged in the order of priority & Resources can be put into alternative uses,
resources need to be managed so that prioritized wants can be satisfied)
2. Utilization of resources
3. Best performance in any given situation
4. To achieve pre-determined objectives
5. To understand internal/external env. factors affecting business
6. For Corporate strategy
7. To face competitive challenges
8. For research and development
9. To understand the impact of change
10. To understand the importance of quality

Management & Administration

- Admin is broader & a higher level function
- Mgmt is a generic term & includes administration
- Mgmt & admin are synonymous but differ in their usage
- Both are overlapping activities
- Admin is largely determinative, whereas mgmt is essentially executive

- Admin formulates plans ,policies,objectives
whereas mgmt implements those plans, policies,procedures
- Thus admin 'thinks' and mgmt 'acts'

Skills of a Manager

1. Technical skills :

Ability to use principles,tools,techniques,procedures,machinery etc

2. Conceptual skills :

Ability to understand relationship between the organisation and its external environment and to co- ordinate the organisational activities

3. Human relations skills :

Ability to understand,motivate,lead and work with other people

4. Administrative Skills :

Ability to get things done through others by implementing the plans in according with the policies,procedures

Process of Mgmt

- Systematic way of getting things done for achieving objectives
 - 1 Basic functions(plan, organize, staff, direct, co-odination & control)
 - 2 Continuous ,
 - 3 Non sequential performance
 - 4 Integrated process ,
 - 5 Social process
 - 6 Dynamic process,
 - 7 Influencing process
 - 8 Result-Oriented process
 - 8 Universal process

Functions of Management

1. Planning

- Planning is decision making process.

- It is making decisions on future course of actions.
- Planning involves taking decisions on vision, mission, values, objectives, strategies and policies of an organization.
- Planning is done for immediate, short term, medium term and long term periods.
- It is a guideline for execution/implementation.
- It is a measure to check the effectiveness and efficiency of an organization.

2. Organizing

- Organizing involves determination and grouping of the activities.
- Designing organization structures and departmentation based on this grouping.
- Defining the roles and responsibilities of the departments and of the job positions within these departments.
- Defining relationships between departments and job positions.
- Defining authorities for departments and job positions.

3. Staffing

- It includes manpower or human resource planning.
- Staffing involves recruitment, selection, induction and positioning the people in the organization.
- Decisions on remuneration packages are part of staffing.
- Training, retraining, development, mentoring and counseling are important aspects of staffing.
- It also includes performance appraisals and designing and administering the motivational packages.

4. Directing

- It is one of the most important functions of management to translate company's plans into execution.
- It includes providing leadership to people so that they work willingly and enthusiastically.
- Directing people involves motivating them all the time to enthuse them to give their best.
- Communicating companies plans throughout the organization is an important directing activity.
- It also means coordinating various people and their activities.
- Directing aims at achieving the best not just out of an individual but achieving the best through the groups or teams of people through team building efforts.

5. Controlling

- It includes verifying the actual execution against the plans to ensure that execution is being done in accordance with the plans.
- It measures actual performance against the plans.
- It sets standards or norms of performance.
- It measures the effective and efficiency of execution against these standards and the plans.
- It periodically reviews, evaluates and monitors the performance.
- If the gaps are found between execution levels and the plans, controlling function involves suitable corrective actions to expedite the execution to match up with the plans or in certain circumstances deciding to make modifications in the plans.

Principles of Management

1. Fayol's Principles of Mgmt

- Pr of division of work
- Pr of authority and responsibility
- Pr of discipline
- Pr of unity of command
- Pr of unity of direction
- Pr of org. interest higher than individual interest
- Pr of remuneration
- Pr of centralization
- Pr of scalar chain
- Pr of order
- Pr of equity
- Pr of stability of personnel
- Pr of initiative
- Pr of team spirit

2. Other Principles

- Pr of objective
- Pr of planning
- Pr of span of control

- Pr of balance
- Pr of coordination
- Pr of exception
- Pr of participation

Management Thoughts

A. The Classical School

1. Scientific Mgmt Approach

F.W Taylor (1856-1915), Frank & Lillian , Henry

- Sc.task setting in place of rule of thumb
- work study -method, motion, time, fatigue
- Planning
- Sc.selection & training of workers
- Specialisation
- Standardisation
- Efficient costing system
- Incentive wage plan
- Congenial atmosphere
- Functional foremanship

2. Administrative/Functional Approach

- Parallel to the Scientific mgmt era
- Henry Fayol
 1. Classification of business activities-
(Technical, commercial, financial, security, accounting, administrative)
 2. Elements of mgmt functions-
(Planning, organising, commanding, coordinating, controlling)
 3. 14 Principles of mgmt
Division Of Work, Authority & responsibility, Unity Of Command, Unity Of Command, Sub-ordination to Individual , Remuneration, Centralisation, Scalar Chain, Equity, Stability of Personnel
 4. Flexible and adaptable principles
 5. Universal principles
 6. Qualities of manager (physically fit, mentally fit, moral, educational, technical, experience)

7. Mgmt education & training

3. Organisational Theory Approach

- Max Weber, Chester Bernard & Herbert Simon.
- Systematic division of labour, characterised by a high degree of specialisation
 - Stable & well defined hierarchy of authority
 - A system of formal rules, regulations and procedures
 - Impersonal attitude in performing their duties
 - Systematic selection based on technical competence
 - Promotions on merit & seniority
 - Life time employment & protection against arbitrary dismissal
 - Salary during employment & pension

B. Neo-classical School

- Psychologists & Sociologists 1920s to 30s.
- Main contributors were Munsterberg, Robert Owens, Elton Mayo, Mary Parker Follett, McGregor
- Three stages;;
 1. Emergence of Industrial psychology
 2. Hawthorne Studies & human relations movement
 3. Emergence of Behavioral Science

1. Human Relations Approach

- Org. is a social system
- Many interacting groups
- Many informal groups
- Workers do not behave rationally always
- Monetary gains alone cannot motivate workers
- Conflict should be avoided & resolved immediately
- Participation in planning & decision making
- Sound two way communication system
- Development of people-oriented skills in managers

2. Behavioural Science Approach

- By Fred Fiedler, Mclelland, Theodore , Victor Vroom,
- Org is a socio-economic & technical system
- Variety of factors influence the group behaviour
- Individual goals could differ from org goals
- Conflicts are inevitable due to difference of interests
- Motivated employees are key to productivity
- Productivity by self direction & control
- Every individual is optimistic & basically good

C. Modern School

- Problem can be expressed as mathematical equations
- Mgmt is a logical decision making process
- Quality of managerial decisions determine the success
- Effective solutions to complex problems through quantitative techniques using (Mathematics, Statistics, Computer, Economics, Linear Programming, Queuing , PERT / CPM)

1. Systems Approach

- Given by Ludwig
- Assumes that everything is a part of a larger, interdependant & organised whole system
- In order to understand the whole system, knowledge of its parts & the relation b/w them is important
- Types of Systems:
 - Closed system
 - Open system
 - All organisations are open systems. They differ only in their degree of openness.
- Characteristics of a System
 - Managers manage a system which is unified and integrated
 - Every org affects & is affected by the enviroment.
 - Org can't be understood without understanding the parts
 - Managers have to manage the org as per the environment
 - Org systems are dynamic & change regularly
 - Sub-systems/depts whose working is independent, but contributes to the performance of the whole org
 - Every org is a goal oriented system

2. Contingency Approach

- Characteristics -Each org is unique
- External Env for each org is different

- All sub-systems are interrelated & effect each
- No one best way of doing things
- Best approach to mgmt is situational
- Best managerial technique is the one which helps to attain org goals
- Managers success depends in his ability to perceive & analyse things
- Procedure
 - First analyse & understand the situation
 - Examine the applicability of each technique
 - Choose a set of techniques which can best be applied
 - Take action to achieve the target/goals

3. Excellent Company's Approach

- Peters & Waterman book 'In Search of Excellence'
- Selected 62 excellent co's in USA
- Sub-sampled 36 on the basis of their 20 yr record
- Identified 8 common characteristics

4. Quantative / Mgmt Science Approach

- Mathematical,Statistical,Computers
- LPP,PERT/CPM,Simulation
- Imp for HR planning,Inventory Mgmt,Budgeting,Production Scheduling
- Consider large number of Alternatives
- Evaluates Results and Risks
- Faster Decisions
- Planning & Control - easier ,quicker & effective

Implications to Management

1. Setting objectives and priorities
2. Accomplishing Objectives
3. Optimizing utilization of resources
4. Making difficult decisions
5. Solving complex problems
6. Ensuring success of the business
7. Overcoming competition
8. Creating Sound Organization
9. Developing human resource
10. Establishing sound industrial relations
- 11.Improving productivity
- 12.Adopting new technology
- 13.Introducing Change
- 14.Fulfilling social responsibilities

Planning

- Planning is the process of defining org's objectives & selecting the best possible future courses of action for achieving these objectives effectively & efficiently.

Features/Nature / Concept of Planning

- Planning contributes to Objectives
- Primacy of Planning
- Forward Looking
- Pervasiveness
- Efficiency in Operations
- Involves Choices
- Continuous Process
- Intellectual Process

Advantages/Implications of Planning to a Manager

- Planning offsets Uncertainties
- Focuses attention on Objectives of the Company
- Improves Efficiency and Economy
- Established co-ordinated efforts
- Encourages Innovation and Creativity
- Facilitating Control
- Planning provides direction
- Facilitates Decision Making

Process of Planning

- Environment scanning
- Setting objectives
- Establishing planning premises
- Searching alternatives
- Evaluating the alternatives
- Selecting the most appropriate plan
- Formulating derivative/supporting plans
- Budgeting resources
- Implementing plans
- Follow-up action

Limitations

- Lack of Accuracy
- Cost
- Adverse effect on initiative
- Delay in action
- Psychological barriers
- Limited Flexibility : Internal and External
- Human Element
- Limited Practical Use
- Planning Process
- Setting up of the Objectives

- Developing premises for each alternatives
- Listing the various alternatives for achieving the objectives
- Selecting an alternative
- Formulation of supportive/derivative plan
- Put the plan into action
- Follow Up

Types of Planning

A. Nature

- Corporate planning
- Strategic planning
- Operational planning
- Functional planning

B. Time

- Long range planning
- Short range planning
- Medium range planning

Motivation

- Why people work hard,well or poorly ? that is because of motivation or no motivation.
- Need or Reason that makes people to work
- Drives him or her towards goal-oriented action

Characteristics

- It's an internal feeling
- Continuous process
- Dynamic process
- Psychological concept
- A way to direct & explain behaviour
- Willingness to exert effort
- System oriented *Factors within an individual /Organisation/External Env't
- Need-satisfying process
- Energising force
- Positive / negative
- Whole individual
- Frustrated individual cannot be motivated
- Motivation is different from morale
- Motivation & job satisfaction are not synonymous

Importance of Motivation/Implications of Motivation for Manager

- Inspires employees to work

- Higher productivity
- Effectiveness of managerial functions
- Helps achieve organisational objectives
- Human resource development
- Satisfied human resource
- Boosts morale
- Sense of belongingness
- Reduced employee turnover & absenteeism
- Facilitates change
- Effective utilisation of resources
- Better industrial relations
- Enhances corporate image
- Innovation & development of technology

Types of Motivation

1. Positive / Negative motivation-

+ motivation include, pay, fringe benefits, praise, responsibility, participation, social recognition - motivation wage cut, retrenchment, demotion, transfer, reprimand

2. Extrinsic / Intrinsic motivation-

External factors, related to the job environment like higher wages, profit-sharing, fringe benefits, working conditions Intrinsic motivation comes in form of job redesign, enrichment, praise, social recognition ,etc.

3. Financial & Non financial motivation-

- Financial :salary, bonus, pension, gratuity, insurance plans
- Fringe benefits : housing, transport, holidays, free/subsidised medical services, disability benefits, retirement benefits , etc

Non Financial Techniques

- Psychic in nature
- Associated with the work & work environment
- Contribute to social, esteem & self-actualisation needs

1. *Job enlargement* - adding more & different but simple tasks to a specialised job.

2. *Job enrichment* – basic change in the content & level of authority & responsibility of a job.

3. *Job rotation* – employees are provided an opportunity to perform different jobs or functions by rotation.

4. Praise & recognition

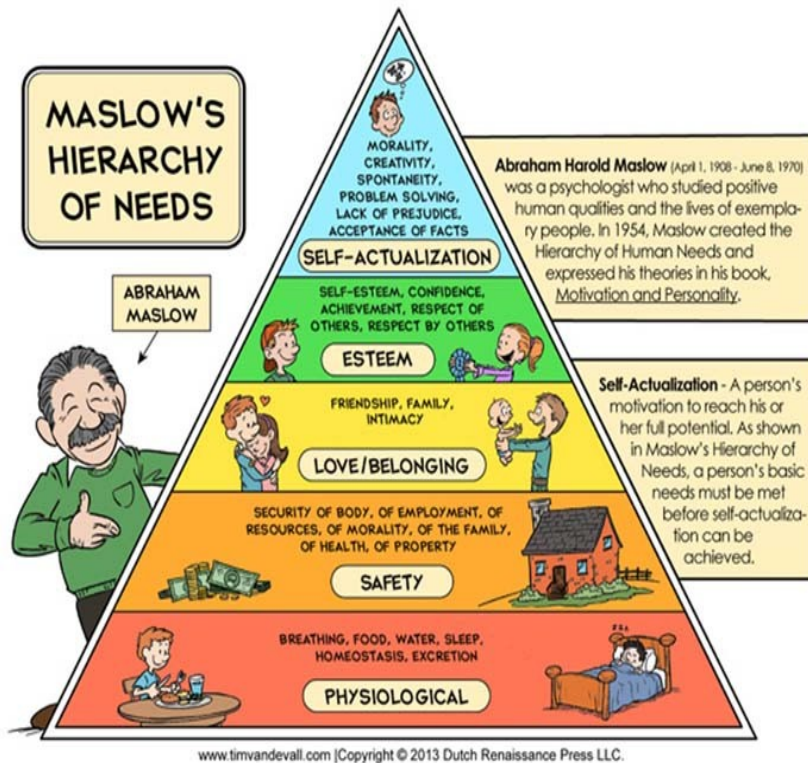
5. Participation
6. Competition or Contest
7. Promotion/ Status
8. Delegation of Authority
9. Feeling of Accomplishment
10. Security of Job
11. Congenial Social Environment
12. Opportunity for Advancement
13. Quality Circles
14. Sound Work Climate

Maslow's Need Hierarchy Theory

- Physiological needs
- Safety needs
- Social needs
- Esteem needs
- Self-actualisation needs

Merits

- Logical theory
- Concentrates on unsatisfied needs
- Next level of the need hierarchy only when lower levels are satisfied
- Easy to understand human needs
- Helps to find reasons that influence behaviour



Demerits

- It is simple but cannot be tested in practice
- Based on a small sample
- Need hierarchy does not exist step by step
- Need hierarchy may not be the same for all .
- Human beings are not motivated by their needs alone

Herzberg's Two Factor Theory

- Fredrick Herzberg in 1950 devised the 'Motivation-hygeine theory' after research of job attitudes of 200 engineers & accountants
- Respondents feel good / feel bad

1. Hygeine or maintenance factors

- Related to job environment -
 - Company's policies
 - Administration
 - Working conditions
 - Job security
 - Salary
 - Quality of supervision
 - Interpersonal relations

2. Motivators or satisfiers

- Achievement
- Recognition
- Advancement
- Responsibility
- Personal growth
- Opportunities
- Work itself

Explanation

- Presence of these factors is essential for reasonable satisfaction
- The absence can cause dissatisfaction
- These factors do not motivate employees
- Adequacy of 'motivators' make employees satisfied
- Their absence however does not demotivate the employees
- Job satisfaction & dissatisfaction are not opposite .
- Satisfaction is achieved through motivators & dissatisfaction results from absence of adequate hygiene factors

McGregor's Theory X & Theory Y

- Prof Douglas McGregor ,Psychologist, 'Human side of enterprise'
- 2 sets of assumptions about people X & Y
 - Theory X : Pessimistic side of the human nature
 - Theory Y : Optimistic side

Theory X

- Average human being dislikes work & will avoid work
- They have to be coerced, controlled or threatened
- Prefers to be directed
- Wishes to avoid responsibility
- Has relatively little ambition
- Wants security above all other factors
- Self centered & indifferent to organisational objectives
- Resists change
- Gullible, not very bright

Theory Y

- Does not dislike work & finds work as normal as play/rest
- Employees will self direct & self control if they are committed
- Commitment to objectives is a function of the rewards associated with their achievement
- A Human Being can be motivated by higher level needs ie self esteem & self-actualisation needs
- A H B learns to accept & seek responsibility
- He seeks responsibility because it allows him to satisfy higher-level needs
- He exercises imagination & creativity in the solution of problems
- The intellectual potentialities of the AHB are partially utilised in modern industrial life
- McGregor believes that a manager's view about the employee affects the behaviour or motivation of the employees
- If a manager treats employees lazy & irresponsible, the employees will behave accordingly(theory X makes them lazy)
- If a manager treats his employees as mature & responsible ,they would behave accordingly (theory Y makes them motivated)
- Theory X assumes that lower order needs dominate individuals

- Theory Y assumes that higher order needs dominate individuals
- Theory Y assumptions were more valid than X
- He proposed ideas like participation in DM, good group relations, providing challenging jobs for maximising motivation

Contribution

- Theory Y suggests that mgmt is responsible for organising the resources for achieving org objectives
- Employees are not lazy/passive/resistant to org objectives
- Work is natural if managers channelise the employees potential
- Employees can exercise self-direction & self-control if they are committed to obj
- Commitment to obj can be ensured if the rewards are associated with the achievement of obj

Criticism

- Tends to over-generalise human behaviour
- Almost all employees don't become good/bad just by the view of their bosses
- Mc Gregor suggests that Job itself is a motivator but practically not so

McClelland's Achievement Theory

- Developed by David McClelland
- He focused on three basic needs for motivation

*need for achievement (the drive to excel, in relation to a set of standards)

*need for power (to make others behave in a way that they would not have behaved otherwise)

*need for affiliation (desire for close, friendly interpersonal relationships)

- Individuals with a high need to achieve prefer job situations with personal responsibility & moderate degree of risk associated with feedback
- Such people are successful in running their own enterprises/managing a self contained unit within a large org
- High nAch people might not be good managers but are interested in how well they do personally
- High nPow & high nAff tend to be closely related to managerial success
- The best managers are high in nPow & low in nAff
- Employees can be trained to stimulate their nAch. Teaching could be in terms of accomplishments, winning, success etc
- So, if a job calls for a high achiever, mgmt can select a person with high nAch or develop its own candidate through achievement training

William Ouchi's Theory Z

- Theory Z refers to the selected Japanese managerial practices adapted to the environment of the United States as suggested by W Ouchi
- W Ouchi identified a no of US co's like IBM, Hewlett Packard, Intel, P&G, Kodak who practiced mgmt similar to successful Japanese co's who have been using these practices for years
- Theory Z is a hybrid system which includes the strengths of Japanese & American Co's

- It believes that a high degree of mutual responsibility , loyalty & consideration b/w co's & their employees will result in higher productivity & improved employee welfare

Leadership

- Taking others towards a Goal,
- Influencing others to work enthusiastically
- Influencing attitude,behaviour,activities
- Supporting

Common ways of influence

- a) Reasons
- b) Friendliness
- c) Cohesion
- d) Bargaining
- e) Higher Authority
- f) Assertiveness
- g) Sanctions

Nature/Characteristics

- Personal Quality
- Leadership is action,not position
- Followers
- Influencing & Inspiring Process
- Continuous
- Interpersonal relation
- Common Goals
- Shared Functions
- Pervasive Function
- Dynamic Art : Situational
- Power a.Knowledge,Performance b.Formal Authority c.Charisma d.Distinct Traits
- Leadership may be Formal / Informal
- Managing and Leadership are not same
- Leadership may be positive or Negative

Leadership v/s Management

- Influencing / Getting things done
- Informal or Formal /Informal
- Power / Delegation
- Narrow / Wider
- Relationship Not Specific/Formal
- Structure : Flexible,Open,Dynamic/ Organised Formal
- Goal : Influencing / Directing and Controlling
- Guidance : Behaviour / Policies,Plans,Rules
- Accountable : No / Own and of subordinates

Importance/Functions of Leadership

- Determination of Goals

- Guides & Inspires
- Boosts Morale : Internal Feeling
- Creates Confidence & Enthusiasm
- Develops Team Spirit
- Creates Vision & Initiative
- Transforms potential into reality
- Representation
- Development & Use of Human Resource
- Facilitates Change
- Resolves Conflicts
- Ensures survival & Success of Enterprise

Leadership Qualities

1. Personality and stamina
2. Intelligence
3. Self-confidence
4. Vision and foresight
5. Ability to inspire
6. Ability to communicate
7. Sincerity and honesty
8. Courage & will power
9. Flexible and dynamic
10. Emotional stability
11. Sound judgement
12. Tact and humour
13. Education & Knowledge
14. Conceptual skills
15. Administrative skills
16. Analytical skills
17. Human relations skill
18. Technical skills

Leadership Style

Way of behaviour to influence their behaviour

1. Autocratic/ Authoritarian style
2. Participative / Democratic style
3. Free -rein or Laissez-faire (Les-ey Fair)
4. Paternalistic style

1. Autocratic/ Authoritarian style

- Centralised power
- Makes all decisions himself
- Close supervision & control

- Expects obedience
- Gets things done through fear / punishment
- Believes in one way motivation
- For motivation , satisfies the basic needs only
Types - pure autocrats(-), - benevolent autocrats(+)

Advantages

- Quick decisions
- Structured work
- Can hire less competent subordinates
- Execution of orders with certainty

Disadvantages

- Overburdens managers
- Fear & frustration of subordinates
- Hampers creativity of subordinates
- No free flow of communication
- Disliked by subordinates
- Decisions may cost heavily

2.Participative / Democratic style

- Decentralises authority
- Involves subordinates in decision making
- Free flow of commn
- Leads by mutual consent
- Explains Reasons
- All work as a social unit
- Motivates through + means

Advantages

- Avoids hasty decisions
- Encourages cooperation
- Motivates subordinates to perform better
- Higher productivity
- Reduces employee grievance
- Facilitates change, creates healthy atmosphere
- Develops future leaders

Disadvantages

- Slows decision making process
- Dilutes responsibility
- Reduces the role of a leader

3.Liassez - Faire /Free Rein leadership

- intervene as little as possible
- Leader uses very little power
- High degree of freedom to subordinates
- Complete delegation of authority
- Subordinate makes his own plan, procedure & decisions
- Leader a passive observer ,Chips in on need

Suitability

- When subordinates are competent & dutiful
- They are able to train & motivate themselves

4. Paternalistic Style

- Is authoritarian by nature
- Heavily work centered
- Has consideration for subordinates
- Fatherly care
- He helps, guides, motivates as members of a family
- Personalised leadership with direct personal contacts
- Subordinates tend to remain submissive & faithful
- They feel job secured
- Problems are sympathetically dealt with

Likert's 4 Systems of Leadership

- Sys 1- Exploitative-authoritative
 - * little/no confidence in subordinates
 - * motivation mainly through fear/punishment
 - * mostly downward commn
 - * productivity is mediocre
- Sys 2- Benevolent-authoritative
 - * Some trust in subordinates
 - * Little degree of freedom
 - * Managers make decisions
 - * Both rewards & fear of punishment
 - * Little upward commn
 - * Productivity ranges from fair to good
- Sys 3- Consultative leadership
 - * Substantial but not complete confidence in subordinates
 - * Leaders consult some of their subordinates
 - * Operating decisions are taken by subordinates
 - * Lower levels have considerable amount of freedom
 - * Leaders try to use suggestions given

* 2 way commn system

* Productivity is good

- Sys 4- Participative Group leadership
 - *Optimal
 - *Complete Trust
 - *Extensively Inter-action
 - *Rewards
 - *Encourage Decision Making

Leaders are Born

- Gifts of God
- Every person cant become a leader
- Qualities are inherited
- Qualities cant be acquired or developed

Leaders are made

- Qualities and Effectiveness are independent
- No Scientific basis
- Could be acquired through Training
- There is nothing inborn

Some Important Terms ::

1. *Management by Objectives*

- This model of objective setting was given by Peter Drucker
- “ MBO is regarded as a system for improving performance,both,the individual managers & the enterprise as a whole,by the setting of objectives at the corporate level, departmental level & individual managers level ”- Peter Drucker
- MBO is a process where both superior & subordinate managers jointly identify their common goals, of their work unit & define each employees major areas of responsibility

Characteristics of MBO

- A philosophy of mgmt
- Goal-oriented approach
- Common objectives & individual goals
- Participation & involvement
- An interactive approach
- A comprehensive approach
- A systems approach
- It applies to total mgmt system
- Aims at optimum results
- Simple universal approach
- Multiple uses

2. Span of Control

- Also known as span of management / supervision / responsibility
- It refers to the number of subordinates who are directly reporting to a superior
- Principle of span of control states that no manager should have more subordinates under his direct supervision than he can effectively & efficiently supervise & control

3. Scalar Chain

Scalar chain is the line of authority running from the top management to the lowest levels of the organization. All communications must be routed through this proper channel. Communication should not bypass any authority.

4. Unity Of Command

Each employee should receive orders from one boss.