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EXECUTIVE MANAGEMENT
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INTRODUCTION

In this chapter, you will:
- Study the definitions of management
- Functions of Management
- Importance of Management
- Your goal as a Manager

One of the most important activities in business is the management of the 4M's - men, machines, material and money. The term 'management' can be interpreted differently in different contexts. Hence, you will find it difficult to define. In one context, it may comprise the activities of executives and administrative personnel in an organization, while in another, it may refer to a system of getting things done. In a broad perspective, management can be considered as the proper utilization of people and other resources in an organization to accomplish desired objectives. With increasing global competition, changes in the world of technology, changing business/practices and increasing social responsibility of organizations, your role as a manager has become all the more significant.

In this chapter, you will study the definitions of management given by some eminent management thinkers to understand the essence of management.

Definitions of Management

The term 'management' can be interpreted in a variety of ways. For you to gain a better insight into the nature of management, let us look at some of the definitions of management:

Harold Koontz and Heinz Weihrich define management as "the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims".

E. Boone and David L. Kurtz define management as "the use of people and other resources to accomplish objectives." Dalton E. McFarland defines management as "a process, by which managers create, direct, maintain, and operate purposive organizations through systematic, coordinated, cooperative human effort".

Mary Parker Follet termed management as "the act of getting things done through people".

Definitions by Follet and Louis E. Boone and Kurtz call attention to the fact that as a manager, you will achieve organizational goals by getting others to do the necessary tasks. The other two definitions suggest that management is much more than "just getting the work done" and (as shown in the following Figure) suggest the following aspects of management:
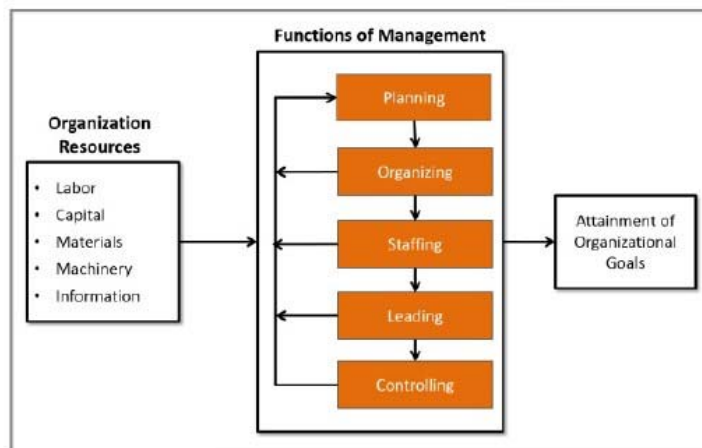
Key Aspects of Management Process

1. Managers carry out the functions of planning, organizing, staffing, leading and controlling:

Henry Fayol was the first management thinker to outline the five basic functions carried out by managers. Every manager performs these basic functions. These functions are discussed in detail in the later part of this module.

2. Management is essential to any kind of organization: Wherever there are groups of people working together to achieve some common objectives, it becomes essential to guide, organize and control them. The term 'management' applies to any organization irrespective of the size or nature of operations. The prime concern of a CEO of a multinational company, the General Manager of a hotel, the first-level supervisor, the manager of a cricket team and the student president in a college is to manage their people and resources effectively.

3. Management is essential at all hierarchical levels: Management is necessary at all levels. However, the type of skills and the degree to which various skills are required at different levels of the hierarchy may vary. In order to perform their duties satisfactorily, managers need technical, human, conceptual and design skills.

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4 Your goal as a manager is to generate surplus: Your aim as a business managers is to create a surplus. To accomplish this objective, you have to create an environment which encourages people to accomplish as much as possible with the least amount of resources and personal dissatisfaction. Even in non-profit organizations, your aim as a manager is to accomplish your goals with the minimum amount of resources or to make as much surplus as possible with available resources.

5 Your aim as a manager is to improve productivity, efficiency and effectiveness: Productivity is defined as "the output-input ratio within a time period with due consideration for quality." It can be expressed as:

$$Productivity = \frac{Outputs}{Inputs\ (within\ a\ time\ period, quality\ considered)}$$

Formula of Productivity

Productivity can be improved in the following ways:

- By producing more output with the same inputs

- By reducing inputs, but maintaining the same level of outputs

- By increasing outputs and reducing inputs, thereby, making the ratio more favorable

Productivity can be improved by ensuring efficiency and effectiveness in the operations of the firm. Effectiveness refers to achievement of stated organizational objectives while, efficiency denotes the judicious use of resources, to achieve organizational objectives. In the words of Peter Drucker, efficiency means "doing things right", while effectiveness means "doing the right things." In his book, "Management — Tasks, Responsibilities, Practices", Drucker states that effectiveness is the foundation of success whereas efficiency is at minimum condition for survival after success has been achieved.

Summary:

1 Management is the ability to achieve goals by getting others to do the necessary tasks. It is also referred to as much more than "just getting the work done".

2 Management is essential to any kind of an organization irrespective of their size or nature of operations.

3 Management is essential to all hierarchical levels.

4 A manager's goal is to generate surplus, improve productivity, efficiency and effectiveness.

THE ROLE OF MANAGEMENT

In this chapter, you will:
- Use of "structured observations" by Henry Mintzberg
- Understand the various types of roles of a manager

As mentioned in the earlier chapter, as a manager you perform five functions — planning, organizing, staffing, leading and controlling. Since these functions are very essential for effective management, they have been used as the basic framework for this module.

In order to understand the role of management, in the late 1960s, Henry Mintzberg devised a new approach — the managerial roles approach — by observing what managers actually do. He did a careful study of five chief executives at work and found that they were involved in a number of varied, unpatterned activities of short duration. Using a method called structured observation, Mintzberg isolated ten roles which he believed were common to all managers. As shown in the below list, these ten roles were grouped into three categories — interpersonal roles, informational roles and decisional roles.

As a manager you are required to interact with many people, both within and outside the organization and hence, the need to perform interpersonal roles. The three interpersonal roles of a manager are figurehead, leader and liaison. In your role as a figurehead, you would perform all the ceremonial or symbolic duties. Example, it would be the duty of a college dean to award diplomas at the convocation ceremony. In the leadership role, you are required to motivate the employees to perform at their best to achieve the company's objectives. In the liaison role, you are required to interact with people both within and outside the organization.

As a manager, you act as a channel of information within the organization. The three informational roles of a manager are that of a recipient, disseminator and spokesperson. In the role of a recipient, you receive information pertaining to changes, opportunities and problems that the organization may face. As a disseminator, you provide information to subordinates that would influence their performance at work. And finally, you

perform the role of a spokesperson when you represent the organization in public.

- **InterPersonal:**
  - **Figurehead:** You perform ceremonial and symbolic duties such as greeting visitors, signing legal documents.
  - **Leader:** You direct and motivate subordinates, training, counselling, and communicating with subordinates.
  - **Liaison:** You maintain information links both inside and outside organization; use mail; phone calls; meetings.
- **Informational:**
  - **Monitor:** You seek and receive information, scan periodicals and reports, maintain personal contacts.
  - **Disseminator:** You forward information to other organization members; send memos and reports, make phone calls.
  - **Spokesperson:** You transmit information to outsiders through speeches, reports, memos.
- **Decisional:**
  - **Entrepreneur:** You initiate improvement projects, identify new ideas, delegate idea responsibility to others.

- **Disturbance Handler:** You take corrective actions during disputes or crises; resolve conflicts among subordinates; adapt to environmental crises.
- **Resource Allocator:** You decide who gets resources, scheduling, budgeting, setting priorities.
- **Negotiator:** You represent department during negotiation of union contracts, sales, purchases, budgets; represent departmental interests.

The third category deals with the most important role of a manager. In this role, as a manager you perform the most crucial task i.e. you take decisions which may affect an organization's well-being. The four decisional roles of a manager are that of an entrepreneur, disturbance handler, resource allocator and negotiator. In an entrepreneurial role, you as a manager seek innovative methods to improve the performance of at unit or the firm as a whole. As a disturbance handler, you take remedial actions for situations, which may affect the credibility of a firm. In the role of a resource allocator, you allocate various resources of the organization such as money, time, material etc. to the employees for

running the business effectively. Finally, in the role of a negotiator, you negotiate with other units or other parties like suppliers, customers and government, keeping in mind the interests of his unit or organization.

Summary:

1 Categories of different roles of a manager as studied by Henry Mintzberg:
   - Interpersonal
   - Informational
   - Decisional

2 Each category is further divided into different roles of a manager:
   - Figurehead, Leader and Liaison belong to Interpersonal category.
   - Monitor, Disseminator and Spokesperson belong to Informational category.
   - Entrepreneur, Disturbance Handler, Resource Allocator and Negotiator belong to Decisional category.

FUNCTIONS OF MANAGERS

In this chapter, you will:
- Understand the framework of management:
  - Planning
  - Organizing
  - Staffing
  - Leading
  - Controlling

The functions of a manager provide a useful framework for organizing management knowledge under the various heads of planning, organizing, staffing, leading and controlling. Managerial functions are effective tools for you as a manager to achieve the organization's planned objectives. They include the general administrative duties that need to be carried out in virtually all organizations. Following figure depicts the management process and shows the various functions that managers are involved in. It is evident from the figure that managers are involved in more than one activity at the same time.

Planning

Planning can be defined as the process, by which, you decide the mission and objectives of the firm and take necessary steps to achieve the desired objectives. At the same time, you need to determine the future trends in business and incorporate change and innovation into the organization from time to time.
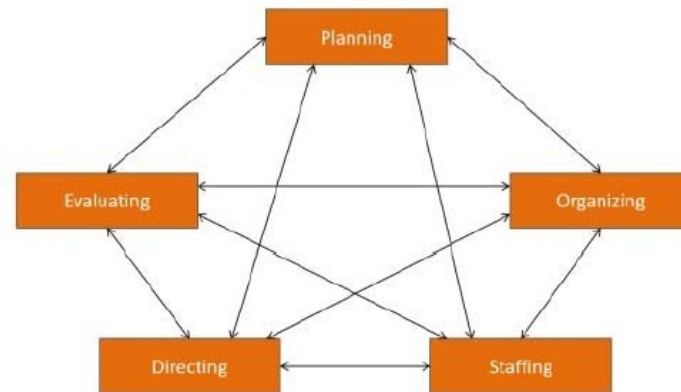
Management Functions

There are various types of plans and they may range from planning to define the overall purposes and objectives of an organization to planning for a specific action. Planning helps a firm decide its future course of action.

Organizing

Organizing is the process of assigning tasks and allocating resources to individuals to enable them to accomplish organizational goals. Organizing is a continuous process of determining (1) which tasks are to be performed, (2) how tasks can best be combined into specific jobs, (3) how jobs can be grouped into various units, and (4) the authority and reporting relationships within the corporate hierarchy. The organizational structure of a firm is a key element in determining its success or failure. If plans are not organized properly even the best of plans can fail. On the other hand, the pitfalls associated with a poor plan can be eliminated by excellent organization.

Staffing

Today, staffing is better known as "human resource management" and involves manning or filling the various positions in the organizational hierarchy. Activities like determining manpower requirements, assessing the number of people presently available in the organization, recruiting and selecting candidates, training and placing them in the organization come under the purview of staffing. This function also deals with compensation, performance appraisal, promotion and career planning.

Leading

Leading is defined as "the management function of influencing, motivating, and directing people towards the achievement of organizational goals." It is the management function that involves influencing and inspiring team members to perform well and accomplish corporate objectives. Leading involves (1) communicating with others, (2) leadership styles and approaches, and (3) motivating people to put forth the effort required to achieve organizational goals. In simple words, it is the act of making things happen through others.

Controlling

The final step in the management process is where you monitor the progress of an organization towards its goals. Controlling can be defined as the continuous measurement and analysis of actual operations against the established industry standards developed during the planning process and corrections of deviations, if any.

The basic control process involves (1) comparing performance with standards, (2) determining where

negative deviations occur, and (3) developing remedial measures to correct deviations.

Summary:

1   Planning: helps in crafting mission and objectives of the firm.
2   Organizing: helps assign tasks and allocate resources to enable individuals achieve organizational goals.
3   Staffing: involves manning or filling various positions in organizational hierarchy.
4   Leading: defined as the management function of influencing, motivating, and directing people towards organizational goals.
5   Controlling: The process of continuous measurement and analysis of actual operations against standards is controlling.
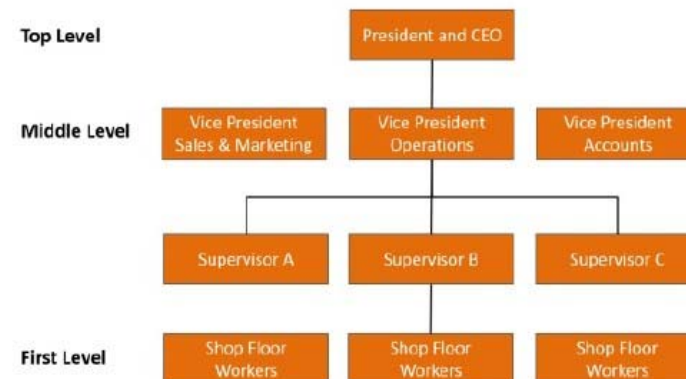
LEVELS OF MANAGEMENT

In this chapter, you will:

- Understand different levels of management
  - Top-level managers
  - Middle-level managers
  - First-level managers
- Understand the different roles of individuals at each level of management
- Understand the time spent by different levels of managers

In many small business enterprises, the owner is the only member of the management team. But, as the size of an organization increases, a more sophisticated organizational structure is required. It is a normal practice to categorize management into three basic levels: (1) top-level management, (2) middle-level management, and (3) supervisory or first-level management. Following figure illustrates the levels of management. The duties and responsibilities at these three levels of management vary from organization to organization, depending upon the size, technology, culture, etc. prevailing in your organization.

The number of managerial positions at each level varies from organization to organization. In most of the organizations, there are more positions at the first-level, fewer in the middle, and very few at the top. Many describe this kind of an organizational structure as a pyramid, as the managerial positions gradually decline as one progresses towards the higher levels of management. The various activities performed at each of these levels of management are illustrated below.

Levels of Management
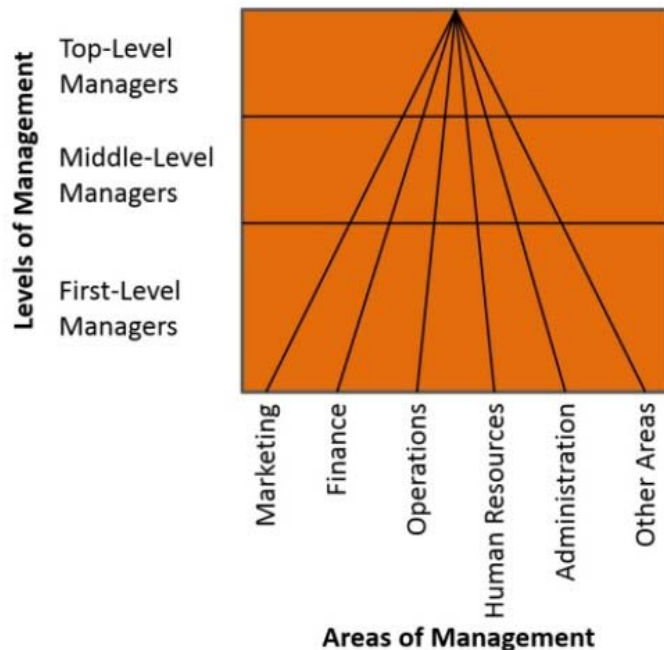
Managerial Levels and Areas

Top-Level Managers

As a top-level managers are usually appointed, elected or designated by the organization's governing body. They are few in number, and they include job classifications such as the "Chief Executive Officer" (CEO), "President", "Vice President", "Senior Vice President" and "Executive Director." As a top-level manager, you are responsible for taking major decisions for the organization as a whole. You are responsible for the overall activities of the business and are accountable for its impact on the society at large. You work to some extent with the middle-level managers in implementing the plans, and maintaining overall control over organizational performance.

In public limited companies, top-level managers report to the Board of Directors. Members of the board are selected by shareholders. Depending on the size of the company, the number of board members vary from 15 to 25. When a board comprises a majority of individuals who have close ties with the management, they essentially act as "rubber stamps". But, on the other hand, boards with more outsiders operate more independently and are more proactive. Though it is a usual practice to elect the CEO as the chairperson of the board, a study has suggested that companies having an outsider as a board chairperson perform better, as he/she helps the board to monitor the performance of the top management objectively.

Functions at Various Levels of Management

Top Management:
- Develops and reviews long-range plans and strategies.
- Evaluates overall performance of various departments and ensures cooperation.
- Involved in selection of key personnel.
- Consults subordinate managers on subjects or problems of general scope.

Middle Management:
- Makes plans of intermediate-range and prepares long-range plans for review by top management.
- Analyzes managerial performance to determine capability and readiness for promotion.
- Establishes departmental policies.
- Reviews daily and weekly reports on production or sales.
- Counsels subordinates on production, personnel or other problems.
- Selects and recruits personnel.

Supervisory Management:
- Makes detailed, short-range operational plans.
- Reviews performance of subordinates.
- Supervises clay-to-day operations.
- Makes specific task assignments.
- Maintains close contact with employees involved in operations.

General Responsibilities of a Chief Executive
The Chief Executive bears the following responsibilities:

Leader:
- Acts as an adviser to the board
- Formulates a mission for the organization and incorporates change and innovation
- Supports organizational programs to improve organizational effectiveness

Visionary
- Ensures availability of relevant information to the board members
- Anticipates future trends and looks out for opportunities
- Acts as an interface between the board and the employees
- Acts as an interface between the organization and the community and functions as a spokesperson for the organization

Decision-maker:

- Formulates the mission, policies and procedures for the smooth functioning of the organization
- Devices action plans for the staff

Manager:

- Ensures the running of an organization without any bottlenecks
- Oversees the implementation of plans
- Manages the material, financial and human resources of the organization

Board Developer:

- Helps in selecting and evaluating board members
- Keeps the board updated regarding the organization's activities

A Guide to Middle Manager Survival

In today's world, restructuring and downsizing have led to the emergence of flatter organizations. Middle managers have been the most affected by these changes. You will find that many management writers consider middle managers as "excess organizational baggage." Ironically, middle managers are the most potential assets of the organization.

Many organizations have the false notion that by removing these managers, they can restructure themselves better. To ensure continued survival of middle managers, a number of individual and organizational actions can be undertaken. These are listed below:

1. Focus on important strategic issues: Middle managers should move away from the day-to-days operations (which can be delegated to the first-line managers) and devote their attention to the more important strategic issues.

2. Think like senior managers: They should use their extensive knowledge to deal with more substantive issues that would lead to organizational benefit.

3. Analyze why change is needed: They must understand the underlying causes for introducing change and how the organization should adapt itself in the light of opportunities and threats.

4. Ensure greater participation: Middle managers have a great deal of technical expertise and good knowledge of organizational processes. This knowledge should be disseminated throughout the organization.

5. Manage change and people together: Middle managers should take the initiative for

implementing change in the organization. They should act as mentors for those with lesser work experience.

6   Utilize their role as intermediaries: Middle managers can comprehend the internal and external pressures faced by the organization. They can resolve conflicting issues by negotiating with the parties concerned.

7   Implement the vision: Middle managers must attempt to convert top-level strategies into workable actions. They should take up the responsibility to implement the vision of the organization.

8   Incorporate change into the organization: Middle managers must understand how to implement change in the organization. They should introduce work practices that bring in innovation and "shifts in thinking."

In the words of Rory Chase, Managing Director of IFS International in Bedford, "The new role of the middle manager embraces three key areas; team leadership, change maker and facilitator." There is no doubt that in order to survive in this rapidly changing era, middle managers have to make themselves indispensable.

Middle-Level Managers

Middle-level managers deal with the actual operation of various departments in an organization. As a middle-level manager, you are directly responsible for the performance of managers at lower levels. The typical titles include "manager", "director", "chief", "department heads and "divisional head." The number of middle-level managers in complex organizations is far higher than other managers. In the capacity of a middle-level manager, you are responsible for implementing the plans and strategies developed by top management for the accomplishment of organizational goals. You look to the top management for direction and guidance and are answerable to them. In many organizations, middle-level managers serve as a source of innovation and creativity. Thus, you play a vital role in the success of the organization.

Due to the advent of information technology, online technical assistance has become available to first-level managers. This has resulted in making middle-level managers redundant and has thus reduced the number of middle-level managers in many organizations.

The Role of the Supervisor

The first-line supervisor (irrespective of the formal designation "foreman", "chief clerk" or "section engineer"), can ensure that his employees perform the best. A worker's ability to perform depends on the capacity of the first-line supervisor to plan, organize well. The training that a supervisor provides to his employees will determine the worker's performance. It is the responsibility of a supervisor to ensure that the workers have the necessary materials and equipment to do the work. He should create a good working environment for all his employees. The supervisor sets goals in accordance with the organization's plans and makes sure that each worker achieves the determined targets.

For a supervisor to perform his job well, he needs to have crystal clear objectives. These objectives must be in line with the organizational goals. He should have adequate information about the company's operations, its structure, its goals and its performance.

Secondly, the supervisor should have a thorough understanding of promotional opportunities and performance benchmarks. Promotional opportunities would determine the motivation levels of the supervisor. It is essential for the supervisor to know that there are better chances for a person who performs well. In the words of Peter Drucker, "Manager development must begin with supervisors." This means that today's supervisors can be the managers of tomorrow. The supervisors must be considered for positions in middle management as they have both technical and interpersonal skills. In other words, they are aware of the way in which the organization functions as well as the needs of the workers.

Finally, the job of a supervisor should give him satisfaction. He must be accorded a status that will make him feel important. He must he in a position to direct employees and get the management, to listen to him.

It is imperative that a supervisor's job is properly planned so that, over a period of time, they can be promoted as managers. The supervisor has to assume greater responsibilities and therefore, he has to be prepared to set objectives, to organize and to plan. Proper organization of a supervisor's job will lead to conceptual and analytical integration and will prepare him to take up larger responsibilities in future.

First-Level Managers

First-level managers are directly responsible for the performance of employees involved in operations. They are usually called supervisors. If you are a first level manager, you may be addressed by different names. In a manufacturing plant, you may be called a foreman, in a research department — the technical supervisor, and in a large office — the clerical supervisor. As a first-level manager, you implement the operational plans developed by middle managers and take corrective actions, when needed. You are responsible for output variables like number of units produced, labor costs, inventory levels, and quality control. Since you act as a link between the management and the rest of the workforce, you often confront conflicting demands. In recent times, the power of first-level managers have gradually decreased because of union influence, the increasing educational level of workers, and the growing use of computers to track many activities formerly monitored by first-level managers.

Time Spent in Carrying Out Managerial Functions

Though all managers perform all managerial functions, the time spent by individual managers for each activity differs. The importance of managerial functions – planning, organizing, leading and controlling, varies depending on the manager's level in the organization. Following figure shows the relative time spent by managers at different levels for each function.

From the figure, you will find that it is evident that the time spent by top-level managers on planning and organizing is much more than that spent by lower-level managers. In contrast, leading is substantially more important for first-level supervisors than for managers at higher levels. Hence first-level supervisors need to spend more time in communicating, motivating, and directing the employees involved in operations. Time spent on controlling is similar at all three hierarchical levels. You will find that this similarity reflects a common degree of emphasis at various levels on identifying negative deviations and taking corrective measures.

Summary:

1. Top Level Managers are responsible for taking major decisions for the organization as a whole.
2. Middle Level Managers are responsible for the performance of managers at lower levels.
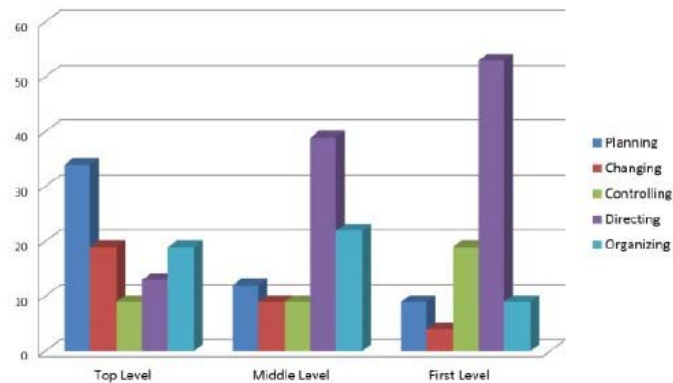
How Managers Spend Their Time?

3 First Level Managers are responsible for the performance of employees involved in operations. They are usually called supervisors.

4 Time spent in carrying out managerial functions varies as per the different levels of management.

MANAGEMENT SKILLS AND ORGANIZATIONAL HIERARCHY

In this chapter, you will:

- Understand different types of managerial skills:
  - Technical skills
  - Human skills
  - Conceptual skills
  - Design skills
- Understand why these skills are required by managers

A manager's job is varied and complex. Hence, managers need certain skills to perform the functions associated with their jobs. During the early 1970s, Robert K. Kalz identified three kinds of skills for administrators. These are technical, human and conceptual skills. A fourth skill - the ability to design solutions - was later added to the above mentioned skills.
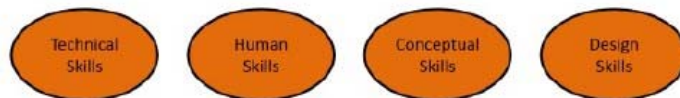
Types of Managerial Skills

Technical Skills

Technical skills refer to the ability of a person to carry out a specific activity. In order to do so, you need to have knowledge of methods, processes and procedures. Engineers, computer specialists, accountants and employees in manufacturing departments all have the necessary technical skills for their specialized fields. Technical skills are essential for first-level managers. For example, employees at the operational level work with tools, and their supervisors must be able to teach them how to perform the tasks assigned to them using these tools. First-level managers spend much of their time in training subordinates and clarifying doubts in work-related problems.

Human Skills

Human skills or interpersonal skills refer to the ability of a person to work well with other people in a group. It is the ability to lead, motivate, and communicate with people to accomplish certain objectives; Human skills are of paramount importance in the creation of an environment, in which people feel comfortable and are free to voice their opinions. These skills aid employees during interaction with their supervisors, peers and people outside the work unit such as suppliers, customers

and the general public. These skills are important for all levels in the organization.

Conceptual Skills

Conceptual skills refer to the ability of a person to think and conceptualize abstract situations. It is the ability where you understand and coordinate the full range of corporate objectives and activities. These skills are most important at the top management level, as top-level managers have the greatest need to see the "big picture," to understand how the various parts of the organization relate to one another and associate the organization with the external environment.

Design Skills

Design skills refer to the ability of a person to find solutions to problems in ways that would benefit the organization. As a top manager, you should not only recognize a problem but also suggest ways to overcome them. If you only see the problem, you would become mere "problem watcher," and would prove ineffective. Managers at upper organizational levels should be able to design a rational and feasible solution to the problem by considering the various internal and external factors.

The relative significance of these skills varies at different levels in the organizational hierarchy as shown in the below figure. We can briefly summarize them as follows:

- As a first-level manager, you require more technical skills in order to supervise operational employees. You need to have good human skills as you need to interact with your subordinates on a regular basis. However, conceptual skills are usually not very essential for the managers at the supervisory level.
- The need for technical skills is lesser at the middle-management level. Here, human skills and conceptual skills are more significant.
- At the top-management level, conceptual, design and interpersonal skills are of greatest importance; there is little need for technical skills.

Summary:

1. Technical Skills: refers to the ability of a person to carry out a specific activity.
2. Human Skills: refers to the ability of a person to work well with other people in a group.
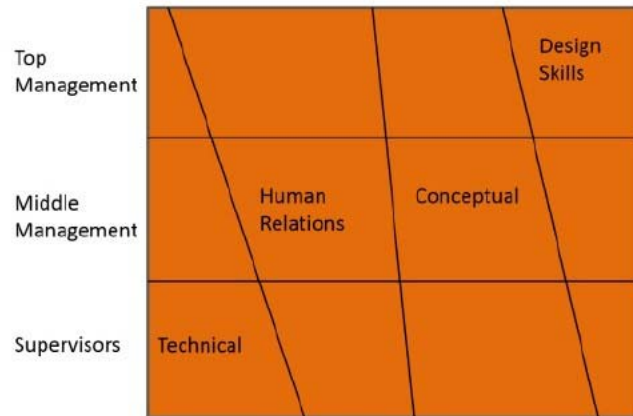
Relative Need for the Main Categories of Skills

3 Conceptual Skills: refer to the ability of a person to think and conceptualize abstract situations.

4 Design Skills: refers to the ability of a person to find solutions to the problems in ways beneficial to the organization.

APPROACHES TO MANAGEMENT

In this chapter, you will:

- Understand various approaches to management
- Understand the characteristics and limitations of each of those approaches

In the past three to four decades, you will observe that many management theorists and writers have made remarkable contribution in the study of management. By studying the various approaches to management analysis, you can understand the concept of management and have a better understanding of managerial functions. The various approaches to management analysis have been listed below:

1. The empirical or case approach: In this approach, you try to understand management principles with the help of cases. You also identifies the situations, wherein organizations have either succeeded or failed by following this approach.

2. The interpersonal behavior approach: This approach is based on individual psychology and focuses on interpersonal relationships.

3. The group behavior approach: This approach is based on sociology and social psychology. It stresses on the behavior of people in groups.

4. The cooperative social systems approach: It advocates a system of cooperation using both interpersonal and group behavioral aspects.

5. The sociotechnical systems approach: It realizes the impact of technical systems on personal attitudes and group behavior. This approach focuses on areas involving close relationships between technical systems and the people involved such as production, office operations, etc.

6. The decision theory approach: The focus in this approach is on the decision-making process and people involved in it.

7. The systems approach: It considers organizations to be open systems as they interact with the external environment. It recognizes the importance of the inter-relationship between planning, organizing and controlling.

8. The mathematical or "management science" approach: This approach treats management as a logical process, which can be expressed in terms of mathematical symbols and relationships.

9   The contingency or situational approach: In this approach, the main assumption is that there is no hard and fast rule for all situations. Managerial practice depends upon circumstances. Different circumstances may necessitate the use of different methods.

10 The managerial roles approach: This approach had been developed by studying the work methods of five chief executives. The study identified ten managerial roles, which were grouped into three categories — interpersonal, informational and decisional roles.

11 The McKinsey's 7-S framework: The seven S's used in this approach are strategy, structure, systems, style, staff, shared values and skills.

12 12. The operational approach: This approach attempts to develop the science and theory of management by drawing upon concepts, principles, techniques and knowledge from other fields and managerial approaches.

Characteristics / Contributions	Limitations
EMPIRICAL OR CASE APPROACH	
Studies experience through cases. Identifies successes and failures.	Situations are all different. No attempt to identify principles. Limited value for developing management theory.
INTERPERSONAL BEHAVIOR APPROACH	
Focus on interpersonal behaviour, human relations, leadership, and motivation. Based on individual psychology.	Ignores planning, organizing, and controlling. Psychological training is not enough to become an effective manager.
GROUP BEHAVIOR APPROACH	
Emphasis on behaviour of people in groups. Based on sociology and social psychology. Primarily study of group behaviour patterns. The study of large groups is often called "Organization behaviour".	Often not integrated with management concepts, principles, theory and techniques. Need for closer integration with organization structure design, staffing, planning and controlling.
COOPERATIVE SOCIAL SYSTEMS APPROACH	
Concerned with both interpersonal and group behavioural aspects leading to a system of cooperation. Expanded concepts includes any cooperative group with a clear purpose.	Too broad a field for the study of management. At the same time, it overlooks many managerial concepts, principles, and techniques.

SOCIOTECHNICAL SYSTEMS APPROACH	
Technical system has a great effect on social system (personal attitudes, group behaviour). Focus on production, office operations, and other areas with close relationships between technical system and people.	Emphasis only on blue-collar and lower-level office work. Ignores much of other managerial knowledge.
DECISION THEORY APPROACH	
Focus on the making of decisions, persons or groups making decisions, and the decision-making program. Some theorists use decision-making as a springboard to study all enterprise activities. The boundaries of study are no longer clearly defined.	There is more to managing than making decisions. The focus is at the same time too narrow and too wide.
SYSTEMS APPROACH	
Systems concepts have broad applicability. Systems have boundaries, but they also interact with the external environment i.e. organizations are open systems. Recognizes importance of studying interrelatedness of planning, organizing and controlling in an organization as well as the many sub-systems.	Analysis of interrelatedness of systems and subsystems as well as the interactions of organizations with their external environment. Can hardly be considered as a new approach to management.

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MATHEMATICAL OR "MANAGEMENT SCIENCE" APPROACH	
Managing is seen as mathematical processes, concepts, symbols, and models. Looks at management as a purely logical process, expressed in mathematical symbols and relationships.	Preoccupation with mathematical models. Many aspects in managing cannot be modelled. Mathematics is a useful tool, but hardly a school or an approach to management.
CONTINGENCY OR SITUATIONAL APPROACH	
Managerial practice depends on circumstances (i.e. a contingency or a situation). Contingency theory recognizes the influence of given solutions on organizational behavior patterns.	Managers have long realized that there is no one best way to do things. Difficulty in determining all relevant contingency factors and showing their relationships. Can be very complex.
MANAGERIAL ROLES APPROACH	
Original study consisted of observations of five chief executives. On the basis of this study, ten managerial roles were identified and grouped into (1) interpersonal, (2) informational, and (3) decision roles.	Original sample was very small. Some activities are not managerial. Activities are evidence of planning, organizing, staffing, leading, and controlling. But some important managerial activities were left out (e.g. appraising managers).
MCKINSEY'S 7-S FRAMEWORK	
The seven S's are (1) Strategy, (2) Structure, (3) Systems, (4) Style, (5) Staff, (6) Shared values, (7) Skills.	Although this experienced consulting firm now uses a framework similar to the one found useful by Koontz et al. since 1955 and confirms its practicality, the terms used are not precise and the topics are not discussed in depth.

OPERATIONAL APPROACH	
Draws together concepts, principles, techniques, and knowledge from other fields and managerial approaches. The attempt is to develop science and theory with practical application. Distinguishes between managerial and non-managerial knowledge. Develops classification system built around the managerial functions of planning, organizing, staffing, leading, and controlling.	Does not, as some authors do, identify "representing" or "coordination" as a separate function. Coordination, for example, is the essence of managership and is the purpose of managing.

Summary:

1 Empirical or Case approach: Understand management principles with the help of cases.
2 Interpersonal behavior approach: based on individual psychology.
3 Group behavior approach: based on sociology.
4 Cooperative social systems approach: advocates a system of cooperation.
5 Sociotechnical systems approach: impact of technical systems on individuals/groups.
6 Decision theory approach: focus on decision-making process.
7 Systems approach: focuses on interaction with different systems of the market.
8 Management science approach: focuses on logical processes of management.
9 Contingency approach: focuses on use of different methods for different circumstances.
10 Managerial roles approach: focuses on three categories: interpersonal, informational and decisional roles.
11 McKinsey's 7-S framework: the use of 7 S's for management purposes.
12 Operational approach: focuses on development of science and theory of management.

MANAGEMENT PLANNING

In this chapter, you will:

- Understand the different definitions of planning
- Understand the underlying nature of planning
- Understand the different types of plans

All organizations operate in an environment of uncertainty. To be successful, an organization must anticipate changes and make plans to adapt itself to the environment. Without planning, an organization is like a boat without a rudder. By setting goals and deciding how to achieve them, planning provides a steering mechanism for an organization.

Planning is the process of bridging the gap between where you are and where you want to be in the future. In other words, planning is "looking ahead, relating today's events with tomorrow's possibilities" It is the process of deciding in advance what to do, how to do, when to do it, and who does what. Proper planning minimizes risk and ensures that resources are efficiently and effectively utilized.

Planning and controlling are inseparable. Planning involves determining organizational objectives and developing strategies to achieve the objectives, while controlling involves establishing standards of performance and comparing actual results with the planned results. Controlling without planning is meaningless. Unless you know where to go, you cannot tell whether you are going in the right direction or not. Planning gives an organization the required focus and direction. Thus planning is a prerequisite of the control function.

Definitions of Planning

In simple words, planning is deciding in advance what action to take, how and when to take a particular action, and who are the people to be involved in it. It involves anticipating the future and consciously choosing the future course of action.

According to Peter Drucker, "Planning is a continuous process of making present entrepreneurial decisions (risk taking) systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the result of those decisions against the

expectations through an organized systematic feedback."

In the words of George R. Terry, "Planning is the selecting and relating of facts and the making and using of assumptions regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results." Thus, while planning, as a manager, you make use of facts and reasonable premises and also consider the relevant constraints. You then decide what activities are needed, how they are to be carried out and how they would contribute to the achievement of the desired results.

Dalton E. McFarland's definition of planning takes into account the dynamic nature of the environment. He defines planning as follows:

"Planning is a concept of executive function that embodies the skills of anticipating, influencing and controlling the nature and direction of change."

According to Heinz Weihrich and Harold Koontz, "Planning involves selecting mission and objectives and the actions to achieve them; it requires decision-making that is, choosing from alternative future courses of action." Thus, planning involves determining organizational objectives and deciding how best to achieve them. It involves looking ahead and relating today's events with tomorrow's possibilities.

Nature of Planning

Planning refers to the process of designing the future course of action for an organization to achieve specific goals. The nature of planning is discussed below:
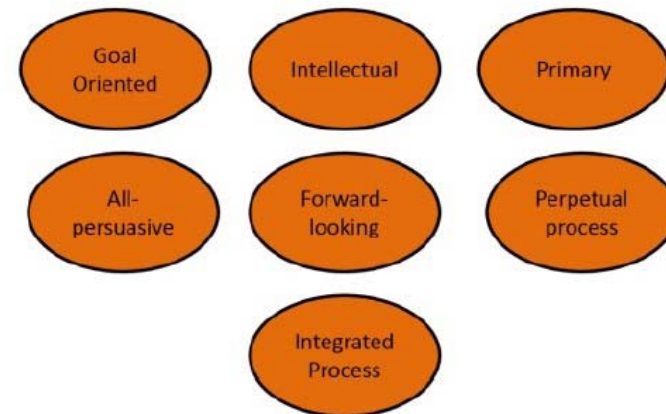
Nature of Planning

Planning is Goal-oriented

Planning is a means for achieving set goals or objectives. It is of no value unless you make it contribute in some positive way to the achievement of desired goals. Well-defined goals are essential for effective planning.

Planning is an Intellectual or Rational Process

Planning requires you (in the capacity of a manager) to apply your imagination, creativity and your analytical skills to tackle problematic situations. Planning also requires foresight and sound judgment on your part. Thus, planning can be regarded as the outcome of an intellectual or rational process.

Planning is a Primary Function

Planning is the initial activity in the management process. All other functions of management, i.e. organizing, staffing, directing and controlling, can be carried out efficiently only if they have been properly planned. Planning thus precedes the execution of all other managerial functions.

Planning is All-persuasive

The planning function extends throughout the organization. It is an essential aspect of management at all executive levels. Managers at the top level prepare long-term plans for the organization, which would enable it to achieve its overall objectives. Middle-level managers formulate departmental and functional plans for the medium term, while managers at the lowest level prepare operating and short-term plans. Thus, the scope, extent and nature of planning tend to vary at different levels of management.

Planning is Forward-looking

Planning is primarily concerned with anticipating the future. Predicting future trends and preparing for them is an integral part of planning. Thus, accurate forecasting is essential for planning.

Planning is a Perpetual Process

Planning is a continuous activity; it goes on as long as an organization exists. Plans may be updated, modified, or replaced by new ones. When a situation calls for a totally new set of goals, new plans take the place of existing ones. Plans are changed or modified, but are never abandoned.

### Planning is an Integrated Process

Plans made at different levels are interdependent and interrelated. The top level of an organization develops strategic plans, on the basis of which the

middle level of management develops tactical plans. In turn, the lower levels of management develop operational plans on the basis of tactical plans. Thus, plans constitute a hierarchy in the organization. Even though plans are made at different levels, they should be in tandem with corporate objectives. These plans can be either long-term plans or short-term plans. Whatever be the term of the plans, they should be well coordinated so as to achieve the goals of the organization within a definite time-horizon.
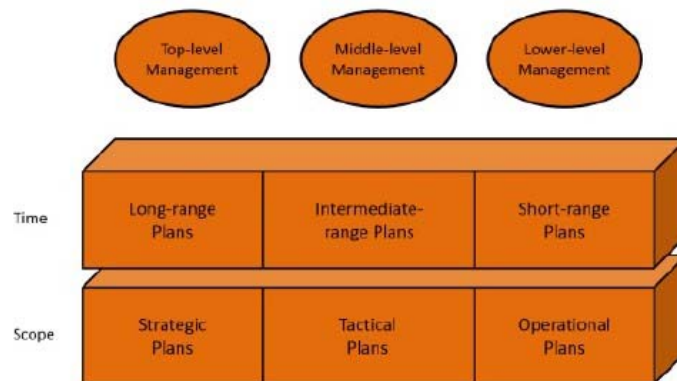
Planning and Management Levels

Strategic plans

These plans are designed to achieve strategic goals. More precisely, strategic plans are general plans that indicate the resource allocation, and priorities and actions necessary for achieving strategic goals. These plans which establish overall objectives for organizations, analyze the (various environmental factors that affect organizations. Following table describes eight major areas for strategic goals.

Strategic plans are applicable to the entire organization and are generally-developed by top management in consultation with the board of directors and the middle management. They tend to cover an extended period of time — usually three years or more. Managers who are involved in developing strategic plans work in an environment of uncertainty and are required to make assumptions about future threats and opportunities. To develop such plans, they require large amount of information, especially with regard to the future of the external environment.

Strategic Workforce Planning

One of the most important activities of an organization is planning for workforce requirements, particularly requirements for senior management and key technical personnel. Nowadays, every organization has some form of management succession and development plans.

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Major Areas	Description
Market Standing	Desired share of present and new markets, including areas in which new products are needed, and service goals aimed at building customer loyalty.
Innovation	Innovations in products or services as well as innovations in skills and activities required to supply them.
Human Resources	Supply, development and performance of managers and other organization members; employee attitudes and development of skills; relations with labor unions, if any.
Financial Resources	Sources of capital supply and how capital will be utilized.
Physical Resources	Physical facilities and how they will be used in the production of goods and services.
Productivity	Efficient use of resources to outcomes.
Social Responsibility	Responsibilities in such areas as concern for the community and maintenance of ethical behaviour.
Profit Requirements	Level of profitability and other indicators of financial well-being.

These plans allow the organization to identify the future need for employees, identify prospective candidates for various positions, and develop the selected candidates for higher positions in the organization. Only few organizations take the help of quantitative analysis to develop their succession and development plans. Though some managers consider this analysis too detailed and complex, it can actually help an organization make its succession and development planning process very effective.

Strategic workforce planning is a discipline within the planning function that helps an organization identify and address the staffing aspects for their business strategies and plans. Strategic workforce planning results in two major outputs:

- **Staffing strategies:** These refer to an organization's long-term plans for meeting its staffing needs. The strategies provide the long-term context within which short-term decisions of an organization can be taken.
- **Staffing plans:** These describe the specific staffing actions like recruitment, promotions etc. that an organization will take in the short-term. These actions should be compatible with the organization's staffing strategies.

Without clear staffing strategies, an organization will not be able to take effective short-term staffing actions. Short-term staffing plans can be effective only if they support the organization's long-term staffing strategies. Consider the case of a company that needs ten engineers at the end of the current year. It could opt for recruitment, internal movement or outsourcing of the concerned tasks. It may also be able to meet its need by reorganizing or rescheduling the work that these individuals have to perform. However, the company may not be able to decide which is the best option if it does not know the duration for which it requires the engineering talent. The most effective option becomes obvious when an organization understands the long-term implications of its staffing actions. If the company requires engineering talent for more than a year and their capabilities are critical for achieving its goats, it is better for the company to recruit engineers. On the other hand, if the need is only for a short period, the company can look for a temporary solution such as outsourcing.

For strategic Workforce planning to be effective, the organization must define its future staffing requirements properly. It must determine the levels where staffing is needed and should also identify the skill-sets required. In addition, the organization must be able to identify its current staff availability and project its future staff availability. It must also calculate the difference between staffing "supply" and "demand." This analysis is quantitative and precise and requires managers to make assumptions about expected turnover, retirements, promotions and other staffing actions. After identifying the staffing gaps and surpluses, the managers can take requisite Staffing actions to eliminate them.

Tactical Plans

They aim at achieving tactical or short-term goals. These plans help support the implementation of strategic plans. Tactical plans essentially indicate the actions that major departments and sub-units

should take to execute a strategic plan. Such plans are more concerned more with actually getting things done than with deciding what to do. They are thus essential for the success of strategic plans.

If you are a middle-level manager, you will develop tactical plans, you may consult lower-level managers before finalizing the plan and communicating it to top-level management. Compared to strategic plans, tactical plans cover a shorter time frame (usually 1 to 3 years). As a middle-level manager acting when you act as a tactical planner, you deal with much less uncertainty and risk than the strategic planner. The information that you require is also less and most of it can be derived from internal sources.

Operational Plans

Operational plans are developed to determine the steps necessary for achieving tactical goals. They are stated in specific; quantitative terms and serve as the department manager's guide to day-to-day operations. Operational plans are developed by lower-level managers. These plans generally consider time frames of less than a year, such as a few months, weeks, or even a few days. They spell out specifically what must be accomplished over short time periods in order to achieve operational goals. If

you are lower-level managers who develop operational plans, you work in an environment of relative certainty. Hence, the amount of risk involved in making operational plans is lesser than that involved in making tactical plans. The information needed for operational planning can be obtained almost completely from within the organization. Unless operational goals are achieved, tactical and strategic goals will not be achieved. Therefore operational plans are necessary for the success of tactical and strategic plans.

Plans based on Frequency of Use

Plans can also be categorized on the basis of their frequency of use. Based on the extent of use, plans can be of two types: single-use plans and standing plans.

Single-use plans

A single-use plan is aimed at achieving a specific goal and is designed to deal with a unique, non-recurring situation. Once the goal has been achieved, the plan ceases to exist. In other words, a single-use plan is a one-time plan and is created in response to non-programmed decisions of managers (non-programmed decisions are specific solutions to

atypical or non-routine problems and are arrived at through an unstructured, undefined process).

The major types of single-use plans are programs, budgets and projects.

Programs

Programs are large scale single-use plans that coordinate a complex set of activities to achieve important non-recurring goals. They are concrete or well-defined schemes designed to accomplish specific objectives. Programs spell out clearly the steps to be taken, the resources to be used and the time period within which the task is to be achieved. They also indicate who should do what and how. Programs serve as useful guides for your day-to-day operations. They are action-based and result-oriented management approaches that facilitate the smooth and efficient functioning of your organization.

Budgets

A budget outlines the expected results of a given future period in numerical terms. It is a plan of action or blueprint designed to achieve a specific goal. A budget may be expressed either in financial terms or in terms of units of products, labor-hours, machine-hours, or any other numerically measurable term.

A budget generally quantifies your plan and establishes the target for actual operations. It indicates the financial resources necessary for supporting the various activities included in your program. Many organizations use the budget as a basis for planning and coordinating other activities.

Projects

A project is similar to a program, but is smaller in scale and less complex. A project may be a component of a program, or it may be a self-contained, single-use plan. A project helps in the precise allocation of duties and effective control and easy implementation of your plan.

Standing Plans

Standing plans refer to specific actions which have been developed for dealing with recurring situations. While single-use plans are used for situations that are unique, standing plans are used for situations which may be encountered by you (in the capacity of a manager) on a regular basis.

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Case Study: Procurement Policies and Procedures at IBM

Integrity and ethical standards - As a matter of policy, IBM is fair and ethical in its business dealings with suppliers and other business partners. If this policy is being compromised, the matter can be brought to the notice of the IBM Global Procurement Ombudsman (800-233-3073). The issues will be resolved promptly with care, respect and confidentiality.

Reciprocity: IBM is against reciprocal buying arrangements as such arrangements may interfere with IBM's goal of buying goods and services which have the best price, quality, technology and prompt delivery schedules.

Confidentiality: IBM considers its business relationships with its suppliers and potential suppliers as private and confidential. IBM treats information received from its suppliers in a responsible manner and expects its suppliers to reciprocate similarly. Moreover, IBM does not wish to -receive any information of a confidential nature from a supplier unless and until IBM and the supplier have entered into a confidential disclosure agreement.

Patents: IBM does not knowingly violate the patent rights of other firms. On the contrary, IBM requires patent indemnification on all procured materials. IBM will discuss ideas and inventions with individuals outside the system and if the need arises, it will contract external agencies for development of special products. In such cases, appropriate contractual agreements have to be made beforehand.

Supplier Diversity Program: IBM is firmly committed to providing opportunities to people of different ethnic origins, women, physically challenged persons etc. to participate in all areas of its procurement, marketing and contracting activities. By so doing, IBM tries to ensure a diverse supplier base.

Gifts and Gratuities: IBM employees and their family members are not allowed to accept gifts from suppliers or prospective suppliers. The employees are allowed to accept only 'those gifts with a value of $25 or less.

Business meals and Entertainment: IBM employees who have to deal with suppliers are allowed to accept customary business amenities

such as meals and entertainment However, the expenses involved should be reasonable and must not violate the law or known supplier business practices. Further, IBM employees are also expected to reciprocate suppliers in a similar manner and to share the costs equally over time.

Appropriate conduct on IBM Premises: All individuals on IBM premises are expected to conduct themselves in a professional, business-like manner. Examples of inappropriate conduct are: being under the influence of alcohol; using illegal drugs; using a controlled substance; except for approved medical purposes; possessing of a weapon of any sort; and/ or harassing and threatening others or behaving violently towards them.

Standing plans are developed in response to programmed decisions of managers (programmed decisions refer to solutions to routine problems and are arrived at by following rules, procedures or habits). They speed up the decision-making process and allow managers to handle similar situations in a consistent manner. Since standing plans are predetermined courses of action, they make it possible for you to delegate authority. Since every course of action has been clearly defined by these

plans, they do away with the need for your continuous supervision. They also provide a ready reference for executive action as they spell out what is to be done in a particular situation.

The three main types of standing plans are policies, procedures and rules.

Policies

A policy is the most general form of a standing plan. It specifies the broad parameters within which your organization members are expected to operate in pursuit of organizational goals. Policies do not specify what actions should be taken, but provide general boundaries for action. They indicate the direction in which top management wants to channelize the energies of people in your organization. Policies are generally flexible and broad in their scope.

Procedures

A procedure is a chronological sequence of steps to be undertaken to achieve an objective. It is more specific than a policy as it outlines the steps to be followed under certain circumstances. Procedures are guides to action that specify in detail the manner in which activities are to be performed. Well-

established and formally laid down procedures are often called standard operating procedures (SOPs). They ensure uniformity in action. Unlike policies, which tend to be fairly general, procedures provide detailed step-by-step instructions regarding the action to be taken. Thus, procedures help in simplifying and streamlining the administrative activities of your organization.

Rules

These are the simplest type of standing plans. A rule is a statement that spells out what should or should not be done in a particular situation. Unlike procedures, rules do not specify a series of steps but dictate exactly what must or must not be done. Thus, rules are rigid and definite plans that do not allow for deviation. They provide very little flexibility. However, rules help ensure that employees behave in the desired manner and make their actions predictable. They regulate the day-to-day conduct of affairs by providing detailed instructions.

The different types of single-use and standing plans can be arranged in a hierarchy. This is depicted in the below figure, where organizational objectives serve as a platform for the development of strategic plans. The strategic plans lead to the development of

tactical and operational plans. These plans are then converted into narrower, more detailed standing plans and single-use plans.

Plans based on Time frame

Organizational plans should not extend beyond specific time frames. Plans based on the time horizon can be classified into three types — long-term plans, intermediate-term plans and short-term plans.
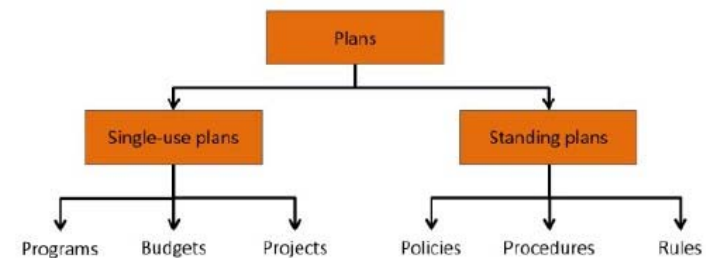
Hierarchy of Plans

Long-term plans

These are the strategic plans of your organization, and have a time frame exceeding five years. A long-term plan is derived from the vision developed for your organization by its founders or the top

management. It involves setting up broad objectives and establishing procedures for achieving these objectives.

Intermediate-term plans

While long-term plans provide a direction for your organization, intermediate-term plans specify the activities to be carried out. These plans generally cover time periods ranging from one to five years. Intermediate plans define the organization's activities and provide direction for middle management. When a firm's long-term plans are not very clear due to high levels of uncertainty, the focus of planning activity shifts to intermediate-term plans because they are made for a shorter duration of time and therefore their outcomes are certain and predictable.

Short-term plans

These plans generally cover time periods up to one year. They provide lower-level managers with guidelines for carrying out the day-to-day activities of your organization. They take care of the individual activities needed to achieve the overall objectives outlined by long-term planning. They guide a manager by stating what he has to do; how, where and when he has to do it; and the resources available for performing the specified task. Short-term plans

thus help managers make better use of manpower and other resources in the immediate future.

Apart from the different types of plans mentioned in this section, an organization can also have specific plans and directional plans. Specific plans are those which have clearly defined objectives. They are very specific and unambiguous. For instance, if you are a manager who seeks to increase his firm's sales by 10 percent over a period of one year might establish specific procedures, budget allocations, and schedules of activities for reaching that goal. These represent specific plans. To be effective, specific plans require an environment of certainty and predictability, which often does not exist. When there is high uncertainty and management is required to be flexible in order to respond to unexpected changes, it is preferable to use directional plans. These plans establish general guidelines. They provide managers with a focus, but do not confine them to specific courses of action. Instead of following a specific plan to cut costs by 5 percent and increase revenues by 10 percent in six months, a directional plan may chalk out a course for improving corporate profits within a broad range, say 10 to I5 percent, over the next six months. Thus, directional

plans provide flexibility but do not provide clearly defined objectives, as specific plans do.

- o Short-term plans

Summary:

1. Planning involves anticipating the future and consciously choosing the future course of action.
2. Planning is:
   - o Goal oriented
   - o An intellectual process
   - o A primary function
   - o All persuasive
   - o Forward looking
   - o Perpetual process
   - o Integrated process
3. Types of plans are:
   - o Strategic plans
   - o Tactical plans
   - o Operational plans
4. Plans are also based on frequency of use:
   - o Single-use plans: Programs, Budgets, Projects
   - o Standing plans: Policies, Procedures, Rules
5. Plans are based on time-frames as well:
   - o Long-term plans
   - o Intermediate-term plans

ORGANIZING, STAFFING AND CONTROLLING

In this chapter, you will:

- Understand the definitions of organizing, staffing and controlling
- Understand the process and benefits of organizing, staffing and controlling

Organizing is a very important managerial function. If planning focuses on deciding what to do, organizing focuses on how to do it. Thus, after you have set goals and worked out a plan to accomplish those goals, your next managerial function is to organize people and allocate resources to carry out the plan.

People who know how to make effective use of their resources can make any organizational design or pattern work efficiently. As a manager, you have to create the right conditions to enable the employees to effectively utilize the resources of the organization to achieve organizational goals. You have to make the employees understand the necessity of cooperation for accomplishing tasks. Employees should understand their roles and responsibilities and should work together to achieve the organizational objectives. This applies to any organization - business, government, or a football team. For a subordinate to understand his role, you must provide verifiable objectives and a clear picture of the major duties to be performed. You must also specify subordinates authority and responsibility. This gives the subordinate an idea of what he must do to achieve the goals and objectives of the organization. In addition, you should provide the subordinates with necessary information and tools for effectively performing their roles. Organizing is therefore designing and maintaining a formal structure of roles and positions.

Definitions of Organizing

According to Stephen P. Robbins and Mary Coulter, 'organizing' is "determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made?"

Thus, organizing refers to important dynamic aspects such as what tasks are to be performed, who has to perform them, on what basis the tasks are to be grouped, who has to report to whom and who should have the authority to take decisions.

L.A. Allen defined organizing as "the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives."

According to this definition, organizing is a management function involving assigning duties, grouping tasks, delegating authority and responsibility and allocating resources to carry out a specific plan in an efficient manner.

In a nutshell, organizing refers to the grouping of activities and resources in a logical fashion.

Benefits of Organizing

Effective organizing provides numerous organizational benefits:

- The process of organizing helps you develop a clear picture of the tasks you are expected to accomplish.
- The process of organizing supports planning and control activities by establishing accountability and an appropriate line of authority.

- Organizing creates channels of communication and thus supports decision-making and control.
- The process of organizing helps maintain the logical flow of work activities. By so doing, it helps you and your workgroups to easily accomplish your tasks.
- Organizing helps an organization make efficient use of its resources and avoid conflict and duplication of effort.
- Organizing coordinates activities that are diverse in nature and helps build harmonious relationships among members involved in those activities.
- The process of organizing helps you to focus task efforts such that they are logically and efficiently related to a common goal.

Staffing

Staffing is defined as filling and keeping filled, positions in the organization. Staffing facilitates the achievement of organizational goals by inviting applications from and selecting individuals whose goals are congruent to the organizational goals. When staffing, it is necessary for you to take into account internal factors of the firm such as personnel policies, the climate in the organization

and the appraisal system. Staffing requirements in an organization change according to the external environment as well. For example, with changes in technology, there is a need to hire workers who can work in an environment of high technology demands.

Staffing, which is a managerial function, influences other managerial functions such as leading and controlling. For example, in the present day culture of teamwork, it is important to select and train managers to be good team leaders who will be able to make people to work together and achieve organizational goals. Similarly, the selection of quality managers enhances the controlling function in organizations.

Once the manpower requirement is identified, a number of candidates may have to be recruited. This involves attracting qualified candidates to fill positions in the organization.

Controlling

Control is an essential function of management in every organization. The management process is incomplete and sometimes useless without the control function. The management process includes planning, organizing, staffing and controlling. Planning sets forth the objectives a manager intends to achieve. Organizing provides the structure of an organization by determining how and where the employees will be placed in the organization and the responsibilities that they will need to fulfil to attain predefined objectives. Staffing involves the managerial function of placing the right person in the right job in the organization. The control function is concerned with ensuring that the planning, organizing, staffing and leading functions result in the attainment of organizational objectives. In other words, control is a tool that helps organizations measure and compare their actual progress with their established plan.

The term 'control' has different meanings in different contexts. In the management context, 'control' refers to the evaluation of performance and the implementation of corrective actions to accomplish organizational objectives. Some people confuse 'control' with 'supervision.' Supervision is a part of control; it helps identify deviations from the established standards of performance.

The modern concept of control envisages a system that not only provides a historical record of what has

happened to the business as a whole but also pinpoints the reasons why it has happened and provides data that enables the management to take corrective steps, if there is any deviation from the plan. It also enables you to identify trends in costs, markets, and other aspects of the business, and acts as a guide for future action.

Thus, control ensures that what is done is what is intended. Control must be exercised by everyone in the organization, from the top level to the bottom level. There is a misconception that it is the duty of only the top level of an organization to exercise control. This is because many managers see control, discipline and supervision as the same thing. Control is also perceived as tight supervision by others. Such misconceptions must be removed, if the control function is to contribute to the betterment of the organization.

According to Robert J. Mockler, "Management control is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with these predetermined standards, to determine whether there are arty deviations and to measure their significance, and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives."

Summary:

1. Organizing is knowing what tasks are to be performed, who has to perform them, on what basis the tasks are to be grouped, who has to report to whom and who should have the authority to take decisions.
2. Staffing is defined as filling and keeping filled, positions in the organization.
3. The control function is concerned with ensuring that the planning, organizing, staffing and leading functions result in the attainment of organizational objectives.