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DEPARTMENT OF ELECTRONICS & COMMUNICATION ENGINEERING

NAME OF THE SUBJECT	**:**	**PRINCIPLES OF MANAGEMENT**
Subject code	**:**	**GE3751**
Regulation	**:**	**2021**

SYLLABUS

GE3751 PRINCIPLES OF MANAGEMENT

UNIT I INTRODUCTION TO MANAGEMENT AND ORGANIZATIONS

Definition of Management – Science or Art – Manager Vs Entrepreneur - types of managers -managerial roles and skills – Evolution of Management – Scientific, human relations, system and contingency approaches – Types of Business organization - Sole proprietorship, partnership, company-public and private sector enterprises - Organization culture and Environment – Current trends and issues in Management.

UNIT II PLANNING

Nature and purpose of planning – planning process – types of planning – objectives – setting objectives – policies – Planning premises – Strategic Management – Planning Tools and Techniques – Decision making steps and process.

UNIT III ORGANISING

Nature and purpose – Formal and informal organization – organization chart – organization structure – types – Line and staff authority – departmentalization – delegation of authority – centralization and decentralization – Job Design - Human Resource Management – HR Planning, Recruitment, selection, Training and Development, Performance Management, Career planning and management.

UNIT IV DIRECTING

Foundations of individual and group behavior – motivation – motivation theories – motivational techniques – job satisfaction – job enrichment – leadership – types and theories of leadership – communication – process of communication – barrier in communication – effective communication –communication and IT.

UNIT V CONTROLLING

System and process of controlling – budgetary and non-budgetary control techniques – use of computers and IT in Management control – Productivity problems and management – control and performance – direct and preventive control – reporting.

TEXTBOOKS:

1. Stephen P. Robbins & Mary Coulter, ―Management‖, Prentice Hall (India) Pvt. Ltd., 10th Edition, 2009. 3 2. JAF Stoner, Freeman R.E and Daniel R Gilbert ―Management‖, Pearson Education, 6th Edition, 2004.

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1. Stephen A. Robbins & David A. Decenzo& Mary Coulter, ―Fundamentals of Management‖ Pearson Education, 7th Edition, 2011.
2. Robert Kreitner&MamataMohapatra, ― Management‖, Biztantra, 2008.
3. Harold Koontz & Heinz Weihrich ―Essentials of management‖ Tata McGraw Hill,1998.
4. Tripathy PC & Reddy PN, ―Principles of Management‖, Tata McGraw Hill, 1999

UNIT II

PLANNING

- ## Definition of planning

Planning is deciding in advance what to do and how to do. It is one of the basic managerial functions. Planning involves selecting missions and objectives and deciding on the actions to achieve them; it requires decision making, that is, choosing a course of action from among alternatives

Planning bridges the gap from where we are to where we want to go.

- ## Nature of Planning

1. Planning is goal-oriented:
Every plan must contribute in some positive way towards the accomplishment of group objectives.Planning has no meaning without being related to goals.

2. Primacy of Planning:
Planning is the first of the managerial functions. It precedes all other management functions.

3. Pervasiveness of Planning:
Planning is found at all levels of management. Top management looks after strategic planning. Middlemanagement is in charge of administrative planning. Lower management has to concentrate on operational planning.

4. Efficiency, Economy and Accuracy:
Efficiency of plan is measured by its contribution to the objectives as economically as possible. Planningalso focuses on accurate forecasts.

5. Co-ordination:
Planning co-ordinates the what, who, how, where and why of planning. Without co-ordination of allactivities, we cannot have united efforts.

6. Limiting Factors:
A planner must recognize the limiting factors (money, manpower etc) and formulate plans in the light ofthese critical factors.

7. Flexibility:
The process of planning should be adaptable to changing environmental conditions.

8. Planning is an intellectual process:
The quality of planning will vary according to the quality of the mind of the manager.

- ## Purpose of Planning

As a managerial function planning is important due to the following reasons:-

1. **To manage by objectives:** All the activities of an organization are designed to achieve certain specified objectives. However, planning makes the objectives more concrete by focusing attention on them.

2. **To offset uncertainty and change:** Future is always full of uncertainties and changes. Planning foresees the future and makes the necessary provisions for it.

3. **To secure economy in operation:** Planning involves, the selection of most profitable course of action that would lead to the best result at the minimum costs.

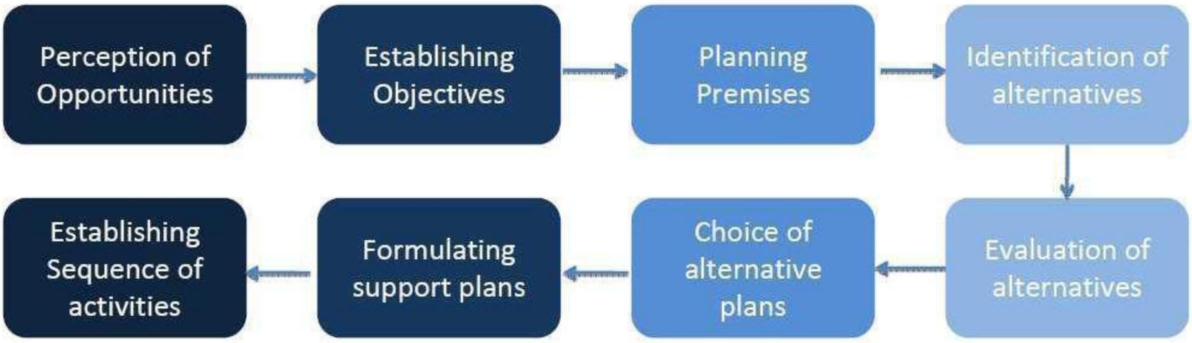
4. **To help in co-ordination:** Co-ordination is, indeed, the essence of management, the planning is the base of it. Without planning it is not possible to co-ordinate the different activities of an organization.

5. **To make control effective:** The controlling function of management relates to the comparison of the planned performance with the actual performance. In the absence of plans, a management will have no standards for controlling other's performance.

6. **To increase organizational effectiveness:** Mere efficiency in the organization is not important; it should also lead to productivity and effectiveness. Planning enables the manager to measure the organizational effectiveness in the context of the stated objectives and take further actions in this direction.

- PLANNING PROCESS

The various steps involved in planning are given below



Planning Process

a) Perception of Opportunities:
Although preceding actual planning and therefore not strictly a part of the planning process, awareness of an opportunity is the real starting point for planning. It includes a preliminary look at possible future opportunities and the ability to see them clearly and completely, knowledge of where we stand in the light of our strengths and weaknesses, an understanding of why we wish to solve uncertainties, and a vision of what we expect to gain. Setting realistic objectives depends on this awareness. Planning requires realistic diagnosis of the opportunity situation.

b) Establishing Objectives:
The first step in planning itself is to establish objectives for the entire enterprise and then for each subordinate unit. Objectives specifying the results expected indicate the end points of what is to be done, where the primary emphasis is to be placed, and what is to be accomplished by the network of strategies, policies, procedures, rules, budgets and programs.
Enterprise objectives should give direction to the nature of all major plans which, by reflecting these objectives, define the objectives of major departments. Major department objectives, in turn, control the objectives of subordinate departments, and so on down the line. The objectives of lesser departments will be better framed, however, if subdivision managers understand the overall enterprise objectives and the implied derivative goals and if they are given an opportunity to contribute their ideas to them and to the setting of their own goals.

c) Considering the Planning Premises:

Another logical step in planning is to establish, obtain agreement to utilize and disseminate critical planning premises. These are forecast data of a factual nature, applicable basic policies, and existing company plans. Premises, then, are planning assumptions – in other words, the expected environment of plans in operation. This step leads to one of the major principles of planning. The more individuals charged with planning understand and agree to utilize consistent planning premises, the more coordinated enterprise planning will be. Planning premises include far more than the usual basic forecasts of population, prices, costs, production, markets, and similar matters. Because the future environment of plans is so complex, it would not be profitable or realistic to make assumptions about every detail of the future environment of a plan. Since agreement to utilize a given set of premises is important to coordinate planning, it becomes a major responsibility of managers, starting with those at the top, to make sure that subordinate managers understand the premises upon which they are expected to plan. It is not unusual for chief executives in well- managed companies to force top managers with differing views, through group deliberation, to arrive at a set of major premises that all can accept.

d) Identification of alternatives:

Once the organizational objectives have been clearly stated and the planning premises have been developed, the manager should list as many available alternatives as possible for reaching those objectives. The focus of this step is to search for and examine alternative courses of action, especially those not immediately apparent. There is seldom a plan for which reasonable alternatives do not exist, and quite often an alternative that is not obvious proves to be the best. The more common problem is not finding alternatives, but reducing the number of alternatives so that the most promising may be analyzed. Even with mathematical techniques and the computer, there is a limit to the number of alternatives that may be examined. It is therefore usually necessary for the planner to reduce by preliminary examination the number of alternatives to those promising the most fruitful possibilities or by mathematically eliminating, through the process of approximation, the least promising ones.

e) Evaluation of alternatives

Having sought out alternative courses and examined their strong and weak points, the following step is to evaluate them by weighing the various factors in the light of premises and goals. One course may appear to be the most profitable but require a large cash outlay and a slow payback; another may be less profitable but involve less risk; still another may better suit the company in long–range objectives. If the only objective were to examine profits in a certain business immediately, if the future were not uncertain, if cash position and capital availability were not worrisome, and if most factors could be reduced to definite data, this evaluation should be relatively easy. But typical planning is replete with uncertainties, problems of capital shortages, and intangible factors, and so evaluation is usually very difficult, even with relatively simple problems. A company may wish to enter a new product line primarily for purposes of prestige; the forecast of expected results may show a clear financial loss, but the question is still open as to whether the loss is worth the gain.

f) Choice of alternative plans

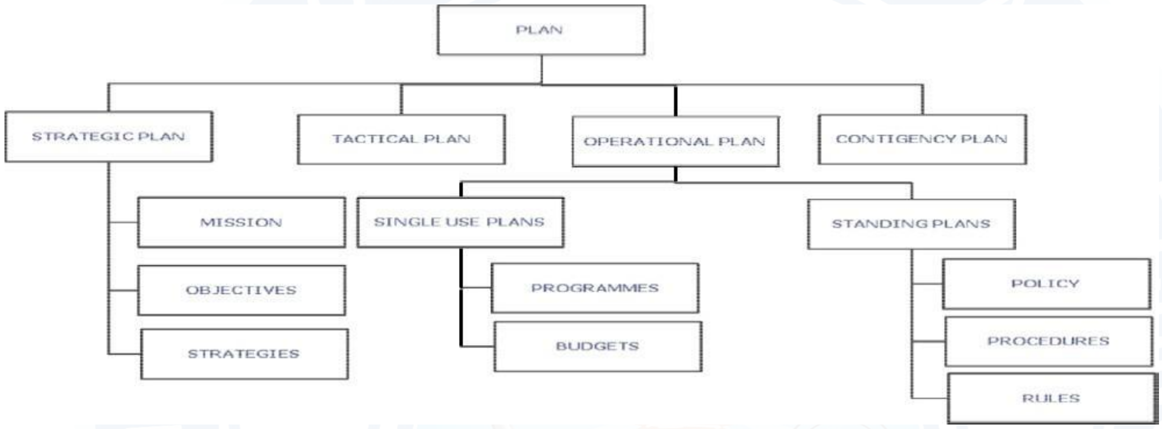
An evaluation of alternatives must include an evaluation of the premises on which the alternatives are based. A manager usually finds that some premises are unreasonable and can therefore be excluded from further consideration. This elimination process helps the manager determine which alternative would best accomplish organizational objectives.

g) Formulating of Supporting Plans

After decisions are made and plans are set, the final step to give them meaning is to numberize them by converting them to budgets. The overall budgets of an enterprise represent the sum total of income and expenses with resultant profit or surplus and budgets of major balance– sheet items such as cash and capital expenditures. Each department or program of a business or other enterprise can have its own budgets, usually of expenses and capital expenditures, which tie into the overall budget. If this process is done well, budgets become a means of adding together the various plans and also important standards against which planning progress can be measured.

h)Establishing sequence of activities
Once plans that furnish the organization with both long-range and short-range direction have been developed, they must be implemented. Obviously, the organization can not directly benefit from planning process until this step is performed

- Types of planning



Plans can be broadly classified as
a) Strategic plans
b) Tactical plans
c) Operational plans

Operational plans lead to the achievement of tactical plans, which in turn lead to the attainment of strategic plans. In addition to these three types of plans, managers should also develop a contingency plan in case their original plans fail.
a) STRATEGIC PLANS:
A strategic plan is an outline of steps designed with the goals of the entire organization as a whole in mind, rather than with the goals of specific divisions or departments. It is further classified as
i) Mission:
The mission is a statement that reflects the basic purpose and focus of the organization which normally remain unchanged. The mission of the company is the answer of the question : why does the organization exists? Properly crafted mission statements serve as filters to separate what is important from what is not, clearly state which markets will be served and how, and communicate a sense of intended direction to the entire organization.
Mission of Ford: “we are a global, diverse family with a proud inheritance, providing exceptional products and services”

ii) Objectives or goals:
Both goal and objective can be defined as statements that reflect the end towards which the organization is aiming to achieve. However, there are significant differences between the two. A goal is an abstract and general umbrella statement, under which specific objectives can be clustered. Objectives are statements that describe—in precise, measurable, and obtainable terms which reflect the desired organization‘s outcomes.

iii) Strategies:
Strategy is the determination of the basic long term objectives of an organization and the adoption of action and collection of action and allocation of resources necessary to achieve these goals. Strategic planning begins with an organization's mission. Strategic plans look ahead over the next two, three, five, or even more years to move the organization from where it currently is to where it wants to be. Requiring multilevel involvement, these plans demand harmony among all levels of management within the organization. Top-level management develops the directional objectives for the entire organization, while lower levels of management develop compatible objectives and plans to achieve them. Top management's strategic plan for the entire organization becomes the framework and sets dimensions for the lower level planning.

b) TACTICAL PLANS:
A tactical plan is concerned with what the lower level units within each division must do, how they must do it, and who is in charge at each level. Tactics are the means needed to activate a strategy and make it work. Tactical plans are concerned with shorter time frames and narrower scopes than are strategic plans. These plans usually span one year or less because they are considered short-term goals. Long-term goals, on the other hand, can take several years or more to accomplish. Normally, it is the middle manager's responsibility to take the broad strategic plan and identify specific tactical actions.

c) OPERATIONAL PLANS
The specific results expected from departments, work groups, and individuals are the operational goals. These goals are precise and measurable. "Process 150 sales applications each week" or "Publish 20 books this quarter" are examples of operational goals. An operational plan is one that a manager uses to accomplish his or her job responsibilities. Supervisors, team leaders, and facilitators develop operational plans to support tactical plans . Operational plans can be a single-use plan or a standing plan.

i) Single-use plans apply to activities that do not recur or repeat. A one-time occurrence, such as a special sales program, is a single-use plan because it deals with the who, what, where, how, and how much of an activity.

¬ **Programme**: Programme consists of an ordered list of events to be followed to execute a project.

¬ **Budget**: A budget predicts sources and amounts of income and how much they are
used for a specific project.

ii) Standing plans are usually made once and retain their value over a period of years while undergoing periodic revisions and updates. The following are examples of ongoing plans:

¬ **Policy**: A policy provides a broad guideline for managers to follow when dealing with important areas of decision making. Policies are general statements that explain how a manager should attempt to handle routine management responsibilities.

Typical human resources policies, for example, address such matters as employee hiring, terminations, performance appraisals, pay increases, and discipline.

¬ **Procedure**: A procedure is a set of step-by-step directions that explains how activities or tasks are to be carried out. Most organizations have procedures for purchasing supplies and equipment, for example. This procedure usually begins with a supervisor completing a purchasing requisition. The requisition is then sent to the next level of management for approval. The approved requisition is forwarded to the purchasing department. Depending on the amount of the request, the purchasing department may place an order, or they may need to secure quotations and/or bids for several vendors before placing the order. By defining the steps to be taken and the order in which they are to be done, procedures provide a standardized way of responding to a repetitive problem.

¬ **Rule**: A rule is an explicit statement that tells an employee what he or she can and cannot do. Rules are ―do and ―don't statements put into place to promote the safety of employees and the uniform treatment and behavior of employees. For example, rules about tardiness and absenteeism permit supervisors to make discipline decisions rapidly and with a high degree of fairness.

d) CONTINGENCY PLANS

Intelligent and successful management depends upon a constant pursuit of adaptation, flexibility, and mastery of changing conditions. Strong management requires a ―keeping all options open‖ approach at all times — that's where contingency planning comes in. Contingency planning involves identifying alternative courses of action that can be implemented if and when the original plan proves inadequate because of changing circumstances. Keep in mind that events beyond a manager's control may cause even the most carefully prepared alternative future scenarios to go awry. Unexpected problems and events frequently occur. When they do, managers may need to change their plans. Anticipating change during the planning process is best in case things don't go as expected. Management can then develop alternatives to the existing plan and ready them for use when and if circumstances make these alternatives appropriate.

- **OBJECTIVES**

Objectives may be defined as the goals which an organisation tries to achieve. Objectives are described as the end- points of planning. According to Koontz and O'Donnell, "an objective is a term commonly used to indicate the end point of a management programme." Objectives constitute the purpose of the enterprise and without them no intelligent planning can take place.

Objectives are, therefore, the ends towards which the activities of the enterprise are aimed. They are present not only the end-point of planning but also the end towards which organizing, directing and controlling are aimed. Objectives provide direction to various activities. They also serve as the benchmark of measuring the efficiency and effectiveness of the enterprise. Objectives make every human activity purposeful. Planning has no meaning if it is not related to certain objectives.

Features of Objectives

• The objectives must be predetermined.

• A clearly defined objective provides the clear direction for managerial effort.