



## **ROHINI COLLEGE OF ENGINEERING & TECHNOLOGY**

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Accredited by NAAC with A+ grade, Accredited by NBA for (ECE, EEE, MECH)

### **DEPARTMENT OF ELECTRONICS & COMMUNICATION ENGINEERING**

**NAME OF THE SUBJECT : PRINCIPLES OF MANAGEMENT**

**Subject code : GE3751**

**Regulation : 2021**

**OBSERVE OPTIMIZE OUTSPREAD**

## **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:**

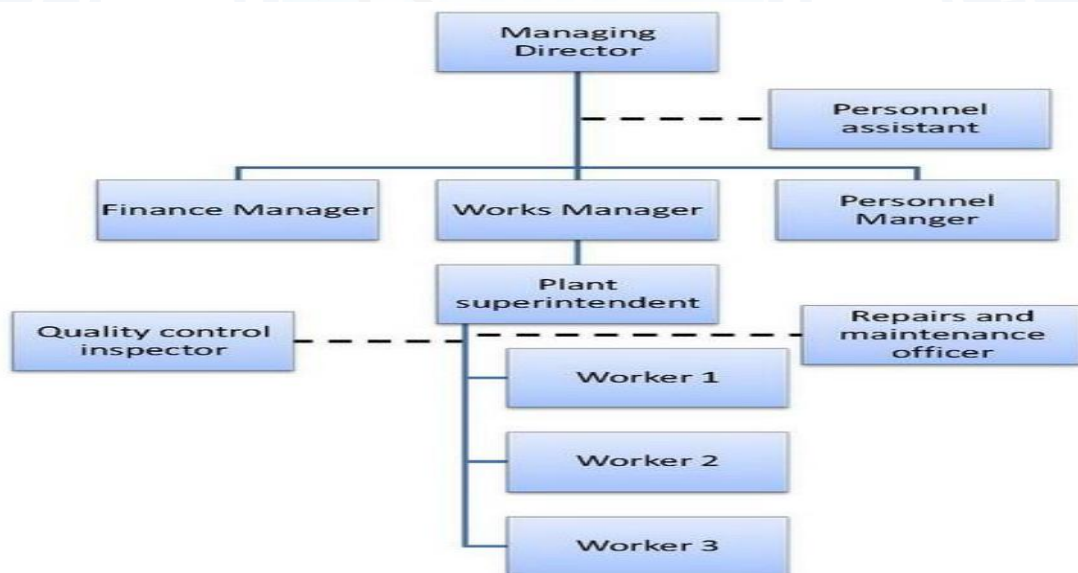
1. Stephen P. Robbins & Mary Coulter, —Management, Prentice Hall (India) Pvt. Ltd., 10th Edition, 2009. 3 2. JAF Stoner, Freeman R.E and Daniel R Gilbert —Management, Pearson Education, 6th Edition, 2004.

#### **REFERENCES:**

1. Stephen A. Robbins & David A. Decenzo & Mary Coulter, —Fundamentals of Management, Pearson Education, 7th Edition, 2011.  
2. Robert Kreitner & Mamata Mohapatra, — 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

- LINE AND STAFF AUTHORITY

In an organization, the line authority flows from top to bottom and the staff authority is exercised by the specialists over the line managers who advise them on important matters. These specialists stand ready with their specialty to serve line managers as and when their services are called for, to collect information and to give help which will enable the line officials to carry out their activities better. The staff officers do not have any power of command in the organization as they are employed to provide expert advice to the line officers. The 'line' maintains discipline and stability; the 'staff' provides expert information. The line gets out the production, the staffs carries on the research, planning, scheduling, establishing of standards and recording of performance. The authority by which the staff performs these functions is delegated by the line and the performance must be acceptable to the line before action is taken. The following figure depicts the line and staff authority:



### Types of Staff

The staff position established as a measure of support for the line managers may take the following forms:

1. Personal Staff: Here the staff official is attached as a personal assistant or adviser to the line manager. For example, Assistant to managingdirector.
2. Specialized Staff: Such staff acts as the fountainhead of expertise in specialized areas like R & D, personnel, accountingetc.
3. General Staff: This category of staff consists of a set of experts in different areas who are meant to advise and assist the top management on matters called for expertise. For example, Financial advisor, technical advisoretc.

### Features of line and staff organization

- Under this system, there are line officers who have authority and command over the subordinates and are accountable for the tasks entrusted to them. The staff officers are specialists who offer expert advice to the line officers to perform their tasksefficiently.

- Under this system, the staff officers prepare the plans and give advice to the line officers and the line officers execute the plan with the help of workers.
- The line and staff organization is based on the principle of specialization.

### Advantages

- It brings expert knowledge to bear upon management and operating problems. Thus, the line managers get the benefit of specialized knowledge of staff specialists at various levels.
- The expert advice and guidance given by the staff officers to the line officers benefit the entire organization.
- As the staff officers look after the detailed analysis of each important managerial activity, it relieves the line managers of the botheration of concentrating on specialized functions.
- Staff specialists help the line managers in taking better decisions by providing expert advice. Therefore, there will be sound managerial decisions under this system.

- It makes possible the principle of undivided responsibility and authority, and at the same time permits staff specialization. Thus, the organization takes advantage of functional organization while maintaining the unity of command.
- It is based upon planned specialization.
- Line and staff organization has greater flexibility, in the sense that new specialized activities can be added to the line activities without disturbing the line procedure.

### Disadvantages

- Unless the duties and responsibilities of the staff members are clearly indicated by charts and manuals, there may be considerable confusion throughout the organization as to the functions and positions of staff members with relation to the line supervisors.
- There is generally a conflict between the line and staff executives. The line managers feel that staff specialists do not always give right type of advice, and staff officials generally complain that their advice is not properly attended to.
- Line managers sometimes may resent the activities of staff members, feeling that prestige and influence of line managers suffer from the presence of the specialists.
- The staff experts may be ineffective because they do not get the authority to implement their recommendations.
- This type of organization requires the appointment of large number of staff officers or experts in addition to the line officers. As a result, this system becomes quite expensive.
- Although expert information and advice are available, they reach the workers through the officers and thus run the risk of misunderstanding and misinterpretation.
- Since staff managers are not accountable for the results, they may not be performing their duties well.
- Line managers deal with problems in a more practical manner. But staff officials who are specialists in their fields tend to be more theoretical. This may hamper coordination in the organization.

### • DEPARTMENTATION BY DIFFERENT STRATEGIES

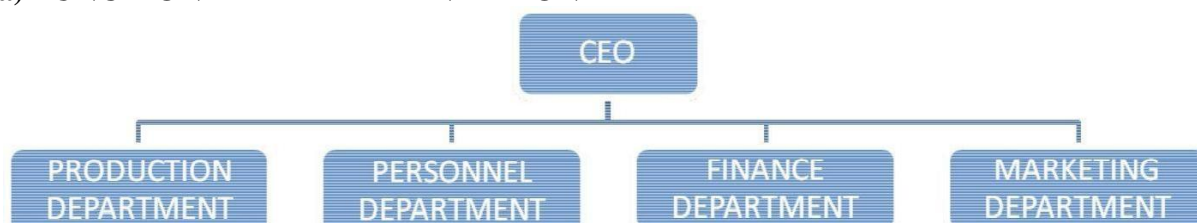
DEPARTMENTATION refers to the process of grouping activities into departments. Departmentation is the process of grouping of work activities into departments, divisions, and other homogenous units.

#### Key Factors in Departmentation

- It should facilitate control.
- It should ensure proper coordination.
- It should take into consideration the benefits of specialization.
- It should not result in excess cost.
- It should give due consideration to Human Aspects.

Departmentation takes place in various patterns like departmentation by functions, products, customers, geographic location, process, and its combinations.

#### a) FUNCTIONAL DEPARTMENTATION



Functional departmentation is the process of grouping activities by functions performed. Activities can be grouped according to function (work being done) to pursue economies of scale by placing employees with shared skills and knowledge into departments for example humanresources, finance, production, and marketing. Functional departmentation can be used in all types of organizations.

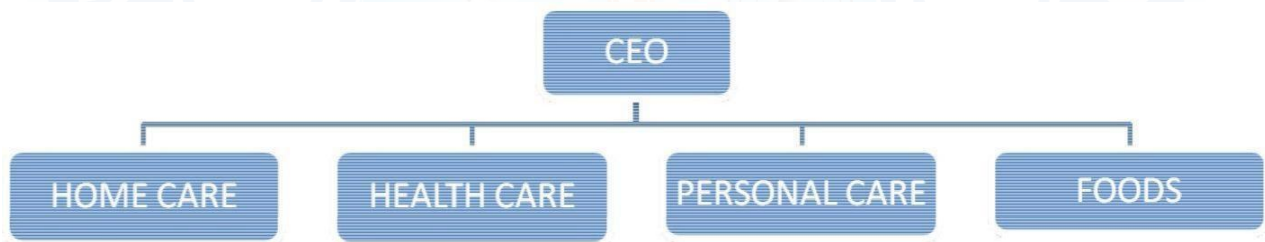
**Advantages:**

- Advantage of specialization
- Easy control over functions
- Pinpointing training needs of manager
- It is very simple process of grouping activities.

**Disadvantages:**

- Lack of responsibility for the end result
- Overspecialization or lack of general management
- It leads to increase conflicts and coordination problems among departments.

**b) PRODUCT DEPARTMENTATION**



Product departmentation is the process of grouping activities by product line. Tasks can also be grouped according to a specific product or service, thus placing all activities related to the product or the service under one manager. Each major product area in the corporation is under the authority of a senior manager who is specialist in, and is responsible for, everything related to the product line. Dabur India Limited is the India's largest Ayurvedic medicine manufacturer is an example of company that uses product departmentation. Its structure is based on its varied product lines which include Home care, Health care, Personal care and Foods.

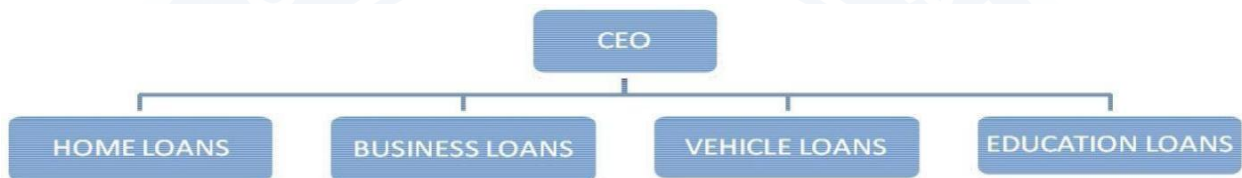
**Advantages**

- It ensures better customer service
- Unprofitable products may be easily determined
- It assists in development of all around managerial talent
- Makes control effective
- It is flexible and new product line can be added easily.

### Disadvantages

- It is expensive as duplication of service functions occurs in various product divisions
- Customers and dealers have to deal with different persons for complaint and information of different products.

### c) CUSTOMER DEPARTMENTATION



Customer departmentation is the process of grouping activities on the basis of common customers or types of customers. Jobs may be grouped according to the type of customer served by the organization. The assumption is that customers in each department have a common set of problems and needs that can best be met by specialists. UCO is the one of the largest commercial banks of India is an example of company that uses customer departmentation. Its structure is based on various services which includes Home loans, Business loans, Vehicle loans and Educational loans.

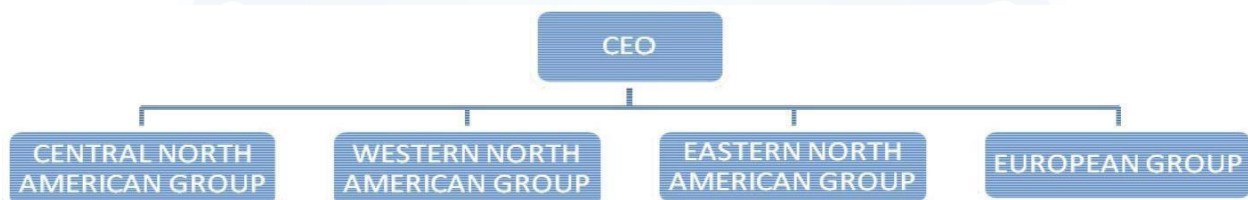
### Advantages

- It focused on customers who are ultimate suppliers of money
- Better service to customer having different needs and tastes
- Development in general managerial skills

### Disadvantages

- Sales being the exclusive field of its application, co-ordination may appear difficult between sales function and other enterprise functions.
- Specialized sales staff may become idle with the downward movement of sales to any specified group of customers.

### d) GEOGRAPHIC DEPARTMENTATION



Geographic departmentation is the process of grouping activities on the basis of territory. If an organization's customers are geographically dispersed, it can group jobs based on geography. For example, the organization structure of Coca-Cola Ltd has reflected the

company's operation in various geographic areas such as Central North American group, Western North American group, Eastern North American group and European group

Geographic departmentation is the process of grouping activities on the basis of product or service or customer flow. Because each process requires different skills, process departmentation allows homogenous activities to be categorized. For example, Bowater Thunder Bay, a Canadian company that harvests trees and processes wood into newsprint and pulp. Bowater has three divisions namely tree cutting, chemical processing, and finishing (which makes newsprint).

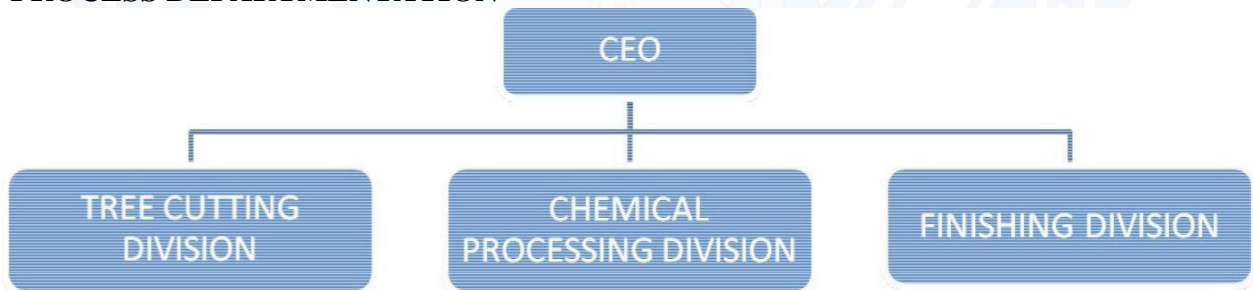
### Advantages

- Help to cater to the needs of local people more satisfactorily.
- It facilitates effective control
- Assists in development of all-round managerial skills

### Disadvantages

- Communication problem between head office and regional office due to lack of means of communication at some location
- Coordination between various divisions may become difficult.
- Distance between policy framers and executors
- It leads to duplication of activities which may cost higher.

### e) PROCESS DEPARTMENTATION



### Departmentation by process: -

#### Advantages

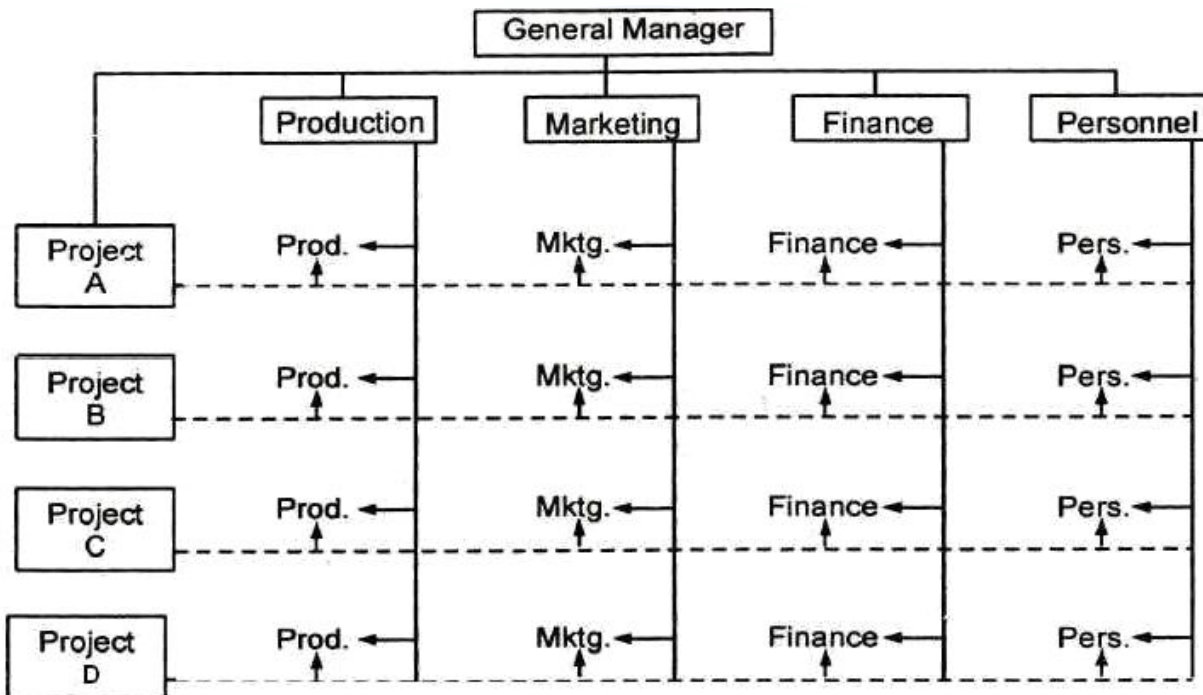
- Oriented towards end result.
- Professional identification is maintained.
- Pinpoints product-profit responsibility.

#### Disadvantage

- Conflict in organization authority exists.
- Possibility of disunity of command.
- Requires managers effective in human relation



## MARTIX DEPARTMENTATION



In actual practice, no single pattern of grouping activities is applied in the organization structure with all its levels. Different bases are used in different segments of the enterprise. Composite or hybrid method forms the common basis for classifying activities rather than one particular method, one of the mixed forms of organization is referred to as matrix or grid organization's According to the situations, the patterns of Organizing varies from case to case. The form of structure must reflect the tasks, goals and technology if the originations the type of people employed and the environmental conditions that it faces. It is not unusual to see firms that utilize the function and project organization combination. The same is true for process and project as well as other combinations. For instance, a large hospital could have an accounting department, surgery department, marketing department, and a satellite center project team that make up its organizational structure.

### Advantages

- Efficiently manage large, complex tasks
- Effectively carry out large, complex tasks

### Disadvantages

- Requires high levels of coordination
- Conflict between bosses
- Requires high levels of management skills

- **SPAN OF CONTROL**

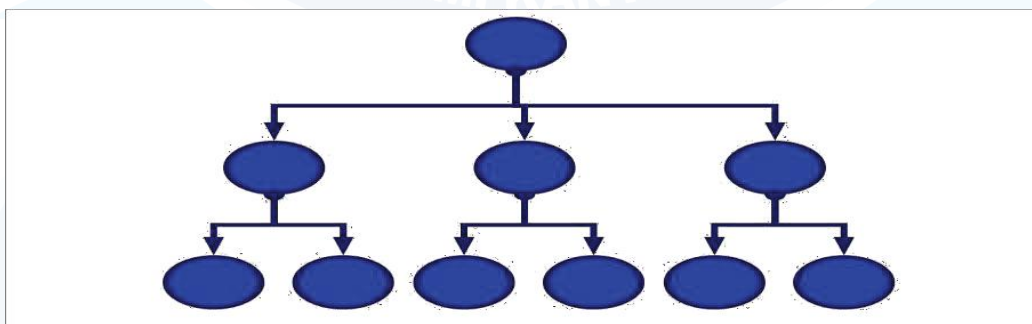
Span of Control means the number of subordinates that can be managed efficiently and effectively by a superior in an organization. It suggests how the relations are designed between a superior and a subordinate in an organization.

**Factors Affecting Span of control:**

- Capacity of Superior:** Different ability and capacity of leadership, communication affect management of subordinates.
- Capacity of Subordinates:** Efficient and trained subordinates affect the degree of span of management.
- Nature of Work:** Different types of work require different patterns of management.
- Degree of Centralization or Decentralization:** Degree of centralization or decentralization affects the span of management by affecting the degree of involvement of the superior in decisionmaking.
- Degree of Planning:** Plans which can provide rules, procedures in doing the work higher would be the degree of span of management.
- Communication Techniques:** Pattern of communication, its means, and media affect the time requirement in managing subordinates and consequently span of management.
- Use of Staff Assistance:** Use of Staff assistance in reducing the work load of managers enables them to manage more number of subordinates.
- Supervision of others:** If subordinate receives supervision form several other personnel besides his direct supervisor. In such a case, the work load of direct superior is reduced and he can supervise more number of persons.

**Span of control is of two types:**

**1. Narrow span of control:** Narrow Span of control means a single manager or supervisor oversees few subordinates. This gives rise to a tall organizational structure.



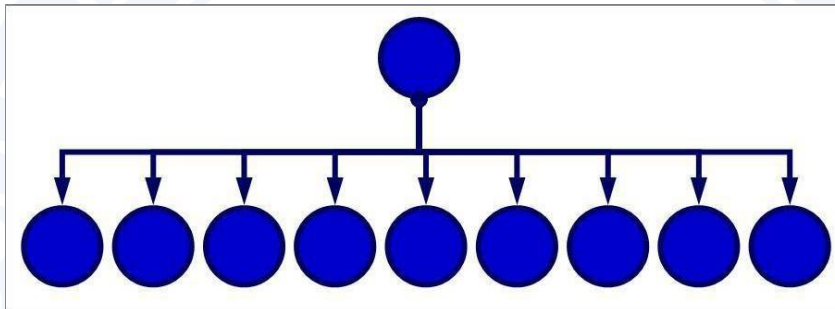
**Advantages:**

- Close supervision
- Close control of subordinates
- Fast communication

### Disadvantages:

- Too much control
- Many levels of management
- High costs
- Excessive distance between lowest level and highest level

**2. Wide span of control:** Wide span of control means a single manager or supervisor oversees a large number of subordinates. This gives rise to a flat organizational structure.



### Advantages:

- More Delegation of Authority
- Development of Managers
- Clear policies

### Disadvantages:

- Overloaded supervisors
- Danger of superior's loss of control
- Requirement of highly trained managerial personnel
- Block in decision making

## CENTRALIZATION AND DECENTRALIZATION

### Centralization:

It is the process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy. The span of control of top managers is relatively broad, and there are relatively many tiers in the organization.

### Characteristics

- Philosophy / emphasis on: top-down control, leadership, vision, strategy.
- Decision-making: strong, authoritarian, visionary, charismatic.
- Organizational change: shaped by top, vision of leader.
- Execution: decisive, fast, coordinated. Able to respond quickly to major issues and changes.
- Uniformity. Low risk of dissent or conflicts between parts of the organization.

### **Advantages of Centralization**

- Provide Power and prestige for manager
- Promote uniformity of policies, practices and decisions
- Minimal extensive controlling procedures and practices
- Minimize duplication of function

### **Disadvantages of Centralization**

- Neglected functions for mid. Level, and less motivated beside personnel.
- Nursing supervisor functions as a link officer between nursing director and first-line management.

### **Decentralization:**

It is the process of transferring and assigning decision-making authority to lower levels of an organizational hierarchy. The span of control of top managers is relatively small, and there are relatively few tears in the organization, because there is more autonomy in the lower ranks.

### **Characteristics**

- Philosophy / emphasis on: bottom-up, political, cultural and learning dynamics.
- Decision-making: democratic, participative, detailed.
- Organizational change: emerging from interactions, organizational dynamics.
- Execution: evolutionary, emergent. Flexible to adapt to minor issues and changes.
- Participation, accountability. Low risk of not-invented-here behavior.

### **Three Forms of decentralization**

- **De-concentration.** The weakest form of decentralization. Decision making authority is redistributed to lower or regional levels of the same central organization.
- **Delegation.** A more extensive form of decentralization. Through delegation the responsibility for decision-making are transferred to semi-autonomous organizations not wholly controlled by the central organization, but ultimately accountable to it.
- **Devolution.** A third type of decentralization is devolution. The authority for decision-making is transferred completely to autonomous organizational units.

### **Advantages of Decentralization**

- Raise morale and promote interpersonal relationships
- Relieve from the daily administration
- Bring decision-making close to action
- Develop Second-line managers
- Promote employee's enthusiasm and coordination
- Facilitate actions by lower-level managers

## Disadvantages of Decentralization

- Top-level administration may feel it would decrease their status
- Managers may not permit full and maximum utilization of highly qualified personnel
- Increased costs. It requires more managers and large staff
- It may lead to overlapping and duplication of effort

Centralization and Decentralization are two opposite ways to transfer decision-making power and to change the organizational structure of organizations accordingly. There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.

## DELEGATION OF AUTHORITY

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate. Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

### Elements of Delegation

1. **Authority** - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misuse it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.
2. **Responsibility** - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.
3. **Accountability** - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the

person will think beyond his scope of job. Accountability ,in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

## DELEGATION PROCESS

The steps involved in delegation are given below



1. **Allocation of duties** – The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.
2. **Granting of authority** – Subdivision of authority takes place when a superior divides and shares his authority with the subordinate. It is for this reason; every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very important to get effective results.
3. **Assigning of Responsibility and Accountability** – The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted.
4. **Creation of accountability** – Accountability, on the other hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

Therefore every manager, i.e., the delegator has to follow a system to finish up the delegation process. Equally important is the delegate's role which means his responsibility and accountability is attached with the authority over to here.