

CONTENTS

	PAGE
<i>About the Authors</i>	<i>v</i>
<i>Preface</i>	<i>vii</i>
<i>Syllabus</i>	<i>ix</i>

1

MANAGEMENT : CONCEPT AND NATURE

1.1	Concept of Management	1
1.2	Features of Management	2
1.3	Objectives of Management	3
1.4	Importance of Management	4
1.5	Aspects of Management	5
1.6	Nature of Management	8
1.7	Management and Administration	13
1.8	Levels of Management	14
1.9	Diagrammatic Representation of Levels of Management	17
1.10	Managerial Skills	17
1.11	Management Process/Management Functions	18
1.12	Role of Managers	21

2

CO-ORDINATION

2.1	Co-ordination	24
2.2	Features/Nature of Co-ordination	25

	PAGE
2.3 Importance/Need for Co-ordination	26
2.4 Limitations in Achieving Co-ordination	27
2.5 Types of Co-ordination	28
2.6 Techniques of Co-ordination	30
2.7 Principles of Co-ordination	30
2.8 Co-ordination and Co-operation	31
2.9 Co-ordination – The Essence of Management	32

3

EVOLUTION OF MANAGEMENT THOUGHT

3.1 Introduction	34
3.2 Management Theories	35
3.3 Pre-scientific Management Theories	35
3.4 Classical theory	36
3.5 Behavioural Theory	53

4

CONTEMPORARY MANAGEMENT THEORIES

Modern Management Theory	61
<i>I.</i> Systems Theory	61
<i>II.</i> Contingency Theory	65
<i>III.</i> Theory of Michael Porter (Born on May 23, 1947)	70
<i>IV.</i> Theory of Michael Hammer (1948-2008)	73
<i>V.</i> Theory of Peter Senge (Born in 1947)	75
<i>VI.</i> Fortune at the Bottom of Pyramid	76

5

MANAGEMENT BY OBJECTIVES

5.1 Introduction	84
5.2 Features of MBO	86
5.3 Objectives of MBO	86
5.4 Process of MBO	87



5.5	Merits of MBO	88
5.6	Limitations of MBO	88
5.7	Effective MBO	89

6

PLANNING FUNCTION

6.1	Introduction	91
6.2	Meaning of Planning	92
6.3	Features of Planning	92
6.4	Importance/Objectives of Planning	94
6.5	Limitations of Planning	95
6.6	Ways to Overcome Limitations	96
6.7	Process of Planning	98
6.8	Planning Premises	99
6.9	Principles of Planning	101
6.10	Features of a Good Plan	101
6.11	Types of Plans	102
6.12	Plans on the Basis of Levels in the Organisation	103
6.13	Classification on the Basis of Use	105
6.14	Classification on the Basis of Time	115
6.15	Classification on the Basis of Functional Areas	116

7

STRATEGIC PLANNING

7.1	Meaning of Strategic Planning	118
7.2	Features of Strategic Planning	118
7.3	Importance of Strategic Planning	119
7.4	Limitations of Strategic Planning	120
7.5	Process of Strategic Planning	120
7.6	Levels/Types of Strategies	122
7.7	Evaluation of Strategies	125
7.8	Types of Strategies	126

	PAGE
7.9 Internal Growth Strategy	126
7.10 External Growth Strategy	131

8

BUSINESS ENVIRONMENT (ENVIRONMENT ANALYSIS AND DIAGNOSIS)

8.1 Business Environment	136
8.2 Relationship between Environment and Business	143
8.3 Environment Analysis	144
8.4 SWOT Analysis	144
8.5 ETOP	147
8.6 BCG Matrix	149
8.7 Competitor Analysis	153

9

DECISION MAKING

9.1 Introduction	158
9.2 Meaning of Decision-Making	159
9.3 Features of Decision-Making	159
9.4 Decision-Making and Planning	160
9.5 Process of Decision-Making	161
9.6 Types of Decisions	163
9.7 Approaches to Decision-Making	165
9.8 Techniques of Decision-Making	167
9.9 Models of Decision-Making	177
9.10 Information Technology and Decision-Making	180
9.11 Management Information System	181
9.12 Decision Support System	182

10

ORGANISING FUNCTION

10.1 Meaning of Organisation	185
10.2 Nature of Organisation	186



	PAGE
10.3 Process of Organising	187
10.4 Importance of Organising	188
10.5 Organisation Chart	189
10.6 What Does Organisation Chart Show	190
10.7 Merits of Organisation Charts	191
10.8 Limitations of Organisation Charts	192
10.9 Kinds of Organisation Charts	193
10.10 Span of Management	194
10.11 Principles of Organising	200

11

AUTHORITY RESPONSIBILITY RELATIONSHIPS

11.1 Introduction	202
11.2 Meaning of Authority	202
11.3 Features of Authority	203
11.4 Sources of Authority	203
11.5 Types of Authority	207
11.6 Power	208
11.7 Sources of Power	208
11.8 Authority and Power	209
11.9 Responsibility	210
11.10 Authority and Responsibility	211
11.11 Parity between Authority and Responsibility	211
11.12 Accountability	211

12

DELEGATION AND DECENTRALISATION

12.1 Meaning of Delegation	213
12.2 Features of Delegation	214
12.3 What should be Delegated	214
12.4 Process of Delegation	215
12.5 Forms of Delegation	216
12.6 Importance of Delegation	216



	PAGE
12.7 Principles of Delegation	217
12.8 Elements of Delegation	218
12.9 Barriers to Delegation	218
12.10 Overcome Barriers to Delegation	219
12.11 Centralisation and Decentralisation	220
12.12 Decentralisation	221
12.13 Importance of Decentralisation	221
12.14 Limitations of Decentralisation	222
12.15 Factors affecting Decentralisation	222
12.16 Delegation and Decentralisation	224

13

FORMAL AND INFORMAL ORGANISATIONS

13.1 Formal Organisation	226
13.2 Features of Formal Organisation	226
13.3 Merits of Formal Organisation	227
13.4 Limitations of Formal Organisation	228
13.5 Theories of Formal Organisation	228
13.6 Informal Organisation	231
13.7 Features of Informal Organisation	232
13.8 Merits of Informal Organisation	233
13.9 Limitations of Informal Organisation	233
13.10 Formal and Informal Relationships on the Organisation Chart	234
13.11 Formal and Informal Organisations	234
13.12 Integration of Formal and Informal Organisations	235

14

TYPES OF ORGANISATION STRUCTURE

14.1 Organisation Structure	237
14.2 Elements of Organisation Structure	237
14.3 Organisation Formats/Theories	238
14.4 Classical Organisational Formats	239
14.5 Contemporary Organisational Formats	244

15**STAFFING : NATURE AND PROCESS**

15.1	Meaning	253
15.2	Nature of Staffing	253
15.3	Importance of Staffing	254
15.4	Staffing Process	255
15.5	Job Analysis	260

16**MOTIVATION**

16.1	Meaning of Motivation	263
16.2	Model of Motivation	264
16.3	Motivators	264
16.4	Nature of Motivation	267
16.5	Importance of Motivation	268
16.6	Theories of Motivation	269

17**LEADERSHIP**

17.1	Meaning of Leadership	281
17.2	Nature of Leadership	282
17.3	Importance of Leadership	283
17.4	Management and Leadership	284
17.5	Leadership Styles	285
17.6	Theories of Leadership	290
17.7	Behavioural Theories	290
17.8	Situational or Contingency Theories	295
17.9	Effective Leadership	300
17.10	Transactional vs. Transformational Leadership	301



18

COMMUNICATION

18.1	Introduction	306
18.2	Meaning of Communication	306
18.3	Nature of Communication	307
18.4	Importance of Communication	308
18.5	Process of Communication	309
18.6	Channels of Communication	311
18.7	Dimensions of Communication	317
18.8	Medium of Communication	319
18.9	Verbal Communication	319
18.10	Non-verbal Communication	324
18.11	Channels of Communication on the Organisation Chart	327
18.12	Communication Networks	328
18.13	Communication Barriers	330
18.14	Causes of Communication Barriers	331
18.15	Effective Communication (Overcoming Barriers to Communication)	335

19

CONTROL : CONCEPT AND PROCESS

19.1	Meaning	339
19.2	Nature of Control	340
19.3	Importance of Control	341
19.4	Relationship between Planning and Control	342
19.5	Types of Control	343
19.6	Control Process	345
19.7	Management or Control by Exception	347
19.8	Effective Control System	348
19.9	Principles of Control	349



20**TECHNIQUES OF CONTROL**

20.1	Introduction	351
20.2	Techniques of Control	351
20.3	Budgetary Control	351
20.4	Network Techniques – PERT and CPM	356
20.5	Ratio Analysis	360
20.6	Return on Investment (ROI)	362
20.7	Economic Value Added (EVA)	363
20.8	Market Value Added (MVA)	365

21**TRENDS AND CHALLENGES OF MANAGEMENT**

21.1	Introduction	367
21.2	The Global Scenario	367
21.3	Knowledge Management in Global Scenario	368
21.4	Transition from Information Value to Knowledge Value	368
21.5	Forms of Knowledge	369
21.6	Meaning of Knowledge Management	370
21.7	Management Functions in Global Scenario	371
21.8	Contemporary Management Challenges	372
21.9	Changes in Management	374