

B. Tech. VII sem I.P./MECH.

Subject :- Organisation Mgmt.

Date of exam - 21/11/13.

SECTION-A

4.

(i) - (d)

(ii) - (a)

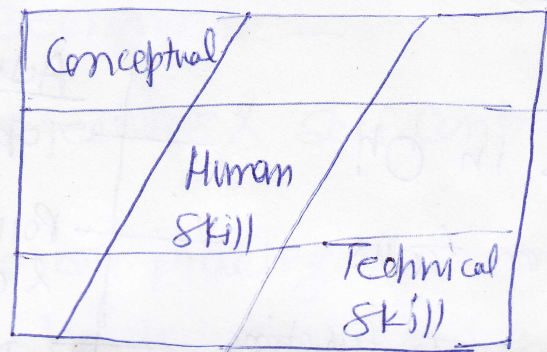
(iii) - (b)

(iv) - (d)

(v) - (a)

Q2:- (i)

Top mgmt
Middle mgmt
Lower mgmt



Technical Skill - is the ability to use the procedures, techniques & knowledge of a specialized field.

The lower mgts or line mgts e.g. engineers, Accountants, Supervisors must have this skill.

The lower mgts do not supervise other mgts.

Human Skills :- is the ability to work with,

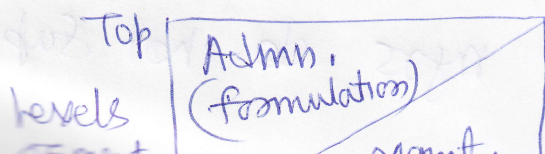
understand & motivate other people as individuals or in groups. This is must for middle mngs.

Conceptual Skills :- is the ability to co-ordinate and integrate all of an organization's interest and activities. It involves seeing the Org. as a whole, understanding how its parts depend on one another & anticipating the change.

The above skill are required for all mngs but its importance increases according to rank of mngs.

11) Diff. betn. Admn. & Mngmt.

Basis.	Admn.	Mngmt.
1/ Levels in Org.	Top level	Middle/lower level
2/ Major focus	Policy formulating & objective det.	Policy execution
3/ Nature of functions	Determinative	executing
4/ Scope of functions	Broad & Conceptual	Narrow & Operational
5/ factors affecting decision	Mostly external	Mostly internal
6/ Qualities Required.	Administrative	Technical
7/ Example.	Director, C.E.O.	Mngs. at lower/middle.



in making decisions & performance of activities, whereas methods are standardized ways of performing task involved in opn.

Procedures also provide a mechanism for the co-ordination of activities performed by a number of people in various depts, while Methods prescribes the manner of performing each task considering the nature of the task & expenditure of time, effort & resources required.

(IV) The advantages of Decentralization:-

- (I) Free's Top mgmt from Operational responsibilities —
- (II) Mgrs Development. —
- (III) Better & speedier Decisions. —
- (IV) Permits mgmt by objectives & self control —

(V) Placement — Process of placing the employee on the job for which he is most suitable in terms of job requirements, his qualification and personality Needs.

Induction follows placement and consists of the task of introducing or orienting the new employee to the company, it includes

Acquaint the employee with Company Policy, objectives policies, career development opportunities, product

Q3 (a):—

SECTION-B

1. Authority and Responsibility are Related

Fayol held that authority flows from responsibility. Managers who exercise authority over others should assume responsibility for decisions as well as for results. He regarded authority as a corollary to responsibility. Authority is official as well as personal. Official authority is derived from the manager's position in organizational hierarchy and personal authority is "compounded of intelligence, experience, moral worth, past services, etc."

A corollary of the principle that no manager should be given authority unless he assumes responsibility, is that those who have responsibility should also have commensurate authority in order to enable them to initiate action on others and command resources required for the performance of their functions. This aspect of relationship between responsibility and authority is particularly relevant in India where authority tends to be concentrated in higher echelons of management.

2. Unity of Command

This principle holds that one employee should have only one boss and receive instructions from him only. It runs counter to Taylor's principle of functional foremanship according to which a worker is to receive orders from a number of functional foremen, each of whom is a specialist in one particular phase of operation. Fayol observed, "a shop cannot be well run in flagrant violation of this (the unity of command).... Nevertheless, Fayol successfully managed large-scale concerns... I imagine that in practice Taylor was able to reconcile functionalism with the principle of unity of command, but this is a supposition whose accuracy I am not in a position to verify". However, in modern organizations, Taylor's principle of functionalism is rarely observed, and management generally conforms to Fayol's principle of unity of command. It is, of course, true that staff specialists like personnel, quality control, safety, accounting experts, etc., introduce an element of multiple authority or command, even if indirectly.

3. Unity of Direction

This means that all managerial and operational activities which relate a distinct group with the same objective should be directed by "one head and one plan". According to Fayol, there should be, "one head and one plan for a group of activities having the same objective". It, however, does not mean that all decisions should be made at the top. It only means that all related activities should be directed by one person. For example, all marketing activities like product strategy and policy, advertising and sales promotion, distribution channel policy, product pricing policy, marketing research, etc., should be under the control of one manager and directed by an integrated plan. This is essential for the "unity of action, coordination of strength and focusing of effort". Violation of this principle will cause fragmentation of action and effort, and wastage of resources.

4. Scalar Chain of Command

Fayol explains chain of command as the chain of superiors and subordinates running through-

out the organization from top to bottom. All those working in an organization are linked with each other in superior-subordinate relationships. According to this principle, in the situation illustrated in Fig 1.5 a request from foreman F to mechanic P should go through E, D, C, B, A, L, M, N and O.

And, an order or instruction from A to F or P should pass through all those managers who are working in between A and F, or A and P, as the case may be. Sometimes, this causes avoidable delays and distortions. Fayol says that, where necessary, gangplanks should be thrown to prevent the scalar chain of command from blocking the smooth and efficient functioning of the organization. In the above case, if F is permitted to make request for repairs to P directly without going through the chain of command, and P can act on his request without seeking orders from above, it will save needless waste of time, effort and other resources.

Fayol calls this throwing the "Gangplank" (as shown by the dotted lines in Fig. 1.5), without weakening the chain of command. In his words, "It allows the two employees F and P to deal... in a few hours, with some question or other which via the scalar chain would pass through twenty operations, inconvenience many people, involve masses of paper, lose weeks or months to get to a conclusion less satisfactory generally than the one which could have been obtained via direct contact".

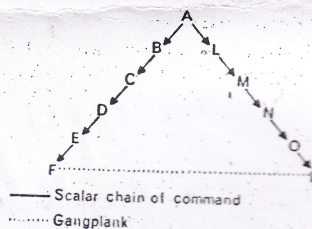


Fig. 1.5 The Gangplank

5. Division of Work

This is the principle of specialization which, according to Fayol, applies to all kinds of work, managerial as well as technical. Fayol writes, "Specialisation belongs to the natural order..., the worker always on the same part, the manager concerned always with the same matters, acquire an ability, sureness, and accuracy which increase their output." Each change in work brings in its train an adaptation which reduces output...yet, division of work has its limits, experience and a sense of proportion teach us, not to be exceeded".

6. Discipline

Discipline is a *sine qua non* for the proper functioning of an organization. Members of an organization are required to perform their functions and conduct themselves in relation to others according to rules, norms and customs. Whims and caprice of the individual are not allowed to obstruct the performance of organizational tasks. Fayol says, "General opinion is deeply convinced that discipline (obedience, application, energy and outward marks of respect) is absolutely essential for the smooth running of business...I would approve unreservedly of this...were it followed by this other...Discipline is what leaders make it".

According to Fayol, discipline can best be maintained by: (i) having good superiors at all levels; (ii) agreements (made either with the individual employees or with a union as the case may be) that are as clear and fair as possible; and (iii) penalties judiciously imposed.

7. Subordination of Individual Interest to General Interest

The interest of the organization is above the interests of the individual and the group. "It can be achieved only when managers in high positions in the organization set an example of honesty, integrity, fairness and justice. It will involve an attitude and a spirit of sacrificing their own personal interests whenever it becomes apparent that such personal interests are in conflict with organizational interests." It may, however, be emphasized that social and national interests should have precedence over organizational interests whenever the two run counter to each other.

8. Remuneration

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on job differentials, in terms of qualities of the employee, application, responsibility, working conditions and difficulty of the job. It should also take into account factors like cost of living, general economic conditions, demand for labour and economic state of the business. Fayol was dubious about the advisability of profit sharing plans, though he thought that these might be useful in certain instances, particularly for managers. He was generally in favour of non-financial incentives such as good working conditions, housing, etc., although these could be afforded only by large-scale organizations.

9. Centralisation

Fayol believed in centralization. He, however, did not contemplate concentration of all decision making authority in the top management, yet it appears from the following that he conceived a highly centralized power structure. "In every organism...sensations converge towards the brain or directive part, and from the brain or directive part orders are sent out which set all parts of the organism in movement."

He, however, held that centralization and decentralization is a question of proportion. In a small firm with a limited number of employees, the owner-manager can give orders directly to everyone. In large organizations, however, where the worker is separated from the chief executive through a long scalar chain, the decision making authority has to be distributed among various managers in varying degrees. Here one generally comes across a situation of decentralization with centralized control. The degree of centralization and decentralization also depends on the quality of managers. Fayol observes on this point, "what appropriate share of initiative may be left to intermediaries depends on the personal character of the manager, on his moral worth, on the reliability of his subordinates and also on the condition of the business".

10. Order

Order, in the conception of Fayol, means right person on the right job and everything in its proper place. This kind of order, "depends on precise knowledge of human requirements and resources of the concern and a constant balance between these requirements and resources".

11. Equity

It means that subordinates should be treated with justice and kindness. This is essential for eliciting their devotion and loyalty to the enterprise. It is, therefore, the duty of the chief executive to "instil a sense of equity throughout all levels of scalar chain".

12. Stability of Tenure of Personnel

The managerial policies should provide a sense of reasonable job security. The hiring and firing of personnel should depend not on the whims of the superiors but on the well-conceived personnel policies. He points out that it takes time for an employee to learn his job; if they quit or are discharged within a short time, the learning time has been wasted. At the same time, those found unsuitable should be removed and those who are found to be competent should be promoted. However, "a mediocre manager who stays is infinitely preferable to outstanding managers who come and go".

13. Initiative

It focuses on the ability, attitude and resourcefulness to act without prompting from others. Managers must create an environment which encourages their subordinates to take initiative and responsibility. Since it provides a sense of great satisfaction to an intelligent employee, managers should sacrifice their personal vanity in order to encourage their subordinates to show initiative. It should, however, be limited, according to Fayol, by respect for authority and discipline.

14. Esprit de Corps

Cohesiveness and team spirit should be encouraged among employees. It is one of the chief

THE CONCEPT OF PLANNING

Planning is deciding in advance the objectives of the organization in the short as well as long run, and the means for attaining them. As observed by Fayol, it includes, one and at the same time, the result envisaged, the line of action to be followed, the stages to go through, and methods to use. It is a kind of future picture...and it entails the running of business as foreseen and provided against over a definite period.² Planning thus involves looking into the future, anticipating it, and attempting to influence it through anticipatory decisions, so that the desired goals are achieved with maximum possible efficiency and effectiveness. "It is an attempt to determine what should happen (in very specific terms) and then to take steps that will make it likely to happen...It includes...setting of objectives and goals and the formu-

lation and selection of alternative strategies and courses of action to reach the goals and objectives."³

Planning is thus deciding in advance the future state of business of an enterprise, and the means of attaining it. Its elements are:

1. *What will be done*—what are the objectives of business in the short and in the long run.
2. *What resources will be required*—this involves estimation of the available and potential resources, estimation of resources required for the achievement of objectives, and filling the gap between the two, if any.
3. *How it will be done*—this involves two things: (i) determination of tasks, activities, projects, programmes, etc., required for the attainment of objectives, and (ii) formulation of strategies, policies, procedures, methods, standards and budgets for the above purpose.
4. *Who will do it*—It involves assignment of responsibilities to various managers relating to contributions they are expected to make for the attainment of enterprise objectives. This is preceded by the breaking down of the total enterprise objectives into segmental objectives, resulting into divisional, departmental, sectional and individual objectives.
5. *When it will be done*—It involves determination of the timing and sequence, if any, for the performance of various activities and execution of various projects and their parts.

THE NATURE OF PLANNING

The essential nature of planning can be understood by focusing on its following aspects: (i) planning is a continuous process; (ii) planning concerns all managers; (iii) plans are arranged in a hierarchy; (iv) planning commits an organization into the future; and (v) planning is antithesis of *status quo*.

1. Planning is a Continuous Process

Planning deals with the future, and future, by its very nature, is uncertain. Although the planner bases his plans on an informed and intelligent estimate of the future, the future events may not turn out to be exactly as predicted. This aspect of planning makes it a continuous process. Plans tend to be a statement of future intentions relating to objectives and means of their attainment. They do not acquire finality because revisions are needed to be made in changes taking place in the internal as well as external environment of the plan.

2. Planning Concerns all Managers

It is the responsibility of every manager to set his goals and operating plans. In doing so, he formulates his goals and plans within the framework of the goals and plans of his superior. Thus, planning is not the responsibility of the top management or the staff planning department only; all those who are responsible for the achievement of results, have an obligation to plan into the future. However, managers at higher levels, being responsible for a relatively larger unit of the enterprise, devote a larger part of their time to planning, and the time span of their plans also tends to be longer than that of managers at lower levels. This is depicted in Fig. 3.1. It shows that planning acquires greater importance and tends to be longer in the future at higher than at lower management levels.

3. Plans are Arranged in a Hierarchy

Plans are first set for the entire organization called the corporate plan. The corporate plan provides the framework for the formulation of divisional departmental and sectional goals. Each of these organizational components sets its plans laying down the programmes, projects, budgets, resource requirements, etc. The plans of each lower component are aggregated into

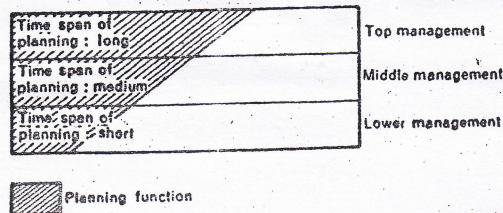


Fig. 3.1 Planning Function at Various Levels of Management

the plans of successively higher component until the corporate plan integrates all component plans into a composite whole. For example, in the production department, each shop superintendent sets his plans, which are successively integrated into the general foremen's, works manager's and production manager's plans. All departmental plans are then integrated in the corporate plan. Thus, there is a hierarchy of plans comprising the corporate plan, divisional/departmental plans, sectional plans and individual manager's unit plans. This is shown in Fig. 3.2.

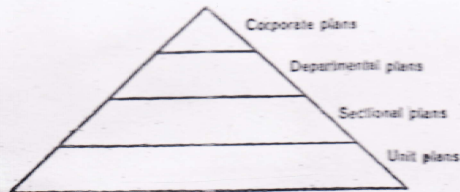


Fig. 3.2 Hierarchy of Plans

4. Planning Commits an Organization into the Future

Planning commits an organization into the future, as past, present and future are tied in a chain. An organization's objectives, strategies, policies and operating plans affect its future effectiveness, as decisions made and activities undertaken in the present continue to have their impact into the future. As observed by Branch, "except for first year after the system is inaugurated, ... plans are not composed *de novo*. They are drawn within the framework of objectives, policies, constraints, and commitments established by the planning and operational experience of earlier years; and they are shaped to a considerable extent by the specific experience" of past years. Some of the plans affect the near future, while others affect it in the long run. For example, plans for product diversification or production capacity affect a company long into the future, and are not easily reversible, whereas plans relating to the layout of its office locations can be changed with relatively less difficulty in the future. This focuses on the need for better and more careful planning.

5. Planning is Antithesis of Status Quo

Planning is undertaken with the conscious purpose of attaining a position for the company that would not be accomplished otherwise. Planning, therefore, implies change in organizational objectives, policies, products, marketing strategies, and so forth. However, planning itself is affected by unforeseen environmental changes. It, therefore, needs "examination and reexamination, ... continual reconsideration of the future, constant searching for more effective methods and improved results".

Principles for the Formulation of Policies

Policies are management-made laws for directing the activities of the enterprise. They should be based on certain principles in order to be able to achieve their objectives. It is also essential for obtaining the acceptance of policies from those who are entrusted with their implementation. The following principles are applicable to the formulation of policies: (i) policies should aim at contributing to the achievement of the objectives of the enterprise; (ii) policies should be definite and in writing; (iii) policies should be stable and flexible; (iv) policies at each lower level in the organization should be derived from the policies of its immediately higher level; (v) policies of each department and function should coordinate with the policies of all other departments and functions; (vi) policies should be just, fair and equitable; and (vii) policies should be periodically reviewed and modified, if necessary, to cope with the changing needs of the organization.

(i) Policies should Aim at Contributing to the Achievement of Enterprise Objectives

Policies are an important component of plans, and should aim at making maximum contribution to the achievement of predetermined objectives of the enterprise. The purpose of policies is to direct all decisions, activities and resources into channels that would lead to the attainment of the objectives. This provides the criterion for making all policies, and also for evaluating their effectiveness.

(ii) Policies should be Definite and in Writing

Policies should be definite and in writing so as to be easily understandable by all those who are responsible for their implementation, as well as those who are affected by them. They should not be ambiguous and open to varied interpretations by various executives. Definiteness, however, does not mean inflexibility; it only means clarity and certainty. Written policies generally fulfil these conditions because such policy statements require thinking and analysis. Written policies are explicitly stated formal statements of management's intentions. They confer a number of advantages: (i) they are available to all in the same form; (ii) it is easier to communicate such policies; (iii) they tend to be precise and definite; (iv) possibilities of differing interpretations are reduced; (v) they explicitly reflect management's thinking, and help the employees, customers, suppliers and other outside 'publics' to understand what to expect from the enterprise; (vi) they enhance the confidence of employees in the management's integrity and fairness; (vii) they can be taught to new employees more readily; and (viii) they are more amenable to evaluation as to their soundness.

(iii) Policies should be Stable and Flexible

Stable policies provide stability to the enterprise. It does not mean that policies acquire permanence; it only means that they should be durable. Stability of policies provides continuity, purpose and direction to decisions. Frequent changes in policies imply lack of careful management thinking in policy formulation. Top management policies should be particularly more stable as they coordinate decision making throughout the organization.⁵ Departmental and sectional policies are 'local' in nature, and can be changed more easily than company-wide policies.

Policies should also be flexible in the sense that they should provide room for discretion to the decision maker. Flexibility enhances the stability of policies as they can be used for making decisions in varying situations. Lesser the flexibility in policies, more they take the form of rules.

(iv) Lower Level Policies should be Derived from Higher Level Policies

This is essential because the purpose of all policies is to contribute to the successful implementation of plans and achievement of goals. If lower level policies are in conflict with higher policies, it will prejudice the unity of direction, and cause conflict and confusion.

(v) Policies of all Functions and Departments should be Complementary

This is the same principle as above, with the difference that it points up the need of complementarity of policies of various functions and departments. The basic purpose of all policies is to organize and coordinate all decisions and activities for the achievement of enterprise goals. For instance, marketing policies should be consistent with and complementary to production policies, because lack of it may result in the achievement of departmental objectives, but it may adversely affect the achievement of organizational objectives.

(vi) Policies should be Just, Fair and Equitable

Policies should ensure that all decisions made within their framework are just, fair and equitable to all employees. For instance, a policy of promotion on the basis of "merit only" is likely to be prejudicial to the interests of many senior employees; and "seniority only" may be unfair to competent and aggressive but young employees. A combination of both

These researches indicate that there is no definite numerical limit to the number of subordinates a manager can supervise effectively. The span of management in fact depends on a number of factors: (i) superior related factors, (ii) subordinate related factors, and (iii) organizational factors. We will briefly discuss these factors here:

1. Superior Related Factors

The number of subordinates that a manager can supervise effectively is significantly determined by his own personal qualities. Important among them are: (i) his abilities and competence, (ii) supervisory style, and (iii) delegation of authority.

(i) ABILITIES AND COMPETENCE

The number of subordinates a manager can effectively supervise depends on his own abilities and competence. If he can grasp the problems quickly, is decisive, knows when to go into details and when to confine to the strategic level, and is able to adapt himself to changing situations, he can effectively supervise a larger number of subordinates and have a wider span of management.

(ii) SUPERVISORY STYLE

If a manager supervises closely, he can handle a relatively fewer subordinates. On the other hand, if he defines his subordinates' tasks and responsibilities clearly, supervises by the "exception principle", and holds them responsible for results, he can have a wider span of management.

(iii) DELEGATION OF AUTHORITY

This is yet another superior related factor that influences span of management. A manager can supervise a relatively larger number of subordinates if he delegates them adequate authority to make their job-related decisions, provides them scope to take initiative and motivates them to take responsibility.

2. Subordinate Related Factors

The number of subordinates a manager can effectively supervise also depends on the kind of subordinates he has. These subordinate related qualities are their: (i) abilities and competence; (ii) motivation and commitment; and (iii) need for autonomy.

(i) ABILITIES AND COMPETENCE

The abilities and competence of subordinates are a significant factor in influencing the span of management. Subordinates who are well trained in their job, and possess abilities and competence to perform their tasks, need less of their superior's time in problem solving and supervision. This permits a manager to have a wider span of management.

(ii) MOTIVATION AND COMMITMENT

Subordinates who are motivated to take initiative and responsibility, and to utilize and develop their abilities, need less of their superior's time. The same argument applies to their level of commitment. More a subordinate is committed to his job, more time, effort and energy he will devote to its performance, and less he will need his superior's time in terms of supervision.

4(a)

4) A2

(iii) NEED FOR AUTONOMY

Subordinates with high need for autonomy prefer to make most of their decisions themselves, whereas the dependent type take their problems to their superior for decision making, and consequently put more demand on his time. This increases the frequency of contact between the two with the result that the superior can supervise fewer subordinates.

3. Organizational Factors

A number of organizational factors also influence the span of management. Major among these factors are: (i) nature of tasks; (ii) geographical location; (iii) plans and policies; (iv) objective criteria of performance evaluation; and (v) rate of change.

(i) NATURE OF TASKS

If tasks are simple, repetitive and programmed, it will need less of the supervisor's time to plan, direct and control their performance. Complex and variable tasks need more supervisory time in consultation and decision making. Moreover, if all or most subordinates of a manager are engaged in the performance of similar or identical tasks, he will have to devote less of his time to their coordination and control.

(ii) GEOGRAPHICAL LOCATION

If all or most subordinates are located in the same place, or in the same building rather than dispersed in different geographical areas, a manager can have a wider span of control.

(iii) PLANS AND POLICIES

The availability of definite plans and policies provides a framework of decision making as well as criteria of validating decisions. Organizations with well-defined plans and policies make it possible for their managers to supervise effectively large number of subordinates.

(iv) OBJECTIVE CRITERIA OF PERFORMANCE EVALUATION

Availability of objective criteria of performance evaluation, as in the case of production and sales, render it possible for a manager to have a wider span. On the other hand, if such criteria have not been developed, or where performance cannot be measured quantitatively, span tends to be narrower.

(v) RATE OF CHANGE

Enterprises which have products that are subject to rapid changes in technology, or operate in markets characterized by frequent changes in consumer tastes and preferences, need to make frequent changes in plans, policies, tasks, etc. In such organizations, span of management tends to be narrower as compared to that in stable industries such as utilities, banking, insurance, etc. The above factors enter into a manager's consideration while deciding his span of management. A wider span of management has the advantages of flexibility and adaptability to changing situations. It is conducive to the creation of an environment in which managerial initiative and abilities grow. It also helps in motivating subordinates and obtaining their commitment. Narrow span, on the other hand, is characterized by close supervision, precise definitions of jobs and lesser scope for subordinates, initiative. It put more emphasis on downward communication and formal mechanism of coordination. It is more suitable for mechanistic organization.

INTERVENING VARIABLES IN DECISION MAKING

Decisions are influenced by a number of situational factors, including organizational, environmental, and personality variables of the decision maker.

Organizational Variables

A number of organizational variables influence the decision making process and the quality of

decisions. Objectives, strategies and policies provide the framework for decisions. A precise definition of objectives and insistence on decisions that will contribute to their achievement, provide an environment for goal-directed decisions. Strategies and policies provide the framework for decision making. Existence of clearly defined strategies and policies guide the executives in their decision behaviour, and channelise decisions toward the achievement of predetermined objectives. They also ensure that decisions are mutually consistent.

Authority-responsibility relationships also influence decision making. If these relationships are clearly defined, managers would know who is responsible for making what decisions. Absence of this ingredient in an organization results in buck-passing.

Organizational environment plays a significant role in the manner decisions are made, their speed and quality. It determines the extent of flexibility in decisions consistent with the need to cope with changing environment, and affects its managers, willingness to cooperate with one another in decision making by pooling their abilities, knowledge and information, their ability to make innovative decisions, and willingness to make risky decision. Some organizations are engulfed by indecisiveness, while others insist on timely decisions; some encourage "safe" decisions while others reward innovative and optimum decisions; some insist on strict adherence to policies and rules while others regard them as framework of decision making which is flexible and also amenable to required changes; and some organizations develop an environment of problem solving in the sense that decisions are mostly of a trouble-shooting nature while others stimulate innovative decisions aimed at coping with environmental constraints and exploiting the opportunities available in it. These and other organizational differences significantly influence the speed, quality and timeliness of decisions.

Personality Factors

Personality characteristics of the decision maker such as his values, needs, intelligence, capacities, etc., have an important bearing on his decisions. People differ in their abilities of comprehension, grasp, insights and response to problems. Decisions into problems of high complexity, as most of the non-programmed, decisions tend to be, need a high order of intelligence and innovativeness. Such decisions are usually made by top-level managers, and research evidence suggests that they generally possess relatively high level of intelligence.¹⁵

Decision maker's willingness to take risk strongly influences the quality of his decisions. Risk takers approach to search for information, development and evaluation of alternatives, and the selection of alternative to solve the problem, differs from that of risk-avoiders. The former tend to make risky decisions associated with spectacular results, whereas the latter tend to make safe decisions so as to keep themselves and their organization floating.

Personal values of the decision maker affect his decisions. Ernst Dale has related Erich Fromm's description of personality types in his book, *Man for Himself*, with their approach to decision making. His analysis is as follows:¹⁶

(a) The Receptive or Defensive Type

he, the receptive type, also thinks that valuable ideas are with others, but he attempts to secure them by his cleverness. He uses their ideas in a way as if they were his own. In doing so, he resorts to manipulations and politicking.

(c) *The Hoarding Type*

This type of decision maker tends to think that he is in possession of most of the valuable ideas, and is reluctant to share his ideas with others. He seeks to strengthen his position through his decisions.

(d) *The Marketing Type*

The marketing type of decision maker believes in "selling" his decisions in order to gain acceptance. He tends to make decisions that would "look good" to those who can deliver him personal advantages.

(e) *The Productive Type*

He is the kind of manager who utilizes his own as well as other's abilities, insights, knowledge and information in decision making. He extends and seeks cooperation. In doing this, he permits his subordinates' opportunities to take initiative and responsibility, and encourages them to utilize and develop their abilities. He also attempts to integrate their personal needs with organizational goals.

Most decision makers do not neatly fit in any one of these categories. They tend to be a combination of two or more types, and also adapt their style according to the needs of the situation. However, this classification points up the personality differences and their influence on decision making.

Q 4(c):-

PRINCIPLES OF DECENTRALIZATION

Decentralization through the creation of semi-autonomous divisions is gaining popularity in India with the growth of giant and multiple product companies. Subsidiaries of holding companies such as the Steel Authority of India, Bharat Heavy Electricals, etc., are also organized on the principles of decentralization through divisionalization. The following principles have been found to be useful in the successful functioning of divisionalized companies:

1. *Role of Top Management should be Defined*

The most important principle of decentralization through the creation of semi-autonomous divisions is that the role of the top management should be clearly defined. Top management must concentrate on determining the objectives for the entire company, developing strategies, long-term plans and broad policies in various areas such as personnel, finance, accounting, marketing, etc. It should not supervise, and control the operations of its divisions. It should not worry about operations, and pay greatest attention to providing direction, objectives, strategies, plans and key decisions of the future. It should decide what decisions it wants to reserve for itself. These may be approval of capital budgets, product diversification, appointment of key managerial personnel etc. At General Motors, for example, top management sets the price range for the products of each of its divisions, and thus controls inter-divisional competition. General Electric decides product policy: new products to be adopted and the existing ones to be dropped. Top management at Sears, Roebuck decides the kind of appliances, apparels, fashion goods, etc., each store should carry. Generally, top managements of divisionalized corporations reserve for themselves six areas of decision making (i) products, markets and new investment; (ii) profit and other objectives of divisions; (iii) allocation of capital funds among divisions; (iv) key appointments; (v) bargaining with unions; (vi) major personnel, financial accounting and marketing policies; and (vii) public relations. It demands responsibility and self-discipline from its divisions.

2. *Centralised Controls and Measurements should be Established*

Both the top management and each divisional manager should clearly know what is expected from him in terms of verifiable objectives. It is on the basis of these objectives that centralised control and measurements can be established. If this is not done, what happens is fragmentation and not decentralization as Philips, Holland learnt when its profits all but disappeared even though sales increased from \$ 1.3 billion to \$ 6 billion. It was only when the company introduced centralized controls, common measurements and coordinated planning that it retrieved its position.

3. *Authority of Divisions should be Clarified*

Often frictions and conflicts arise between top management and divisional managers, and also among various divisional managers if boundaries of their authority are not set out clearly. It will help healthy operating relationships if authority of divisional managers is clearly spelt out, particularly in the areas of commitment of funds, interdivisional pricing, appointments,

4/ Balance between Dec & Centralization.
DISADV. OF Decentralization

- 1/ Decentralization has its own costs in terms of problems of Coordination, duplication of staff specialist, loss of control etc.
- 2/ Misuse of Autonomy & Authority
- 3/ Misuse of informations & powers.

ACHIEVEMENT MOTIVATION THEORY

The chief proponent of the achievement motivation theory is David McClelland. This theory has its origins in clinical psychology and personality theory; its applications have, however, been primarily in the areas of economic development and management. Although achievement motivation has received the greatest attention and given its name to the theory, McClelland identified two other motives also—need for power and need for affiliation.¹⁷

Need for Achievement

McClelland and his associates have done substantial research work across various cultures and used projective techniques to identify the characteristics of people having need for achievement (n/ACH), need for power (n/PWR), and need for affiliation (n/AFL). There is no value judgement placed on one or other need; need for power is not to be viewed as something undesirable nor need for affiliation as indolence.

People with high need for achievement have been found to have intense desire for success for its own sake and not for money, unless it is perceived to be directly associated with success itself. They are psychologically concerned mainly with doing things better, career advancement and accomplishment. They seek challenging assignments, prefer to assume personal responsibility for results, want prompt feedback on how well they are doing. They set for themselves goals of moderate difficulty and work hard only when the chances of success are in the middle range. They like to work long hours, tend to be restless and keep on exploring their environment for opportunities to do new and challenging things.

People with strong need for achievement tend to be attracted to business rather than professions or government. Entrepreneurs have been found to possess a very high need for achievement, a fairly high need for power and low need for affiliation. Managers also possess these motives but their need for achievement and power is not quite as high, and for affiliation not quite as low as that of entrepreneurs.

Achievement motivation is considered to be as an important ingredient in national economic development, as in the success of individuals. McClelland has demonstrated through experiments in various countries including India, U.S.A., Italy and Poland that achievement motivation can be taught and learnt.

Need for Power

People with high need for power possess great desire for control and influence, and even manipulate others. It is now believed that managers have as much need for power as for achievement because they are responsible for the work of others. In the view of French and Raven, there are five bases of power: (i) reward power based on ability to reward others; (ii) coercive power—ability to punish others for non-compliance or failure; (iii) legitimate power—rational-legal authority to prescribe behaviour for others; (iv) referent power based on identification with the person exercising power; and (v) expert power based on possession of special knowledge or expertise.¹⁸ To additional bases of power have been identified: (i) internationalization where an individual accepts a directive from another person merely because its content is congruent with his own values;¹⁹ and (ii) positive transference based on general deference to authority.²⁰

Need for Affiliation

People with need for affiliation derive satisfaction from friendship, love and belongingness. They enjoy interaction with others, seek and lend psychological support and find satisfaction in developing understanding and intimacy with others.

Approaches Based on the Use of Authority

The search for leadership traits was given up in favour of gaining an understanding of how leaders used their authority in social situations. Three types of leaders were identified on this basis.

1. Autocratic or Authoritarian : These kind of leaders give definite instructions, demand compliance, emphasize task performance, exercise close supervision, permit very little or no subordinate influence on decisions, do not welcome suggestions from them, use coercion, threat and authority to enforce discipline and ensure performance. The leader-centered, production-centered and directive leadership styles are often considered identical to authoritarian style.
2. Democratic or Participative Leaders : These involve their subordinates individually as well as groups in making decisions relating to their goals, plans, etc., permit them scope to take initiative and exercise judgement, emphasise group effort, exercise broad supervision; motivate subordinates for high level of performance, use influence rather than authority and build two-way communication. These leaders are also called employee-centered, consultative, permissive and equalitarian.
3. Laissez-faire Leaders : These kind of leaders take no interest either in production or in people. He "lets things drift".

The Lewin, Lippit and Whyte study examined the effects of various kinds of leadership behaviour on group morale and initiative. They found that authoritarian leadership impaired group morale and initiative, generated hostility and fostered aggressive behaviour. Democratic leadership promoted high morale and positive attitudes. Laissez-faire leadership left the group without any direction or many good feelings about working together.⁵

Many research studies have demonstrated that authoritarian or production-centered leadership behaviour leads to high rate of grievances, absenteeism and turnover. Punitive supervision adversely affects production. Workers under autocratic leaders also expressed less satisfaction than those under democratic leaders. Democratic leadership behaviour results into more positive attitude toward the leader, lower rate of grievances, turnover and absenteeism, greater acceptance of decisions and greater commitment to implement them, and higher levels of performance and productivity.

It is now being recognised that effectiveness of one or the other leadership style depends on situations. An autocratic leader may behave democratically when the success of a change programme, policy or decision is critically dependent on employee acceptance and cooperation. On the other hand, a democratic leader may find it wiser to behave autocratically when a decision is associated with a high degree of risk and uncertainty, critically affects organization's efficiency and effectiveness, or when he is facing a crisis or an emergency situation.

The Ohio State University studies⁶ led to the development of two dimensional approach to leadership behaviour: (i) consideration, and (ii) initiating structure. Consideration includes

TANGIBLE OR OBJECTIVE STANDARDS
Tangible or objective standards lend themselves to precise measurements in terms of outputs, revenues, resources and time. Sales expressed in terms of physical quantities and rupee revenues, capital and revenue expenditures, labour and overhead costs, return on investment, turnover, are examples of tangible standards. Tangible standards are mainly of four types: (i) cost standards, (ii) revenue standards, (iii) capital standards, and (iv) programme standards.

Cost Standards : Cost standards are one of the most commonly used standards. These represent the monetary value of resources expended in the production and distribution of goods and services. Examples of cost standards are direct labour costs, overhead costs, material costs, selling costs, etc.

Revenue Standards : Revenue standards are determined on the basis of monetary value of expected volume of sales. They include measures such as total sales revenues, territory-wise sales, salesman-wise sales, product-wise sales, etc.

Capital Standards : Capital standards relate to the capital invested in the enterprise. The most widely used capital standard is the rate of return on investment. Other capital standards generally used by business enterprises are debt-equity ratio, ratio of net worth to net debt, ratio of cash and receivables to payables, turnover of inventories, ratio of fixed investment to total investment, and ratio of current assets to current liabilities.

Programme Standards : Programmes for construction of plants, development of executives, expansion of plant capacity, development of new products, etc., are formulated for undertaking special activities. Specific aspects of programmes generally include time, quality and cost. These become the standards of performance of the programme concerned.

INTANGIBLE OR SUBJECTIVE STANDARDS

There are numerous areas of enterprise functions and activities which cannot be measured by objective or tangible standards. For instance, it is extremely difficult to establish quantitative standards for measuring the performance of public relations or personnel department. Nevertheless, their performance should be measured in order to ensure that these functions are being performed efficiently and effectively. These measurements are usually subjective, and depend on the performance expectations of the controlling executive. In fact managerial performance at all levels is, to some extent, subjectively measured. In some cases, as in case of the personnel director, quantitative measures cannot be established because of the very nature of these functions. Even in cases where quantitative standards are established, such as for the sales-manager, performance cannot be measured entirely against such standards. Other variables such as leadership quality, ability to develop subordinates, creating a healthy work environment, etc., are important aspects of executive performance and these cannot be objectively measured. Executive performance is, therefore, at least partially measured against subjective standards. Budgets, though generally used for controlling their performance, provide only partial standards. Another method for measuring their performance is the use of proxy variables for goal achievement. For example, employee morale is often measured by attitude surveys, grievance rates, employee turnover and absenteeism. Overall performance of managerial personnel is however, measured on the basis of intangible standards, judgement, intuition, observation and even hunches.

Principles for Establishing Standards

Some important principles for establishing standards are : (i) standards should be set for all employees; (ii) standards should be set for strategic activities; and (iii) standards should be related to responsibility centres.

STANDARDS SHOULD BE SET FOR ALL EMPLOYEES

Control standards should be set for every individual employee. In doing so, every manager should be considered a responsibility centre, accountable for the performance of his unit. This

enhances the effectiveness of control standards. It enables the manager concerned as well as his superior to locate the responsibility for deviations from standards. It also helps in locating the causes of deviations, and taking corrective action.

However, in determining performance standards for individual executives, care should be taken to identify and separate controllable and non-controllable factors. For instance, the entire responsibility for inventory costs cannot be placed on the materials manager because it is affected internally by purchase rate, production and sales, and externally by the conditions of availability and price fluctuations. Similarly, production costs are affected by production techniques determined by engineering rather than by production executive. The separation of such non-controllable from controllable factors is essential for the establishment of effective control standards.

STANDARDS SHOULD BE SET FOR STRATEGIC ACTIVITIES

It is neither possible nor necessary to set standards for each of the numerous activities performed in an organization. The executive should, therefore, identify the strategic activities, and set standards only for such activities rather than for all of them. The objective in selecting strategic activities for purposes of control is to keep the control system as simple as possible, and yet control enough to ensure that deviations which affect the expected results are adequately and promptly checked.

Many a times controls operate after the decisions have been implemented and activities have been completed. These controls on results of operations are no doubt useful for future planning, rewarding, disciplining and training, but they are essentially in the nature of post-mortem and do not help in taking preventive measures. Therefore, in addition to control on results, it is essential to select control points on operations when they are progressing. For instance, quality control may be exercised at each of the sequential stages of production before the final product comes out of the production line. These controls are predictive in nature, and serve as warning signs. They are aimed at directing attention rather than measuring performance. In many companies, the chief executive exercises such controls through daily reports on cash flows, sales volume, production data, back orders and inventory of major items. Such strategic controls are aimed at anticipating results so that corrective actions are taken before it is too late.

Controls on methods of operations are often instituted for predicting the impending deviations. These controls are particularly useful when the outcome is so important that strategic control standards should be established for methods. Precision control instruments, diamond cutting, manufacture of computers and pharmaceutical products are examples where such controls are used to ensure that the final product will meet quality specifications. These controls are also useful for activities whose final outcome cannot be measured, such as industrial relations, research and development, and so forth. The most important thing in establishing strategic control standards is to establish controls on activities which are crucial for total performance, and locate control points which serve as warnings of likely deviations.

STANDARD SHOULD BE RELATED TO RESPONSIBILITY CENTRES

Standards for control should be related to the nature of responsibility centres in the organization. Responsibility centres are the units or segments of organization which are responsible for the performance of distinctive functions. Production, finance, procurement, marketing projects, programmes are examples of major responsibility centres. There can be further sub-division of responsibility centres. For example, marketing-responsibility centre can be divided into sales-responsibility centres. This process of creation of hierarchy of such centres

Requisiements of

OBJECTIVES OF WAGE AND SALARY POLICIES

A sound and adequate wage and salary policy should aim at achieving the following objectives:

- it should enable the management to keep labour and administrative cost of operating the business in line with its ability to pay. This may at times be in conflict with the other objectives of paying fair wages in relation to the rates prevailing in comparable firms, but it should be borne in mind that in the long-run, a company cannot pay more than its financial capacity without jeopardizing its very survival;
- the wage rates established for various categories of jobs should be internally consistent, as perceived inequities in wage rates have a demoralizing effect on the employees. As observed by the National War Labour Board, though possibly with some exaggeration, "There is no single factor in the whole field of labour relations that does more to break down morale, create individual dissatisfaction, encourage absenteeism, increase labour turnover, and hamper production than obviously unjust inequalities in the wage rates paid to different individuals in the same labour group within the same plant;"
- the wage rates should compare favourably with those in other companies in the same industry or/and companies in the same geographical area. If the wage rates in a company are below the going rate, this deficiency should not only be compensated by other factors as opportunities for promotion, steadiness of the job, fringe benefits, etc., but the management should also be able to carry conviction with the employees that it is not done with a view to depriving them of their legitimate share in production;
- wage and salary structure and rates should be adequate to attract and retain the employees;
- they should be able to act as an incentive to greater employee productivity;
- they should enable the company to project in the public an image of a progressive employer;
- they should serve as a sound basis for collective bargaining negotiations and enable the maintenance of satisfactory union-management and employee-management relations;
- wage and salary rates should also conform to the minimum wage laws.

POINT SYSTEM

The point system is a more analytical and quantitative technique of job evaluation. In contrast to the ranking and grading systems in which whole job is measured, in the point system, the job is broken into a number of job factors and each factor is assigned a numerical value. These values when added give the relative worth of the job.

The first step in the point system is the selection of the job factors or job components. These factors relate to the abilities that an organization requires, the effort that is required for efficient job performance, the conditions under which the job has to be performed and the responsibility that the job holder has to assume, leadership that he has to display, risk to personal safety that he has to assume, etc. The employer pays the employee for each of these factors. The commonly used job factors are (i) skill, (ii) effort, (iii) responsibility, and (iv) job conditions. Each of these factors may be divided into a number of sub-factors. One of the most widely used point systems, NMTA (National Metals Traders Association) utilizes the factors as set in Table 46.1.

The next step in establishing a point system of evaluation is to decide upon the total number of points to be assigned to all the job factors put together, and the distribution of these points among various job factors and sub-factors. This distribution will indicate the relative importance of various job factors and sub-factors in the point system adopted by a company. If in some company, little responsibility is required to be assumed by production employees but they are required to work under hazardous conditions as in mining companies, greater weightage may be assigned to working conditions than to responsibility by allocating more points to the former than to the latter. In the NMTA point system for hourly rated jobs, skill has been assigned 50 per cent weightage, responsibility 20 per cent, effort 15 per cent and job conditions 15 per cent. Each job factor is again divided into sub-factors and points allocated to each factor

Table 46.1 Job Elements and Degree Values Points Assigned to Each Factor and Key to Grades

Factors	Number of points	1st degree	2nd degree	3rd degree	4th degree	5th degree
Skill						
1. Education	250					
2. Experience	70	14	28	42	56	70
3. Initiative and ingenuity	110	22	44	66	88	110
	70	14	28	42	56	70
Effort						
4. Physical	75					
5. Mental or visual	50	10	20	30	40	50
	25	5	10	15	20	25
Responsibility						
6. Equipment or process	100					
7. Material or product	25	5	10	15	20	25
8. Safety of others	25	5	10	15	20	25
9. Work of others	25	5	10	15	20	25
Job Conditions						
10. Working conditions	75					
11. Hazards	50	10	20	30	40	50
	25	5	10	15	20	25

are distributed among sub-factors in view of their relative importance in job performance. For example, the factor skill has been assigned 250 points. Out of this, its sub-factors, education, experience, initiative and ingenuity have each been assigned 70, 110 and 70 points respectively.

After the value of each sub-factor has been determined, the evaluators have to construct measurement scales for it. These measurement scales are composed of points and definitions of degrees of the particular factor. In the NEMA-NMTA plan, 70 points allocated to education have been spread over five degrees of education in an arithmetic progression of 14 points.

Scale of Value for the Education Factor in NEMA-NMTA Job Evaluation System
5 Points

14	28	42	56	70
Read, write, add, and subtract	Equivalent 2 years high school	Equivalent 4 years high school or 2	Equivalent 4 years high	Equivalent 4 years

OBJECTIVES OF JOB EVALUATION

1. To establish a sound wage and salary system by determining the worth of each job factory in relation to various factors like skill required, effort and responsibility inv
2. To eliminate the wage inequalities.
3. To establish a general wage level for a given factory.
4. To clearly define the line of authority and responsibility.
5. To formulate an appropriate and uniform wage structure.
6. To provide a sound base for recruitment, selection, promotion and transfer of emplc
7. To identify the training needs of the employees so as to prepare them for future pos
8. A sound base for individual performance measurement.
9. To promote a good employee-employer relations.

Limitation of Job Evaluation Techniques

- 1/ There are big differences between job factors taken into account in J.E. & those emphasised in the labor market. (market may give more weightage to the factors which are having less wt.)
- 2/ Job factors do not remain constant due to changes in technology, information etc. This will not reflect the true job worth in future, which is today.
- 3/ J.E. demands winning the confidence & trust of labors & employees in Op.

Q7(a)

Need of a separate personnel deptt:

A separate function of Personnel fulfills the following objectives :-

- 1/ Recruiting the new employees, develop & to retain the employees.
- 2/ Effective utilization of Human resources
- 3/ Motivate the Employees.
- 4/ To provide best working conditions

- for employees, to enhance their moral and goodwill of company in market.
- 6/ To introduce the acceptable & justifiable wage & salary policies
 - 7/ To create healthy environment between mgmt & the employees.

Duties & Responsibilities of a Personnel mgr.

Some of qualities required for P.M.

- 1/ Educational qualification related to law & labour law. / MBA with HRM
- 2/ Personal Attributes. — e.g. Human skills, Intelligence, Teaching skills, Leadership skills, Communication skill etc
- 3/ empathy —
- 4/ Human Relations attitude

Role of Personnel mgrs :-

- 1/ mgr's functions :- Human Resource Planning, organising, Directing, Co-ordination & Controlling.
- 2/ Operative functions — Employment, Development, Compensation, Integration, working Condition etc.
- 3/ Welfare services —

Concept of Recruitment and Selection

Recruitment and selection, though differ in terms of process and orientation, are often used together and, sometimes, interchangeably. Therefore, in order to understand difference between the two, let us see what activities are involved in these processes.

Recruitment

Recruitment is the process concerned with the identification of sources from where the personnel can be employed and motivating them to offer themselves for employment. Werther and Davis have defined this as follows:

"Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected."¹

Lord has defined recruitment in terms of its competitive nature. He views that:

"Recruitment is a form of competition. Just as corporations compete to develop, manufacture, and market the best product or service, so they must also compete to identify, attract, and hire the most qualified people. Recruitment is a business, and it is a big business."²

Thus, recruitment process is concerned with the identification of possible sources of human resource supply and tapping those sources. In the total process of acquiring and placing human resources in the organisation, recruitment falls in between different subprocesses as shown in Figure 19.1.

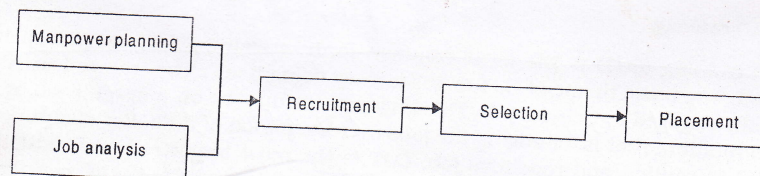


FIGURE 19.1: Linkage of recruitment to human resource acquisition

Selection

Selection can be conceptualised in terms of either choosing the fit candidates, or rejecting the unfit candidates, or a combination of both. Selection involves both because it picks up the fits and rejects the unfits. In fact, in Indian context, there are more candidates who are rejected than those who are selected in most of the selection processes. Therefore, sometimes,

it is called a negative process in contrast to positive programme of recruitment. For example, Yoder has viewed that "hiring (selection) process is of one or many 'go, or no-go' gauges. Candidates are screened by the application of these gauges. Qualified applicants go on to the next hurdle, while unqualified are eliminated."³ A more formal definition of selection has been provided by Stone as follows:

"Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job."⁴

Selection process assumes and rightly so, that there are more number of candidates available than the number of candidates actually selected. These candidates are made available through recruitment process.

Difference between Recruitment and Selection

At this stage, it is worthwhile to understand difference between recruitment and selection as both these terms are often used together or sometimes interchangeably. For example, when we talk about recruitment policy of a company, sometimes, it includes selection too. Though in practice, such usage may not affect the human resource acquisition process, such a distinction should be made in order to have better focus on these two processes. Difference between recruitment and selection has been described by Flippo in the following statement:

"Recruitment is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation. It is often termed positive in that it stimulates people to apply for jobs to increase the hiring ratio, i.e., the number of applicants for a job. Selection, on the other hand, tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired."⁵

Recruitment and selection differ in terms of objective, process, technique, and outcome, which are as follows:

1. The ultimate objectives of both recruitment and selection are to acquire suitable candidates but their immediate objectives differ. The basic objective of recruitment is to attract maximum number of candidates so that more options are available. The basic objective of selection is to choose the best out of the available candidates.
2. Recruitment differs from selection in terms of process. Recruitment adopts the process of creating application pool as large as possible and, therefore, it is known as positive process. Selection adopts the process through which more and more candidates are rejected and fewer candidates are selected or sometimes even not a single candidate is selected. Therefore, it is known as negative process or rejection process.
3. There is difference between recruitment and selection so far as techniques involved are concerned. Recruitment techniques are not very intensive, requiring high skills. As against this, in selection process, highly specialised techniques are required. Therefore, in the selection process, only personnel with specific skills like expertise in using selection tests, conducting interviews, etc., are involved.
4. Since recruitment and selection are two interrelated steps in the process of manpower acquisition, they differ in terms of their outcome. The outcome of recruitment is

TRAINING METHODS

Today, training programmes offer something for everyone—from pre-employment preparation for the first job to pre-retirement courses for those who are due to retire soon. The range of training methods is such that they can provide opportunity to the unskilled become skilled; people for promotion at various levels of the organisation. Training methods are means of attaining the desired objectives in a learning situation. These methods can be grouped in some categories on various bases. For example, training methods can be grouped on the basis of level of personnel in an organisation because three categories of people—operative, supervisor, and management—have different training needs and, therefore, different training methods may be suitable for them. Training methods can also be grouped on the basis of the

emphasis which they put on the training process. Thus, training methods may be on-the-job-oriented like experience while working on a particular job, job rotation, guidance and counselling, vestibule school, apprenticeship, etc.; simulation—role playing, case method, management game, in-basket exercise; knowledge-based—lectures, seminars, workshops, programmed instructions, etc.; experiential methods—sensitivity training and transactional analysis. Various training methods have different orientation and, therefore, are suitable for different groups of personnel as shown in Table 20.2.

TABLE 20.2: Training methods, orientation, and target trainees

Training method	Orientation	Target trainees
Specific job experience	doing the job better	all personnel
Job rotation	understanding job linkage and multiskills	managerial personnel
Project/task force	multiskills	managerial personnel
Apprenticeship	technical skills	operatives
Vestibule training	technical skills	operatives
Lectures, programmed instructions	knowledge	all personnel
Conferences/workshops	knowledge	supervisory, managerial
Brainstorming	problem solving	supervisory, managerial
Role playing	multiskills	supervisory, managerial
Case method	problem solving	supervisory, managerial
Management game	problem solving	managerial
In-basket exercise	problem solving	managerial
Sensitivity training	human relations	supervisory, managerial
Transaction analysis	interpersonal relations	supervisory, managerial

On-the-job Training

On-the-job training (OJT) is the most common form of training for any person in the organisation. The basic theme of OJT is 'to learn by doing itself'. The trainee learns while he is actually engaged in doing a job. This engagement may be on a specific job or there may be job rotation, that is, changing the jobs over the period of time. For operatives who are engaged in routine and repetitive job, OJT is the most important tool. Initially, an operative requires the help of a trainer to learn how he should proceed in the job performance. Gradually, he learns the methods involved and gets perfection over these. Based on the experience, the operative may weed out the unnecessary movements in the job performance and become more efficient. However, when there is any change in the methods of operations, he has to learn again through the same process which was adopted at the initial stage.

Demonstration

Operatives can be trained through demonstration by trainer. In demonstration method of training, the trainer describes and displays something when he trains the operatives. The usual process is to perform the activity by the trainer in front of the trainees and to explain the various steps involved in the completion of a job. Demonstration is more effective in the case of teaching mechanical operations. It can be combined with lectures and group discussion so as to avoid any ambiguity.

Job Rotation

Job rotation, or channel method of development, involves movement of a manager from one job to another job, from one plan to another plan on a planned basis. Such movement may be for a period ranging from 6 months to 2 years before a person is established in a particular job or department. In this case, the movement is not meant for transfer but is meant for learning the interdependence of various jobs so that the trainee can look at his job in broader perspective. Job rotation may be restricted to different jobs falling within a broad functional area like sales to marketing research, or to sales promotion; or may extend beyond the functional area like movement from marketing to production or vice-versa. Normally, job rotation is useful when it is undertaken in interdependent jobs or functions.

Job rotation as a means for management development offers certain positive contributions. It allows the managers to appreciate the intricacies involved in different jobs and how their own jobs are affected by such intricacies. This way, they can develop more cooperative approach to different functions in the organisation. Further, managers may develop broader horizon and perspective of a generalist rather than the more narrow horizon of a specialist. It may be mentioned that a generalist uses system frame of reference in arriving at a decision as compared to elemental frame of reference used by a functional specialist. Job rotation develops this system frame of reference. However, job rotation may have certain drawbacks which must be taken care of while designing such a policy. It may create confusion in the mind of a trainee and he may not be able to understand the rationale of job rotation if not properly explained.

on his job may restrict him to know about his job only, committees may widen his knowledge and he can learn how his job is related with others; in what way it affects others and is affected by others. Such type of learning enables him to take an integrated view of solving various problems faced by him.

Lectures and Conferences

Lectures and conferences are knowledge-based management development methods. In these methods, an effort is made to expose participants to concepts and theories, basic principles, and pure and applied knowledge in any particular area. Basically, these aim at transmission of knowledge pertaining to the relevant area. While lecture method emphasises one-way communication, conference method provides opportunity for two-way communication. Many organisations have adopted guided discussion type of conferences for meaningful interaction among participants. In this method, the resource personnel present their ideas and invite discussion on those ideas with a view to assimilate these and to provide way as to how these ideas can be translated into action.

Syndicate

Syndicate method of development has been introduced by Administrative Staff College at Henley-on-Thames. As a method of management development, syndicate refers to a group of trainees and involves the analysis of a problem by different groups with each group consisting of 8-10 members. Each group works on the problems on the basis of briefs and background papers provided by the resource person. After the preliminary exercise, a group presents its ideas on the issues involved along with other groups. After the presentation of ideas, these are evaluated by group members with the help of the resource person and group members evaluate where they have lacked. Such exercises are repeated so as to enable the participants to look at the problems in right perspectives. The syndicate method is quite helpful in developing analytical skills in the participants and their approach for understanding others, if conducted properly.

Simulation Training

Simulated method of training involves the duplication of organisational situations in a learning environment. It is a mock-up of real thing. Though there are different methods of training under simulated situations and each of these involves a particular procedure, simulated learning involves the following:

1. In simulation, essential characteristics of a real-life situation are presented in abstracted form as whole characteristics are difficult to be simulated.
2. A simulation often involves a telescopic, or compressing, of time events; a single session may be equated with a month or many months of real-time situations. Further, the events and situations may be presented in brief, leaving out many details.
3. Participants in the training programme are required to do according to the situation prescribed and to see the problem from the perspectives of various roles given in the situations.
4. The role of instructor is quite restricted to allow the trainees to participate fully.
5. After the exercise is over, the instructor provides the feedback to the participants to evaluate themselves and to strengthen themselves by overcoming their weak points.

Coaching/Understudy

Coaching is a learning through on-the-job experience. A manager can learn when he is put on a specific job. He can develop skills for doing the job in a better way over the period of time. However, he can learn better if he is given some guidance either in the form of coaching or understudy. Coaching involves direct personal instructions and guidance usually with demonstration and continuous critical evaluation and correction. In understudy method, the trainee works normally as assistant under the direction and supervision of a person. Normally, this method is applied by industrialists to develop their family members or sponsored candidates to develop them for occupying key positions in the organisation concerned.

Job Instruction Training

Job instruction training (JIT), also known as 'training through step-by-step', involves listing of all necessary steps involved in the job performance with a sequential arrangement of all steps. These steps show what is to be done, how to be done and why to be done. JIT involves the following steps:

1. Providing job information to the trainees by emphasising its importance, general description of the job, and duties and responsibilities involved;
2. Positioning the trainees at workplace and explaining them the various steps involved in job performance and the reasons for these steps;
3. Allowing the trainees to try out work performance on the basis of the steps involved and correcting the errors committed by them;
4. Encouraging the trainees to ask questions about the job performance and satisfying them with further explanation.

Many companies adopt *programmed instruction method* of JIT in which the learning materials are compiled in the booklet form which the trainees have to read and work accordingly. Sometimes, these instructions are computerised and the method is known as *computer-assisted instruction* (CAI). These methods are useful for educated operatives.

Vestibule Training

The concept of vestibule is related to a cavity serving as entrance to another, specially a part of railway carriage connecting and giving access to the next. In the context of training, it is known as *training-centre training*. The concept of vestibule school/training centre is that people will learn and develop skills while working in the situations similar to what they will face after they are put on the actual job. Many organisations establish training centres to train people for skilled work particularly in production department. Vestibule training consists of two parts. *First*, there is lecture method which is conducted in class rooms meant for this purpose. The lecture method focuses on theoretical framework and principles involved in the job performance. *Second*, there is practical exercise based on the theoretical aspects in a workshop which is similar to the shopfloor in production department. Vestibule training offers various advantages:

1. As the training is provided in a different place, there is lesser distraction of trainees' attention.
2. Trainees feel more freedom for experimentation as they are away from the actual workplace. They do not have the psychological fear of being criticised from supervisors and co-workers.
3. Since the training is away from the actual production process, it is not affected by the training process.

However, this method of training can be adopted only when there are large number of trainees because it requires additional investment for creating training facilities. This method is suitable for those employees who are required certain specific technical skills before they are engaged in actual operations.

Apprenticeship

Apprenticeship as a method of training in crafts, trades, and technical areas is one of the oldest and the most commonly used method specially when proficiency in a job is the result of a relatively long period of training. The areas in which apprenticeship training is offered are numerous ranging from the job of a draughtsman, machinist, printer, tool-maker,

In-basket Exercise. In-basket exercise is a simulation technique designed around the 'incoming mail' of a manager. A variety of situations is presented in this exercise which would usually be dealt by a manager in his typical working day. One method of this exercise is to present mail of various types to a trainee whose reactions on these are noted. A slight variation in this method may be in the form of incident method. In this method, the trainee is given certain incidents and his reactions are noted down. Some trainees may even play surprise roles which interrupt the manager and give him two or more simultaneous problems more like real on-the-job pressures. Through the feedback of his behaviour, the trainee comes to know his behavioural pattern and tries to overcome the one which is not productive or functional. Thus, he can learn techniques of giving priorities to various problems faced by him.

Case Study. Case study is one of the most frequently used pedagogical tools in management education and development. Case method of learning has the following objectives:

1. The description of real business situation to acquaint the learner with the principles and practices obtained in work setting;
2. Introduction of realism into formal instruction;
3. Demonstration of various types of goals, problems, facts, conditions, conflicts, and personalities obtained in organisational settings;
4. Development of decision-making ability; and
5. Development of independent thinking but cooperative approach to work in team situations.