CONTENTS

PAGE

About the Author *I-5*
Preface *I-7*
Acknowledgements *I-9*
Syllabus *I-11*

UNIT 1
INTRODUCTION

1
AN OVERVIEW OF MANAGEMENT

- Introduction *3*
- Who are Managers? *3*
- What is Management? : Traditional & Modern Views *4*
- Different ways of looking at management *7*
- What do Managers do? : Functions of Management *9*
- Why study Management?: Importance of Management *11*
- Chapter Summary *13*
- Test Questions *13*
- Skill Builder: Select your Venture *14*
- Case Study: Ordinary People Delivering Extraordinary Results *15*

2
MANAGERIAL ROLES, LEVELS, SKILLS & COMPETENCIES

- Nature of Managerial Work *19*
- What Roles Managers Play? *20*
- Interpersonal Roles *21*
- Informational Roles *21*
- Decisional Roles *21*

PAGE

- Reconciling Managerial Roles and Functions 22
- How to classify managers in an organisations?: Managerial Levels 23
- What Type of Skills Managers Need? Managerial Skills 25
- Managerial Competencies 27
- What are Management Competencies? 27
- Classification of Management Competencies 28
- Why use Competencies? 29
- How do you Improve Management Competencies? 29
- Chapter Summary 29
- Test Questions 30
- Skill Builder: Role Play Exercise 31
- Learning Exercise: Managerial Skills Test 32
- Case Study: To do or not to do? 32

3

COORDINATION

- Introduction 34
- What is Coordination? 34
- Coordination v. Cooperation 36
- Need for coordination 37
- Significance of Coordination 38
- Principles of Coordination 39
- Coordination Process 40
- Techniques of Coordination 41
- Types of Coordination 42
- Systems Approach to Coordination 42
- Chapter Summary 43
- Test Questions 44
- Skill Builder: Where you stand now and where you want to be? 44
- Learning exercise: How to save a sinking ship? 45
- Case Study: In Search of Greener Pastures 45

4

THEORIES OF MANAGEMENT

- Introduction 47

PAGE

- Modern Management Thought 71
- Chapter Summary 73
- Test Questions 73
- Learning Exercise: What to do with Munna Bhai? 74
- Case study: Bureaucracy Still Works at ups 75

Appendix: Value-oriented Holistic Management; Lessons from Bhagavad Gita and Ramayana 77

UNIT 2

PLANNING

5

PLANNING & OBJECTIVE SETTING

- Introduction 95
- Importance of Planning 96
- Limitations/Criticisms of Planning 97
- The Process of Planning 99
- Principles of Planning 100
- Effective Planning 101
- Types of Planning 102
- Components of Planning 104
- Organisational Objectives and Goals 111
- Setting Organisational Objectives 119
- Chapter Summary 125
- Test Questions 125
- Learning Exercise : A Time Management Plan 127
- Skill Builder How do you plan to achieve the goals? 127
- Role Play Exercise 127
- Case Study: New Management Challenges for the New Age 127

6

DECISION MAKING

- Introduction 129
- Characteristics of Decision Making 129
- Importance of Decision Making 131
- Types of Decisions 131

PAGE

- Rational Decision-Making Process *134*
- The Concept of Rationality *136*
- Administrative Decision Making: (Bounded rationality approach) *138*
- What are Satisficing Decisions? *139*
- Decision-Making Conditions *140*
- Role of Information in Decision Making *141*
- Group Decision Making *142*
- Advantages and Disadvantages of Group Decision making *143*
- Group Decision Making Techniques *144*
- Quantitative Techniques *146*
- Operations Research *148*
- Management Information System (MIS) *152*
- Chapter Summary *154*
- Test Questions *154*
- Learning Exercise: Keep a Journal *155*
- Learning Exercise: Group Decision Making at Work *155*
- Case Study: Ethical Dilemma of the Spitzer Group *156*
- What Would You Do? *157*

7

BUSINESS FIRM ENVIRONMENT & INDUSTRY STRUCTURE

- The Concept of Environment *158*
- Features of Environment *159*
- Internal and external environment *159*
- Importance of Business Environment *160*
- Micro, Meso and Macro Environment *161*
- Meso/Industry Environment *164*
- Macro environment *166*
- Components of External Environment *166*
- Technological environment *174*
- Industry Structure *181*
- How the Model Helps Firms? *183*
- Chapter Summary *184*
- Test Questions *184*

PAGE

- Skill Building Exercises *186*
- Case Study: ABC Limited *186*

8

BUSINESS LEVEL STRATEGIC PLANNING

- Planning vis-à-vis Strategy *188*
- What is a Strategy? *188*
- Strategic Management *190*
- Strategic Planning *191*
- The Strategic Management Process *192*
- Business Level Strategic Planning *197*
- Competitive Advantage *197*
- Resources and Capabilities and Competitive Advantage *198*
- Competitive Strategies *199*
- Cost Leadership/Low Cost Strategies *201*
- Sources of Cost Leadership *202*
- Benefits and Risks of Low-cost Leadership Strategies *204*
- Differentiation Strategies *205*
- How to carry out the exercise? *207*
- Benefits and Risks of Differentiation Strategies *208*
- Examples of Differentiation Strategies *209*
- Focus Strategies *210*
- Examples of Focus Strategies *212*
- Benefits and Risks of Focus Strategies *214*
- Generic Strategies and Industry Forces *214*
- Choice of Strategy? *215*
- Chapter Summary *216*
- Test Questions *216*
- Learning Exercise: Core Strengths of a Company *218*
- Case Study: Wal-Mart's Failure in Germany *218*

UNIT 3

ORGANISING

9

ORGANISING

- Introduction *227*
- Organization as a Structure *227*

PAGE

- Organization as a Process *228*
- Principles of Organization *230*
- Organization Design: Contingency Theory *236*
- Organograms or Organization Charts *240*
- Traditional Organisational Structures *243*
- Chapter Summary *252*
- Test Questions *252*
- Learning Exercises *253*
- Case study: Changing the organisational culture *254*
- Case study: Work Redesign in an Insurance Company *254*

10

DEPARTMENTALIZATION & TYPES OF ORGANISATION STRUCTURE

- Need and Importance *257*
- Bases of Departmentation *258*
- Choosing a Basis for Departmentation *265*
- Types of Organisation Structure: Introduction *266*
- Making Matrix Organisation Work *275*
- Chapter Summary *279*
- Test Questions *280*
- Skill Building Exercise Developing an Organization Structure *281*
- Case Study: The Wrong Job *282*

11

DELEGATION AND DECENTRALISATION

- Introduction *283*
- Sources or Types of Authority *285*
- Responsibility and Accountability *286*
- Nature of Delegation *287*
- The Process (Elements) of Delegation *289*
- Principles of Delegation *290*
- Advantages of Delegation *292*
- Delegation Problems *293*
- How to Delegate Effectively? *295*
- Centralisation and Decentralisation *296*

PAGE

- Centralisation 297
- Decentralisation 300
- Delegation *v*. Decentralisation 300
- Decentralisation: Advantages 301
- Decentralisation: Disadvantages 302
- Factors Determining Degree of Decentralisation 304
- Effective Decentralisation 305
- Chapter Summary 306
- Test Questions 307
- Skill Building Exercise? The ethical dilemma 308
- Case Study: The National Sales Manager 309

12

INTERFACE BETWEEN FORMAL AND INFORMAL ORGANISATIONS

- Introduction 311
- Reasons for the Emergence of Informal Organisations 312
- Features of a 'Group' 317
- Types of Groups 319
- Chapter Summary 324
- Test Questions 325
- Skill building exercises 326
- Case study : Fish out of the Pond 326

UNIT 4

DIRECTING & CONTROLLING

13

MOTIVATION

- Introduction 331
- Importance of Motivation 333
- Nature of Motivation: Complexities 334
- Determinants of Motivation 334
- Theories of Motivation 335
- How to Motivate Employees? 351
- Financial Incentives and Motivation 352

PAGE

- Non-Financial Incentives & Motivation 354
- Techniques of Motivation 355
- Chapter Summary 358
- Test Questions 359
- Skill building exercises 360
- Case Study: Fool's Paradise 360

14

LEADERSHIP

- Introduction 362
- Effective Leaders 366
- Leaders are born, not made? : The Great man Theory 368
- Leadership Styles 370
- Continuum of Leader Behaviour 377
- Likert's Four System of Management 378
- Theories of Leadership 379
- How to Improve Leadership Potential and Effectiveness? 396
- Followership 402
- Chapter Summary 407
- Test Questions 407
- Skill Building Exercise: Between the devil and the deep sea 409
- Case Study: Choice of a Leader 410

15

CONTROLLING

- Introduction 412
- Features of Controlling 414
- Importance 415
- Limitations 416
- An Effective Control System 419
- Types of Control 420
- Dimensions of Control 422
- Control Techniques/Measures of Controlling 424
- Traditional Techniques 424

PAGE

- Zero-Based Budgeting (ZBB) *429*
- Programme or Performance Budgeting *430*
- Modern Techniques *431*
- Balanced Score Card *451*
- Disadvantages *452*
- Accountability for Performance *453*
- Chapter Summary *454*
- Test Questions *454*
- Skill building Exercise: Meeting Water Bed Demand *456*
- Case Study: A Purchase Manager's Troubles *456*

UNIT 5

SALIENT DEVELOPMENTS & CONTEMPORARY ISSUES

16

VALUES AND ETHICS

- Introduction *461*
- Types of Values *462*
- Value Congruence *462*
- Values and Behaviour *462*
- Impact of Values *463*
- Value Systems of Managers *463*
- Values Across Cultures: Hofstede's Study *464*
- Managing Individual Differences in Values *466*
- Chapter Summary *473*
- Test Questions *474*
- Skill Building Exercises *474*
- Learning Exercise: Identifying Important Values in a classroom setting *475*
- Case Study: The Loyal Employee *476*

17

ENTREPRENEURSHIP & INNOVATION

- Who are entrepreneurs? *477*
- Qualities of Successful Entrepreneurs *477*
- Definition *478*

PAGE

- Entrepreneurs and Value Creation *479*
- Functions of an Entrepreneur *480*
- Entrepreneur *v*. Intrapreneur *481*
- Entrepreneur *v*. Manager *482*
- Role of Entrepreneurs in Economic Development *483*
- Entrepreneurial Decision-Making Process *484*
- Social Entrepreneurship *486*
- Innovation *488*
- The Innovation Process *490*
- Benefits of Innovation *494*
- Innovation: Risks and Challenges *494*
- Why Innovations Fail? *495*
- Types of Innovation *495*
- Chapter Summary *499*
- Test Questions *500*
- Skill building exercises *501*
- Case Study: The Demise of Boo.com *503*

18

MANAGERIAL CHALLENGES IN 21ST CENTURY

- The New Workplace in 21st Century *510*
- The rewards and challenges of being a manager *511*
- Chapter Summary *532*
- Test Questions *533*
- Skill Building Exercises *534*
- Case Study: The Dilemma *534*

19

CONTEMPORARY ISSUES

- Work Force Diversity *537*
- Workforce Diversity: What the experts say? *538*
- Internationalization *544*
- Digitisation & Digitalisation *552*
- Subaltern Management Ideas *560*

PAGE

- Chapter Summary *563*
- Test Questions *564*
- Skill Building Exercises *565*
- Case Study: Smart Beginning *566*

Previous Year Paper : December 2023 *569*

Previous Year Paper : December 2024 *573*