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FUNDAMENTALS OF PERSONAL AND ORGANIZATIONAL SUCCESS

Unit Structure

1.1 Fundamentals Of Personal Success

1.2 Fundamentals Of Organizational Success

1.1 FUNDAMENTALS OF PERSONAL SUCCESS

The personal success of an individual depends on following parameters

Get your Priorities Right

Making intelligent choices

When it comes to determining your priorities, you must decide whether you want to go to school or work for someone else; if you want to get married or remain single; if you want children or not; if you want to stay married or divorced; and whether or not to remarry after you've been widowed or divorced.

Deciding what goals to pursue in which order

Setting priorities correctly entails making informed decisions about which objectives to pursue in what sequence, which requires vision and foresight. Intelligent individuals climb above the present's hills and valleys to look over the future's hills and valleys, seeing the unseen and the difficulties it contains. Renowned entrepreneurs such as Microsoft's Bill Gates, Apple's Steve Jobs, and Facebook's Mark Zuckerberg possessed such vision and foresight; they could see how technology might alter the lives of ordinary people and developed goods and services to make their vision a reality.

People in a free society are always looking for a better life. However, they do not have an endless supply of resources at their disposal. They cannot follow all of their interests at the same time. They must define priorities properly, ranking objectives in order of importance: the goal to be pursued comes first, the goal to be pursued comes second, and so on. Getting priorities right is therefore a matter of what economists refer to as 'opportunity cost.'

It is a matter of weighing various aims and activities to determine where resources should be directed. Setting priorities entails making informed decisions. Entrepreneurs must make sound decisions when it comes to new business prospects, product development, new technology, and new business models. Individuals must decide whether to attend school, establish their own company, or work for someone else; whether to marry or remain single; whether to have children or not; whether to stay married or divorced; whether to remarry if widowed or divorced; and how to spend their money. People must devise a plan and chart a course - a road map for

their businesses and personal lives. Looking forward and seeing the unseen and the problem it saves requires vision and insight.

Innovators include Frederick Tudor, Andrew Carnegie, Henry Ford, Bill Gates, and Mike Dell. They widened their business options, deciding to go "on new routes rather than tread the beaten pathways of acknowledged success," in the words of Rockefeller. They attempted something fresh, something out of the ordinary. They marched in the other direction of the throng, seeing sights that others did not. Tudor recognised an export market that others had missed. Andrew Carnegie invented a substance that no industry could live without. Bill Gates created a product that computer users couldn't live without. Mike Dell created a computer distribution method, transforming a specialised business into a huge one. Being an innovator is especially vital in oversaturated global marketplaces with a plethora of rivals. Getting priorities right in business means: having a vision, attempting something unique, and going against the grain - these things usually pay off in the end.

Having the appropriate priorities is what separates successful marriages from failed ones. Some couples establish their priorities from the start. They have a clear view of what they expect from one another and a shared objective to accomplish. Other couples have the wrong priorities. They do not have a clear picture of what they expect from each other and have different goals to pursue; they get caught up in petty small things, such as who will wash the dishes or take out the trash, which leads to divorce.

The difference between financially successful and unsuccessful families is how they set financial goals and prioritise financial priorities such as protection from catastrophic events, maintaining sufficient liquidity, earning a high income, and saving enough funds to pay for housing, children's education, and retirement. And how they rank their day-to-day spending priorities, the things that come top on their shopping lists, the products that come second and third on their shopping lists. That necessitates thorough examination of their genuine requirements and desires, as well as the manner in which various goods meet them.

Families that are financially unsuccessful do not plan at all. They do not rate their financial objectives, assess their resources, or prioritise their expenditure. They are unprepared to cope with catastrophic situations, they lack adequate liquidity, they are often indoctrinated by skilled marketers, and they become shop-alcoholics, purchasing items they don't need in the first place out of compulsion rather than reason. And they stockpile the items they acquire in a garage or basement until they can sell them at a yard sale. They live above their means, spiralling into debt, bickering about money on a regular basis, and finally divorcing.

Getting priorities correct for people means: Getting priorities right is one thing; having the resources to accomplish them is another. Let us not forget that the necessity for prioritisation originates from scarcity: limited resources in comparison to alternative uses for them, i.e. the objectives that individuals seek. This implies that resources must be utilised prudently.

It's also about making intelligent choices

Using resources wisely is also about making intelligent choices. In some cases, using resources wisely means more than shopping around for bargains for the right merchandise. It also means paying the least interest and finance charges for the things you buy on credit. Shop around for the lowest interest rates on a home mortgage; refinance when interest rates fall sufficiently; and stay away from consumer debt and finance charges that add to the price of the merchandise you buy.

Deriving the most value out of limited resources

It is about deriving the most value out of limited resources; shopping around for the right merchandise by asking three simple questions: Do I need this piece of merchandise? Is the price right? Is this merchandise the best use of my money?

Using resources wisely in business involves being efficient, accomplishing more with less, and creating the maximum output with the fewest resources. In other words, great output is a result of efficiency. High production equates to cheap expenses. Make the product at a lower cost than the competitors.

Furthermore, reduced cost gives businesses a competitive advantage and big revenues.

But, what does it take for businesses to be efficient?

Several techniques are available: One technique is 'economies of scale,' or mass manufacturing with a big output size. And a mass market, where a vast quantity of product will sell. A mass-market has a lower unit cost and price: the lower the price, the bigger the market size; and the larger the market size, the higher the manufacturing scale and competitive advantage. Andrew Carnegie improved efficiency in the late-nineteenth-century steel industry by mass-producing steel, which translated into reduced manufacturing costs and cheaper steel prices. Henry Ford enhanced efficiency in the early twentieth-century automotive business by mass-producing his T-model vehicle on assembly lines. Sam Walton was able to enhance efficiency in the late twentieth century retail business via massive retail stores and volume sales, which translated to cheaper expenses and lower prices for customers.

However, how can businesses attain large-scale production? What are the requirements?

It is sometimes necessary to use technical advancements to replace a current manufacturing process with a fundamentally new, more efficient one. That is precisely what Andrew Carnagie's Bessmer mill accomplished. It generated more steel while using less resources. Other times, mergers or acquisitions of rivals, as well as the removal of redundant divisions and departments, are required to provide a higher output with less resources. John D. Rockefeller extended the extent of his company's activities in the late nineteenth century oil sector by purchasing rivals or putting them out of business. William C. Durrant united twenty-

five minor vehicle firms, including Buick, with Oldsmobile and Cadillac in the first part of the twentieth century to become General Motors. Banks increased their activities by combining with other banks and financial service businesses in the 1980s and 1990s. Chemical joined with J. P. Morgan and Chase, while Citibank merged with Travellers. In a third example, on a bigger scale, strategic alliances are formed when two or more organisations, frequently former rivals, pool their resources to mass manufacture a product. Automobile manufacturers, such as Daimler Chrysler, collaborated with Mitsubishi and Hyundai to create the world's first family of engines capable of powering up to one million tiny vehicles. Ford Motor Company collaborated with Mazda Motor Corporation to create an engine for their vehicles as well as Volvo vehicles.

What distinguishes strategic partnerships from mergers and acquisitions?

The parties engaged in mergers and acquisitions become part of a new entity, a new and bigger business. Each participant in a strategic alliance remains a distinct entity. Strategic partnerships combine the advantages of scale that come from massive production with the benefits of scope that come from smaller, more flexible businesses in this manner.

Another effective corporate technique is mass marketing and advertising, which enables salespeople to contact a large number of consumers and bind them to their goods. For example, mass marketing and advertising in the form of publications and showrooms enabled I.M. Singer & Company to rapidly expand the sewing machine market, Eastman Kodak to expand the camera market, Sears to become a household name in retailing, General Motors to catch up with Ford, and Coca-Cola to become a world brand name.

The use of appropriate logistical and business procedures is a third technique that increases company efficiency. Toyota Motor Company established the just in time inventory system, which reduces inventory costs, in the early 1960s vehicle sector, a method that Mike Dell introduced in the computer distribution industry a quarter-century later. Steve Ballmer, Bill Gates' partner in the early 1980s software business, increased Microsoft efficiency by substituting overtime compensation for engineers with bonuses and stock options. With solid logistics and sound incentive systems that enhanced both capital and employee efficiency, Southwest Airlines stayed profitable in an allaying sector.

Outsourcing, or the transfer of firm services and operations to subcontractors, is a fourth technique. Since the 1960s, multinational corporations have been relocating manufacturing operations to low-wage nations in Southeast Asia, Central and Latin America, in order to save money by reducing capital equipment and facilities needed for in-house production and preserving working capital. Recently, multinational corporations have relocated their product design, R&D operations, and service support to Ireland and India, where white-collar occupations pay a fraction of what they do in the United States and the European Union.

In the commercial world, efficiency means: But what about in the home? What does efficiency imply for families? How can families make better

use of their resources? Efficiency implies two things to households: First, generating the maximum return on human and non-human assets; second, getting the greatest number of products and services with the fewest expenditures, paying the lowest price for the commodities and services purchased by families.

Human resources are the resources incorporated in individuals, as well as the skills and capacities to conduct various market and nonmarket tasks. Non-human resources are resources that are separate from people-land, such as buildings and other forms of property that provide income and value appreciation. Getting the most out of human resources requires careful career planning, starting school early, completing on time, and landing the proper job.

What about non-human assets, though? How can they be used most effectively? What are the requirements?

The purchase of various financial instruments that fulfil their financial goals. Households must acquire insurance to safeguard their valuables from catastrophic occurrences. They must get property and causality insurance to protect themselves against catastrophic catastrophes such as a vehicle accident or a home fire. They must get disability insurance to protect themselves against income loss due to disability, and so forth. To meet their liquidity goal, they must invest a portion of their resources in money market funds and short-term CDs.

Households should invest a portion of their resources in bonds and high dividend paying shares to reach the goal of high income. Households must invest in small and medium-sized shares to accomplish the goal of price appreciation. However, investing in shares entails the danger of losing some or all of your initial investment if equity market values fall below the purchase price. Investors must balance the risks and benefits associated with each asset type. Long-term, speculative investments such as tiny and medium-sized equities provide greater returns at a higher risk, whilst conservative investments such as bonds and Certificates of Deposit (CDs) produce lower returns at a lower risk.

Stay Focused

Sticking with your priorities and goals& Take the right steps to reach your goals

Staying focused means sticking with your priorities and goals; focusing on the message, not on the background noise; and executing. Take the right steps to reach your goals. That's all that matters in the end.

It requires Patience, Persistence and Discipline

Staying focused requires patience, tenacity, and discipline. Patience to conquer the obstacles that stand between you and your objective; perseverance to overcome failures, setbacks, and temptations that may derail you; and discipline to play the game correctly, to follow all the rules: know what you're doing, be punctual, and iron out all the details.

Staying focused entails adhering to your key objectives, focusing on the message rather than the background noise, and following through. Take

the necessary actions to achieve your objectives. In the end, it's all that counts. People who fail to achieve their objectives squander their resources and lose reputation among their friends and partners. They are failures.

But what does it require to maintain concentration? Patience, perseverance, and discipline are required. Patience to conquer all the obstacles that lie between you and your objective; perseverance to overcome the numerous failures, setbacks, and temptations that may derail you; and discipline to play the game correctly, to follow all the rules: know what you're doing, be punctual, and iron out all the details.

Demonstrate zeal for the things you seek. Frederick Tudor was driven by the desire to transport ice from Boston to the tropics. Carnegie was passionate about steel, Ford was passionate about automobiles, George Eastman was passionate about cameras, J.D. Rockefeller was passionate about oil, and Bill Gates and Michael Dell were passionate about computers. It needs a strong desire to persevere in the face of setbacks and adversity.

Ford had to work hard to overcome his early failures with the Detroit Automobile Company and the Henry Ford Company. William C. Durrant needed a strong desire to overcome early setbacks in the assembly of General Motors. Bill Gates and his associates Paul Allen and Steve Ballmer had to work around the clock for weeks to build the code for the IBM operating system.

Focus relies heavily on passion. People must put their hearts into their work. It has to be their life or death. Most individuals struggle to concentrate not because they lack knowledge, but because their heart is not in what they are doing, and they are indifferent and apathetic. They refuse to follow the regulations and carry them out. If your heart and intellect are not invested in what you do, you have the incorrect priorities in the first place. You're in the wrong line of work.

But why would you want to be in the incorrect business in the first place? Perhaps you don't. Perhaps your parents instructed you to. Perhaps you were intimidated by your peers or just followed the pack.

Sometimes you're in the wrong business because you don't have a choice. You pursue a company or a job because you need to do something to live, not because you like it or are excellent at it. In any situation, your heart is missing. It's looking for something else, and it won't stop pounding the proper rhythm until it finds it. And once you've discovered that "something else," you stay with it.

Develop the Right Relations

Need of friends and partners to overcome theobstacles

Reaching a certain goal requires moral and psychological stamina.It takes skills and resources no single individual possesses. This means that in pursuing personal success, people need friends and partners to overcome the many obstacles that stand between them and their personal goals. At school, friends can provide the moral and psychological support to endure

and overcome the pressure that comes with class lectures, homework, exams, and term paper deadlines. Partners provide the information and expertise to go over complex concepts and to complete coursework projects, sharing of class notes, participating in discussion groups.

Friends: Moral and Psychological support

At work, friends provide the moral and psychological support to endure and overcome workplace-related stress, meeting project deadlines, handling customer complaints, and dealing with internal politics. Partners provide skills and expertise to complete complex projects that require cooperation among several parties.

Partners: Skills and Expertise

Many successful firm founders value friendships and collaborations, like HP founders Bill Hewlett and Dave Packard, Google founders Sergey Brin and Larry Page, and Microsoft founders Bill Gates and Paul Allen.

Reaching particular commercial objectives often involves moral and psychological endurance, as well as resources and abilities that no one entrepreneur has. For example, turning business concepts into products and start-ups into mainstream operations involves psychological and emotional assistance to cope with early losses. It also needs funding, marketing, management experience, as well as the knowledge and time that no single individual has.

Partners are considerably more vital in the creation of sophisticated goods that need the integration of technical and marketing resources dispersed both inside and outside of a firm. For example, the creation of computer software products necessitates the integration of market and technical knowledge dispersed across hundreds of engineers and marketers both within and beyond the traditional bounds of software businesses. Similarly, the design and development of hardware goods need the integration of market and technical knowledge that cannot be owned or controlled by a single person or gathered in a single corporation's research facility.

What will it take to assemble all of these resources?

There are three requirements. First, there is a shared vision, which is a common goal that aligns individual interests with those of the partnership, as well as a set of fundamental values that define partner relations and interactions with customers, suppliers, and the community. Second, an efficient and effective communication system that enables corporate members to interact with one another and exchange vital information for new product development. Third, mastery of internal and external relations that enables corporate members and partners to share the risk and benefit of new product creation.

In reality, how can this be accomplished?

Through 'collective entrepreneurship,' a flexible organisational framework is created that allows hundreds or even thousands of hidden entrepreneurs to come out with the knowledge they hold and join forces for the discovery and exploitation of new business prospects. Entrepreneurial

networks grow across small, start-up businesses as well as big, established firms, resulting in efficient and effective communication and incentive systems. Entrepreneurial networks developed between individual entrepreneurs and venture capitalists, as well as networks formed between individual entrepreneurs and business incubators, foster collective entrepreneurship in start-ups.

But what about group entrepreneurship at giant corporations?

Two types of institutions foster collective entrepreneurship in big established firms. First, institutions that reduce internal barriers, enabling for effective communication among members of the company. Re-engineering, Total Quality Circles (TQC), and Total Quality Management (TQM) are examples of such institutions, as are institutions that link the interests of labour and management with those of shareholders, such as Employee Stock Ownership Plans (ESOP) and Stock Options. Second, institutions that decrease huge firms' exterior borders, enabling them to build strategic alliances with suppliers, consumers, and rivals in order to spin-off divisions and pursue strategic acquisitions.

MS-Windows, for example, was created by teams of engineers and marketers who were compensated in stock options. Oracle's software was created via strategic partnerships between Oracle Corporation and hundreds of major and small partners. Cisco routers were created via aggressive acquisitions of developing technology and experienced engineers, as well as collaborations with contract manufacturers like as Solectron Corporation. Corning's fibre optic cable was created by teams of engineers and scientists who transitioned from research to commercial development.

Friends and partners give entrepreneurs with: Entrepreneurs are not the only people who need friends and partners; individuals do as well. Friends in school give moral and psychological support to help students endure and overcome the pressures of class lectures, homework, exams, and term-paper deadlines. Partners contribute knowledge and experience to go over complicated ideas and finish coursework tasks, as well as share class notes and participate in discussion groups.

Friends at work give moral and psychological support to endure and overcome workplace-related stress, such as completing project deadlines, dealing with client complaints, and coping with internal politics. Partners offer the skills and knowledge required to finish complicated projects that need tight collaboration among several individuals. Projects nowadays are team-based, particularly in knowledge-intensive businesses such as computer hardware and software, telecommunications, and biotechnology. What does it take to form friendships and alliances?

Friendships cannot be purchased or established in a matter of hours. It takes time to cultivate and build them, as well as the appropriate chemistry to bring individuals together. What causes the chemical to exist?

A set of attitudes and situations that foster mutual commitment, trust, and respect among individuals and foster the formation of a community of shared fate: The two parties' awareness that they can do more things and

go further jointly than they can alone. Relationships that lack mutual commitment and trust are opportunistic and do not last.

What exactly are these attitudes?

One such attitude is a desire to devote time and attention to listening to all sides. Give them a sympathetic ear and a chance to reveal themselves. Listening to others is essential in all relationships. Allow people to express their issues, interests, and worries; appreciate their sentiments, talents, and abilities; and enhance their self-esteem. And locate a point of convergence, a group of shared aspirations and experiences. Relationships that lack mutual aims and experiences disintegrate over time. That's what happens to most high school friendships. The majority of them fade away over time as individuals move on with their life and no longer share similar aims and experiences. This is particularly true in today's high-mobility society, when individuals are more likely to pursue jobs and chances than relationships. Another attitude that fosters mutual trust and respect in partnerships is a desire to share information and expertise, seek joint initiatives, and share the risks and benefits that come with them. Personal friendships and relationships are built on a set of attitudes and situations that foster mutual trust and respect: Building connections and collaborations requires a lot of effort. Gluttony, on the other hand, has the potential to ruin them.

Don't be Greedy

Greed is an obsession that blurs the vision

Greed is the idolization and relentless pursuit of something that lets people distinguish and set themselves apart from others—money, power, status, and so on; the feeling that they never have enough of it, and nothing can stop them from amassing and accumulating it.

Blind dart for money, power, status, and so on

Greed is an obsession that—like alcohol—numbs people's senses, blurs their vision, and makes them lose sight of the Big Picture. Greed leads people to live a life of imbalance and disproportion, a life of reckless and dangerous behavior.

Dissatisfied, Selfish, Arrogant – end up losingeverything

People who want everything in life fail to negotiate with others and compromise, and end up losing everything. People, who want everything from personal friendships and partnerships and become selfish and arrogant, end up destroying them.

Greed is the idolization and constant pursuit of anything that allows individuals to differentiate themselves from others – money, power, position, and so on; the belief that there is never enough of it and that nothing can stop them from gathering and acquiring it. Greed is an addiction that numbs people's senses, clouds their vision, and causes them to lose sight of the Big Picture. Greed's aim - money, power, or prestige for its own sake — becomes the Big Picture. Greed, like many other obsessions, leads to harmful action. It corrupts honest people into dishonest ones, and intelligent people into idiots. People who want it all in

business become irresponsible, engage in unethical and even criminal activities, and end up murdering the goose that lays the "golden eggs."

Three examples include energy trader Enron, telecoms operator MCI Worldcom, and telecom start-up Global Crossing. A number of corporate executives were determined to drive the firm stock higher at whatever cost in order to increase their bonuses and profits from stock option schemes. Some employees went along for the ride, putting all of their money into business shares. Some consultants and auditors turned a blind eye in order to earn large fees. Greed eventually killed the 'goose' that lay the golden eggs. The firm went bankrupt, and several corporate officials were sentenced to prison, while employees, financial advisers, and auditors are still counting their losses.

Enron, MCI Workdcom, and Global Crossing are not novel or unusual situations. During the late 1990s boom, financial analysts who championed high-tech companies that they personally despised lost their jobs. Greed in the junk bond market blinded a number of traders who ended up in prison for insider trading in the 1980s. People who desire everything in life fail to negotiate and compromise with others, and as a result, they lose everything. People who seek everything from personal friendships and relationships and become selfish and arrogant refuse to listen to the other people involved, destroying the friendship and partnership.

Don't be Overconfident

What is Confidence?

Confidence is having the optimum level of self-belief. Individuals who have the right amount of confidence succeed because they have the ideal mixture of confidence and ability.

Overconfidence is often interchanged with arrogance, hubris, and presumptuousness. It exhibits an excessive degree of self-belief to the point that overconfident people do not like to accept help and think that they are the only ones who are able enough. As objective reality is extremely far from the overconfident mind's world, a number of problems are most likely to arise such as being too complacent and irrational which would eventually lead to failure.

The three domains of confidence, according to Lickerman, are beliefs in one's:

Competence

The assurance comes from prior instruction and expertise. For example, a soldier may be confident in battle yet self-conscious when it comes to public speaking.

Capability to learn and solve problems

Unlike confidence in one's competency, belief in one's capacity to learn and overcome problems does not need prior training. In general, this area entails trusting in one's potential to succeed despite previous failures. It is

also often found in unexpected environments and when confronted with unknown problems.

Intrinsic Value

Being at ease in one's own skin, regardless of beauty, financial position, or fame, is a sign of inherent value. This sector, which is synonymous with self-esteem, focuses on independence from justification.

Overconfidence, like confidence, includes being able to express oneself fairly readily. Obviously, both are concerned with self-assurance. Another commonality is the state of motivation. The power of their positive views about themselves often pushes both confident and overconfident persons. Nonetheless, there are significant variances between them in addition to these comparisons. The following paragraphs discuss how to tell the difference between confidence and overconfidence.Thin line between Confidence and Overconfidence

Difference between Confidence and Overconfidence

Confidence	Overconfidence
Accepts constructive criticism	Does not admit that there is potential for improvement
"I can do it"	"Only I can do it"
Long-term success	Triumphant yet fleeting victory
There is no link between this and psychiatric illnesses.	Associated with narcissism
entices others	Others are driven away.
Recognizes the risk of failure	Regrets and resentment may overtake you.
Belief is founded on facts.	It disregards the prospect of failure.
Other people's help is appreciated.	Belief is irrational.
Accepts responsibility for acts	Does not accept help.
Be aware of your limits.	Only takes credit for successes while blaming others for setbacks.
Less likely to raise a commotion	Has no bounds
Ensures peak performance	It often brings individuals into trouble.
Considers tough activities to be difficult	Underperformance is encouraged.
Makes sound judgments	Undervalues challenging jobs
Patience is seen as a virtue.	Makes reckless decisions
Pays attention to others	This reflects very impatient conduct.
	Only pays attention to oneself

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Establish clear Mission, Vision, and Values

Mission: Purpose of why an organization exists

A mission defines the business or companies in which the company plans to compete as well as the consumers it seeks to serve. The purpose of the company is clearer than its vision. A mission, like a vision, should define a firm's uniqueness and be motivating and relevant to all stakeholders. Together, vision and purpose provide the groundwork for the company to choose and execute one or more strategies. When workers have a clear understanding of the ethical principles that will govern their actions as they strive to assist the organisation achieve its vision, the likelihood of developing a successful mission improves. Thus, corporate ethics are an important component of the firm's talks about what it wants to become (its vision), who it wants to serve, and how it wants to serve those persons and organisations (its mission).

Vision: What an organization wants to achieveor accomplish in the long term

A visionary firm is founded on ideals. The company's basic core idea or vision serves as the basis upon which the organisation builds. The brand values stay intact even as they develop and evolve in response to market demands. Coca-Cola has been in the market since 1886 and has done an excellent job of keeping its brand positioning.

Vision is a vision of what the company aspires to be and, in general, what it aims to accomplish. As a result, a vision statement articulates an organization's ideal description and provides structure to its desired future. In other words, a vision statement leads the company in the direction of where it wants to go in the future. It's also worth noting that vision statements represent a company's ideals and objectives and are meant to captivate the hearts and minds of every employee and, ideally, many of its other stakeholders. A company's vision tends to be long-lasting, although its mission might shift in response to changing external circumstances. A vision statement is usually brief and to the point, making it easy to remember.

Values: Deep beliefs that drive the behaviorsof every member of the organization

Workplace values are one of the most essential considerations when selecting a new team member. Everything you do is influenced by your values – and when they conflict, it may be obvious.

Each of us has our own set of working ideals. And, although you can't always ensure that everyone's beliefs are exactly matched, you can strive to employ individuals who are a good fit. In this post, we'll look at how to discover and comprehend workplace values - the attitudes that "make them tick."

Workplace Values and Their Importance

Your workplace values are the guiding principles that are most essential to you in your profession. These strongly held ideas govern crucial judgments and professional choices by allowing you to select between good and improper methods of operating.

Some (potentially contradictory) examples of workplace values are as follows:

- Accountability.

- Making a positive impact.

- Paying attention to detail.

- Providing high-quality service.

- Being truthful.

- Fulfilling commitments.

- Being dependable.

- Being upbeat.

- Adherence to deadlines.

- Being an excellent team player.

- Obeying corporate policies and guidelines.

- Demonstrating tolerance.

It is critical that your employees' own workplace values correspond with those of the business. These establish the tone for your company's culture and identify what your business cares about as a whole.

By offering a unified purpose, values alignment assists the business as a whole in achieving its fundamental objective. When people's values are out of sync, they strive toward separate objectives, with different intents, and with different results. Workplace relationships, productivity, job happiness, and creative potential may all suffer as a result.

1.2 FUNDAMENTALS OF ORGANIZATIONAL SUCCESS

Definition of Organization Success

In order to be successful, businesses must have both charismatic leaders and sound managers. Organizations must implement plans and engage personnel in order to obtain enhanced and sustained outcomes. Success is determined by examining where the company is in relation to its objectives and purpose.

Steps for Success

Organizations must consider the future of their company and devise new strategies for success. Organizations might regard their obstacles as either a source of competition or an opportunity to bring them closer to realising

their full potential. The path they chose decides whether or not they are successful. With this in mind, here are four measures leaders can take to guarantee that their businesses are not merely responding to issues but have a clear grasp of what their company has to accomplish to succeed:

Get the right people

Invest in recruiting the people who possessthe character, chemistry and commitment thatfit the Mission, Vision and Values of theorganization

Applications and interviews are good starting points, followed by regular reviews andappraisals

Recruiting the proper people is critical to the success of your firm, which is why entrepreneurs should use a rigorous hiring procedure when seeking for new employees.

You will increase your chances of recruiting the greatest performers and avoiding expensive and unpleasant errors if you invest time and effort in identifying the appropriate personnel.

Many business owners have solid intuition about whether or not someone is the suitable person for the position. However, you should not depend only on your instincts. The hiring selection should be based on strong, objective criteria.

Here are seven strategies to prevent making disastrous recruiting choices.

1. Evaluate your company's culture

To find the greatest candidates, you must first understand what your firm requires. What is its purpose? What are its principles? Who are the people who fit in? What kind of attitude are you searching for?

Examine probable candidates in light of this larger picture and evaluate how they do.

2. Write thorough job descriptions

You will have a difficult time selecting the correct individual if you do not have a clear picture of what staff are expected to perform. Create job descriptions for each position in the organisation that represent the tasks, degree of skills, and experience needed.

During interviews, be sure to adequately convey the job requirements to applicants.

3. Plan out well-structured interviews

Create an assessment scorecard that may be used to rate and compare applicants' performance on a set of criteria.

When it comes time to interview, it's a good idea to have many conversations with serious candidates and to engage other people in the process, such as an HR representative and the manager to whom the new employee would report.

Use strategies such as behavior-based interviewing. This entails asking applicants to discuss how they dealt with unique obstacles in past roles. One of the strongest indicators of future success is past performance. You may also provide them with a challenging circumstance and ask them how they would manage it.

4. Run a test

Another critical component of the recruiting process is requiring applicants to complete an assignment that demands the abilities for which they are being recruited. Why not ask the applicant to drive a truck if they would be required to do so, or to deliver a sales presentation if it is part of their job description?

5. Look beyond the resume

On paper, the most qualified people may not be the greatest match for the position. Inquire about the applicants' interests, goals, and objectives. If working for a large corporation with a large pay is their desire, they may struggle to work for a tiny enterprise.

6. Request references

It's usually a good idea to double-check references. Despite the fact that fewer companies give references for prior workers, reference checks remain one of the strongest sources of information about prospects. Consider doing some independent research by contacting persons who know or have worked with the applicant in the past.

Bring them on board.

Once you've found the greatest candidates, you'll need their entire support. According to research, a strong orientation programme may enhance new employee retention by as much as 40%. Aside from patient training, you may want to explore matching the new employee with a more experienced employee who can mentor and coach the individual throughout his or her first days on the job.

Finally, keep two fundamental ideas in mind: job-relatedness and consistency. Make sure you record every stage of the process and that you have sound, objective, evidence-based justifications for hiring or not hiring someone.

Define and Enforce SOPs (Standard OperationalProcedures)

The most effective organisations are based on methodologies, frameworks, and processes. These firms are founded on procedures and frameworks that allow them to expand, duplicate enterprises, and maintain market

leadership. Some of these huge organisations have well-structured and documented systems that have allowed them to leave a worldwide imprint for an extended length of time. Methods, not individual genius, are the foundation of great organisations. These systems are integrated into the core of their company and have been responsible for their long-term success. They put an emphasis on information exchange and creating a culture of continuity. These organisations, such as 3M, Coca-Cola, and GE, have mechanisms in place to facilitate succession planning.

Standardization is described as an activity that generates solutions for repeated application to challenges across several disciplines. In general, the activity encompasses the process of developing (determining, creating, and issuing) and implementing standards. Thus, standards are the ideal outcome of a standardisation operation, and within the context of quality systems, they consist of quality papers or documents relevant to the quality system. High levels of quality are required to meet the Company's commercial goals. Quality, as a source of competitive advantage, should continue to be a symbol of Company goods and services. High quality is not an added bonus; it is an essential need. Every employee in every organisational unit is accountable for ensuring that their work procedures are efficient and constantly improving.

The Quality Management system must grow via trial and error, gaining experience, group debates, and shifting knowledge. At first, emphasis will be placed on fundamental operating SOPs, before shifting to record keeping (as additional SOPs are issued) and correcting gaps as practise reveals missing links in the Quality Assurance chain.

SOPs describe how an organization functionson a day-to-day basis

Standard Operating Procedures (SOP) are process documents that outline how an operator should complete a certain task. SOPs include the purpose of the operation, the equipment and materials needed, how to perform the process's set-up and operations, how to perform the worker's maintenance and shut down operations, a description of safety issues, troubleshooting, a list of spare parts and where to find them, illustrations, and checklists. The SOP is one of several process papers required for the consistent functioning of a particular process, along with process flow charts, material specifications, and so on.

Provides Consistency and Clarity

Standard Operating Procedures (SOPs) are sets of instructions with the force of a directive that cover the aspects of operations that lend themselves to a clear or standardised process without sacrificing effectiveness.

SOPs are designed to be particular to the organisation whose operations are described and to aid that organisation in maintaining its quality control and quality assurance procedures.

SOP explains the following points: what is the purpose of SOP (Purpose), what are the application and usage of SOP (Scope) , who will undertake duties (Responsibility), who will oversee procedure implementation (Accountability), and how tasks will be completed (Procedure).

Provide Professional Development to People

Identify the skill gap and develop everyone from the executive team down to front line supervisors

A professional development plan outlines the goals, needed skill and competence development, and objectives that a staff person must meet in order to enable ongoing progress and career advancement. The manager creates a professional development plan in collaboration with the staff person to determine the essential skills and resources to meet the staff member's career aspirations and the organization's business requirements.

Professional development for staff employees starts when a new person joins your organisation. Furthermore, all staff employees should have a "live" professional development plan in place. Planning should not begin simply after a staff person has been recognised as requiring improvement. Professional development plans should be evaluated on an ongoing basis throughout the year, with at least one interim review session between the staff member and supervisor prior to the completion of the annual performance review period.

Professional Development Planning Steps

Create a professional development plan with your employee by following the steps below. Please feel free to utilise the examples of professional development plans (mentioned above) to help you through the process.

Step One: Request a self-assessment from a staff member.

Step two: Create an evaluation of the individual's ability level.

Step three is to assess the department's and organization's requirements.

Step four: Discuss career advancement prospects with the employee.

Step 5: Keep track of and assess the development of the staff member.

Step One: Request a self-assessment from a staff member.

Request that the staff member do a self-assessment of their interests, skills, values, and personality. To help with the process, use the example performance planning and self-assessment forms linked to the right. Keep the following questions in mind while analysing the staff member's responses:

- What talents, employment possibilities, and technology are of interest to the individual?

- Do those skills/interests/goals complement the organization's needs and goals?

- What are the short and long-term actions to get there?

Step two: Create an evaluation of the individual's ability level.

Determine the staff member's ability level in the following areas based on their self-assessment, work history, and your own observations:

- Technical skills: the abilities required to do the task.

- Social skills: how do they interact with others?

- Aptitudes: innate capabilities; exceptional ability for doing or learning to accomplish specific tasks.

- Attitude: perspective, sentiments, mind-set, manner of thinking, and point of view.

Step three is to assess the department's and organization's requirements.

In order for professional development to be effective, staff members' needs and interests must be matched to corporate goals. The staff member's career path must be in line with the organization's workforce requirements. Consider the following objectives while designing a professional development plan:

- Significant Duke objectives

- Departmental Objectives

- Objectives for the team

- Personal objectives

Step four: Discuss career advancement prospects with the employee.

Explore the professional development possibilities offered at Duke with your staff member. Some examples are:

- Professional Development Academy – The Professional Development Academy is a facility committed to delivering professional development training programmes and resources for employees to address recognised staffing requirements throughout Duke. The Academy provides long-term training programmes with a customised curriculum intended to build the skills and capacities required to fill recognised employment needs throughout Duke.

- New Projects & Obligations – Investigate what new projects and responsibilities the staff member can help with in their own department. Staff workers may take advantage of such chances to learn new skills such as web design, business writing, and project management.

- Courses & Seminars – Learning & Organizational Development provides a range of workshops and seminars to assist staff members improve their job and computer technology abilities.

- Educational Possibilities – There are several educational opportunities accessible at Duke and in the Durham region. Please see Training for a complete list of accessible materials.

- Volunteer Activities – Volunteer opportunities might provide a unique opportunity for a staff person to improve certain professional abilities. Search the Duke Today website for a list of volunteer opportunities at Duke (look under the "Volunteer Opportunities" tab).

- Mentorship – Interested employees may be linked with mentors for a range of activities such as information interviews, shadowing, tutorials, and so on. Please visit the Mentoring At Duke website for further mentoring options. Before seeking a mentoring relationship, the Career Development Academy may help you determine your professional objectives.

Step 5: Keep track of and assess the development of the staff member.

Collect feedback from staff members on their development progress to assist in identifying what the staff member is doing well, building on their skills, correcting any problems that may arise, and assisting them in developing new abilities that will improve personal performance as well as organisational outcomes.

Use a Performance Log to monitor, record, and provide feedback from staff members. Dates, events, expectations, and the influence of action measures on their growth should all be recorded. Make a note of:

- Observations of improved abilities or knowledge and how they were applied

- Make progress toward goals and objectives.

- Observations on where skills/knowledge may be utilised – use for future discussion.

Encourage Creativity and Innovation

Creativity and innovation are often seen as regular drivers of effective corporate development. Organizations are under great pressure to innovate in order to gain a competitive edge in a global economy that is getting more complex and competitive. As a result, organisational management must instil or support a culture of creativity and invention inside the business; nevertheless, most of the emphasis in this effort is on the individual level, but teamwork is also generally promoted. Individuals play a critical role in creativity, and the innovation process need a supportive, well-managed environment capable of efficiently translating original ideas into inventive products.

In general, the two notions are distinct, since creativity may be defined as the generation of new ideas and concepts that are subsequently implemented via a process, resulting in innovation. This argues that every innovation is a process based on the creativity of the mind(s), and creativity is dependent on innovation to become concrete. As a result, we might say that innovation is the application of creativity. Creativity and innovation are often thought of as habits that may be encouraged inside an organisation by adopting a measuring procedure to quantify outcomes.

Creativity may be achieved by a cognitive decision-making process in which the decision-making body learns to be aware of its surroundings, thinks and learns from previous experiences, and then analyses before making a choice. On the other hand, the innovation process is a series of creative ideas that begin with concept creation, then primary analysis, which leads to the stage of making a choice to adopt, and lastly execution of the idea.

Creating an atmosphere that supports and promotes experimentation. Successful inventions are the consequence of never-ending experimentation, as great firms have shown over and again. 3M began as a mine and failed spectacularly. For 11 years, the first president did not receive a salary. Nonetheless, it grew to become one of the most inventive corporations, having over 60,000 items to its name.

Create an environment that promotes andencourages experimentation

In today's corporate environment, leaders and managers must apply more inventive strategies and ideas to get more attention, attract more consumers, and increase revenues. The business world is evolving, and many organisations are embracing new advertising concepts, customer service tactics, and technical advancements. Adopting a culture of experimenting may be very beneficial to a company.

A culture of experimentation is introducing new ideas or solutions across your business without limiting them to certain areas. Experimentation must be encouraged across the organisation, and managers and executives must adopt a mentality in which they seek out other people's perspectives or ideas.

Managers cannot believe they know everything about operating a firm. Innovation is at the heart of an experimental culture. However, it is critical to experiment with new ideas in order to develop in any sector.

When you do a large number of trials, you will see that certain concepts bloom while many others fail. Failure is an essential component of an experimental culture. You will never be able to accomplish that one brilliant idea that will enable your firm take off and become genuinely competitive in a crowded market until you explore and fail at certain tasks.

Provide recognition and rewards for newInitiatives

Key Steps for Embedding an Experimentation Culture

1. Everyone has a Say

The first step in establishing a culture of experimentation is to guarantee that everyone's ideas are heard inside a company. According to Forbes, regardless of level or leadership, listening to and hearing the ideas of all workers can help you develop an experimental culture.

2. A/B Testing and Metrics

The next stage for a corporation is to use an A/B test to evaluate various concepts, including competing arguments. Testing and experimenting will tell if a concept is a success or a failure. Furthermore, examining the performance data can reveal if your proposal would be successful within your target audience.

3. Promote New Initiatives

Regardless matter whether a new project succeeds or fails, all lower-level managers and staff should be encouraged to start new projects and experiment. This kind of support will make more workers feel comfortable with a prospective concept failing and will enable them to keep developing. Workers will no longer feel pressured to succeed with every new concept. Workers and supervisors will also learn from their mistakes and refine their ideas over time.

Finally, rewarding your employees' efforts will go a long way toward developing and maintaining a happy, experimental workplace. Following these measures will assist you in keeping up with the rapid speed of change in any sector.

Build Trusted Relationships with Internal andExternal Customers

The client is at the heart of any company. The goal is to make the consumer happy by providing the greatest goods and services possible. It is not worth it to invest in innovation that does not deliver value to the end customer. GE has launched a goodwill and customer happiness programme in which GE Six Sigma black belts/management professionals free of charge help their customers in optimising processes, lowering expenses, and resulting in optimal companies for their clients. It's no surprise that GE is at the top of the list of firms with the highest levels of customer satisfaction. Other fantastic examples of corporations attracting clients with exceptional services are technology behemoths Google and Amazon.

Top-tier companies are founded on timeless values. What is required is top leadership to instil a desire for change and growth. The most essential thing is to keep ahead of your competition by making regular modifications in response to market needs. The world's most successful organisations are founded on innovation. Business leaders not only innovate, but they also capitalise on market possibilities. They foster a culture of continual innovation and distinguish themselves from the competition by being unique.

What is an internal customer?

Internal customers have a connection to and inside your organisation, either as employees or as partners who offer your product or service to the ultimate user, the external customer. Stakeholders and stockholders are

also internal customers, which is less evident but no less important. All of these people may or may not buy your goods or service.

What is an external customer?

External customers are those who pay for and consume the goods or services provided by your firm. These clients are who you're designing for while you're brainstorming challenges and developing solutions.

To be clear, an external customer is someone who is not directly related to your business other than via the purchase of your product or service. This client might be a one-time buyer or someone with whom you've worked for a long time and for whom you've supplied add-ons or customization possibilities. External customers may also be referred to as "clients" or "accounts."

External client objectives might vary depending on your product or service, such as repeat purchases, recommendations, favourable reviews, and other forms of support for your firm. You might perform formal or quick-pulse surveys after or during the transaction. When servicing this group, the guiding philosophy is often "the customer is always right," and the income they provide is the lifeblood of your organisation. Your firm will collapse if they are not present.

Putting internal and external customers side by side

External clients have been a part of business since humans began creating and selling goods—a very long time! The concept of an internal customer, on the other hand, is fairly recent. Six Sigma, for example, promotes identifying internal customers as a means of building a more favourable work environment.

Kind and compassionate leadership, fair and equal remuneration, pleasant working conditions, cutting-edge technology, and so on are all examples of a healthy work environment. According to the logic, the stronger employee morale, the more those people would work with honesty and productivity. Morale may also be boosted by the knowledge that they are contributing to something greater, which has a beneficial impact on how they operate. According to one school of thinking, happy internal consumers lead to happy external customers.

However, apart from the feel-good psychology, utilising the phrase "internal customers" may have some actual advantages. It may assist teams that deal with both internal and external clients prioritise issues and schedules to enhance inter-departmental communication. Treating everyone like a client may also inspire workers to take each other as seriously as they would a reference or complaint from a third party.

Is it true that unpleasant internal customer experiences have an impact on external customers?

Once you've decided to handle customers as internal and external, it'll be easy to see how the former's experience might affect the latter. For

example, if your internal customers work in a capacity where they interact with external customers, such as at a contact centre, it is critical that the technologies they depend on be durable and easy to use.

If your team is frustrated by old procedures and archaic technology, that experience is likely to be reproduced when your external customers need support, resulting in twin frustrations—not a good formula for success. Providing seamless, straightforward experiences for internal consumers frees them up to deliver the same for your external customers.

Three factors contribute to internal customer trust:

a) Their supervisors are aware of and respect them.

b) They understand how their job affects the organization's purpose and the lives of others.

c) Their performance and achievement are evaluated –

Three factors contribute to the development of external consumer trust.

a) Excellent Product and Service

b) Consistency

c) Transparency

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2

MANAGEMENT

Unit Structure:

2.1 INTRODUCTION:-

2.1.1 Introduction To Management

Success of an organization depends to a great extent on how well it is managed. "Effectiveness" and "Efficiency" are the two words that are often used interchangeably to describe an organization. These two words in really are the tools of "management".

The word "management" is derived from the two Latin words *manus* meaning "hand" and *agere* means "to act". In simple words it refers to "act of getting things done".Management is to plan, organize, direct and control the resources of the organization for obtaining common objectives or goals. It involves looking after resources like material, money, machinery, methods, manufacturing and marketing which is the essence of success of an organization.

DEFINITION

Management refers to a process of having a set of activities, undertaken by people sharing a common goal.

According to Harold Koontz

"Management is the art of getting things done through and with people in formally organized groups".

According to the GeorgeR.Terry

"Management is a disconnect process consisting of planning organizing activating and controlling performed to determine and accomplish the objectives by the use of people and resources."

According to the Donald. J. Cough

"Management is the art and science of decision making and leadership".

According to the Henry Fayol

"To manage is to forecast, to plan, to organize, to command, to coordinate, and to control".

2.1.2 Management and Organization:-

Management and organization are the words that complement each other. An organization is a structured group of people established to achieve a set of goals. Management is the process of leading an organization to achieve its goals, hiring and supervising the people in it, administering processes, allocating resources, assigning projects, and making key decisions to ensure the success of the organization.

MANAGEMENT	ORGANIZATION
Management' is the executive process of getting works accomplished by the subordinate employees.	Organisation' is the structure bywhich a harmonious inter-relation is established between the workers and their work.
The functions of management are administrative activities.	Through organisation authority and responsibility are delegated. These are organisational activities.
Management is the sum total of several activities—making plan,	Organisation is one of the various functions of management. As a part

setting up organisation, giving command and direction, motivating the employees,coordinating and controlling various functions of the enterprise.	of management, organisation helps it to execute its other functions.
The managers perform duties and responsibilities for the organization.	Organisation acts as a tool in the hands of the managers
The objective of management is to supervise the accomplishment of work of the subordinate employees and to give necessary direction for getting the desired result for achieving the pre-determined target.	Organisation aims at performing the planned activities through creating proper work environment.
Efficient management largely depend son strong organisation	The setting up of effective organisation structure depend son efficient management.
Management may be compared to thewhole human body.	Organisation may be regarded asthe hands of human body.

2.1.3 Management History

"Management history" refers to **the history of management thought that has developed over time. It** began since the period man saw the need to live in groups followed with industrial revolution that brought drastic change. And suddenly, the need to develop a more holistic and formal management procedurebecame a necessity.

The evolution of management thought can be divided into four different stages that includes:-

- **Pre-scientific management period**
- Classical theory
- Neo-classical theory or behavior approach
- Bureaucratic Model of Max Weber

The industrial revolution that took place in the 18th century had a significant impact on the growth of management. It involved changed how to raise capital; organize labour and the production of goods.

The last decade of the 19th century, witnessed the growth classical theory of scientific management. Names like Emerson, F.W. Taylor, H.L. Grant, and others, contributed for the establishment of scientific management thatfocused on job content, standardization, the division of labor, and a scientific approach towards the organization. It also was closely related to the industrial revolution as well as the rise of large-scale enterprises.

Then came the stage of improvement of the classical theory, it modified,improved and further evolved. During this phase the

management focus encompasses employee relationship. Such as, in classical theory focus was more on the area of job content, including the resources, while neo-classical theory gave more profound emphasis on employee relationships in the work environment.

A German Sociologist called Max Weber proposed this model. And it includes a system of rules, division of labour hinged on functional specialization, legal authority, and power, the hierarchy of authority, and placement of employees based on their technical competence.

These are the different stages through which the concept of management has evolved. Management can also be seen as different approaches that has been adopted from time to time, that has evolved it over the time.

DIFFERENT APPROACHES

CLASSICAL	• SCIENTIFIC • ADMINISTRATIVE • BUREAUCRATIC
BEHAVIORAL	• GROUP INFLUENCES • MASLOW'S NEED THEORY • THEORY X AND THEORY Y • HAWTHORNE STUDIES
MODERN	• THEORY Z • TOTAL QUALITY MANAGEMENT • MANAGEMENT BY OBJECTIVES • SITUATIONAL LEADERSHIP

Many management theorists and writers have made remarkable contribution in the study of management. The various approaches to management analysis, can help us to understand the concept of management and have a better understanding of managerial functions. The various approaches to management analysis are:-

1. **The empirical or case approach:** In this approach, you try to understand management principles with the help of cases. You also identifies the situations, wherein organizations have either succeeded or failed by following this approach.

2. **The interpersonal behavior approach**: This approach is based on individual psychology and focuses on interpersonal relationships.

3. **The group behavior approach:** This approach is based on sociology and social psychology. It stresses on the behavior of people in groups.

4. **The cooperative social systems approach:** It advocates a system of cooperation using both interpersonal and group behavioral aspects.

5. **The sociotechnical systems approach:** It realizes the impact of technical systems on personal attitudes and group behavior. This approach focuses on areas involving close relationships between technical systems and the people involved such as production, office operations, etc.

6. **The decision theory approach:** The focus in this approach is on the decision-making process and people involved in it.

7. **The systems approach:** It considers organizations to be open systems as they interact with the external environment. It recognizes the importance of the inter-relationship between planning, organizing and controlling.

8. **The mathematical or "management science" approach:** This approach treats management as a logical process, which can be expressed in terms of mathematical symbols and relationships.

9. **The contingency or situational approach:** In this approach, the main assumption is that there is no hard and fast rule for all situations. Managerial practice depends upon circumstances. Different circumstances may necessitate the use of different methods.

10. **The managerial roles approach:** This approach had been developed by studying the work methods of five chief executives. The study identified ten managerial roles, which were grouped into three categories — interpersonal, informational and decisional roles.

11. **The McKinsey's 7-S framework:** The seven S's used in this approach are strategy, structure, systems, style, staff, shared values and skills.

12. **The operational approach:** This approach attempts to develop the science and theory of management by drawing upon concepts, principles, techniques and knowledge from other fields and managerial approaches.

2.1.4 Understanding Management's Context: Constraints and Challenges

The management of an organization largely depends on two aspects, i.e. organizational culture and organizational environment. It is important for a manager to understand that the culture and the environment have important implication in the management of an organization, so as to gain a better understanding of the complexities that are present in internal and external environment.

Internal environment reflects the organization culture that is being followed and practiced and external environment comprises of demographic, economic, legal and global factors that influence the working of an organization.

CULTURE → MANAGEMENT CONSTRAINTS ← ENVIRONMENT

MANAGER- OMNIPOTENT/ SYMBOLIC:-

The Omnipotent View:-This maintains that managers are directly responsible for the success or failure of an organization.

This view of managers as being omnipotent is consistent with the stereotypical picture of the "take charge" executive who can overcome any obstacle in carrying out organization's objectives. The performance of an organization is linked to Manager. Hence it is the organization culture that matters in management of an organization.

The Symbolic View:-This view holds that much of an organization's success or failure is due to external forces that are beyond manager's control.

This view attributes the various external factors that are responsible for the success or failure of an organization, hence external environment plays an important role in management.

Components of External Environment:-

1.Economic Factors:- The economic environment of business has changed dramatically in recent years. The various conditions across globe has impacted the growth and performance of businesses. For example-after decades of growth and dominance, the U.S. economy is now challenged by the developing economies of other nations, which are jockeying to be number one. Since the financial crisis in 2008, the U.S. economy and businesses have struggled to recover from the greatest

economic crisis. These economic events have all had a direct impact on businesses, regardless of size.

2. Legal Factors:- The legal environment of business is by far the most complex and potentially dangerous external factor a business faces. There are regulations, laws, and liabilities that companies must cope with, in order to stay in business. For example- Volkswagen teeters on the brink of ruin because it falsified data about its cars' emissions. Tide is airing commercials not to promote the marvels of its laundry detergent but to warn parents to keep the Tide pods away from children, who may be tempted to eat them.

3. Technological Factors:- Advancement of technology has brought new challenges in managing businesses.The expansion of Internet access to virtually every corner of the world has forced many traditional brick-and-mortar businesses into **e-commerce** or online sales. This advancement and progress has its own advantages and dis-advantages. On one hand it'sconvenient to reach large set of customer in no time, lot of convenience but on the other hand consumers are also able to compare competitors' prices, benefits, features, and services. Today's businesses have to be vigilant about spotting emerging trends not only in technology but in the way consumers use that technology.

4. Social Factors:- The social environment of business encompasses the values, attitudes, beliefs, wants, and desires of the consuming public. The **demographics** that describe the population by gender, age, ethnicity, location, occupation, education and income are constantly evolving and so has to business houses their product and services. The manager has to keep into account all social factors right from the strategic planning to actual implementation.

5. Competitive Factors:- The competitive environment has intensified with the development of new technologies, the opening up of foreign markets, and the rise of consumer expectations. Customers can order online, get their items the same day, and receive loyalty rewards, free delivery, customization, and even service and installation. Staying competitive is a challenge for every business. More and more opportunities are opening the doors for new entries, which again put many fold challenges in front of business.

Management's Challenges

1. **Communicating with Employees:-**One of the biggest challenges for managers is bridging the distance with effective and timely communication skills.Good managers need to develop advanced listening and speaking skills as they play a huge role in the success of their team. Ineffective communication has been found to be one of the biggest challenges.

2. **Performance Challenges:-**Performance problems are always going to be a concern for any manager. But in today's fierce business

environment, if your teams aren't performing to a high standard, a competitor could easily come in and take your customer's business.

3. **Tracking Productivity:-**Tracking and improving team productivity remains one of the top challenges facing managers today.Unfortunately, it has become even more challenging due to our continuously evolving workplace.

   Tracking productivity gets even trickier for managers looking after a team with different work setups, work habits and timezones.

4. **Shaping Organization Culture:-**Company culture is a key driver of employee engagement and productivity. As such, it's important to address this challenge. It is necessary to create a workplace culture that marches to the beat of organisational goals.With more companies adapting to hybrid working arrangements, this has resulted in more dispersed teams.Ensuring diversity and inclusion in the workplace has become one of the biggest challenges facing today's modern organizations. Diversity in the workplace focuses on respecting and appreciating all employees for their differences Inclusion, on the other hand, focuses on ensuring that all employees feel valued and supported as individuals, irrespective of their physical or cultural differences.

5. **Technology:-**As technologies change practically at the speed of light, companies need to innovate or be left behind, but many CEOs started their careers and businesses before many of these technologies even existed! Consultants can be vital for integrating new technologies, in particular mobile, app development, and cloud computing. There is increased pressure for today's managers to keep up as technology continues to evolve. They also face the challenge of finding the right software solutions to invest in on the behalf of their organisations.

6. **Hiring Right Employee:-**Hiring right kind of a person for right job and then retaining them for longer has become a challenge today. The job enrichment and efficiency is continuously growing and with such a thing matching the potentialities of employees has become quite difficult. On top of this every now and then employees keep shifting from one company to another, in such a situation generation return on cost is another big challenge.

7. **Continuous Improvement:-**With the technology changing every now and then and the globalization puts a huge demands for continuous improvement.Coping with changing trends and adapting to the change has become a necessity to be a part of race.

8. **Administering policies fairly and consistently:-**One of the most common challenges for managers is treating employees fairly and consistently. Biasness, favouritism, consideration etc. dilute the uniformity. A manager has to be cautious enough in having a uniformity of policies for each and every employee at each level.

9. **Achieving Stretched Goal:-**One of the difficult challenges faced in today's work culture is the extended targets. Apart from assigned targets and goals, an employee/manager has to work for some extra duties that come along with the assigned job. The targets that are given are too high.

2.1.5 Integrative Managerial Issues:-

Today's managers are concerned with such integrativemanagerial issues as diversity, globalization, and ethics and social responsibility throughout many aspects of what they do and how they manage.

INTEGRATIVE MANAGERIAL ISSUES

GLOBALIZATION

DIVERSITY

CORPORATE SOCIAL RESPONSIBILITY

CHANGE & INNOVATION
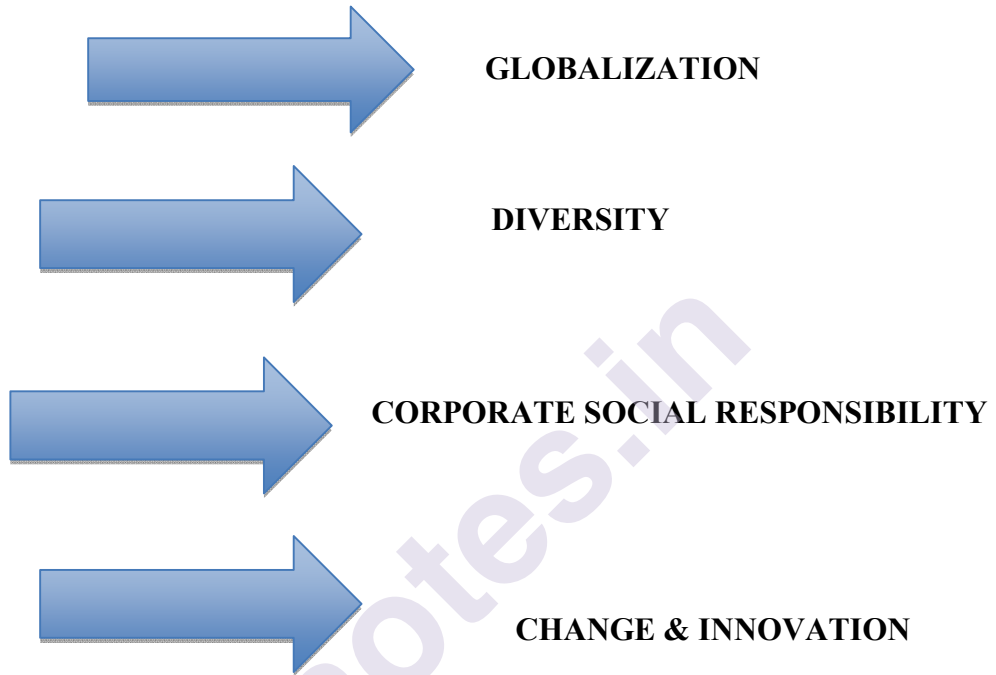
2.2 GLOBALIZATION

Globalization refers to the exchange of goods, services, jobs, skill and knowledge across borders.Global organizations exchange goods and services with consumers abroad. They also use managerial and employee talent from foreign countries. Furthermore, 'financially globalized' organizations, using financial sources and resources from other country, are also considered global organizations.

Globalization for an organization is a four step approach:-

- Global Sourcing
- Exporting & Importing
- Licensing & Franchising
- Global Strategic Alliance

Global Sourcing:-Global sourcing or global outsourcing is a stage where a company and its management would enter global market with minimum investment. They would like to enter the market in outsourcing activities like labour or raw material, where ever it is cheapest. The objective is to take advantage of lower costs in order to be more competitive.

*Example -*Massachusetts General Hospital uses radiologists in India to interpret CT scans. However during economic crisis many organizations reconsidered their decisions to source globally. For instance, Dell, Apple, and American Express were few companies that scaled back some of their offshore customer service operations.

Exporting & Importing:- Export refers to making of products domestically and selling them abroad, and import refers to acquiring products made abroad and selling them domestically.

Both activities involve minimal investment and risk, which is why many small businesses often use these approaches for doing business globally.

Franchising & Licensing:-Franchising & licensing are similar approaches involving one organization giving another organization the right to use its brand name, technology, or product specifications in return for a lump-sum payment or a fee that is usually based on sales. The only difference is that licensing is primarily used by manufacturing organizations that make or sell another company's products, and franchising is primarily used by service organizations that want to use another company's name and operating methods.

Global Strategic Alliance :- Global strategic alliance is a partnership between an organization and a foreign company partner or partners in which both share resources and knowledge in developing new products or building production facilities.

Once the organization has gain little experience, it can enter in to an arrangement where it can plan of some alliance or collaboration to start some activity.

2.2.1 Diversity Management:-Having work force from various background in an organization is now a days very common.

Diversity management refers to organizational actions that aim to promote greater inclusion of employees from different backgrounds into an organization's structure. In the coming years, organizations that understand how to manage diversity in the workplace effectively will hold a distinct advantage when itcomes to recruiting and hiring talent.

Workplace diversity refers to the variety of differences between individuals in an organization. Diversity not only includes how individuals identify themselves but also how others perceive them. Diversity within a workplace encompasses race, gender, ethnic groups, age, religion, sexual orientation, citizenship status, military service and mental and physical conditions, as well as other distinct differences between people.

Challenges:-

- **Communication** - Perceptual, cultural and language barriers need to be overcome for diversity programs to succeed. Ineffective

communication of key objectives results in confusion, lack of teamwork, and low morale.

- **Resistance to change** - There are always employees who will refuse to accept the fact that the social and cultural makeup of their workplace is changing. If the company doesn't handle opposition properly, workplace diversity initiatives may not provide the intended benefits to the company.

- **Increased Tension:** People from different cultural or ethnic backgrounds can have very different views concerning lifestyle, religion, and politics that can lead to tension and conflict when these concepts are introduced into a work environment.

- **Learning Curve:** Businesses that have difficulty adapting to a more diverse culture may require diversity training.

- **Implementation of diversity in the workplace policies** - This can be the overriding challenge to all diversity advocates. Armed with the results of employee assessments and research data, they must build and implement a customized strategy to maximize the effects of diversity in the workplace for their particular organization.

- **Fairness:** One of the key challenges in dealing with diversity is ensuring each worker is treated fairly. This does not mean we can treat everyone the same, as different individuals have different needs.

- **Inclusion:** Inclusion of all employees is often a challenging part of diversity management. People often segregate themselves into groups in which they are comfortable. It is the job of the manager to help workers integrate so that the company and its individuals profit through associations.

2.2.2 Statistic of Benefits:-

- Gender-diverse companies are 15% more likely to outperform their peers and ethnically-diverse companies are 35% more likely to do the same.

- Catalyst research shows that companies with more women on the board statistically outperform their peers over a long period of time. Studies also suggested that top management teams with a high representation of women had better financial performance than teams with fewer women.

- Deloitte Australia research shows that inclusive teams outperform their peers by 80% in team-based assessments.

- Companies reporting highest levels of racial diversity in their organizations bring in nearly 15 times more sales revenue than those with lowest levels of racial diversity. (American Sociological Review)

- 57% of employees think their companies should be more diverse. (Glassdoor)

2.2.3 Case Studies:-

IBM -IBM has always been a leader in diversity management. IBM diversity and inclusion policies focus on the advancement of women, people with disability, cultural diversity, generation diversity and lesbian gay bisexual transgender. IBM's first written equal opportunity policy called for equity in hiring "regardless of race, colour, or creed was signed in 1953. IBM recognizes the unique value and skills every individual brings to the workplace and believes that Innovation comes from seeking out and inspiring diversity in all its dimensions

Infosys:-Infosys is the first Indian IT company founded in 1981 to set up a dedicated office for diversity and inclusion. Infosys values diversity and inclusion and is committed to the principles of equal employment opportunity.They comply with all applicable laws prohibiting discrimination or harassment against any applicant or employee that includes, without limitation, discrimination based on age, race, colour, gender, national origin, religion, creed, disability, covered veteran status, genetic information etc.

2.2.4 Strategies For Leveraging Diversity:-

1. **Set a clear, inclusive vision.** As Blanchard explains, that includes identifying your organizational purpose, picture of the future, operating values, and action steps.

2. **Increase the quality and quantity of conversations occurring between managers and direct reports.** The greater the amount of diversity there is in the workforce, the more managers have to communicate to make sure that everyone's issues and concerns are on the table.

3. **Walk the talk.** In the past, if leaders were inconsistent, employees would talk about it in the bathrooms and in the hallways, but that was usually as far as it went. Today, people are much more direct, so integrity is more important than ever.

4. **Turn the organizational hierarchy upside-down.** Effective day-to-day implementation requires turning the organizational chart upside down so that front line people are at the top serving customers while leaders move themselves to a supporting role and focus on removing roadblocks and providing resources.

5. **Consider the whole person.** Don't ask people to "leave their nerve endings at the door." Employees want their managers to know them as people—including the issues they might be dealing with both in and out of work. Employees want to feel cared for, understood, and supported in their efforts to make a difference at work.

6. **Increase involvement.** As Blanchard likes to point out, "No one of us is as smart as all of us." One of the great advantages in having a diverse population is that you can tackle a problem from a rich variety of viewpoints. But you have to encourage participation and really listen to what people have to say to make the most of that opportunity.

2.3 SOCIAL RESPONSIBILITY & ETHICS

The word ethics, refers to principles of behaviour that distinguish between what is good, bad, right and wrong.Ethics helps managers to take sound managerial decisions relating to consumers, organisations, employees of the firm and the organisation as a whole,

Tools of Ethics:-

1. **VALUES:** These are permanent desires that everyone want them to happen in themselves. Values answer the question "why". For a 'why', answer goes on and stops at point and that point is the value. For corporates, they run the business. Why? To make profit. Here the profit is the value. For an individual Peace, Goodwill etc. may be values.

2. RIGHTS: This is a "spree of autonomy" which entails a person to take an action. Rights are not absolute and are related to the rights of others.

3. DUTIES: It is a specific obligation to take a specific step by an individual. Say, for example, the step taken to pay tax, tantamount to obeying the order.

4. **MORAL RULES**: They are the rules at behaviour that often become internalized as moral values.

2.4 CHANGE AND INNOVATIONS:-

Change management is a complex process and requires serious attention as well as involvement from the management and people from all levels, in order to achieve a meaningful or a progressive transformation across various levels. For being ahead in the competitive race and gaining a winning edge, organizations have been focusing on expansion of business worldwide, achieving excellence in processes and operations, implementing innovations in technology and identifying/developing the right talent. The fast changes which have taken place and the way in which this has affected the strategies, people, policies and processes in an organization.

Effective Change management process help organizations in understanding the changing customer needs, meeting their demands and expectations much better since the requirements are well defined. If implemented with proper planning, change management does not affect the day to day functioning of an organization, rather it functions concurrently. Instead it creates a scope for establishing best practices, defining the operational framework and regulations for the people, processes and system.

Organizational change can be either adaptive or transformational:

- Adaptive changes are small, gradual, iterative changes that an organization undertakes to evolve its products, processes, workflows, and strategies over time. Hiring a new team member to address increased demand or implementing a new work-from-home policy to attract more qualified job applicants are both examples of adaptive changes.

- Transformational changes are larger in scale and scope and often signify a dramatic and, occasionally sudden, departure from the status quo. Launching a new product or business division, or deciding to expand internationally, are examples of transformational changes.

2.4.1 PROCESS OF CHANGE

1. Prepare the Organization for Change

For an organization to successfully pursue and implement change, it must be prepared both logistically and culturally. Before delving into logistics, cultural preparation must first take place.

In the preparation phase, the manager is focused on helping employees recognize and understand the need for change. They raise awareness of the various challenges or problems facing the organization that are acting as forces of change and generating dissatisfaction with the status quo. Gaining this initial buy-in from employees who will help implement the change can remove friction and resistance later on.

2. Craft a Vision and Plan for Change

Once the organization is ready to embrace change, managers must develop a thorough and realistic plan for bringing it about. The plan should detail:

- Strategic goals: What goals does this change help the organization work toward?

- Key performance indicators: How will success be measured? What metrics need to be moved? What's the baseline for how things currently stand?

- Project stakeholders and team: Who will oversee the task of implementing change? Who needs to sign off at each critical stage? Who will be responsible for implementation?

- Project scope: What discrete steps and actions will the project include? What falls outside of the project scope?

3. Implement the Changes

After the plan has been created, all that remains is to follow the steps outlined within it to implement the required change. Whether that involves changes to the company's structure, strategy, systems, processes, employee behaviors, or other aspects will depend on the specifics of the initiative.

4. Embed Changes within Company Culture and Practices

Once the change initiative has been completed, change managers must prevent a reversion to the prior state or status quo. This is particularly important for organizational change related to processes, workflows, culture, and strategies. Without an adequate plan, employees may backslide into the "old way" of doing things, particularly during the transitory period.

5.Review Progress and Analyze Results Conducting analysis and review, or a "project post mortem," can help business leaders understand whether a change initiative was a success, failure, or mixed result. It can also offer valuable insights and lessons that can be leveraged in future change efforts.

2.4.2 BARRIERS TO CHANGE MANAGEMENT:

1. Underestimating the complexity of the change process

Complex problems can present unexpected challenges and obstacles arise that we have no previous experience dealing with. Change management means expecting the unexpected and being able to correct course if the process goes off the rails.

2. Lack of Change Management Knowledge skills

Every change management strategy emphasizes the importance of planning and communication. Leaders must involve people from all levels of the organization and keep them on board with what is happening. Short-term achievable goals should be a part of the change process to encourage employee engagement.

3. Lack of accountability

Employees, including managers and front-line workers, need to feel they are playing a role in the change process in order to feel accountable for the outcome. This can mean senior leaders holding frequent information sessions, asking for suggestions and feedback, conducting anonymous surveys, town halls, and upper- and mid-level managers ensuring an open door office policy.

4. Management resistance/time pressure

Because they deal directly with lower-level employees and front-line workers, middle managers are crucial to the overall success of any change initiative. Employees will pick up on a manager's doubt or resentment about the process. Leaders need to ensure all management staff have suitable time-frames and the resources they need to face the challenges in front of them.

5. Change structures

There must be a structure in place to allow workers at every level in the organizational hierarchy to be heard — including management, team leads and front-line workers. This structure can take the form of a representative group from each level that works with executives and senior leaders in decision-making and planning of the change process.

6. Assuming it will be easy

Executives and senior leaders often underestimate the impact that organizational changes will have on lower level workers. They don't plan for allocating new resources or the implications of a resistant corporate culture. Many factors will stand in the way of change and can't be ignored.

7. Lack of senior management modelling

Sometimes senior managers can feel threatened by organizational change. They want to protect their own positions and are reluctant to support mid-level managers or listen to those above them. The flow of communication is blocked as workers are not given clear instructions and have nowhere to express concerns or give feedback.

8. Poor cross-functional teamwork

The negative impact of "soloing" is well-documented. Particularly in times of organizational change, inter-departmental cooperation needs to be encouraged. Senior leaders can create teams with members drawn from different departments and include team leaders and managers in discussion about overall alignment in corporate goals.

9. No follow up

Continuous reinforcement of the change achievement is necessary. Workers should be notified of new outcomes with emails that include metrics. Hold team meetings with stakeholders to provide updates and give credit to those who participated well in the change process.

2.5 PLANNING

Introduction:-

Planning is the first step where by a manager creates a detailed action plan aimed at some organizational goal. Organizing is the second step, which involves the manager determining how to distribute resources and arrange employees according to the plan.

Planning means looking ahead and meeting future events effectively. Planning is regarded as a forward-looking function based on forecasting. On the basis of forecasting, future conditions and events are anticipated and plans are prepared.

1. Planning is goal-oriented.

   a. Planning is made to achieve desired objective of business.

   b. The goals established should general acceptance otherwise individual efforts & energies will go misguided and misdirected.

   c. Planning identifies the action that would lead to desired goals quickly & economically.

   d. It provides sense of direction to various activities. E.g. MarutiUdhyog is trying to capture once again Indian Car Market by launching diesel models.

2. Planning is looking ahead.

   a. Planning is done for future.

   b. It requires peeping in future, analyzing it and predicting it.

   c. Thus planning is based on forecasting.

   d. A plan is a synthesis of forecast.

   e. It is a mental predisposition for things to happen in future.

3. Planning is an intellectual process.

   a. Planning is a mental exercise involving creative thinking, sound judgement and imagination.

   b. It is not a mere guesswork but a rotational thinking.

   c. A manager can prepare sound plans only if he has sound judgement, foresight and imagination.

   d. Planning is always based on goals, facts and considered estimates.

4. Planning involves choice & decision making.

   a. Planning essentially involves choice among various alternatives.

b. Therefore, if there is only one possible course of action, there is no need planning because there is no choice.

c. Thus, decision making is an integral part of planning.

d. A manager is surrounded by no. of alternatives. He has to pick the best depending upon requirements & resources of the enterprises.

5. Planning is the primary function of management / Primacy of Planning.

a. Planning lays foundation for other functions of management.

b. It serves as a guide for organizing, staffing, directing and controlling.

c. All the functions of management are performed within the framework of plans laid out.

d. Therefore planning is the basic or fundamental function of management.

6. Planning is a Continuous Process.

a. Planning is a never ending function due to the dynamic business environment.

b. Plans are also prepared for specific period f time and at the end of that period, plans are subjected to revaluation and review in the light of new requirements and changing conditions.

c. Planning never comes into end till the enterprise exists issues, problems may keep cropping up and they have to be tackled by planning effectively.

7. Planning is all Pervasive.

a. It is required at all levels of management and in all departments of enterprise.

b. Of course, the scope of planning may differ from one level to another.

c. The top level may be more concerned about planning the organization as a whole whereas the middle level may be more specific in departmental plans and the lower level plans implementation of the same.

8. Planning is designed for efficiency.

a. Planning leads to accomplishment of objectives at the minimum possible cost.

b. It avoids wastage of resources and ensures adequate and optimum utilization of resources.

c. A plan is worthless or useless if it does not value the cost incurred on it.Therefore planning must lead to saving of time, effort and money.

d. Planning leads to proper utilization of men, money, materials, methods and machines.

9. Planning is Flexible.

a. Planning is done for the future.

b. Since future is unpredictable, planning must provide enough room to cope with the changes in customer's demand, competition, govt. policies etc.

c. Under changed circumstances, the original plan of action must be revised and updated to make it more practical.

2.5.1 IMPORATNCE OF PLANNING:

1. Planning provides Direction:

Planning is concerned with predetermined course of action. It provides the directions to the efforts of employees. Planning makes clear what employees have to do, how to do, etc. By stating in advance how work has to be done, planning provides direction for action. Employees know in advance in which direction they have to work. This leads to Unity of Direction also. If there were no planning, employees would be working in different directions and organisation would not be able to achieve its desired goal.

2. Planning Reduces the risk of uncertainties:

Organisations have to face many uncertainties and unexpected situations every day. Planning helps the manager to face the uncertainty because planners try to foresee the future by making some assumptions regarding future keeping in mind their past experiences and scanning of business environments. The plans are made to overcome such uncertainties. The plans also include unexpected risks such as fire or some other calamities in the organisation. The resources are kept aside in the plan to meet such uncertainties.

3. Planning reduces over lapping and wasteful activities:

The organisational plans are made keeping in mind the requirements of all the departments. The departmental plans are derived from main organisational plan. As a result there will be co-ordination in different departments. On the other hand, if the managers, non-managers and all the employees are following course of action according to plan then there will

be integration in the activities. Plans ensure clarity of thoughts and action and work can be carried out smoothly.

4. Planning Promotes innovative ideas:

Planning requires high thinking and it is an intellectual process. So, there is a great scope of finding better ideas, better methods and procedures to perform a particular job. Planning process forces managers to think differently and assume the future conditions. So, it makes the managers innovative and creative.

5. Planning Facilitates Decision Making:

Planning helps the managers to take various decisions. As in planning goals are set in advance and predictions are made for future. These predictions and goals help the manager to take fast decisions.

6. Planning establishes standard for controlling:

Controlling means comparison between planned and actual output and if there is variation between both then find out the reasons for such deviations and taking measures to match the actual output with the planned. But in case there is no planned output then controlling manager will have no base to compare whether the actual output is adequate or not.

7. Focuses attention on objectives of the company:

Planning function begins with the setting up of the objectives, policies, procedures, methods and rules, etc. which are made in planning to achieve these objectives only. When employees follow the plan they are leading towards the achievement of objectives. Through planning, efforts of all the employees are directed towards the achievement of organisational goals and objectives.

2.5.2 Planning Process:

1. Setting up of the objectives:

In planning function manager begins with setting up of objectives because all the policies, procedures and methods are framed for achieving objectives only. The managers set up very clearly the objectives of the company keeping in mind the goals of the company and the physical and financial resources of the company.

2. Developing premises:

Premises refer to making assumptions regarding future. Premises are the base on which plans are made. It is a kind of forecast made keeping in view existing plans and any past information about various policies. There should be total agreement on all the assumptions.

3. Listing the various alternatives for achieving the objectives:

After setting up of objectives the managers make a list of alternatives through which the organisation can achieve its objectives as there can be many ways to achieve the objective and managers must know all the ways to reach the objectives.

4. Evaluation of different alternatives:

After making the list of various alternatives along with the assumptions supporting them, the manager starts evaluating each and every alternative and notes down the positive and negative aspects of every alternative. After this the manager starts eliminating the alternatives with more of negative aspect and the one with the maximum positive aspect and with most feasible assumption is selected as best alternative. Alternatives are evaluated in the light of their feasibility.

5. Selecting an alternative:

The best alternative is selected but as such there is no mathematical formula to select the best alternative. Sometimes instead of selecting one alternative, a combination of different alternatives can also be selected. The most ideal plan is most feasible, profitable and with least negative consequences.

6. Implement the plan:

The managers prepare or draft the main and supportive plans on paper but there is no use of these plans unless and until these are put in action. For implementing the plans or putting the plans into action, the managers start communicating the plans to all the employees very clearly because the employees actually have to carry on the activities according to specification of plans.

7. Follow-up:

Planning is a continuous process so the manager's job does not get over simply by putting the plan into action. The managers monitor the plan carefully while it is implemented. The monitoring of plan is very important because it helps to verify whether the conditions and predictions assumed in plan are holding true in present situation or not. If these are not coming true then immediately changes are made in the plan.

2.5.3 FOUNDATION OF PLANNING:-

Planning is **an attempt to manage the future: what is to be accomplished and how**. In essence, "planning is the process of determining objectives and assessing the way these objectives can best be achieved." This process determines where the organization should be going, why, and how.

TYPES OF PLANNING:-

Formal – written, specific, and long term focus, involved shared goals of organization.

Informal – not written down, short term focus and specific to organization unit

PURPOSE OF PLANNING:-

Provides direction
Reducesuncertainty
Minimizes waste and redundancy
Sets standards for controlling

Relation Between Performance and Planning:-

Formal Planning is associated with -

Higher profits and returns on assets

Positive financial results

Quality of planning and implementation affects performance more than the extent of planning

The external environment can reduce the impact of planning on performance

2.5.4 Elements of Planning:

1. Objectives:

The important task of planning is to determine the objectives of the enterprise. Objectives are the goals towards which all managerial activities are aimed at. All planning work must spell out in clear terms the objectives to be realised from the proposed business activities.

2. Forecasting:

It is the analysis and interpretation of future in relation to the activities and working of an enterprise. Business forecasting refers to analysing the statistical data and other economic, political and market information for the purpose of reducing the risks involved in making business decisions and long range plans. Forecasting provides a logical basis for anticipating the shape of the future business transactions and their requirements as to man and material.

3. Policies:

Planning also requires laying down of policies for the easy realisation of the -objectives of business. Policies are statements or principles that guide and direct different managers at various levels in making decisions. Policies provide the necessary basis for executive operation. They set forth

overall boundaries within which the decision-makers are expected to operate while making decisions. Policies act as guidelines for taking administrative decisions.

4. Procedures:

The manner in which each work has to be done is indicated by the procedures laid down. Procedures outline a series of tasks for a specified course of action. There may be some confusion between policies and procedures. Policies provide guidelines to thinking and action, but procedures are definite and specific steps to thinking and action. For example, the policy may be the recruitment of personnel from all parts of the country; but procedures may be to advertise and invite applications, to take interviews and offer appointment to the selected personnel.

5. Rules:

A rule specifies necessary course of action in a particular situation. It acts as a guide and is essentially in the nature of a decision made by the management authority. This decision signifies that a definite action must be taken in respect of a specific situation. The rules prescribe a definite and rigid course of action to be followed in different business activities without any scope for deviation or discretion.

6. Programmes:

Programmes are precise plans of action followed in proper sequence in accordance with the objectives, policies and procedures. Programmes, thus, lead to a concrete course of inter-related actions for the accomplishment of a purpose.

7. Budgets:

Budget means an estimate of men, money, materials and equipment in numerical terms required for implementation of plans and programmes. Thus, planning and budgeting are inter-linked. Budget indicates the size of the programme and involves income and outgo, input and output.

8. Projects:

A project is a single-use plan which is a part of a general programme. It is part of the job that needs to be done in connection with the general programme. So a single step in a programme is set up as a project. Generally, in planning a project, a special task force is also envisaged.

9. Strategies:

Strategies are the devices formulated and adopted from the competitive standpoint as well as from the point of view of the employees, customers, suppliers and government. Strategies thus may be internal and external. Whether internal or external, the success of the plans demands that it should be strategy-oriented.
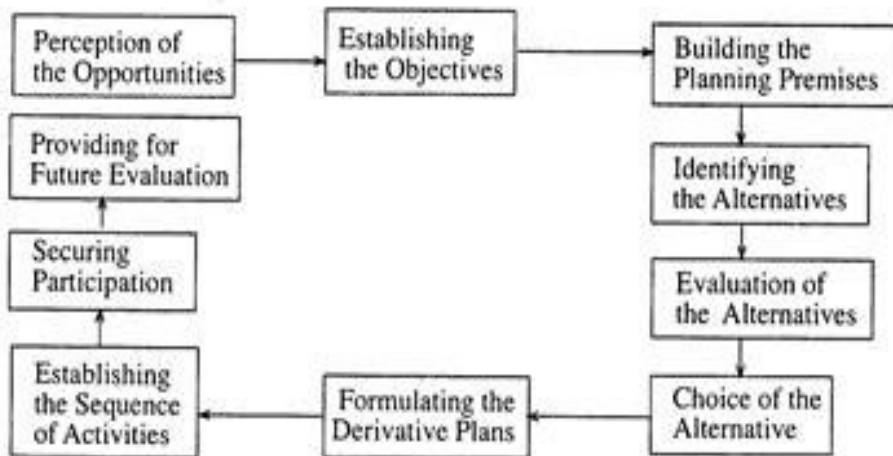
Perception of the Opportunities:

The manager must first identify the opportunity that calls for planning and action. This is very important for the planning process because it leads to formulation of plans by providing clue as to whether opportunities exist for taking up particular plans.

Establishment of the Objectives:

The next step in the planning process lies in the setting up of objectives to be achieved by the enterprise in the clearest possible terms keeping in view its strength and limitation. Objectives specify the results expected in measurable terms and indicate the end points of what is to be done; where the primary emphasis is to be placed, and what is to be accomplished by various types of plans.

Building the Planning Premises:

After determination of the organisational goals, it is necessary to establish planning premises, that is, the conditions under which planning activities will be undertaken. This involves collection of facts and figures necessary for planning the future course of the enterprise. 'Planning Premises' are planning assumptions relating to the expected environmental and internal conditions.

Identifying the Alternatives:

The next step in planning process is to search for various alternative courses of action based on the organisational objectives and planning premises. A particular objective can be achieved through various actions.

Evaluation of the Alternatives:

Various alternative courses that are considered feasible in terms of preliminary criteria have to be taken for detailed evaluation. Alternative courses of action can be evaluated against the criteria of cost, risks, benefit

and organisational facilities. The strong and weak points of every alternative should be analysed carefully.

Choice of the Course of Action:

After the evaluation of various alternatives, the most appropriate one is selected as the plan. Sometimes evaluation shows that more than one alternative are equally good. In such a case, the manager may choose more than one alternative at the same time.

Formulation of Supporting or Derivative Plans:

After the best alternative is decided upon, the next step is to derive various plans for different departments or sections of the organisation to support the main plan. In an organisation, there can be various derivative plans like planning for buying raw materials and equipment, developing new product, recruiting and training the personnel, etc.

Establishing the Sequence of Activities:

After formulating the basic and derivative plans, the sequence of activities is determined so that the plans are put into action. Based on the plans at various levels, it can be decided who will do what and at what time. Budgets for various periods can be prepared to make plans more concrete for implementation.

Securing Participation:

Plans must be communicated in greater details to the subordinates to increase their understanding of the proposed action and for enlisting their co-operations in the execution of plans. It will, thus, add to the quality of planning through the knowledge of additional facts, new visions and revealing situations.

Providing for Future Evaluation:

For ensuring that the selected plans are proceeding with the right lines, it is of paramount importance to devise a system of continuous evaluation and appraisal of the plan. It will help in detecting the shortcomings and pitfalls of the plans and taking remedial actions well in time.

2.5.6 TOOLS AND TECHNIQUES OF PLANNING:

Management and Planning tools are:

1. **Affinity diagram** organizes a large number of ideas into their natural relationships.

2. **Interrelationship diagram**: Shows cause-and-effect relationships and helps analyze the natural links between different aspects of a complex situation.

3. **Tree diagram**: Breaks down broad categories into finer and finer levels of detail, helping to move step-by-step thinking from generalities to specifics.

4. **L Shaped Matrix diagram**: Shows the relationship between two, three, or four groups of information and can give information about the relationship, such as its strength, the roles played by various individuals, or measurements.

5. **Matrix data analysis**: A complex mathematical technique for analyzing matrices, often replaced by a similar prioritization matrix. A prioritization matrix is an L-shaped matrix that uses pairwise comparisons of a list of options to a set of criteria to choose the best option(s).

6. **Arrow diagram**: Shows the required order of tasks in a project or process, the best schedule for the entire project, and potential scheduling and resource problems and their solutions.

7. **Process decision tree**: Systematically identifies what might go wrong in a plan under development.

2.6 ORGANIZING:-

Organizing involves assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization. During the organizing process, managers coordinate employees, resources, policies, and procedures to facilitate the goals identified in the plan.

An organizational structure is a set of rules, roles, relationships and responsibilities that determine how a company's activities should be directed to achieve its goals. It also governs the flow of information through levels of the company and outlines the reporting relationship among midlevel staff, senior management, executives and owners.

2.6.1 TYPES OF ORGANIZATIONAL STRUCTURE:-

Hierarchical structure

A hierarchical structure, also known as a line organization, is the most common type of organizational structure. Its chain of command is the one that likely comes to mind when you think of any company:

Functional structure

The functional structure is a centralized structure that greatly overlaps with the hierarchical structure. However, the role of a staff director instead falls to each department head – in other words, each department has its own staff director, who reports to the CEO.

Divisional structure

The centralized structure, known as a divisional organization, is more common in enterprise companies with many large departments, markets or territories.

Flat structure

A flat structure is a decentralized organizational structure in which almost all employees have equal power. At most, executives may have just a bit more authority than employees, as seen in this flat structure template..

Matrix structure

The matrix structure is a fluid form of the classic hierarchical structure. This centralized organization structure allows employees to move from one department to another as needed, as the horizontal lines in this matrix organization template indicate.

Team structure

A team structure is a decentralized but formal structure that allows department heads to collaborate with employees from other departments as needed.

Network structure

A network structure is especially suitable for a large, multi-city or even international company operating in the modern era. It organizes not just the relationships among departments in one office location, but the relationships among different locations and each location's team of freelancers, third-party companies to whom certain tasks are outsourced, and more. While this may sound like a lot for one type of network structure to detail, this network structure template.

Projectized structure

In a projectized structure, the focus is on one project at a time. In this centralized organizational structure, project managers act as supervisors, not just resource allocators and decision-makers.

2.6.2 Elements Of Organizational Design

A well-designed organizational structure not only defines functions, hierarchy, roles, and responsibilities but also the alignment of organizational goals of staff/teams. Poor organizational design or structure may result in serious downfalls in organizations i.e. ambiguity of roles, lack of trust in team and superiors, rigid work environment, slow and ineffective decision-making, etc.

Chain of Command/Line of Command

In this, the authority and power are delegated from top to bottom i.e. in an organization top management gives instructions to the bottom team and all the employees at each level. Further, the accountability of an employee's job flows upward to the management. It gives clarity of the reporting structure in an organization.

Span of Control

"Span Of Control" demonstrates how wide is the area of the direct control of supervisors over their subordinates which is directly related to how many subordinates (in numbers) report to a senior or supervisor; which, in turn, depends on the number of tasks performed at different levels. In case of more tasks, the span of control will be wider.

Centralization

Centralization refers to centralizing an organizational system where planning and decision-making authority is allotted either to a single person or the top management. A decentralized organization is the one where planning and decision-making are handed over to middle or low-levels.

Specialization

Large organizations divide some of its functions based on the specialized areas and, so, subtasks are defined in different tasks. These subtasks are distributed among individual job roles.

Formalization

Formalization refers to the process of specifying or mentioning rules, procedures, and duties to the employees as an individual as well as to the teams, departments, units, and the whole organization by managers in written form too. Formalization indicates the goals and vision of an organization, tasks, hierarchy and relationships, authority and responsibilities, different processes, and work methods.

Departmentalization

Departmentalization is the process of dividing organizational functions into different departments as per specializations of jobs or responsibilities so that the common tasks can be handled by specialized teams.

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MANAGING YOUR CAREER AND UNDERSTANDING ORGANISATIONAL DYNAMICS

Unit Structure

3.0 OBJECTIVE

After studying this unit students will be able to -

- Understand Leadership Functions

- Built up a promising career

- Decide right career options

- Network building with effective relationships.

3.1 INTRODUCTION

Leadership is important in every Organisation. Leadership enhances personal as well as organisational growth and development. Due to effective Leadership organisations are able to achieve their Goals and

deliver prompt services. In the words of **George Terry** "**Leadership is the activity of influencing people to strive willingly for group objectives."**

Alford and Beatty define, ''**Leadership is the ability to secure desired actions from a group of followers voluntarily, without the use of coercion."**

Managers need to be good leaders. A leader according to **Webster's Dictionary "is a person who takes charge of or guides a performance or activity."**

3.2 LEADERSHIP FUNCTIONS

Leadership Functions play a major role in any Organisation. They help an Organisation to grow internally as well as externally.

Following are various Leadership Functions:

1) Organising

2) Motivating

3) Evaluating

4) Controlling

5) Briefing

6) Planning

7) Defining the task

8) Providing an example

Figure 7.3 Functions of Leader

Functions of Effective Leadership
- Develop Team Work
- Determine the Goal of Organization
- Act as a Representative of the Work
- Provide Guidance
- Time Management
- Coordination
- Good Human Relations
- Proper Use of Power
- Secure Effectiveness of Group Effort
- Managerial Skill

1) Organizing:

Organizing is possible on a large extent due to Leadership. Leadership enables organizing resources, machinery, raw materials etc. A well organised organisation has chances of achieving higher results. Due to effective leadership organisations are able to manage their staff well, cater to their needs and expectations, and fulfil their organisational demands. In order to be ahead in competition, organisations must appoint effective leaders who deliver excellent performance in organising tasks and activities.

2) Motivating:

Effective leaders undertake different motivational factors to encourage their team mates. Some of the motivational factors undertaken by leaders include:

MONETARY FACTORS:

- Salaries and Wages
- Bonus
- Incentives etc.

NON-MONETARY FACTORS:

- Status
- Appreciation
- Delegation etc.

Advantages of undertaking motivation include:

1) It induces the employees to be innovative
2) It improves the corporate image due to effective performance of employees.
3) It generates higher efficiency.
4) It facilitates team work in the organisation

5) Motivated employees make optimum use of resources.

6) It enables the firm to develop competitive advantage.

7) It helps to reduce absenteeism of employees.

8) It also makes the employees loyal to the organisation.

3) Evaluating:

Leaders need to evaluate the company results from time to time. They need to discuss important areas with their team mates with the help of latest technology. Some of the technology instruments used in case of evaluation of results include:

- Zoom Meetings

- MS Teams Meetings

- Google Meet

- Team call on WhatsApp Video call

Effective evaluation of timely results gives rise to increase in growth and development of the organisation on a greater extent.

4) Controlling:

Organisations need to appoint leaders who are efficient in controlling resources and manpower. Resources are at times subject to being unutilised or are wasted when used without care, hence leaders need to keep a check on the resources used, ordered etc. Manpower controlling is also very essential. They need to undertake software's such as HRIS, ATS etc. to know accurate details of employees working in the organisation. Such techniques of controlling resources and manpower would help organisations grow internally as well as externally.

5) Briefing:

Leaders need to brief their subordinates about tasks to be performed, responsibilities to be handled, strategies to be made for performance deliverance etc. Its only when company leaders converse with their team mates regarding roles and responsibilities to be handled, subordinates get a central idea of what is to be done and how it is to be done. Subordinates have the capacity of doing a lot of work independently but the work is organised well when their superiors brief them about important areas to be covered.

6) Planning:

Planning makes an organisation stand ahead in competition. When leaders plan their activities, subordinates are able to understand their duties accurately. Planned activities have higher chances of getting completed on time as compared to unplanned activities. During company audits, Leaders can showcase their annual plans to auditors giving them a higher chance of delivering good audit reports. When organisations undertake planning, they are able to do SWOT Analysis without any error. Hence, employees

and superiors should indulge themselves in effective planning for increasing company profits.

7) Defining the Task:

Leaders are required to define tasks assigned to them with the help of conducting Seminars, Conferences, Webinars etc. so that their subordinates know their duties properly. Well-defined tasks are understood well and easily grasped by subordinates which increases chances of timely completion of work and reducing last minute pressure. Subordinates are well aware of their duties on an earlier note which gives them more time to systematically plan their daily schedule and also focus on individual growth while delivering results.

8) Providing an example:

Subordinates learn on a large extent when they are provided with live examples. Sometimes even past examples of team mates can be discussed so that subordinates learn a lesson from it and refrain from making future errors. Examples can also be explained with the help of Pie-Charts, PPT Presentations, Excel Sheets, Line Graphs etc. Every organisation can decide their examples taking into consideration number of employees working at a particular task, resources used etc. For this, effective leaders should be appointed through various interview rounds judging their capabilities.

3.3 LEADERSHIP STYLES

Every manager develops a style in managing the activities. Such styles vary from leader to leader, from situation to situation and from organisation to organisation.

In the words of **Edwin Flippo, "Leadership style is a pattern of behaviour designed to integrate organisational and personal interest in pursuit of some objective."**

5 Types of Leadership Styles

1. **Laissez-Faire**
A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style.

2. **Autocratic**
The autocratic leadership style allows managers to make decisions alone without the input of others. Managers possess total authority and impose their will on employees.

3. **Participative**
Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader.

4. **Transactional**
Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Employees receive rewards, such as bonuses, when they accomplish goals.

5. **Transformational**
The transformational leadership style depends on high levels of communication from management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals.

1) Autocratic Style:

An autocrat is the one who takes all decisions by himself and expects to be obeyed by his subordinates. The subordinates have no scope to question the superior. Certain points to be noted in this respect:

- The superior makes the decision.

- The superior does not consult the subordinates in decision making

- The superior is responsible for the decision.

- The relations between superior and subordinates are formal.

2) Bureaucratic Style:

This type of leadership style is more followed in government departments. The bureaucrats often follow rules and regulations in totality. They do not use their discretion, even to do away with mere formalities. They strictly follow the scalar chain principle, even in the case of urgency. The following points to be noted:

- The bureaucrat takes the decision by strictly following formalities, or rules and regulations.

- The subordinates are often not consulted.

- The bureaucrat may avoid responsibility.

- The relations between superior and subordinates are formal.

- This style results in delay and red tape and unwanted paper work.

3) Consultative Style:

In this type, the leader consults his subordinates before taking a decision. The leader feels that it is always advisable to consult the subordinates. This type of leader is more open minded and would welcome suggestions

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from the subordinates before making a decision. The following points to be noted:

- The superior consults the subordinates before making a decision.
- The subordinates may give their suggestions or comments, which the superior may or may not accept.
- The superior makes the decision.
- The superior is responsible for the decision.
- The relations between superior and subordinates are informal.

4) Participative Style:

The leader not only consults the subordinates, but allows them to take part in decision making. The following points are to be noted:

- The superior consults his subordinates before making a decision.
- The leader along with the group take part in decision making.
- Both the leader and the group share the responsibility for making the decision.
- The relations are informal.

5)   Laissez-faire Style:

The term laissez faire comes from the French language which means "Let them do - the way they want to do."

In this style, the leader shares the problem with the group. He acts more as a chairperson in generating and evaluating alternatives in search of group consensus. The following points are to be noted:

- The superior allows the subordinates to take decision.
- The superior acts more as a guide in arriving at decision.
- The superior and the subordinates share the responsibility.
- The relations are very informal.

6) Paternalistic Style:

This style aims at creating a family atmosphere within the organisation. The leader is respected and treated as a father figure by the subordinates. This style is mostly followed in Japanese organisations. The following points to be noted:

- The leader considers himself as a parent figure.
- The leader may consult his subordinates.
- Mostly the leader takes the decision.
- The leader is responsible for decision making.
- The relations are very homely.

This type of style is more suitable in small organisations, where there are a handful of employees and just one leader or boss. The leader advises, guides, consoles and helps the subordinates even during their personal hardships.

7) Sociocratic Style:

Sociocrats attempt to run their organisation like a social club. The leader is more employee oriented rather than work oriented. For them, the interest of the subordinates comes first and then that of the organisation.

The following points to be noted:

* The superior takes a decision by keeping the interest of the subordinates. The interest of organisation may be secondary.

* The superior consults the subordinates for decision making.

8) Neurocratic Style:

A neurocrat is highly task oriented and wants to get the things done at any cost. He is highly sensitive and gets quickly upset at failures. The following points to be noted:

* The leader may be emotional and eccentric.

* The leader may not consult the subordinates in decision making.

* The leader takes the decision.

* The leader is responsible for decision making, but he may shift the responsibility on to his subordinates.

9) Situational Style:

Now-a-days, in professionally managed organisations, the managers adopt situational leadership style. This means, the leadership style varies depending upon the situation. The situational leadership is a combination of three main leadership styles

a) Autocratic

b) Consultative and

c) Participative- depending on situation.

* The leader may follow **autocratic style** in urgent and important decision, when there is no time to consult the subordinates.

* The leader may follow **consultative style**to overcome the resistance from the subordinates, and also to obtain relevant suggestions or information.

* The leader may adopt **participative style**, especially when group decision making is necessary.

3.4 SKILLS REQUIRED FOR LEADERSHIP

1) Team Spirit:

A Leader should be one who can generate effective team spirit. Its only through team spirit subordinates are able to achieve their organisational goals. Team spirit is necessary for motivation, focus, all round development of employees and the organisation. Companies benefit on a great extent due to Team spirit.

2) High Confidence level:

Leaders need to have high confidence level. At times of crisis, it's only the positivity and confidence level of leaders that help their team win. Leaders need to have a positive outlook almost in all situations. They need not get worried or upset on small issues. They should be willing to work outside their comfort zone to guide their subordinates.

3) Analytical Thinking:

Analytical thinking is a must for all leaders. They need to plan their tasks and activities well in advance to avoid last minute confusion. If a leader is analytical in his approach, he will be able to make his team strong in all given situations. Analysis will help the team to perform better.

4) Challenging attitude:

Teams grow internally as well as externally when leaders showcase challenging attitude. Almost every organisation is subject to newer challenges but those organisations grow variably whose leaders are challenging and goal oriented. Challenges at times make an organisation future ready for upcoming hurdles. Leaders too can utilise their challenging attitude while training their subordinates.

5) Risk oriented:

Risks are necessary for any corporate to be ahead in competition. Risks could be financial, human, related to machinery etc. If a leader fears in taking risk, he will lose competitive advantage and his team would have to suffer in the near future. While on the other hand if a leader takes risk with appropriate precautions, he will gain the benefits of competitive advantage and his organisation will also grow profitably.

6) Active Listener:

A leader needs to be an active listener. He/she needs to pay heed to the problems and difficulties faced by their respective team members. Common problems faced by team members include internal conflicts among team members, lack of trust, lack of coordination, jealousy etc. If a leader tries to solve these common issues in an innovative way, he will be liked by his team members and his team will be able to deliver efficient results.

7) Creative:

A leader has to be creative in everything that he does. Creativity would give rise to increased interest in team members towards their work which would result in higher performance. Leader can also make a separate creativity team among his subordinates who would look after the finalising and graphics of presentations while presenting to the shareholders. Creative ideas can also help in gaining a lot of public attention.

8) Independent worker:

A leader should be an independent worker. He/she should not be one who approaches other team members to take his/her decisions. He should be confident and clear about his agenda of work and duties to be assigned. He cannot take things lightly and work on a lazy mode. He has to be independent, alert, goal driven. Independency in work gives chances of accuracy.

3.5 CHOOSING THE RIGHT POSITIONS

Career options are a very essential part of each individual's life. Choosing the right position is thus very important. Following are the areas to be taken into consideration while choosing career options or right positions:

1) Research:

Research is very important while choosing right positions for career. Its only through research that an individual can understand which career option or position is suitable for him/her. Research methods that can be adopted in this respect are Google search, asking peers, Alumni reports etc.

2) Live Discussions:

Individuals can involve themselves in live discussions with their Professors, Institute heads etc. For this purpose, they can attend webinars, seminars, conferences where the main area of discussion is Career growth and development. Live discussions would give individuals a chance to get their doubts cleared and take better decisions.

3) Reading career options online:

Career options and choosing right positions for it makes an individual professionally stable. For this one can go through various online articles available on various sites such as Quro.com, Wikipedia, Fresherlive.com. Such sites can help individuals in deciding their right career options and simultaneously appropriate career positions.

4) Subscribing News articles:

News articles play a very vital role in career selection. There are various topics discussed in special columns of newspaper which can give individuals a motivation to easily build up their career. Many students are

unaware of career options to be selected after their graduation. There are PDF's available in this respect. Hence subscribing news articles would be of great benefit.

5) Career Development programs:

Career development programs nowadays is doing a great job in helping individuals in their career selection and choosing right positions. One can enrol themselves in paid versions of career development programs. For example: International Model United Nations (IMUN) is an organisation that gives thousands of students and working professionals a chance to do internship with them for a period of 1 month and promote their Conferences through social media.

6) Usage of social media:

Individuals can make use of social media posts in their career selections. They can get in touch with students from all over the world and raise their doubts of career selection. Students from diverse locations can interact with each other and get their study material ready for giving competitive exams such as GMAT, CAT, TOEFL etc.

7) Group Discussions:

Group discussions can help individuals on a great extent in their search of right positions. Many a times personal experiences discussed during these group discussions helps students to relate their current situation to the speaker's situation. Hence, Group discussions help individuals in their career selection.

3.6 SPECIAL DILEMMAS OF EARLY CAREER

A career dilemma is a hypothetical or real situation in which a character is confronted with several career options each of which has advantages and disadvantages.

Mid-career dilemma management traditionally focuses on fighting against the forces that someone has been struggling for a long. This is the reason why an individual's mid-life and mid-career crisis appear almost simultaneously.

The most prominent career dilemmas that were identified included performance management and promotion; role overload and role conflict; financial remuneration, support regarding research and teaching; discrimination; and certain management matters.

1) Performance Management:

If an employee is unable to perform well, organisations often tend to issue memos on that employee. Warning letters too are issued. The employee is at times humiliated in front of others which lower's morale of employees. They are sometimes even judged based on their work performance.

2) Promotion:

Employees are often subject to dilemmas relating to their promotion. If by chance any employee is unable to meet company targets, he is subject to discrimination at work place. These factors do affect promotion of employees.

3) Role overload and role conflict:

Many organisations at times overload their employees with unnecessary work. Employees are found to be doing work that doesn't belong to their profile. Role conflicts too poses dilemma situation in employees' life. They are found to be stressed, hyper etc. in their behaviour.

4) Financial Remuneration:

Each and every employee expects a decent remuneration from his/her organisation. Employees are found to be affected when they are paid less for their services rendered. They feel as if they are underrated. This feeling of frustration and depression is often seen in their work and behaviour towards other team mates.

5) Support regarding Research and Teaching:

Nowadays many organisations are undertaking campaigns and sessions to teach their employees work ethics. Researching various topics online and its benefits are also covered in such sessions. Employees are also sent on locations outside their work place to make them feel comfortable and relaxed in their corporate trainings. Good performers are given a chance to go on vacations with their families. But some organisations do not undertake such events which increases boredom in employees and hatred towards work.

6) Discrimination:

Situations could be created by other employees to put down the morale of high performers making them feel discriminated. When employees experience discrimination they start searching for opportunities to change their existing organisation. They are often found to be less interested in organisation's events and programs as they feel that they would be discriminated there too.

7) Certain Management matters:

Many a times, management poses a lot of stress on employees. Employees are found to be confused in decision making as the right of decision-making lies with the management. Employees enjoy independency in work and decision-making which is not seen when all decisions are taken by management. Organisations need to keep their employees' problems and difficulties in front of the management so that management knows the areas of disturbance that could lead to serious problems on part of employees.

Hence, almost all employees are subject to dilemmas during their early career years. The only thing that would keep them moving is persistency in work and performance.

3.7 LANDING STRETCH ASSIGNMENTS

A stretch assignment is a project or task that is currently beyond your level of knowledge or skill. Such assignments serve to "stretch" you developmentally by placing you in a challenging position in order to learn and grow.

(I) Advantages of Stretch Assignments:

- It presents employees with an unfamiliar challenge.
- It challenges an employee to create change.
- It gives an employee a high level of responsibility
- It challenges an employee to work cross-functionally.

(II) Examples of Stretch Assignments:

Following are examples of stretch assignments:

- **Delivering a presentation to a VIP Client:**

An employee involving himself in stretch assignment would definitely deliver a presentation to his organisation's VIP Client. A VIP Client would not be available all the time. Hence, the employee would fix up a time suitable to the client and present his presentation. If the Client is satisfied with the employees' performance, he may end up closing the deal with the said company and may also approach them for newer projects.

- **Structuring and communicating a rollout for a key change:**

Change in an organisation is very important. Structuring and communicating a rollout for a key change is possible only when employees showcase higher level of interest in organisation's events and achievements. Employees need to come up with enthusiastic ideas to implement newer policies beneficial for the organisation.

- **Leading the implementation of new tools to replace manual processes:**

Manual processes should be replaced with the help of new tools. For this employees' need to do research online and find out new techniques that could easily replace manual methods and technologies. For example: Earlier organisations used to appoint a member to write down minutes of meetings and make notes, which can now be done online with the Notes feature.

- **Innovative Programs:**

Employees need to suggest innovative programs to their superiors. Innovative programs are often found to reveal real talent of silent

employees. They start involving themselves in organisation's events and come up with newer solutions to company problems.

Hence, stretch assignments promote growth and skill development.

3.8 BUILDING A NETWORK OF RELATIONSHIPS

Networking is very essential in a business. Effective networking along with a good set of relationships helps an organisation to flourish on a large scale.

(I) Benefits of building a network of relationships:

1) Corporate Image:

Organisations whose employees are able to do effective networking and built-up long-term relationships benefit a lot. Networking could be done through LinkedIn, Instagram, Corporate pages etc. Through networking many a times, employees are able to sell their company's products online without any difficulty.

2) New Business ideas:

Employees with the help of networking come up with new business ideas. They are more confident their business proposals. Pitching newer customers is possible easily when employees have new business ideas. Investments of organisation too increases when employees present newer products to their loyal customers.

3) Loyalty towards Company:

Companies that come up with new products, offers and special discounts etc. develop certain amount of loyalty in the eyes of customers. Customers do not want to purchase any product other than their regular company. For example: Zepto offers 10 Minute Grocery delivery along with No minimum value, this feature of Zepto is attracting newer customers and old customers are not wanting to order from any other app other than Zepto.

4) New product lines:

Many companies nowadays are changing their existing product lines and coming up with new products and offers. For example: Reliance Jio was originally in the Telecom industry but now it has entered the Retail, Electronics, Fashion and Jewellery industry with launch of Jio Mart (Retail), Reliance digital (Electronics), Reliance Trends (Fashion) and Reliance Jewels (Jewellery).

5) Increased investments:

A network of relationships is always helpful in increasing investment of a company. When employees interact with people through their network, people start showing interest in the company's products, website, offers,

events etc. Hence, employees should constantly keep making networks and keep attracting new customers to their organisation.

6) Partnerships:

Network of relationships enable effective partnerships. People interact with each other, meet over coffee for discussing business deals, conduct one to one corporate event etc. Examples of Partnership include: Spotifyand Uber, Red Bull and GoPro, Levi's and Pinterest, Maruti Suzuki, Hindustan Petroleum. Due to effective partnerships companies are able to increase their sales and achieve their goals.

3.9 CHALLENGES FACED BY THE MINORITY

Minority face quite many challenges in their daily life. Some of the challenges faced include:

1) Discrimination:

Minorities face a lot of discrimination in the society. They are deprived of their basic rights, exploited on a great extent. Their views and suggestions are often neglected. They are not treated like other individuals. They are at times made to feel low on their personality. They are not respected by high class section of society.

2) Isolation:

Different classes of society are often found isolating minorities. They believe that interacting with them is not a good social sign. Hence, many communities believe it's better to keep oneself away from minorities. They avoid touching their hand, eating with them, sharing thoughts with them etc. Isolation on a large extent sometimes creates inferiority complex among minorities.

3) Unequal access to healthcare:

Healthcare is a necessity which should be received by all individuals irrespective of their Cast, Creed, Race or Ethnicity. Healthcare measures if not received on right time can lead to serious problems. Hence, minorities too should have an equal access to healthcare. If minorities are deprived from healthcare facilities their households would be affected and their children would face serious health hazards.

4) Employment opportunities:

Minorities also experience bias behaviour in employment opportunities. In spite of real talent, they are asked to work at lower positions. They are not promoted to higher posts like others. They are ill-treated and insulted by bosses. At times they are forced to resign too.

5) Problem of Housing facilities:

Proper sanitation and housing facility is the basic right of all individuals. If minorities are deprived from this right too, they will experience problems such as Infections, Chronic cough and cold, Fever, Dengue and serious health problems such as Asthma, Coronavirus, Omicron etc. The local municipal authorities need to take into consideration these problems and conduct monthly drives to verify that available health services are reaching the poor and needy minorities effectively.

6) Experiencing negative mental and physical health outcomes:

Every individual deserves a positive mental and physical environment. Environment plays a very vital role on an individual's thought process. A healthy environment enables oneself to come up with new ideas, motivate others etc. But minorities are most of the times fighting discrimination hence they are experiencing negative mental and physical health outcomes. These health ailments at times lower productivity at work.

3.10 DEVELOPING ETHICAL JUDGEMENT

Ethics is necessary in every organisation. Following ethical practises is essential for any organisation to grow righteously. They include:

1) Following Rules and Regulations:

Rules and regulations need to be taken into consideration while conducting any business. Proper laws need to be followed. For instance, the company has to be registered under Government laws, acquire proper GST number, and tally their yearly Balance Sheet etc. Following ethical practises helps companies to serve the society better.

2) Corporate Social Responsibility:

Corporates that make good number of profits should undertake Corporate Social Responsibility. They must keep some % of their profits aside for CSR activities. Companies that undertake CSR, gain competitive advantage. They have a promising market value.For example: Tata Company invests a lot of efforts, time and finance in carrying out CSR activities.

3) Avoiding Window dressing:

Companies involving themselves in ethical behaviour are always following true and fair view. They avoid following window dressing. They keep their balance sheets and other accounts open in front of their shareholders. They arrange time to time annual meetings.

4) Clear criminal records:

Companies that want to grow invariably have clear criminal records. They are on a safer side legally as compared to other companies. They conduct their work righteously without involving themselves in any crime. Some

of the companies that work on a right path include: Tata Motors, TCS Ion, Aditya Birla Group etc.

5) Remuneration:

Remuneration is something that all employees require ending of the day. An ethical company is one that does not deduct its employee's salary unnecessarily, pays timely over time, allows sabbaticals, encourages employees for Mediclaim, provides educational assistance to employee's children etc. Such a company enjoys complete commitment from its employees. Employees don't want leave such companies easily.

6) Campaigns and drives:

Companies that follow ethical paths are very socially active in their conduct. They undertake constant drives and campaigns for helping the poor and needy, providing job opportunities to talented poor students, employment drives for women etc. Some of the drives undertaken include:

HUL CSR Activities:

- Asha daan (2020-21)
- Project Sanjeevani (2020-21)
- Promoting Nutrition and Hygiene (2020-21)
- Project Shakti

NavBharat times too conducted 'Gift a Classroom' campaign of donating old and new mobile phones, Ipad's, laptops to poor and needy students which got lot of public response.

3.11 ASSESSING YOUR CAREER

Career assessment is very necessary in today's world. Some of the points that help in effective career assessment include:

1) Research:

Researching the right career option is very essential in career assessment. Students need to conduct effective online research of their selected career so that they are avoiding repenting later on. Effective research along with right judgement can make a student win in all situations. Students can take help of their seniors, professors etc. in their career research.

2) Experience:

Students should see whether their selected career option requires prior experience. If yes then they should search for sources to gain the required experience. For example: CA Professionals require experience of article ship in their Batchelor's. Such experience researching will put students in a better position.

3) Joining professional Institutes:

There are many institutes that guide students in career selection and career assessment. Students should get in touch with such institutes. They would be able to guide and place students in good positions. Students would love interacting with experienced professors from different institutes.

4) Knowledge about career areas:

Students need to acquire appropriate knowledge about their selected career areas. There could be many differences in career options today and 20-25 years back. Hence, students should discuss their career options with their age group students to be in touch with latest career options.

5) Interest evaluation:

Students should see whether their selected career option is of their interest. For this purpose, they need to their interest evaluation by conducting aptitude tests, management games etc. Results derived from these tests will help students in deciding their career options.

6) Reading success stories:

Students may also benefit a lot from reading success stories. They will start comparing their struggles with struggles of other achievers and get motivation from them. They will start enjoying their career option and try to work too hard to achieve their goals. They will start aiming high as compared to before.

3.12 SUMMARY

1) In this Unit you studied Managing your career and understanding organisational dynamics in detail.

2) Leadership Functions are divided into 8 types

3) The term laissez faire comes from the French language which means "Let them do - the way they want to do."

   In this style, the leader shares the problem with the group. He acts more as a chairperson in generating and evaluating alternatives in search of group consensus.

4) Challenges faced by the minority include Discrimination, Isolation etc.

3.13 EXERCISE

(1) State True or False:

1) Leadership is the activity of influencing people to work forcibly in the organisation.

2) In participative leadership style, only the leader is responsible for decision making.

3) Discrimination should not be applicable to the minority.

4) In Laissez- faire leadership style, only the subordinates are responsible for decision making because the subordinates make the decisions.

5) The leader who follows laissez-faire style is respected as a fatherly figure in an organisation

6) Under paternalistic leadership style, the leader gives complete freedom in decision making to the subordinates.

7) Career assessment is very necessary in today's world.

8) Investments of a company increase due to effective network of relationships.

Answer: True- 3,7,8 False- 1,2,4,5,6

2) Match the following:

Group A Group B

Group A	Group B
1) Autocratic Leadership	[a] Employee Oriented
2) Bureaucratic Leadership	[b] Rules and Regulations
3) Consultative Leadership	[c] Complete Freedom to Employees
4) Sociocratic Leadership	[d] Suggestions from Employees
5) Laissez-Faire Leadership	[e] Orders to Subordinates

Answer: 1]-[e], 2]-[b], 3]-[d], 4]-[a], 5]-[c]

3) Answerin Brief:

1) What is leadership? Explain leadership styles.

2) Write a note on landing stretch assignments.

3) Explain Skills required for Leadership in detail.

4) Describe Challenges faced by minority

5) Why is assessment of career necessary, explain in detail

6) Write a note on building network of relationships

7) Explain developing ethical judgement with the help of examples.

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4

MANAGING IN ADVERSITIES MANAGEMENT OF CRISIS

Unit Structure:

4.0 OBJECTIVES

After studying this unit students will be able to –

- Understand the concepts of Crisis,causes& measures to resolve them
- Identify effective methods & learn management ways to solve crisis.

4.1 INTRODUCTION

A crisis is any event or period that will lead, or may lead, to an unstable and dangerous situation affecting an individual, group, or all of society.

In other words, crisis is defined as any emergency situation which disturbs the employees as well as leads to instability in the organization. Crisis affects an individual, group, organization or society on the whole.

Characteristics of Crisis

- Crisis is a sequence of sudden disturbing events harming the organization.
- Crisis generally arises on a short notice.
- Crisis triggers a feeling of fear and threat amongst the individuals.

4.2 REASONS FORCRISIS

Crisis can arise in an organization due to any of the following reasons:

- Technological failure and Breakdown of machines lead to crisis.

- Problems in internet, corruption in the software, errors in passwords all result in crisis.

- Crisis arises when employees do not agree to each other and fight amongst themselves. Crisis arises as a result of boycott, strikes for indefinite periods, disputes and so on.

- Violence, thefts and terrorism at the workplace result in organization crisis.

- Neglecting minor issues in the beginning can lead to major crisis and a situation of uncertainty at the work place. The management must have complete control on its employees and should not adopt a casual attitude at work.

- Illegal behaviors such as accepting bribes, frauds, data or information tampering all lead to organization crisis.

- Crisis arises when organization fails to pay its creditors and declares itself a bankrupt organization.

4.3 TYPES OF CRISIS

Natural Crisis
- Disturbances in the environment and nature lead to natural crisis.

- Such events are generally beyond the control of human beings.

- Tornadoes, Earthquakes, Hurricanes, Landslides, Tsunamis, Flood, Drought all result in natural disaster.

2. Technological Crisis

- Technological crisis arises as a result of failure in technology. Problems in the overall systems lead to technological crisis.

- Breakdown of machine, corrupted software and so on give rise to technological crisis.

3. Confrontation Crisis

- Confrontation crises arise when employees fight amongst themselves. Individuals do not agree to each other and eventually depend on non-productive acts like boycotts, strikes for indefinite periods and so on.

- In such a type of crisis, employees disobey superiors; give them ultimatums and force them to accept their demands.

- Internal disputes, ineffective communication and lack of coordination give rise to confrontation crisis.

4. Crisis of Malevolence

- Organizations face crisis of malevolence when some notorious employees take the help of criminal activities and extreme steps to fulfil their demands.

- Acts like kidnapping company's officials, false rumours all lead to crisis of malevolence.

5. Crisis of Organizational Misdeeds

- Crises of organizational misdeeds arise when management takes certain decisions knowing the harmful consequences of the same towards the stakeholders and external parties.

- In such cases, superiors ignore the after effects of strategies and implement the same for quick results.

4.4 FOUR STAGES IN CRISIS MANAGEMENT

1. Mitigation/Analysis
2. Preparedness
3. Response
4. Recovery

It may be wrong to ignore mitigation and preparedness when you're in the middle of a crisis and move right to response and recovery modes. However, it's essential to give the first two stages careful thought and analysis.

A crisis like COVID-19 is a dynamic situation with long-term implications. It's good governance practice for the board to carve out time or dedicate a committee to consider the next phase of crises and determine what preparation measures can be implemented.

Phase 1: Mitigation

There are six items to consider during the **mitigation** phase:

- Create a risk management team.

- Designate a coordinator who is ready to act.

- Create, or evolve, a business continuity plan (BCP) to determine how you will serve your institution's community during a time of crisis.

- Create a communications strategy for communicating with stakeholders and communities both on and off campus.

- Determine your best sources of information in times of crisis and establish communications channels.

- Understand budget ramifications and which areas of revenue and expense are most likely to be impacted so you can access financial resources when needed.

Phase 2: Preparedness

There are three items to consider during the **preparedness** phase:

- Periodically review insurance policies to make sure what is covered and make adjustments as needed.

- Put a plan in place to hold remote/virtual board meetings.

- Create a crisis communications plan.

The board can help during this phase by:

- Defining parameters for accessing financial reserves

- Reviewing your bylaws to determine whether virtual board meetings and voting are an option

- Reviewing the crisis communications plan

Phase 3: Response

There are nine items to consider during the **response** phase:

- Triage the most pressing issues.

- Communicate regularly with your key stakeholders.

- Analyze budget implications and create contingency plans.

- Implement the business continuity plan.

- Institute remote work.

- Reconfigure staffing needs.

- Manage the stress response from all stakeholders: staff, students, trustees, donors, funders, etc.

- Access response/recovery funds and insurance benefits and stabilize cash flow.

- Observe where the disaster reveals weaknesses in your organization and begin prioritizing how to fix them in the future.

The board can help during this phase by:

- Supporting college and university leaders and back up to them on all decision-making

- Supporting the implementation of the business continuity plan

- Empowering the administration to be creative

- Triaging and managing the amount of "help" being offered by community members

- Beginning documenting the organizational stressors

- Meeting frequently to address real-time issues and keep the full board informed

- Supporting staff's short-term decision-making while also advancing long-term needs

- Arranging for mental health support for staff, as needed

Phase 4: Recovery

There are 10 items to consider during the **recovery** phase:

- Rebuild learning models to evaluate what is possible in this new environment.

- Talk to your peers – learn from others.

- Adopt a strategic plan as needed.

- Access recovery funding.

- Address any organizational weaknesses revealed during the crisis.

- Create transition plans for the new normal for all stakeholders.

- Acknowledge and manage the ongoing stress and trauma for all stakeholders.

- Emerge from triage decision-making and make better long-term decisions.

- Identify new areas for investment and divestment.

- Renegotiate stakeholder agreements, contracts, etc.

The board can help during this phase by:
- Being unified in supporting the work and staff

- Celebrating the good work that was done during the crisis response

- Identifying and capturing "lessons learned" during the crisis response

- Creating a plan for addressing the organizational stressors

- Meeting as needed to address real-time issues

- Challenging and supporting the staff to renew long-term decision-making
- Addressing board structure, relationships, and policies that hindered the board during the crisis
- Challenging board and staff to address what's been left unsaid and unaddressed

4.5 CRISIS MANAGEMENT MODEL

1) Fink's Model of a Crisis and Other Lifecycle Crisis Management Models

Steven Fink laid out a four-stage crisis model consisting of the **prodromal, acute, chronic, and resolution stages.**

The ***prodromal stage*** covers the period between first signs and crisis eruption. During this period, Fink states that crisis managers should be proactively monitoring, seeking to identify signs of a brewing crisis, and trying to prevent it or limit its scope.

The ***acute stage*** begins when a trigger unleashes the crisis event. This phase entails activation of crisis managers and their plans.

The ***chronic stage*** encompasses the lasting effects of the crisis, such as after a flood or a hurricane when teams repair damage to buildings and roads. Finally, the ***resolution stage*** represents the end of the crisis and a time for internalizing what went wrong through a root-cause analysis and implementing changes to ensure there is no repetition.

Fink's Crisis Model
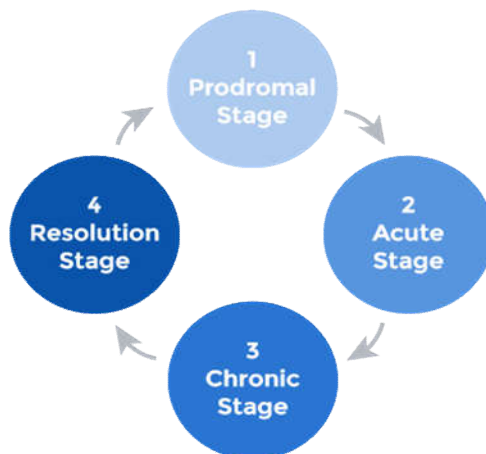
2) Mitroff's Five-Stage Crisis Management Model and Portfolio Model
In 1994, Mitroff described five crisis stages, which also follow a similar lifecycle progression:

- Crisis signal detection
- Probing and prevention (probing refers to looking for risk factors)

- Containment

- Recovery

- Learning

Mitroff was one of the first researchers to recognize that, due to resource limits, preparing for every conceivable kind of crisis is impossible. He noted that crises tend to fall into certain categories, which Mitroff called *clusters*, such as breaks or defects in equipment, external actions, and threats (i.e., product recalls). Similarly, prevention actions cluster together, too.

Based on a survey of the Fortune 1,000 companies, in 1988 Mitroff, along with Terry C. Pauchant and Paul Shrivastava, recommended that companies rationalize their crisis management programs by forming dual crisis "portfolios." The first portfolio consists of crises, one drawn from each crisis cluster, and the second portfolio comprises matching preventative actions from each cluster. Mitroff and his colleagues posited that setting up these two portfolios provides at least minimum coverage across crisis categories.

3) Burnett Model of Crisis Management

In 1998, John Burnett proposed a crisis management model with three broad stages — identification, confrontation, and reconfiguration — which each consist of two steps. This model also follows a progression like the other lifecycle models. The steps in Burnett's model are goal formation, environmental analysis, strategy formulation, strategy evaluation, strategy implementation, and strategic control.

Preparing for a crisis involves goal-setting and analyzing the threat environment. Managers then formulate a strategy in the face of a crisis, and the organization responds to the crisis via strategy implementation and strategic control (the latter stage includes the oversight of crisis management actions as well as post-crisis review).

Burnett held that the process is more difficult to master as the steps progress. In an outer ring, he arrayed factors that stand in the way of crisis management, including time pressure, control issues, threat level concerns, and response option constraints. In this sense, the model functions like a matrix.

Burnett Model of Crisis Management

Adapted from Tony Burnett, 2007

4) Relational Model of Crisis Management

In 2007, Tony Jacques took issue with the idea that crisis management is a linear process of sequential phases in which you manage issues one at a time. Instead, he argued that important processes and activities often overlap or occur simultaneously, such as crisis prevention and preparation, and don't always proceed in one direction.

As opposed to the lifecycle models, Jacques proposed that crisis management and the field of issue management are related, integrated disciplines. Issues management involves creating systems to deal with problems — while issues are more routine than crises, they overlap because issues can become the source of crises if not properly dealt with.

Jacques' relational model has four primary elements — crisis preparedness, crisis prevention, crisis incident management, and post-crisis management — each with clusters of activities and processes. He concluded that understanding the relationship among these elements, and putting them in context of larger organizational management, diminishes crisis-related losses.

Relational Model of Crisis Management

Crisis Management

Pre-Crisis Management

Evaluation, Modification

Post-Crisis Issue Impacts

Recovery, Business Resumption

Post-Crisis Management

Crisis Management

Crisis Incident Management

System Activation/ Response

Crisis Recognition

Planning Processes

Systems, Manuals

Training, Simulations

Crisis Preparedness

Crisis Prevention

Early Warning, Scanning

Issue and Risk Management

Emergency Response

Adapted from Tony Jacques, 2007

5) Incident Command System Model

The incident command system model is unique in that it originated in the real world and was then formalized as a model (other models began as conceptual frameworks). Incident command started in the 1970s as a model for California agencies to manage wildfires.

The incident command system divides work into five broad areas, including operations and logistics, as well as a hierarchy of roles and responsibilities for key players that provides a clear chain of command and communication. Each fire department or company site replicates the structure, so teams automatically know their counterparts and share common terminology and integrated communications. Therefore, coordinating and working together becomes relatively straightforward, and teams spend less time organizing the response and more time actually responding.

The incident command system model is useful because it offers a framework for the unified command of a crisis, scales well, makes efficient use of resources, and facilitates communication among people from different departments or organizations.

When the 9/11 attacks on the United States occurred, organization problems hampered an early response. There was initially no coordination agency, and first responders from different agencies struggled to communicate due to incompatible technologies. Additional offers of help flowed in chaotically and slowed down the response.

Implementing incident command solved many organizational challenges. In 2003, this experience prompted the U.S. government to make incident command mandatory for all publicly funded U.S. agencies. Incident command spread both nationally and internationally, and has since been adopted by many private-sector organizations, too.

U.S. private-sector businesses that deal with hazardous materials and nuclear power are also required to use the incident command model. Many organizations that interact with the public sector (for incidents such as mass casualties and fires) have also embraced the model because it facilitates their cooperation with emergency services. These organizations include schools, universities, transportation systems, chemical plants, and critical infrastructure like power, water, and communications.

4.6 WHAT IS A CRISIS MANAGEMENT PLAN

Individuals need to adopt a step by step approach during critical situations. Planning is essential. Getting hyper does not solve any problem, instead makes the situation worse. It is a crime to take impulsive and hasty decisions during crisis. It is essential to think rationally and devise strategies which would work best during emergency situations. Complaining and cribbing lead you nowhere.

Crisis Management Plan refers to a detailed plan which describes the various actions which need to be taken during critical situations or crisis.

Any plan prepared by superiors, members of crisis management team and related employees to help organization overcome crisis in the best possible way is called crisis management plan.

Why Crisis Management Plan?
- Crisis management plan helps the employees to adopt a focused approach during emergency situations.

- Crisis management Plan elaborates the actions to be taken by the management as well as the employees to save organization's reputation and standing in the industry. It gives a detailed overview of the roles and responsibilities of employees during crisis.

- Individuals representing the crisis management team formulate crisis management plan to reduce the after effects of crisis at the workplace.

- Crisis Management Plan helps the managers and superiors to take quick and relevant actions as per the situation.

- Crisis Management plan protects an organization from inevitable threats and also makes its future secure.

- Such plans reduce instability and uncertainty amongst the employees and help them concentrate on their work.

-

Characteristics of Crisis Management Plan

- Crisis Management Plan should be made in the presence of all executives. Every member of crisis management team should have a say in the plan. It is important for each one to give his / her valuable inputs and suggestions.

- Crisis Management Plan should take into account all identified problem areas and suggest a possible solution for all of them to help the organization come out of crisis as soon as possible.

- Make sure the plans are realistic and solve the purpose of saving organization's reputation and name.

Steps to create a crisis plan

1	2	3
Establish a team	Assess the risk	Determine the impact

4	5	6
Plan the response	Solidify the plan	Review and update

How to make a crisis management plan?

- **Identify the problem areas** and various factors which led to crisis at the workplace.

- Discuss **issues and areas of concern** amongst yourselves on an open forum for everyone to share their opinion.

- Make sure you have accurate information. Don't depend on guess works and assumptions. Double check your information before submitting the final plan.

- Crisis Management Plan should not only focus on ways to overcome crisis but also on making the processes foolproof to avoid emergency situations in future.

4.7 WHAT IS A CRISIS MANAGEMENT TEAM?

A Crisis Management Team is formed to protect an organization against the adverse effects of crisis. Crisis Management team prepares an organization for inevitable threats.

Organizations form crisis management team to decide on future course of action and devise strategies to help organization come out of difficult times as soon as possible.

Crisis Management Team is formed to respond immediately to warning signals of crisis and execute relevant plans to overcome emergency situations.

Role of Crisis Management Team

Crisis Management team primarily focuses on:

- Detecting the early signs of crisis.

- Identifying the problem areas

- Sit with employees face to face and discuss on the identified areas of concern

- Prepare crisis management plan which works best during emergency situations

- Encourage the employees to face problems with courage, determination and smile. Motivate them not to lose hope and deliver their level best.

- Help the organization come out of tough times and also prepare it for the future.

Crisis Management Team includes:

Head of departments
Chief executive officer and people closely associated with him
Board of directors
Media Advisors
Human Resource Representatives

The role of Crisis Management Team is to analyse the situation and formulate crisis management plan to save the organization's reputation and standing in the industry.

How does Crisis Management Team function?

A Team Leader is appointed to take charge of the situation immediately and encourage the employees to work as a single unit.

- The first step is to **understand the main areas of concern** during emergency situations.

Crisis Management Team then works on the various problems and shortcomings which led to crisis at the workplace. The team members must understand where things went wrong and how current processes can be improved and made better for smooth functioning of the organization.

- It is important to **prioritize the issues**. Rank the problems as per their effect on the employees as well as the organization. Know which problems must be resolved immediately and which all can be attended a little later.

- A single brain cannot take all decisions alone. Crisis Management Team should sit with rest of the employees on a common platform, discuss prevailing issues, take each other's suggestions and reach to plans acceptable to all.

- One of the major roles of the Crisis management team is to stay in touch with external clients as well as media. **The team must handle critical situations well**.

- Develop alternate plans and strategies for the tough times. Make sure you have accurate information. **Double check your information before finalizing the plan**.

- Implement the plans immediately for results. Proper feedback must be taken from time to time.

  Crisis Management team helps the organization to take the right step at the right time and help the organization overcome critical situations.

4.8 WAYS TO OVERCOME ORGANISATIONALCRISIS

Employees must not lose hope during crisis. It is important for them to face inevitable threats with courage, determination and smile.

Tips for Handling Crisis Communications

When a crisis occurs, companies should have a plan in place that helps them provide a calm, reassuring response. During a crisis, a communication team should:

Discuss responses before reacting

Communicate with public promptly and clearly

Prioritize customer risks and concerns

Educate and support employees

Use modern communication technology tools

Monitor sentiment and assess business impacts

- Adopt a focused approach. Take initiative and find out where things went wrong. Identify the problem areas and devise appropriate strategies to overcome the same.

- Gather correct and relevant information. One should not depend on mere guess works and assumptions during emergency situations. Double check your information before submitting reports.

- Employees should change their perspective. One should always look at the brighter side of things. Remember life has its own ups and downs. Unnecessary cribbing and complaining does not help at the workplace. Avoid making issues over petty things. Don't adopt a negative attitude; instead understand the situation and act accordingly.

- Effective communication is essential to overcome crisis in the organization. Information must flow across all departments in its desired form. Employees must be aware of what is happening around them. Individuals should have an easy access to their superior's cabin to discuss critical issues and seek their suggestions. Superiors must address employees on an open forum during critical situations.

- Roles and responsibilities must be delegated as per the employee's specialization. Make sure the right person is doing the right job. Employees must be motivated to deliver their level best and focus on the organization's goals to overcome tough times in the best possible way.

- It is essential to take quick decisions during critical situations. Learn how to take risks. The moment an employee detects the early signs of crisis, it is important for him to act immediately. Escalate issues to your superiors and do inform your co-workers as well. Don't wait for others to take action.

- Be calm and patient. Don't panic and spread baseless rumours around. Taking unnecessary stress makes situation all the more worse. Remember a calm individual can handle things better. Relax and then decide on the future course of action to overcome crisis. Don't lash out at others under pressure.

- Discussions are essential during crisis. Sit with fellow workers and discuss issues amongst yourselves to reach to mutually acceptable solutions which would work best at the times of crisis.

- Be loyal to your organization even at the times of crisis. Stick to it during bad times. Don't just treat your organization as a mere source of earning money. It is important to respect your workplace.

- Review your performance regularly. Be your own critic. Strive hard to achieve your targets within the desired time frame. Don't work only when your boss is around.

- Avoid unnecessary conflicts and misunderstandings at the workplace. Treat your fellow workers as members of your extended family. Help each other when needed. Employees should not ask for unjustified things. Think from the management's perspective as well. Avoid criticizing your colleagues.

- Don't hide at the times of crisis. Come out; interact with external clients as well as media. Do not hesitate to ask for help. Ignoring outsiders worsens the situations.

4.9 EXAMPLES OF CASE STUDIES

1) KFC and the shortage of chicken (Recent Case Study on Crisis Management)

What Happened?

In February 2018, KFC had to close more than half of its 900 stores in the United Kingdom because of a shortage of…chicken.The social and mainstream media enjoyed the irony of a chicken shop without any chicken and went to town on the story.The cause was a delivery problem after the chain switched its contract to DHL which said that due to 'administrative problems' a number of deliveries were cancelled or delayed.

Loyal customers vented on Twitter and took their families to McDonalds. Some even complained to their local politicians.Then KFC, even while struggling to get the restaurants re-opened, managed to switch the narrative entirely.It ran an apology advertisement that was extremely funny (especially to the brand's core younger consumers) while taking ownership of the problem.

The company was widely applauded by customers and the media for its deft handling of the situation and became the poster child for how well to handle a crisis.

What We Learned:

Among the key elements in a best-in-class crisis response plan are:

- An understanding of the brand's key stakeholder, particularly the core consumers. Who are they? Where are they? What are their key considerations? What's likely to be on their minds when the brand is facing challenges?

- An understanding of the brand's promise and 'voice'. How is it positioned? What's likely to support or break the trust in the brand in how it responds to a crisis?

KFC's clever, authentic and borderline obscene response showed it deeply understood both these factors.

It knew its audience (young, hip and irreverent) and it followed through in exactly the kind of tone and language that was consistent with how the brand was positioned in other, more positive marketing.

The result was a swift abatement of the criticism for the closed stores – and the sound of widespread applause for a model crisis response

2) **Tylenol Product Tampering**:**(CPG Product Crisis Management Example)**

In 1982, seven people in the Chicago area died after taking Tylenol capsules poisoned with cyanide. The tampering was believed to have occurred when someone injected the chemical into capsules and returned them to store shelves. The deaths remain unsolved, but the way Johnson & Johnson handled the episode has become a teaching case study for effective crisis management at Harvard Business School and elsewhere. In 2003, Fortune magazine named James Burke, the company's CEO at the time, as one of history's greatest CEOs for the way he handled the scare.

Below are some highlights of Johnson & Johnson's handling of the crisis:

• **Fast and Decisive Action:** According to a book on the case by Harvard Professor Richard Tedlow, on the afternoon of the first two deaths, the company halted all product advertising, sent 450,000 messages to hospitals, doctors' offices, and other stakeholders, and established toll-free hotlines for consumers. At a cost of more than $100 million, the company recalled all products from store shelves — one of the first nationwide recalls — even though government officials felt that doing so was excessive. Additionally, Johnson & Johnson issued warnings to consumers not to take its pain reliever.

• **Honesty and Integrity:** Despite evidence that the poison was introduced via store shelves, Johnson & Johnson did not try to evade blame. As a result, Burke was praised for his honesty. His integrity stood out in the context of the post-Nixon era and the forthright handling of the Three Mile Island nuclear disaster. The company became a pioneer in developing tamper-proof packaging, and eventually moved away from capsules to a more tamper-resistant caplet. Burke was candid in expressing regret that the company had not done so right away.

In less than a year, Tylenol regained its market share and sales leadership, and it continues to rank highly for consumer trust.

3) **Samsung:**(Examples of Good Crisis Management of Product Problems)
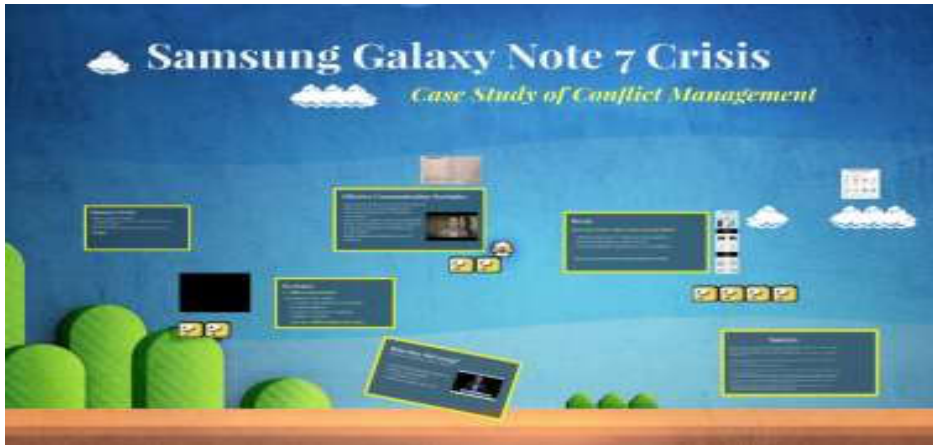
In 2016, Korean electronics company Samsung faced a crisis when its Galaxy Note 7 smartphones exploded due to a battery problem. Sales slumped as airlines banned passengers from carrying the phone on board. Samsung responded by immediately taking accountability, being transparent about not immediately knowing the cause, and vowing to determine the problem.

The company put 700 engineers on the problem and opened the research to third parties. When the problem was identified, the company communicated the issue clearly and introduced quality assurance and safety features.

Samsung also launched a campaign aimed at tying its brand image to a larger purpose and improving its culture. In the next year, Samsung's brand value rose 9 percent, according to Interbrand, and its Galaxy S8 yielded record profits the following year.

4) Industrial Disaster Crisis Management Example: Bhopal Gas Leak

In 1984, a toxic gas leak from a Union Carbide India pesticide plant in Bhopal, India killed up to 30,000 people from immediate and long-term effects (according to estimates) and injured about 575,000. The accident is one of the world's worst industrial disasters.

The leak was caused by the introduction of water into a chemical tank, which resulted in a heat-generating, runaway reaction. Several inquiries found evidence of company negligence, but an internal analysis blamed employee sabotage.

Researchers have written extensively about the accident, and some of the lessons cited are universally helpful in crisis management, including the following:

- **Rehearse Emergency Procedures:** The plant did not have an emergency plan, and plant operators did not know how to handle an emergency. No effective public warning system or public education about the risks were in place.

- **Prioritize Crisis Readiness:** The company reduced training and staffing at the plant to save costs. Supplies of gas masks were inadequate, and several plant safety mechanisms were either deactivated or faulty. Additionally, several experts found that there weren't enough operators for

the unit to function safely. On the night of the accident, the supervisor delayed investigating an initial small leak until after a crew break, rather than being proactive.

- **Share Information:** A U.S. Union Carbide plant found earlier in the year that a runaway reaction in the chemical tank could happen, but they didn't communicate it to the India plant. When the leak occurred, plant staff did not inform senior managers or local authorities. Most of the information on the chemical involved, including how to treat exposure, was proprietary and was not disclosed. So, public health authorities and hospitals in Bhopal did not know immediately what victims had been exposed to (and therefore couldn't provide the best antidotes).

4.10 QUESTIONS:

i)   What is Crisis? Explain the reasons for Crisis?

ii)   Enumerate in detail the various Crisis Management model?

iii)   What are the stages involved in Crisis Management?

iv)   Write a Note on Fink's Crisis model?

v)   Suggest some remedial ways to overcome Organisational Crisis?

vi)   How will you define crisis? List out some of the different types?

vii)   Explain any case study which deals with good Crisis management methods adopted by Company?

viii)   How does Crisis management function?

Short Notes:

i)   Reference Model of Crisis

ii)   Ways to Redress Crisis

iii)   Stages In crisis Management

iv)   Crisis Management Teams

v)   What is Crisis Management Plan?

vi)   Mitroff 5 stage Crisis Management Model

vii)   Burnett Model of Crisis Management

viii)   Incidental system Model

ix)   Different Models in Crisis Management

x)   Role of Crisis Management Teams.

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<div align="right">**5**</div>

SOCIAL RESPONSIBILITY, ETHICS & SUSTAINABLE DEVELOPMENT

Unit Structure:

5.0 Objectives

5.1 Introduction

5.2 Types of Social Responsibility

5.3 Advantages of Social Responsibility

5.4 Disadvantages of Social Responsibility

5.5 Social Responsibility and Ethics

5.6 Types of Business Ethics

5.7 Importance of Business Ethics

5.8 Sustainability

5.9 Three Pillars of sustainability

5.10 Sustainable Development Goals

5.11 Objectives of Sustainable development

5.12 Measures taken by Government to Implement Sustainable Development.

5.13 Challenges in attaining Sustainable Development Goals in India.

5.14 Questions

5.0 OBJECTIVES

After studying this unit students will be able to –

- To understand the role of Managers & citizens in society

- Identify significance of Ethics & be socially responsible towards sustainability towards environment & resources

5.1 INTRODUCTION

Social responsibility is a moral obligation on a company or an individual to take decisions or actions that is in favour and useful to society. Social responsibility in business is commonly known as Corporate Social

Responsibility or CSR. For any company, this responsibility indicates that they acknowledge and appreciate the goals of the society, and therefore, would support them to achieve these goals.

Social responsibility is an ethical framework in which individuals or corporations are accountable for fulfilling their civic duty and taking actions that will benefit society as a whole

Social Responsibility helps the business by:

- Providing a cultural view of the company and understanding of quality

- Generating new career paths for quality professionals who are experts in Social Responsibility related decisions.

- Providing methods to enhance the efforts of SR professionals'

- Growing the community of SR practitioners

What is an example of social responsibility?
Working for the community, such as volunteering, giving blood donations, and working at a food bank or animal shelter. Supporting issues that affect society, such as advocating political or social issues that can help others—for example, advocating for child labor laws, purchasing fair trade products, recycling.

5.2 TYPES OF SOCIAL RESPONSIBILITY

Following Are the Different Types of Social Responsibilities:

1) Environmental Responsibility:

For companies committed to CSR, it's important for businesses to engage in environmentally friendly practices. Corporations can be significant contributors to greenhouse gas emissions, pollution, waste, and natural resource depletion—but by committing to environmental responsibility, a business takes ownership over its impact on the environment.

Depending on a business's size and industry, environmental responsibility can take many different forms. For some companies, it means using alternative energy sources and sustainable materials. For others, it means enacting a company-wide recycling program or donating to and volunteering for local environment-focused organizations.

2) Ethical Responsibility:

Being ethically responsible means ensuring a business engages in fair business practices across the board—including treating all employees, stakeholders, and customers ethically and with respect.

This type of CSR can also take a lot of different forms. Some common examples of ethical responsibility include setting a higher minimum wage, guaranteeing all materials are ethically sourced, and ensuring that all employees receive competitive pay and comprehensive benefits as well as treated with respect.

3) Philanthropic Responsibility:

In today's world, it's almost expected for businesses to give back to the communities they exist in and donate to causes that align with their company mission. When businesses do this, they're following through with their philanthropic responsibility.

This philanthropic responsibility can be as small scale as sponsoring a local non-profit's annual fundraiser or as large-scale as donating a percentage of a business's annual earnings to a prominent cause.

4) Economic Responsibility:

When a business is acting with economic responsibility in mind, it is making financial decisions that prioritize doing good, not just making more money. This means that this type of CSR is intertwined with the other types above.

For example, this could mean that a business signs a contract with a supplier that uses sustainable materials—even if it costs more. Another example of economic responsibility is when a company commits to a transparent salary system that fairly compensates all employees and makes up for past gender and race pay gaps.

5.3 ADVANTAGES OF SOCIAL RESPONSIBILITY

There are a number of advantages when a company chooses to be socially responsible, such as:

- Gives a company a competitive edge
- Attracts strong candidates and increases retention
- Makes your business attractive to investors
- Improves business culture
- Increases customer loyalty and advocacy
- Improves company reputation
- Improves profitability and value

1) Gives a company a competitive edge:

Most customers today agree that social responsibility is a top criterion when choosing a company to shop from or do business with. Being a socially responsible company is also a message you can use in your brand position and marketing.

2) Attracts strong candidates and increases retention:

The success of your company is strongly impacted by the people who work for you. If you consistently provide a socially responsible culture for your employees, and you have a reputation for doing so, you can attract and retain top talent to your organization.

3) Makes your business attractive to investors:

Investors generally believe that a commitment to social change is a great way to position a company for long-term success. While there must be a balancing act between focusing on the profitability of an organization and social initiatives, doing so successfully can create endless opportunities for companies.

4) Improves business culture:

Your employees are likely to be more motivated and have a greater commitment to the organization if they see the social initiatives are in place. Providing time for employees to support their own social initiatives can also build pride, loyalty and motivation among members of your team. This, in turn, makes everyone more engaged and productive.

5) Increases customer loyalty and advocacy:

Consumers are drawn to companies that have a reputation for being a good corporate citizen. Moreover, customer advocacy is key to attracting new customers. As your loyal customers talk to people they know about your product and share positive reviews, they will drive more business your way.

6) Improves company reputation:

If your organization is continually participating in social initiatives, it gives an impression to customers, investors and the world as a whole that your organization is financially viable. This, in turn, can attract new investors and investors alike.

7) Improves profitability and value:

In many cases, companies find that when they introduce more energy-efficient methods and begin recycling they actually cut operational costs and benefit the environment. Social responsibility also increases transparency with investment analysts, shareholders and community members, which in turn improves the company's reputation and increases the overall value.

5.4 DISADVANTAGES OF SOCIAL RESPONSIBILITY

While corporate social responsibility is generally advantageous for organizations, there are a few drawbacks. Here are the primary disadvantages to consider:

1) Costs money to implement:

While large organizations can afford to allocate a budget to corporate social responsibility reporting, this can be financially taxing on smaller organizations. While smaller companies can use social media to share any social responsibility policies or initiatives with customers and community members, monitoring these channels takes time and resources. It may require the company to hire extra employees to manage the process effectively, which can be challenging for small businesses.

2) Impacts profitability:

A company has a fiduciary duty to its shareholders and costly social responsibility initiatives can impact this directly. This conflict can be challenging for managers, who may feel compelled to choose between

socially responsible decisions or initiatives and focusing on the company's profitability.

3) Green washing:

In some cases, social responsibility initiatives have been used as a ploy to improve a company's image even though no real change has been made. For this reason, it's important to consider what social responsibility initiatives you're going to take and evaluate the impact that they will have on the organization.

5.5 SOCIAL RESPONSIBILITY AND ETHICS

Business ethics are the act of determining and making the right choices. Companies develop a set of rules and principles that guide their decisions and actions, creating positive influences on employees and consumers. Though every business forms a unique set of principles, they usually follow the same ethical standards.

Business Ethics
The social obligations of a business, but also the obligations to employees, customers, suppliers, and competitors.

VS

Social Responsibiity
Under the umbrella of business ethics but focuses more narrowly on a company's social obligations.
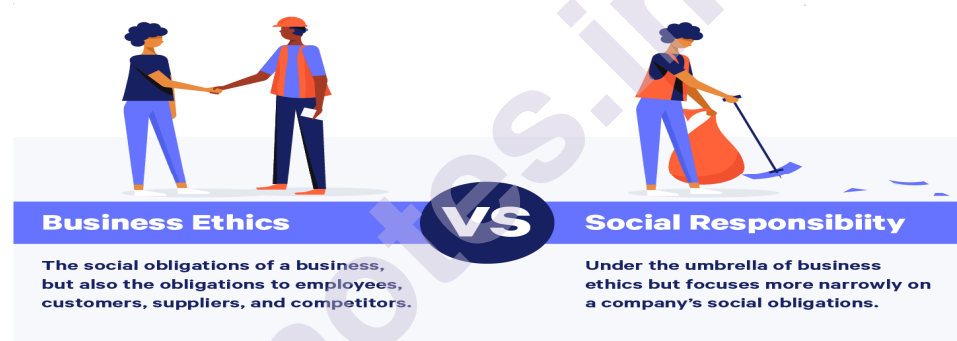
Being socially responsible and following basic business ethics have the following benefits:

- **Gaining more customers:**

Consumers are more likely to continually support businesses that care about the impact they make. Being positives influences on communities and maintaining ethical standards allows businesses to gain new customers and maintain existing ones. Existing customers are also more likely to promote the company by word of mouth.

- **Recruiting from a wider candidate group:**

Professionals are increasingly searching for careers with companies that are ethically and socially responsible. Promoting a strong code of ethics that includes social responsibility can help companies attract and retain more candidates.

- **Getting an advantage over similar businesses:**

Companies that promote social responsibility often acquire more customers than businesses in the same industry. Organizations can see

advantages over their competition by considering their impact on the community.

- **Creating a positive work culture:**

When employees agree with a company's code of ethics and social responsibility, they are more likely to feel motivated and support the organization. Employers who encourage employees to take action in their community also gain more approval and commitment.

How businesses incorporate social responsibilities and ethics?

Organizations have countless options to implement strong business ethics and exemplify social responsibilities. Below are some of the ways businesses can incorporate these important elements:

- **Develop a mission and objective:**

One of the first steps that businesses should complete is to craft a mission and objective that support ethics and social responsibility. A mission and objective serve as the foundation for all goals and actions that a business takes, so it's key to carefully consider these ideas. When writing the mission and objective, companies need to think about how they can support their communities, promote a positive business culture and better society as a whole.

- **Create and maintain core values**:

Core values reinforce the company mission and show how the company intends to uphold its social standards. Both the business and employee need to follow these core values, so it's important to define a clear set that lasts long term. Core values that support social responsibility and ethics include:

- Integrity
- Kindness
- Openness
- Humility
- Community
- Knowledge
- Growth
- Transparency

Employers can select four or five core values to focus on and grow their business around.

- **Focus on impact in the local community**:

Society starts with the local community. Businesses that focus on the area they operate in can make a large impact on their residents. By promoting social awareness on a small scale, a company can spread its positive

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influence on a local group. This group is then inspired to advance that positive influence by helping others, which can increase awareness of the company's brand. Companies that operate in multiple locations should strive to make positive changes in each community.

- **Support environmentally and socially conscious initiatives:**

One of the main aspects of being socially responsible is supporting progressive societal efforts. Doing so shows that organizations are actively taking part in making their communities and society better places. Taking part in these efforts can also attract more customers and loyal employees.

Companies should select initiatives that align with their core values and missions, which can help build their brand and culture. For example, a grocery store could support a non-profit that provides food to underprivileged families. Making green efforts, such as implementing recycling programs and installing low-energy lights and appliances, are common initiatives that businesses can take.

- **Encourage communication:**

Employees should feel comfortable expressing their ideas and opinions in order to foster strong business ethics. Managers should have open-door policies in which employees can approach them with feedback about the culture. Encouraging feedback helps employees feel comfortable being open, which improves morale and supports both employee and organizational growth. Employees who feel heard and respected are also more likely to stay loyal to the organization.

- **Consider ethics during the hiring process:**

Ethical companies need to hire ethical employees to build a positive culture. Employees also represent the companies they work for, so it's important to hire professionals who can positively influence society on their companies' behalf. During the hiring process, employers should seek employees who have similar core values and believe in the business's mission. Asking questions directly related to values and ideologies allows employers to find like-minded candidates.

- **Lead by example:**

Employers should lead by example, abiding by the code of ethics they implement. When employees see leaders following their own business ethics, they are more likely to follow them, too. It also encourages accountability for both the employees and the company leaders. For example, if one of the employer's core values is open communication, they should regularly update employees on company events and changes.

- **Express compassion:**

Companies that support best business ethics should be generous and kind to consumers and employees. They should genuinely care about the livelihood of those who support them to develop trusting relationships.

One way a company can demonstrate compassion is by making socially conscious decisions that positively affect the community or employees regardless of cost. Making compassionate decisions helps ethical companies gain the trust and support of team members and consumers

5.6 TYPES OF BUSINESS ETHICS

There are various types of business ethics. Both the nature of the company's business and where the company is located can affect which ethics it emphasizes. The following are some of the more common business ethics.

1. Personal responsibility:

Each person who works for a business, whether on the executive level or the entry-level, will be expected to show personal responsibility. This could mean completing tasks your manager has assigned to you, or simply fulfilling the duties of your job description. If you make a mistake, you acknowledge your fault and do whatever you need to do to fix it.

2. Corporate responsibility:

Businesses have responsibilities to their employees, their clients or customers, and, in some cases, to their board of directors. Some of these may be contractual or legal obligations, others may be promises, for example, to conduct business fairly and to treat people with dignity and respect. Whatever those obligations are, the business has a responsibility to keep them.

3. Loyalty:

Both businesses and their employees are expected to show loyalty. Employees should be loyal to their co-workers, managers, and the company. This might involve speaking positively about the business in public and only addressing personnel or corporate issues in private. Customer or client loyalty is important to a company not only to maintain good business relations but also to attract business through a good reputation.

4. Respect:

Respect is an important business ethic, both in the way the business treats its clients, customers and employees, and also in the way its employees treat one another. When you show respect to someone, that person feels like a valued member of the team or an important customer. You care about their opinions, you keep your promises to them, and you work quickly to resolve any issues they may have.

5. Trustworthiness:

A business cultivates trustworthiness with its clients, customers and employees through honesty, transparency and reliability. Employees should feel they can trust the business to keep to the terms of their employment. Clients and customers should be able to trust the business with their money, data, contractual obligations and confidential information. Being trustworthy encourages people to do business with you and helps you maintain a positive reputation.

6. Fairness:

When a business exercises fairness, it applies the same standards for all employees regardless of rank. The same expectations with regard to honesty, integrity and responsibility placed upon the entry-level employee also apply to the CEO. The business will treat its customers with equal respect, offering the same goods and services to all based on the same terms.

7. Community and Environmental Responsibility:

Not only will businesses act ethically toward their clients, customers and employees, but also with regard to the community and the environment. Many companies look for ways to give back to their communities through volunteer work or financial investments. They will also adopt measures to reduce waste and promote a safe and healthy environment.

5.7 IMPORTANCE OF BUSINESS ETHICS

- **Control Business Malpractices**:

Business ethics directly influence the operations of the business. It is the one which helps business in deciding what is wrong and what is right. These ethics set certain rules and principles to be followed strictly by business, and their violation leads to a penalty.

Implementation of these principles ensures that business does not indulge in any unfair practices like black marketing, providing misleading advertisement, frauds in measures and weight, adulteration, etc. Through business, ethics works on providing better products to its customers at reasonable prices.

- **Better Relation with Employees**:

Employees are an important part of the business and necessary for the survival of the business. Business ethics ensures that business works for the welfare of its employees working with it. The business should not only work for the achievement of its objectives like profit maximization and higher growth but should also focus on peoples working with it.

These ethics ensures that business provides better monetary compensation and good working conditions to its employees, active participation in decision making, addressing complaints, and providing promotions as per their progress. This helps in maintaining a good relationship with employees.

- **Improves Customer Satisfaction:**

The consumer is termed as king in the market and is the one who decides the success or failure of every business. It is important that the business fulfils the needs of its customers.

Business ethics provides principles for business operations under which it is required to provide better quality products at reasonable prices. It ensures that the business provides better customer support and redressal of all complaints. This helps businesses in improving the satisfaction levels of its customers.

- **Increase Profitability:** Business ethics improve the productivity and profitability of every business. It sets certain rules to be followed by every person working with the business. Every employee is required to adhere to these rules and should focus on its duties with sincerity.

These ethics ensure that there is no wastage of resources, and every resource is efficiently utilized. This eventually leads to an increase in business profit in the long run.

- **Improves Business Goodwill:** Business goodwill has an important effect on capturing the market. Better goodwill businesses are able to attract more and more customers. By implementing ethics in its operations business aims at providing better service to the market.

Businesses that work ethically operate at the low-profit base and with honesty. This develops a better image in front of the public and is easily accepted by customers with fewer efforts.

- **Better Decision Making:** Ethics in business helps them in making better decisions timely. It provides certain rules and guidelines that every business needs to follow in its operations. Every decision is taken in light of the moral principles and social values provide through these ethics.

 It helps businesses in deciding what is right and what is wrong. Every person working within the business is required to respect these ethics, violation of which would lead to the penalty.

- **Protection of Society:** Society is very important for the success of every business. If a business does not consider the interests of its society, then it will harm its survival.

Business ethics direct that business should work for the welfare of its society and take part in various infrastructural development programs. It ensures that business contributes actively to its corporate social responsibility. A business should not perform any activity that creates a problem for the society in which business exists.

5.8 SUSTAINABILITY MEANING:

Sustainable development can be defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

It is the organizing principle for meeting human development goals while simultaneously sustaining the ability of natural systems to provide the natural resources and ecosystem services based upon which the economy and society depend.

Main features of sustainable development are as under:

1. **Sustained rise in real per capita income and economic welfare** :

There should be a sustained rise in real per capita income and economic welfare over time.

2. **Rational use of the natural resources**:

Sustainable development does not mean that natural resources should not be used at all. It simply means that natural resources be rationally used in a manner such that they are not excessively exploited.

3. **No reduction in the ability of future generation to meet their own needs**:

Sustainable development aims at making of natural resource and environments for asking or raising the existing standard of living in such a way as not to reduce ability of the future generations to meet their own needs.

4. **No increase in pollution** :

Sustainable development discards those activities which in order to maintain existing high standard of living, prove deter mental to nature resources and environment.

5.9 THREE PILLARS OF SUSTAINABILITY

The concept of sustainability is composed of three pillars: environmental, social and economic—also known informally as profits, planet, and people. These are in particular relevant to corporate sustainability, and efforts made by companies.

1) Environmental protection:

It is the most frequently discussed element. It is concerned with the reduction of carbon footprints, water usage, non-decomposable packaging, and wasteful processes as part of a supply chain. These processes can often be cost-effective, and financially useful as well as important for environmental sustainability.

2) Social development:

It is about treating employees fairly and ensuring responsible, ethical, and sustainable treatment of employees, stakeholders, and the community in which a business operates. This may be achieved through more responsive benefits, like better maternity and paternity benefits, flexible scheduling, and learning and development opportunities. For example, business should operate using sustainable labour, which involves fairly-paid, adult employees who can operate in a safe environment.

3) Economic development:

It is probably the simplest form of sustainability. To be economically sustainable, a business must be profitable and produce enough revenues to be continued into the future. The challenge with this form of sustainability is achieving an equilibrium. Rather than making money at any cost, companies should attempt to generate profit in accordance with other elements of sustainability.

5.10 SUSTAINABLE DEVELOPMENT GOALS

According to the UN, The Sustainable Development Goals (SDGs) are the world's shared plan to end severe poverty, reduce inequality, and protect the planet by 2030.

1. Eliminate Poverty
2. Erase Hunger
3. Establish Good Health and Well-Being
4. Provide Quality Education
5. Enforce Gender Equality
6. Improve Clean Water and Sanitation
7. Grow Affordable and Clean Energy
8. Create Decent Work and Economic Growth
9. Increase Industry, Innovation, and Infrastructure
10. Reduce Inequality
11. Mobilize Sustainable Cities and Communities
12. Influence Responsible Consumption and Production
13. Organize Climate Action
14. Develop Life below Water
15. Advance Life on Land
16. Guarantee Peace, Justice, and Strong Institutions
17. Build Partnerships for the Goals.

5.11 OBJECTIVES OF SUSTAINABLE DEVELOPMENT

Following are the Objectives of Sustainable Development.

• **Stable economic growth-** The eradication of poverty and hunger to ensuring a healthy life.

• **Conservation of natural resources -** Achieve universal access to basic services such as water, sanitation, and sustainable energy.

• **Social progress and equality -** Reduce inequalities in the world, especially gender inequalities. Supporting the generation by the development of opportunities through inclusive education and decent work. Foster innovation and resilient infrastructures by creating communities and cities capable of producing and consuming sustainably.

• **Environmental protection -** Caring for the environment by combating climate change and protecting oceans and terrestrial ecosystems.

5.12 MEASURES TAKEN BY GOVERNMENT TOIMPLEMENTSUSTAINABLE DEVELOPMENT

NITI (National Institution for Transforming India) Aayog, the newly-formed commission that replaced the 65-year old Planning Commission in India, is entrusted with the task of coordinating SDGs in India.

States are also advised to undertake similar mapping, including visioning, planning, budgeting, and developing implementation & monitoring systems for the state-sponsored schemes that are being implemented to fulfil the SDGs.

In addition to that, the Ministry of Statistics & Programme Implementation is engaged in the process of building key indicators to monitor the implementation of SDGs.

Since 2015 (when the United Nations, along with other countries, adopted the SDGs) the Indian government has launched several flagship programs that are at the heart of SDGs. Some of these include Swachh Bharat Mission, Skill India, Make In India, Digital India, etc.

5.13 CHALLENGES IN ATTAINING SUSTAINABLE DEVELOPMENT GOALS FOR INDIA

The four major challenges for attaining SDGs in India are discussed below:

KEY CHALLENGES TO ACHIEVING SUSTAINABLE DEVELOPMENT

INSTABILITY   IMPLEMENTATION   GOVERNANCE

1)   Defining the Key Indicators:

One of the major challenges for India is to devise suitable indicators to effectively assess the progress of SDGs. The key definitions for areas,

such as poverty, hunger, safe drinking water, education need to be revised in order to effectively implement the SDGs.

2)   Financing Sustainable Development Goals (SDG): Despite India's best efforts and making poverty alleviation a priority since the Fourth 5-year Plan, India has the highest number of people living below the poverty line. At today's level of investment, there is a huge funding shortfall that hinders the progress of attaining SDGs.

3)   Monitoring & Ownership of Implementation Process: Although NITI Aayog is expected to play an important role in taking ownership of the implementation process, the members of the Aayog have expressed their concerns time and again about the limited manpower they have to handle such a Herculean task.

4)   Measuring the Progress: The government of India has admitted the non-availability of data, especially from the sub-national areas. Incomplete coverage of administrative data is yet another factor that has hampered the measurement of progress for even the Millennial Development Goals (MDG's) that were the precursor to SDGs.

5.14 QUESTIONS:

1) What is Social Responsibility?Explain its advantages & disadvantages

2) Describe Ethics. What are its Types?

3) List out the importance of Business Ethics

4) Write a Brief note on Sustainability

5) List out 3 pillars of Sustainability

6) Explain Social Responsibility &Ethics, what kind of relationship exists.

7) List out in detail Goals of Sustainable development

8) How do you define Social Responsibility? Explain its advantages & disadvantages

9) Enumerate the Challenges in attaining Sustainable Development Goals in India

10) List out the Objectives of Sustainable Development

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6

MIND CONTROL AND SPIRITUAL QUOTIENT

Unit Structure

6.0   Objectives

6.1   Mind Control

6.2   Spiritual Intelligence or Spiritual Quotient

6.3   Let us sum up

6.4   Exercises

6.0   OBJECTIVES

After going through this unit, you will be able to understand

- Meaning of mind control

- Spiritual quotient

6.1   MIND CONTROL

The control of the mind is a theme of universal interest. It personally concerns every spiritual seeker belonging to any religion. Religion in its applied aspect has to grapple with this problem.

Mind-Control: Difficult but Possible

In this theme, the mind and its control, we are all deeply interested, in a very personal way, for nothing affects us individually more than our own minds. We know something about the subject. All of us try to control our minds. But we should like to know more and do better.

Who can help us in this regard? Only those who have perfectly controlled their own minds can guide us.

What we may learn from such sources we shall present here as a system of simple disciplines.

Control of the mind is a very interesting inner game. If you have a sportsman's attitude you will thoroughly enjoy it, even while apparently losing. In the playing, this game takes a great deal of skill, alertness, sense of humor, goodness of heart, sense of strategy, patience and

some heroic flair which makes it possiblenot to get disheartened in the face of a hundredfailures.

Sri Krishna was explaining in the Gita howthe supreme state of Yoga was to be attained.After listening to him Arjuna said to the Lordin understandable despair:

O Krishna, this yoga which you declare to be characterized by perfect evenness of mind, I do not see how it can endure, because of the restlessnessof the mind. The mind, O Krishna, is restless, turbulent, powerful and obstinate. Tocontrol the mind is as hard, it seems to me, as tocontrol the wind.

Sri Krishna listened to this representative complaintof man and gave a reply important forall men of all times. All Indian thinking andpractice on mindcontrol are largely based onthis teaching of Sri Krishna, He said: 'Undoubtedly, O Arjuna, the mind is restless and hard to control.But by practice (abhyasa) anddispassion (vairagya) it can be controlled.

From this conversation we know three basicfacts about mind-control:

a. That it has always been an extremelydifficult task even for heroic persons ofthe stature of Arjuna.

b. That yet it is possible to control the mind.

c. That there are well-defined methods forcontrolling the mind.

In these two words, abhyasa and vairagyapractice and dispassion, Sri Krishna gave thewhole secret of controlling the mind.

It is the uniform verdict of all the saints of India down the ages that there is no other wayof controlling the mind except through 'practiceand dispassion.' This is also calledabhyasa-yoga' or 'the yoga of practice'.

We shall quote here a dialogue between SriRamakrishna and a devotee, in which the formreemphasizes a fundamental point which everyoneneeds to remember:

Sri Ramakrishna: "Don't sit idle simply becauseyour spiritual consciousness has been awakened alittle. Go forward. Beyond the forest of sandalwoodthere are other and more valuable things - silver-mines, gold-mines and so on".

Priya:"Sir, our legs are in chains. We cannotgo forward".

Sri Ramakrishna: "What if the legs are chained?The important thing is the mind.Bondage is ofthe mind, and freedom is also of the mind".

Priya: "But the mind isnot under my control".

Sri Ramakrishna: "How is that? There is sucha thing as abhyasa-yoga, yoga through practice.Keep up the practice and you will find that yourmind will follow in whatever direction you lead it.The mind like a

white cloth just returned fromthe laundry. It will be red if you dip it in reddye and blue if you dip it in blue. It will havewhatever colour you dip it in".

Practice and dispassion are no doubt theentire secret of controlling the mind. But howdo we bring them into our life-stream? Thatis the question. To do this:

a. we shall have to develop a strong will tocontrol the mind ;

b. we shall have to understand the natureof the mind ;

c. we shall have to learn certain techniquesand practice them earnestly and intelligently.

How to strengthen the will to control the mind?

It cannot be said that we have no will tocontrol the mind. The very fact that all of us have our own inner struggles indicates that we have the will. But in most cases this will tocontrol the mind is not very strong.Our will to control the mind can never bestrong until and unless we have deliberatelyand irrevocably renounced pleasure as one ofthe main pursuits of our life. The canker which eats away the vitality of our will to controlthe mind is the pursuit of pleasure. It is likethis: if you have a servant who is aware thatyou depend on him to procure you illicit drugsand if you both enjoy the drug together, youcannot then control that servant. The same isthe case with the mind. The mind which we usefor seeking pleasure and enjoying pleasure, wecan never control until we give up seekingpleasure. Even after giving up the pursuit ofpleasure it will not be easy to control it for themind will always have past incidents to citeto embarrass us. The strength of our will tocontrol the mind will be in proportion to thestrength and intensity of our renunciation of thepursuit of pleasure. Unless the pleasure-motiveis overcome, no matter what else we do, wecan never perfectly control the mind. Thederivative of this truth is that those who arereluctant to renounce the pleasure-motive arenot sincere enough in wanting to control theirminds, whatever their professions.By renunciation of the pursuit of pleasure isnot meant renunciation of the pursuit of joy. By pleasure is meant the enjoyment ofsense-pleasures or the gratification arising fromwhat Sri Ramakrishna calls the 'unripe ego',both of which obstruct the attainment of joyor bliss, It is by going beyond pleasure andpain that one attains joy or bliss, which is thevery goal of life. There is no question of givingup the desire for joy or bliss, for it is integralto us, our real nature being Existence-Knowledge-Bliss.

Opposites sometimes look alike. Two typesof persons do not have inner struggle; thosewho have become unquestioning slaves of theirlower nature, and those who have completelymastered their lower nature. All others haveinner struggles, which are the result of inadequateor unsuccessful attempts at controllingthe mind. Inadequate attempts are indicationsof weak will and of lack of knowledge as tohow to control the mind.

The most important thing is to strengthenthe will to such a degree that even in the faceof repeated failures we are not disheartened;rather, that with every new failure to controlthe mind we are roused to fresh endeavorswith new enthusiasm.Now how do we strengthen this will to controlthe mind? We have to remove the causesof weakness of will. And we have to inject strength into it by ensuring the presence ofsuitable causes.No doubt some of us have struggled with ourminds but have faced repeated failures. So wehave come to believe that controlling the mindis not for us. Another reason for the weaknessof our will is that most of us have perhaps notclearly thought what exactly is at stake in thecontrol of the mind. If we had, the sheer instinctfor survival would have driven us to strengthenour will to control the mind. As regards ourfailures to control the mind, we need not beunduly exercised. It has never been an easytask even for the noblest of men, the nature ofthe mind being restless. Sri Krishna says in theGita:

> *The turbulent senses, O Arjuna, do violentlysnatch away the mind of even a wise man, strivingafter perfection.*

> *For the mind which follows in the wake of thewandering senses, carries away his discrimination,as a wind carries off its course a boat on thewaters.*

The Buddha teaches:

> *If one man conquers in battle a thousand mena thousand times, and if another conquers himself,he (the latter) is the greater conqueror.*

From this we canunderstand that controllingthe mind is the most difficult task in the world.It is indeed a hero's task. Hence occasional orrepeated failures to control the mind should notbe taken too seriously. Failures should be takenas spurs to more determined, sustained, andintelligent efforts, for we are assured by thegreat teachers that perfect control of the mindis possible. All thoughts to the contrary mustbe eschewed like poison.

What is at stake in controlling the mind?

We must clearly understand what is at stakein controlling the mind. Insanity is the worstthing that can happen to an individual as aresult of non-control of the mind. Collectively,non-control of mind may lead to the downfallof an entire civilization, however prosperous orstable it may appear to be. There are manyother lesser misfortunes that directly or indirectlyissue from non-control of mind.

Non-control of mind effectively obstructsintegration of personality. A person ofuncontrolled mind will always have a tendency to abnormal developments or to mental disintegration through internal conflict. Even underthe most favourable circumstances he will notrealize his potential or fulfill expectations.

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One who has no control over his mind cannothave peace of mind. One who has no peaceof mind, how can he have happiness? A victimof passions, emotions and tensions,he maydevelop obstinate mental maladies or turn intoa criminal. If he is the head of a household,indiscipline, disorder, delinquency, and wretchedhuman relationships leading to family misfortunesare likely to prevail.

In an Indian maxim it is said: a man mayhave received the grace of God, of the teacher -and of holy men; but if he does not have thegrace of his own mind he will go to rack andruin. Having the grace of one's own mind leads to having control of it.

On the positive side, at its highest, throughcontrol of mind one can attain spiritual illumination.Short of that there are many otherblessings of life attainable through control ofmind;a controlled mind can easily be concentrated.Through concentration of mind, onegains knowledge. And knowledge is power.

One of the spontaneous results of control ofmind is integration of personality. Such a personsucceeds, even in adverse circumstances. Acontrolled state of mind leads to calmness, andcalmness leads to peace of mind. Peace of mindleads to happiness. A happy person makesothers happy. The quality of his work improvessteadily and he often attains enduringprosperity as a matter of course. It is not thatsuch a person has not to face the trials andtribulations of life. But he never lacks thecourage and strength to face them. At home,where he is the head, there are greater chancesof order, discipline, joy, culture, and excellenthuman relations. Society looks upon such aperson as an exemplar of good life. A person of controlled mind will be freefrom mental maladies and physical troublescaused by mental tension.

In a person who has controlled his mind hishigher nature asserts itself, and his hiddenpowers axe released. Friends wonder how thisperson could become, before their eyes, sogreat. A popular Sanskrit maxim says: 'Whoconquers the world? He does alone who conquers hismind'. Progress, prosperity or peace—nothing of an enduring nature can be achieved in any field,without control of mind. People without self-control will not retain even the prosperity thatthey have.

Such are the stakes in control of the mind.To develop a strong will to control the mind,we must teach our own minds that, without it,we are nowhere. We must impress upon ourselvesthe fact that the character of our entirefuture depends on whether or not we controlour minds. After fulfilling man's basic physicalneeds, other things also may be important; butfor the attainment of the highest objective oflife—spiritual illumination—nothing in life ismore important than controlling the mind. Oncewe really understand and believe this, our willto control the mind will become strong, asstrong as we need to have it.

How to overcome thepleasure-motive

Unless the pleasure-motiveis overcome, no matter what else we do, wecan never perfectly control the mind; this statementmay give a rude jolt to many who strugglewith their minds. But it is a statement of fact,and the implications of this fact need to begrasped.

It is easy to say bluntly that unless thepleasure-motive is renounced one cannot havea strong will to control the mind, But thepleasure-urge, being elemental in us, is so deeplyingrained in our flesh and blood that it canbe got rid of, if at all, only with the greatestdifficulty. We must not, however, complicateour inner situation by imagining that we arewicked in seeking pleasure. The pleasuremotiveis not in itself sinful, though, of course, Indulgence in immoral pleasures which creategreater bondage and retard our higher self-development is. Except for a microscopicminority—who, in response to a higher call,have renounced worldly pursuits and aboutwhom we are not speaking here—except forthem, life itself will hardly be possible withoutsome satisfaction of the pleasure-urge. 'Whatto live for, if not for pleasure?' will be thehonest question of the majority of mankind. Thisurge is a living force in man, and a force by which he lives. Yet it is true that the pleasuremotiveeats away our will to control the mind.What then is the solution of this inner problem?To be sure, ascetic denial is not the answerfor the vast majority. Neither is the answerindulgence. The answer is in gradually educatingour pleasure-urge, and in understanding thedimensions of our own being and how toharness the pleasure-urge for the purpose ofself-fulfillment.

This will need some elaboration.Incidentally it is as well to make it clear thatwe are now discussing a general problem thatfaces beginners who are worldly in their dispositions.For those who are advanced aspirantssome of the points we are going to discusswill not hold good. They will know whatthese points are; for example, the enjoyment oflegitimate sense-pleasure is permissible for theordinary person who has yet to make a start inspiritual life, but not for the person who hastaken several steps in it.

'Don't seek pleasure' is hardly a practical preceptfor any One who has a pronounced craving or pleasure in his nature. The illuminedteachers of India, besides being knowers oftruth, were masters of human psychology andcompassionate preceptors. What they taught onthis subject can be put in a few words: seekpleasure, but in a way which will not spoil yourphysical or mental health, or obstruct yourhigher development If you must seek physicalpleasure, seek them in such a way that yourpowers may be preserved for enjoying the joysof the mind; seek the joys of the mind in sucha way that your powers may be preserved forattaining the bliss of the spirit. Do not seekpleasure in a way that will destroy you. Thisshould make sense to thinking people. Ethicalprinciples, the observance of which is helpful incontrolling the mind, are all meant to protecta man from harming himself. Thus they servehis profoundest interest.

The wild pleasure-urge has first to be domesticatedin the frame of the requirements of self-developmentbefore it can be ready for graduation.

What do we mean by 'graduation here?By graduation we mean passing from one ofthe above kinds or levels of joy to one above.We must remember that the joy of Brahmanis attainable by man not only theoretically butactually. A firm faith in this truth is necessaryfor graduation in pleasure-seeking.

A time will eventually come in the life ofthe person who sincerely struggles on in thisway, when he faces the necessity of settingaside even the joy of worship, and becominga firm seeker of the Supreme Spirit. It is onething to seek the benefits of seeking God andquite a different thing to seek God for His ownsake, benefit or no benefit. When the seeker hasinwardly grown to the extent of seeking theSupreme Spirit for its own sake and for noother motive, then his desire for pleasure willhave been sublimated, and this will be conduciveto perfect control of the mind.

The very root of man's existence being bliss,it is but natural that he should instinctivelyseek to feel identified with it. But when he isignorant and is identified with body and mind,he seeks it ignorantly in the body and mindand not where it is—in the Spirit. This wrongseeking of bliss in a wrong place gives rise toour pleasure-motive and its resultant bondage.As we have said before, bliss (Amanda) is not pleasure; it is beyond pleasure and pain,which can never be separated on the physicaland mental plane.

It is man's essential nature that urges him toseek bliss. And after much striving and fitfulseeking of it on the material and mental planes,in the limited, man ultimately discovers it withinhis very Self—the Atman, which is unlimited,being identical with the Supreme Spirit.

He then realizes the truth of this teachingof the Upanisad: 'In the Infinite alone is bliss; there is no bliss in the finite'. To come toknow this fact man must learn at one stagethat bliss is different from pleasure and painand that to attain it he must control his mindand give his pleasure-motive a higher direction.

Changing the Constitutionof the Mind

The impurities of the mind can be graduallyremoved by providing the mind with wholesomefood, and by bringing about a change inthe constitution of the mind so that sattva predominatesover the other two gunas. Finally,it is true, sattva has to be transcended; but firstit has to predominate.

We mentioned earlier that according to theteachings of the Upanisad the mind consists offood.In elaborating this teaching the Upanisadsays:

The food that we eat is transformed in threedifferent ways: the grossest part of it becomesexcrement, the middle part is transformed intoflesh, and the subtlest part goes to form the mind.

Further:

Just as in the churning of curds, the subtlestpart rises up and is transformed into butter, sowhen food is eaten, the subtlest part rises up

andis transformed into mind.As the mind consists of food, naturally theteaching follows:

> *When the food is pure, the mind becomes pure.When the mind becomes pure, memory becomesfirm. And when a man is in possession of firmmemory, all the bonds which tie him down to theworld are loosed.*

According to the commentary of Sankaracaryathe word 'food' in the text means anything thatis taken in by the senses, that is to say:sound, sights, smells, etc. And 'the mind becomespure' means that it becomes free from aversion,attachment or delusion, which createsdisquiet in the mind, making it difficult to control. So, one of the basic methods of controlling themind is to desist fromtaking such 'food' aswill cause attachment, aversion and delusion.

But how do we know which food will causeattachment, aversion and delusion? Broadlyspeaking, according to the Gita, rajasika andtamasika food causes attachment, aversion anddelusion. Sattvika food helps a person to reduceattachment, aversion and delusion. It isnot only what is usually taken through themouth for nourishment which will have something to do with the state of the mind. Liquorand drugs are also taken through the mouth,and they also affect the mind. We can easilysee the difference in effect when we drink aglass of sugar-candy water and a glass of liquor.

The effect of drugs on the state of the mindis well known. Also, as we have noted, whatwe see with our eyes, hear with our ears, andwhat we touch, have great effect on our minds.A movie, or an oration, can set in motion wavesof various sorts in the mind, making it difficultor easy to control.

So, in moulding the conditions favourable forcontrolling the mind, judicious eating and drinkingare of some help. Equally important is theintake through the other senses. In the choiceof food, persons desiring to control the mindwill do well to prefer sattvika to rajasika andtamasika foods. So far as food taken throughthe mouth is concerned, the Gita is our bestguide:

> *The foods which augment vitality, energy,strength, health, cheerfulness and appetite, whichare savory and oleaginous, substantial and agreeable,are liked by the sattvika.*

> *The foods that are bitter, sour, saline, excessivelyhot, pungent, dry and burning are liked by therajasika and are productive of pain, grief anddisease.*

> *That which is stale and tasteless, stinking, cookedovernight, refuse and impure is the food likedby the tamasika.*

What is liked by sattvika, rajasika andtamasika persons is also conducive to developingsattvika, rajasika and tamasika mindsrespectively.

Human nature being constituted by varyingcombinations of the three substantive forces,sattva, rajas and tamas, the predominance ofone of the three gunas over the other two determinesthe dominant tone of a man's nature, Aman with a preponderance of rajas or tamas inhis nature cannot behave, in spite of himself,like a man with a preponderance of sattva.This is why Sri Krishna says in- despair, as itwere, in the Gita: 'Even a wise man acts inaccordance with his own nature: beings follownature: what can restraint do?'

If restraint can do nothing, if human natureis predetermined and incapable of being changed,then there is little sense in discussing howto control the mind. The implication of thisstatement of the Lord, therefore, seems to be:man must change his nature, physical and mental,in order to be able to control the mind. Solong as rajas or tamas predominates in the constitutionof our mind, we cannot control it, howevermuch we may try. The reason for thisshould be understood.

The psychological consequences of thepredominance of the projecting power of rajasand the veiling power of tamas make controllingthe mind in which these powers aredominant a difficult task. Yet there is anotherconstituent of the mind which makes the tasknot a hopeless one. This constituent is saliva,which is found in a mixed or pure state. Onthis, Vedanta teaches:

> *Pure sattva is (clear) like water, yet in conjunctionwith rajas and tamas, it makes for transmigration. The reality of Atman becomes reflectedin sattva, and like the sun reveals the entireworld of matter. The traits of mixed saliva arean utter absence of pride etc., niyama, yama, etc.,as well as faith, devotion, yearning for liberation,the divine tendencies, and turning away from theunreal.*

> *The traits of pure sattva are cheerfulness, therealization of one's ownsSelf, supreme peace, contentment,bliss, and steady devotion to Atman bywhich the aspirant enjoys bliss everlasting.*

So we find—and it is very important tounderstand this—that built into our ownnature are powerful impediments and potenthelp in controlling the mind. It is therefore aquestion of devising the right strategy so thatthe inimical forces may be defeated and thehelpful forces given full play. This can be donenot by engaging in a blind mad fight, but byskillfully operating the inner forces.

The strategic question in regard to thecontrol of mind is this: can we so change the "guna-balance in our nature as to bring aboutthe preponderance of sattva? Teachings on this problem are therefore of great help to us.

Inthe Srimad Bhagavatam we find:

> *The gunas, sattva, rajas and tamas, belong tothe intellect and not to the Self. Through sattvaone should subdue the other two and subduesattva also by means of sattva itself.*

Through developed sattva a man attains that form of spirituality which consists in devotion to Me.

Through the use of sattvika things (i.e. tend to purity and illumination and so is developed; this leads to spirituality.

That superior form of spirituality which is brought on by an increase of sattva destroys tamas. And when both of them are iniquity which has its rise in them, is also quickly destroyed.

In the teaching that through developed sattva the aspirant attains spirituality we get the most important lesson for our purpose, for attainment of spirituality and mind-control are identical in one sense. So, of utmost importance for those who want to control the mind is to know how to develop sattva.

What are the sattvika things and activities by means of which sattva can be made to predominate?

Sri Krishna specifies them in the next verse:

Scriptures, water, people, place, time, work, birth, meditation, mantra and purification—these are the ten causes which develop the gunas.

The import of this verse is that 'each of these has its sattvika, rajasika and tamasika counterparts; the first conducing to purity, illumination, and bliss; the second to temporary pleasure followed by painful reaction; and the last leading to ignorance and increasing bondage.

Of these, those alone are sattvika, which the sages praise; the tamasa are what they condemn; while those are rajasa about which they are indifferent. For the increase of saliva a man should concern himself with sattvika things alone. Thence comes spirituality, and from this again knowledge, leading to the realization of one's independence and the removal of the superimposition of gross and subtle bodies.

In the verses quoted above we have, from an authentic source, ill-important teachings on how to bring about desirable transformation in the guna-combination in our mind. Control of mind, in its creative arid positive aspect, is this inner transformation. Until this is achieved not true work is really done for gaining control over the mind.

When through these and other means the aspirant has succeeded in ensuring the preponderance of sattva in his nature, his battle for mind-control is more than half won, but not fully. The reason is that even sattva binds man. This is how the Gita puts it:

Sattva, rajas and tamas—these gunas, O mightyarmed, both of Prakrti, bind fast in the body the indestructible embodied one.

Of these sattva that is stainlessness, luminous and free from evil, binds the sinless one, by attachment to happiness and by attachment to knowledge.

The psychological implication of the wordsof the Gita that 'sattva binds by attachment tohappiness and attachment to knowledge, andof Sri Ramakrishna, that 'sattva is also a robber',is that even the preponderance of sattvain our nature does not amount to perfect controlof the mind. What is needed for gaining perfect control of the mind is to go beyond thegunas. Sri Krishna teaches the technique of goingbeyond the gunas in the fourteenth chapter ofthe Gita. In verse twenty-six he gives the entireteaching in its' simplest form, shorn of all technicalities.

He says: 'And he who serves Me(the Lord) with unswerving devotion, he, goingbeyond the gunas, is fitted for becoming Brahman'.

But only the pure in heart can serve Godwith unswerving devotion. If we feel that weare not so pure in heart and so cannot practiceunswerving devotion, we must not be discouraged.Through the persistent practice ofdevotion we can gradually become more unswervingand pure.However, if for any reason we are not ableto adopt the 'simplest method' of going beyondthe gums, other ways of controlling the mindremain open to us.

In addition to learning how to conquer tamasand rajas we need to learn how to conquersattva also. This is taught by Sri Sarikaracaryathus:

Tamas is destroyed by both sattva and rajas by sattva, and sattva dies when purified. Therefore do away with thy superimpositionthrough the help of sattva.

Holy company greatly helps Mind-Control

We have discussed in some detail one methodof changing the guna-compositionof our mindfor the purpose of controlling it. This is anauthentic method taught in the scriptures.

When correctly practiced, it can help anyone.There will, however, be many people who areso constituted that they cannot take inner careof themselves in such detail, or because theirconditions of living are not conducive to thepractice of this discipline. Is there any otherdiscipline easier to practice but equally effective?Yes, there is a discipline which is easierto practice, and is equally, if not more effective.But there is a difficulty in speaking about thisvery simple method. An illustration will showwhat we mean. There are some patients who,having suffered a great deal from an obstinate ailment, do not really trust the doctor when heprescribes a simple remedy. They are inclinedto think that a difficult disease needs correspondinglycomplicated treatment. The same istrue of the simple method we are about todescribe: for some people it is too simple.

The method is that of being in holy company.It is a simple method, but more effective thanall others.

Most of our attachments are due to the preponderance of rajas in our nature. When weare in the company of a perfected soul, thepowerful vibrations of his holiness penetratewithin us and bring about a speedy

change inthe guna-composition of our mind, leading toa preponderance of sattva- for the time being.

How enduring this sattva dominance will bedepending on how often we frequent holy company.

Holy company makes our task of controllingthe mind easier, so we must not fail to seek it.But when holy company is not available, whatdo we do? We must depend on our own resourcesand go ahead with hard and methodicalwork. Following thoseof the above teachingswhich are suitable for us, we must bring aboutthe preponderance of sattva in our mind, andfinally learn how to transcend sattva by purifyingit.

Basic yoga disciplines formind-control

The yoga scriptures insist that in order tocontrol the mind aspirants must practice thedisciplines of yama and niyama. Non-killing,truthfulness, non-stealing, continence, and non-receivingof gifts are called yamas. Internal andexternal purification, contentment, mortification,study, and worship of God are the niyamas.

Obviously one who is not yet the master ofhis mind will fail to observe some of these precepts.Yet the idea of insisting on the practiceof these virtues is to keep the ideal alwaysbright before the practitioner, so that innerstrength may grow through self-effort.

Patanjali,the great teacher of yoga, says that undisturbed calmness of mind is attained bycultivating:

a. Friendliness towards the happy.

b. Compassion for the unhappy.

c. Delight in the good.

d. Indifference to the evil.

This aphorism requires explanation. The dispositionof being happy at the happiness ofothers creates a very soothing mental climatein which wrong impulses like jealousy cannotthrive.

While avoidance of evil company is helpfulfor controlling the mind in a negative way, thecompany of the holy is helpful in the mostpositive manner; HolyCompany removes thmental impurities of even a degraded person. This is what the saints and scriptures say, ShriKrishna teaches in the Srimad Bhagavatam thatassociation with the holy roots out all attachment.

Our attachments are themost powerful impediments to the control of the mind. When attachments are removed, aversions and delusionsalso leave us easily, as a result of whichwe attain discrimination andclarity of understanding. With these inner transformation sunknowingly going on as a result of holy companywe find it possible to control the mind.

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6.2 SPIRITUAL INTELLIGENCE OR SPIRITUAL QUOTIENT

What does it mean to have spiritual intelligence or spiritual? Spiritual intelligence is a higher dimension ofintelligence that activates capacities such as a new level of understanding, empathy, andinnovation, and stems from a deep understanding of its goals and reasons for existence, resulting inan improvement of talents and work. It's also a "transpersonal intellect that extends beyond humanboundaries, a non-rational dimension that connects man to nature and to God.

Scholars like Maslow, Jung, and Fowler have demonstrated the importance of spirituality in theformation of human personality traits and motivations. Spiritualintelligence, is the pinnacle of intelligence, the ultimate intelligence, and helps us to make acceptable judgments on events and act accordingly. It allows people to analyze conditions in order to figure out how to change them, rather than reacting tothem. This allows people to become masters of situations rather than just enduring them. Thisintelligence also aids in answering questions about the profound meaning of things and their value,allowing one to act holistically. Spiritual intelligence is also a multidimensional transformationalspirituality. Internal and external transformations are taking place (a new relationship with God, anew relationship in searching harmony with oneself and well-being for the community, andharmony with the environment in being preoccupied not only by the present but also by theresources for the future generations). Values and rationality are included, but it goes beyond them.It also serves as the foundation and basis for all transformational activities.

Gardner's theory of multiple intelligences

Howard Gardner changed the world's perception of intelligence, which was previously defined in terms of IQ (intelligence quotient). Professor of psychology at Harvard University's GraduateSchool of Education, he wrote "Frames of Mind: The Theory of Several Intelligences," in which e demonstrates the presence of multiple intelligences rather than a single mind that can bemeasured and quantified. Gardner isn't the first to advocate for multiple intelligences. Gardner first outlined his theory in his 1983 book "Frames of Mind: The Theory of Multiple Intelligences," where he suggested that all people have different kinds of "intelligences." Gardner proposed that there are eight intelligences, and has suggested the possible addition of a ninth known as "existentialist intelligence."

While a person might be particularly strong in a specific area, such as musical intelligence, he or she most likely possesses a range of abilities. For example, anindividual might be strong in verbal, musical, and naturalistic intelligence.

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➢ Visual-Spatial Intelligence

Strengths: Visual and spatial judgment

People who are strong in visual-spatial intelligence are good at visualizing things. These individuals are often good with directions as well as maps, charts, videos, and pictures.

Characteristics

Characteristics of visual-spatial intelligence include:

- Enjoys reading and writing
- Good at putting puzzles together
- Good at interpreting pictures, graphs, and charts
- Enjoys drawing, painting, and the visual arts
- Recognizes patterns easily

Potential Career Choices

If you're strong in visual-spatial intelligence, good career choices for you are:

- Architect
- Artist
- Engineer

➢ Linguistic-Verbal Intelligence

Strengths: Words, language, and writing

People who are strong in linguistic-verbal intelligence are able to use words well, both when writing and speaking. These individuals are typically very good at writing stories, memorizing information, and reading.

Characteristics

Characteristics of linguistic-verbal intelligence include:

- Good at remembering written and spoken information
- Enjoys reading and writing
- Good at debating or giving persuasive speeches
- Able to explain things well
- Often uses humor when telling stories

Potential Career Choices

If you're strong in linguistic-verbal intelligence, good career choices for you are:

- Writer/journalist
- Lawyer
- Teacher

➢ **Logical-Mathematical Intelligence**

Strengths: Analyzing problems and mathematical operations

People who are strong in logical-mathematical intelligence are good at reasoning, recognizing patterns, and logically analyzing problems. These individuals tend to think conceptually about numbers, relationships, and patterns.

Characteristics

Characteristics of logical-mathematical intelligence include:

- Excellent problem-solving skills
- Enjoys thinking about abstract ideas
- Likes conducting scientific experiments
- Good at solving complex computations

Potential Career Choices

If you're strong in logical-mathematical intelligence, good career choices for you are:

- Scientist
- Mathematician
- Computer programmer
- Engineer
- Accountant

➢ **Bodily-Kinesthetic Intelligence**

Strengths: Physical movement, motor control

Those who have high bodily-kinesthetic intelligence are said to be good at body movement, performing actions, and physical control. People who are strong in this area tend to have excellent hand-eye coordination and dexterity.

Characteristics

Characteristics of bodily-kinesthetic intelligence include:

- Good at dancing and sports
- Enjoys creating things with his or her hands
- Excellent physical coordination
- Tends to remember by doing, rather than hearing or seeing

Potential Career Choices

If you're strong in bodily-kinesthetic intelligence, good career choices for you are:

- Dancer

- Builder
- Sculptor or an Actor

➢ Musical Intelligence

Strengths: Rhythm and music

People who have strong musical intelligence are good at thinking in patterns, rhythms, and sounds. They have a strong appreciation for music and are often good at musical composition and performance.

Characteristics

Characteristics of musical intelligence include:

- Enjoys singing and playing musical instruments
- Recognizes musical patterns and tones easily
- Good at remembering songs and melodies
- Rich understanding of musical structure, rhythm, and notes

Potential Career Choices

If you're strong in musical intelligence, good career choices for you are:

- Musician
- Composer
- Singer
- Music teacher
- Conductor

➢ Interpersonal Intelligence

Strengths: Understanding and relating to other people

Those who have strong interpersonal intelligence are good at understanding and interacting with other people. These individuals are skilled at assessing the emotions, motivations, desires, and intentions of those around them.

Characteristics

Characteristics of interpersonal intelligence include:

- Good at communicating verbally
- Skilled at nonverbal communication
- Sees situations from different perspectives
- Creates positive relationships with others
- Good at resolving conflict in groups

Potential Career Choices

If you're strong in interpersonal intelligence, good career choices for you are:

- Psychologist
- Philosopher
- Counselor
- Salesperson
- Politician

➢ **Intrapersonal Intelligence**

Strengths: Introspection and self-reflection

Individuals who are strong in intrapersonal intelligence are good at being aware of their own emotional states, feelings, and motivations. They tend to enjoy self-reflection and analysis, including daydreaming, exploring relationships with others, and assessing their personal strengths.

Characteristics

Characteristics of intrapersonal intelligence include:

- Good at analyzing his or her strengths and weaknesses
- Enjoys analyzing theories and ideas
- Excellent self-awareness
- Clearly understands the basis for his or her own motivations and feelings

Potential Career Choices

If you're strong in intrapersonal intelligence, good career choices for you are:

- Philosopher
- Writer
- Theorist
- Scientist

➢ **Naturalistic Intelligence**

Strengths: Finding patterns and relationships to nature

Naturalistic is the most recent addition to Gardner's theory and has been met with more resistance than his original seven intelligences. According to Gardner, individuals who are high in this type of intelligence are more in tune with nature and are often interested in nurturing, exploring the environment, and learning about other species. These individuals are said to be highly aware of even subtle changes to their environments.

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Characteristics

Characteristics of naturalistic intelligence include:

- Interested in subjects such as botany, biology, and zoology
- Good at categorizing and cataloging information easily
- May enjoy camping, gardening, hiking, and exploring the outdoors
- Doesn't enjoy learning unfamiliar topics that have no connection to nature

Potential Career Choices

If you're strong in naturalistic intelligence, good career choices for you are:

- Biologist
- Conservationist
- Gardener
- Farmer

There are many people who feel that there should be a "ninth intelligence" added to Howard Gardner's Theory of Multiple Intelligences, that of "existential intelligence" that can be called as wondering smart, cosmic smart, spiritually smart, or metaphysical intelligence. The possibility of "existential" intelligence has been alluded to by Gardner in several of his works. He has stated that existential intelligence might be manifest in someone who is concerned with fundamental questions about existence, or who questions the intricacies of existence.

Existential intelligence can be defined as the ability to be sensitive to, or have the capacity for, conceptualizing or tackling deeper or larger questions about human existence, such as the meaning of life, why are we born, why do we die, what is consciousness, or how did we get here.

Gardner's theory has come under criticism from both psychologists and educators. These critics argue that Gardner's definition of intelligence is too broad and that his eight different "intelligences" simply represent talents, personality traits, and abilities. Gardner's theory also suffers from a lack of supporting empirical research.

Despite this, the theory of multiple intelligences enjoys considerable popularity with educators. Many teachers utilize multiple intelligences in their teaching philosophies and work to integrate Gardner's theory into the classroom.

6.3 LET US SUM UP

In this unit the concept of mind and controlling the mind for deviant behaviour is discussed by controlling the brain power. The ability to control electrical activity in brain circuits has the potential to do for brain disorders what electrical stimulation has accomplished in treating cardiac disorders. By beaming electrical or magnetic pulses through the scalp, and

by implanting electrodes in the brain, researchers and doctors can treat a vast array of neurological and psychiatric disorders, from Parkinson's disease to chronic depression.

But the prospect of "mind control" frightens many, and brain stimulation to modify behavior and treat mental illness has a sordid history. In the 1970s Spanish neuroscientist Jose Delgado used brain stimulation in monkeys, people and even a charging bull to understand how, at a neural circuit level, specific behaviors and functions are controlled—and to control them at will by pushing buttons on his radio-controlled device energizing electrodes implanted in the brain. Controlling movements, altering thoughts, evoking memories, rage and passion were all at Delgado's fingertips. Delgado's goal was to relieve the world of deviant behavior through brain stimulation and produce a "psycho-civilized" society.

The concept of spiritual intelligence has been explained. Spiritual intelligence is defined as the human capacity to ask questions about the ultimate meaning of life and the integrated relationship between us and the world in which we live. It results in an increase in psychological well-being of individuals as well as having a goal in their life.

6.4 EXERCISES

Q.1   What is mind control? Discuss different strategies of mind control.

Q.2   Explain spiritual intelligence with examples.

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ROLE AND RESPONSIBILITIES OF A MANAGER, EFFECTIVE AND INEFFECTIVE MANAGERIAL STYLES

Unit Structure

7.0   Objectives

7.1   Role and Responsibilities of a Manager

7.2   Effective and Ineffective Managerial Styles

7.3   Let us sum up

7.4   Exercises

7.0 OBJECTIVES

After going through this unit, you will be able to understand

• Role and Responsibilities of a Manager

• Effective and Ineffective Managerial Styles.

7.1 ROLE AND RESPONSIBILITIES OF A MANAGER

Notion of Manager

Managers are the community that visibly stands apart in present-day business organization, although heterogeneous and difficult to unequivocal defining. The reasons for this phenomenon are concerned with the process of ownership and management's separation, therefore with so called "managerial revolution". The notion of manager is fairly indefinite. This issue is much expanded in economic and organization and management sciences. Tremendous heterogeneity of administration personnel is the reason that there is no, universal and commonly accepted definition in the literature on this subject. In the business encyclopedia, manager is on described as a person, who fulfills the primordial managerial functions (planning, organizing, motivating and controlling) and is the superior of given human team. In particular manager is the person that makes plans and decisions, organizes, supervises and controls human, finance and information resources. Manager is the person employed in the administration position, who has comprehensive knowledge necessary to leading people and managing the organization, in order to achieve optimal realization of their tasks in the confined conditions.

Most of managers are also supervisors, but not all of them, because there are many managers, who – in spite of being superiors to other employees

do not – have in any way impact on organizations achievements capability. Supervisor is the person, who is placed in formal organization and has subordinates. So, it is the person who the head of the given department and causes – using employees – realization of commissioned to this division tasks.

Managing personnel could be divided in to many groups; it depends on the undertaken criterion. The most often referred criterion is the position of manager in the organization's structure (hierarchy). From this point of view one can distinguish:

a) top-management – including managers occupying the highest posts in company's central administration or in branch establishments; they are responsible for planning and strategic decisions;

b) middle-management – that means managers of departments and services in company's central and its branch establishments; they come to operating decisions, pass them on first-line management and control implementation of these decisions;

c) first-line management, supervisory management or junior management – including mainly supervisors of production's divisions (that is foremen and brigadiers) responsible for implementation of made decisions and direct control of tasks realization's process.

In another way administration personnel could be divided, when one makes allowance for manager's sphere of activity and job description. When man takes into consideration this criterion, then it could be marked out:

- functional managers – responsible for one kind of activity in given business organization (e.g. production, marketing, selling or finance),

- Overall managers – supervising complicated economic unit, like enterprise, branch establishment or separate department and responsible for whole economic activity of this unit (i.e. production, marketing, selling and finance).

Next and also essential partition makes allowance for management as a decisions process and divides all people from managerial sphere population into:

- assistant personnel – their job includes recording, gathering and storage of information,

- specialists – responsible for transformation and preparation of organization or its division's activity variants,

- decision-makers – people who choose aims and ways of reaching them.

Beyond above mentioned indexing (that takes into account first of all essence, extension and method of doing one's duties) managers could be

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also divided giving consideration to another criterions, like for example: characteristic features, ways of behavior, demographic features or preferred managerial style. It is worth also emphasizing the meaning of another indexing that takes into account managers' approach to commit and administrated resources. Here one can mention:

a) entrepreneurs – that is contractors, who establish a business, take risk and lead it on their own account; they usually undertake risky business venture hoping to make a success; this undertakings consist in transferring different resources from areas where are little profits and low effectiveness to the areas of high performance and great earnings;

b) intrapreneurs – in other words managers, who have proper knowledge to administrate the company and reveal initiative and inventiveness in their activity, which they make use of to develop somebody else's enterprise; the methods of acting (and also knowledge) are often much the same as principles of entrepreneurs'' activities but the potential risk and emotional loading is here considerably lower, because intrapreneurs does not lead the enterprise at his own risk and account.

Typologies of managerial roles

Managers' roles were being changed in the time distance, because the contexts of enterprises' activity were also being changed. One hundred years ago the supervisor was only the liaison between the owner and all the staff of the company. He listened to what the employees had to say and used their ideas, but he was concentrated rather on resolving the problems than on discipline. However, along with the growth of an average enterprise size, supervisors got more powerful and theirs managerial style became more autocratic. The contexts of managers' activity were changed and so called "managers' revolution" took place. Together with it manager received the right to employ and dismiss people, specify the quantity and quality of their work, specify the required quality of products, etc. Afterwards the status of managers in the enterprise began to change because of changes in the external and internal conditions of company's functioning.

Internal changes, because technological development required employing experts.

This people with specialist knowledge be in want of more freedom of action, which autocratic style of management did not provide. However external context was changed because of improvement of subordinates' situation, as a result of more and more expanding labour rights. One started to pay attention to employee's needs and their motivation, which was expressed in behaviour theory. Nowadays management conceptions are concentrated rather on showing the inferior the direction than on tight control.

Although the level of knowledge, necessary for effective job processing, has lately enormously increased and methods of its accomplishing are often different, the main purpose of manager became the same – managing

in a such way, that hitherto prevailing quantity and quality of production could be sustained by keeping up good interhuman relationships in the enterprise.

Manager – which has already been found out – performs many various roles in business organization. Very often they arise as a result of existence of certain behaviour patterns which function in external and internal environment of the company and are related with position of a given person in the organization's structure. One can therefore distinguish many different typologies of managerial roles in the enterprise, if one takes into consideration particular criteria.

According to task priority criterion (enterprise survival oriented and not development oriented) one can present:

- conservative roles – arising from day-to-day problems and as a rule leading to fixation of conservative attitudes; managers such orientation would – in the name of "survival at any price" – avoid any conflicts in the company, restrain it's development aspiration and theirs own self-realization,

- creative roles – directed on company's expansion, its adaptation to changing environment and managers self-realization, which makes possible to provide the policy of the long term dynamic development.

When one makes allowance for criterion of market behaviour, one can distinguish:

- strategic roles – identified most often with the program of general defining and realization of organizations aims and fulfillment of its mission,

- organizing roles – making possible for manager to accurate organization of the enterprise and it's functioning according to expectations.

The managerial roles are divided into three groups: interpersonal(creating and maintaining of interpersonal relationships), informational (concerned with the information aspects of managerial work – resumption and transmission of information)and decisional (coming to decisions).

1. Interpersonal roles include:

- figurehead role – manager represents the business organization in all matters of formality, legally and socially to those inside and outside of the organization (it depends on his position in the enterprise's structure) and he is like a company symbol for external environment,

- leader role – he reaches the organization's aims by using specified type of motivation oriented on employees needs satisfaction,

- liaison role – manger interacts with peers and people outside the organization, heenters into agreements, contracts, gain the orders and therefore perform activity essential for the company.

2. Information roles include:

- monitor role – manager searches for the information concerned with the company's activity (problems with selling, taxes, production, etc), which are necessary for making decisions; he read professional magazines connected with specificity and selling market of his enterprise,

- disseminator role – manager transmits and propagate special information into the organization; he works up and sends reports, letters, etc.

- spokesperson – disseminates the organization's information into its environment(central government, local government, different offices, media, etc.) and into the organization(e.g. organized labour).

3. Decision roles include:

- entrepreneur role – manager analyzes possibilities of company's development and implements systematic changes, initiates different programs and scientific research, encourages employees to make contribution and present individual ideas for developing the organization,

- disturbance handler role – manager improves the organization's structures, responds to conflicts, all types of criticism and complaints that appear in the company, solves them and counteracts new ones, eliminates disturbances and negative events inthe enterprise,

- resource allocator role – he chooses where the organization will expand its efforts, distribute limited resources (finance, technical, human, etc.) in the organization, regulate their usage in work, prioritizes tasks and procedures,

- negotiator role – manager negotiates on behalf of the organization in any individual or group, external or internal agreements.

Conditions of managers' role

The way of fulfilling the social role by the person depends both on subjective factors, his personality traits, and the personality as well as on objective, outside factors in the relation to him. It is possible to point out here two approaches to determinants of the fulfilling of the roles by the given manager:

- individualistic approach – where the person's individual features are influencing the specification of him according to his position in the team and the content of hisroles, and so the manager has influence on shaping the situation in which he is located but what effects he/she is

reaching depends on the general ability to wield managerial duties chiefly,

- situation theory – according to which it is the objective situation that influences the management style, the quality, effects of directing, for fulfilling the managerial roles, because the situation requires the determined decision and individual features are leaving for the other plan here.

Both theories are not staying in the contradiction in reality since working of the manager refers to various contexts. Because he has bigger influence on the situation in which he is operating he has a bigger power, he has the more important role or the high office position in the organizational structure of the given company. It refers to influence on his direct, nearest environment, i.e. for the company and the internal context of his functioning. However the more far-away environment, the global situation, the social and economic system more is influencing the manager, the behaviour of whom is the reaction to the existing outside context.

The economic growth and dynamics of the environment influence the evolution of manager's roles. This new formed roles are the answer on the changing of internal and external context of the companies functioning. It is possible to separate among objective, outside conditioning of managers' roles the five basic factors which exert bigger and bigger influence on the manager's activity. They are the following:

- broad institutional perspective – growing meaning of the business activity as the social activity on the one hand, and the growing remark of the state from other, they are dictating necessity of the more precise co-operation of the company and the social environment. New social requirements in the face of companies and the limitation are forcing the management of these companies to include variables of social benefits in every significant decision in practice. Systems of purposes and values of the company are also changing;

- widening geographical limits and political perspectives – company operating apart from the country is dealing with various national manners, cultures and levels of the economic development. That is why in the process the following economic, social, political and cultural variables must be taken into consideration;

- information challenge – it is conditioned on the technology, variability of companies and with the global scale of their activity but the result with growing complexity of managerial decisions. The challenge includes both capacity and the topic content of the information necessary in the process of management;

- growing complexity of the company as the system of action – growing participation of scientific and technical examinations are dictating the need to lead the level of management competence to the level of the technology applied. The complexity and the variety of the production's

assortment are leading to decentralization of the decision process and in the effect to the rise of the complex information system;

- the variety and variability of requests in the relation to the company – from one sight increasing competition, increasing the pace of the contact and the transport in the global scale requires quicker reactions to changes of demand, working of competitors, problems tied with production and the technology, from other sight tasks referring to development of new products, new technologies and marketing will bring to changes which will be tied with the past in the smaller and smaller mark.

Managerial roles in the internal and external context

Each manager's role usually influences the bigger mark for the internal or external context of functioning of the company. Manager's basic roles could be split into those which toa bigger or smaller extent influence the internal and external environment of the companies. So, influence for internal context has: the leader role, monitor role, disseminator role, entrepreneur role, disturbance handler role and resource allocator role. However, remaining manager's roles influence the external context, i.e.: figurehead role, liaison role, spokesperson role and negotiator role. Two last parts having influence external context, but they also influence the internal context however, they were enumerated in the outside context, because can afford fulfilling of these parts relatively bigger weightin the face of the external than internal environment.

Roles of MANAGER :

- ❖ Figurehead.
- ❖ Leader.
- ❖ Liaison.
- ❖ Monitor.
- ❖ Disseminator.
- ❖ Spokesperson.
- ❖ Entrepreneur.
- ❖ Disturbance Handler.
- ❖ Resource Allocator.
- ❖ Negotiator

Category	Role
Interpersonal	Figurehead Leader Liaison
Informational	Monitor Disseminator Spokesperson
Decisional	Entrepreneur Disturbance Handler Resource Allocator Negotiator

One of the most important manager's roles is the leader's role, which influences a lot the internal and indirectly also external context of functioning of the company. The lead is variously defined in literature of the subject. The lead is both the process and the property. The process of the lead consists in unconstrained guiding and co-coordinating of work members of the organized group to reach group purposes. However, the

lead as the property is the set of personality features possessed by the ones who are perceived as persons successfully applying such an interaction.

The lead can be defined as the ability to influence the group so that the group can gain determined goals. This definition appears to defy whole essence of the lead. Leader will be evaluated before everything for one's effectiveness in reaching intended purposes. This understanding of lead is based on four pillars which are providing of the leader's efficiency:

- creating the vision of what an organization should become in future and this vision should take into consideration the business of all parties concerned,

- creating the strategy which takes into consideration significant chances and threats in the environment and strong and weak sights of the organization,

- creating the supporting coalition, whom participants are followers and people committed to the realization of the vision and the strategy of the company,

- communicating, convincing and inspiring participants to the realization of the mission and the strategy of the organization.

Four above-mentioned pillars are distinguishing manager-leader from ordinary manager-administrator. Manager-administrator is before everything taking such action uphow: planning, budgeting (determining of the budget), organizing and controlling. Plans do not have to and they most often contain no visions in themselves. They are most often extrapolation of the situation from the previous years. Similarly little common to oneself, the organizational structure and the supporting coalition have. The organizational structure is determining principles of the inferiority and the precedency in the organization and the supporting coalition includes people supporting the vision and the strategy proposed by leader.

It is necessary to point out also here, that with the leader's name is often called aperson that has the ability to exert influence on other people and win people and it doesnot matter if it is being determined by right of the position occupied in the hierarchy of the organizational structure, knowledge, interpersonal contacts whether and charisma. It means that a leader does not have to be a person formally appointed to this role but of course, the best effect is certainly giving connection of authority legal with charisma power, because then formal (because of one's place in the organizational structure) the leader is the leader whom a crew would choose if they had such a possibility. To shape the internal context of the company for such a leader is most easily this way so that the best effects were being reached. A role of the leader-manager in the face of the need to modify the internal context of the company is important especially within a period of economic transformations. In difficult periods, when restructuring is being carried out the manager should by supporting subordinates sketch this way and point new purposes of the company in

order to impel them to put the suitable effort on to the realization of these purposes.

Nowadays the managerial roles have widened, became more complicated, active and creative. Managers, who want to administrate enterprises in an appropriate way must be up to the mark, fulfill more and more functions and play on many "stages". They should be flexible, be able to adapt themselves to different situations and play many roles, change roles, adapt them and even create the roles, because the internal and external contexts of company's functioning are constantly changing. Who is not able to keep up with it, will lose the game called "management art."

7.2 EFFECTIVE AND INEFFECTIVE MANAGERIAL STYLES

Effective Managerial Styles

There are managers who are coaches, who are democratic, who are dictatorial and those who are consensus builders. All styles come with positives and negatives, many managers employ a combination of all to make progress. Ultimately, the managers that have the most successful teams are the ones who help each individual member of the team to grow. To manage the best way possible, you need to be strict but gentle and, employees will probably feel good and happy in a medium where inclusivity is a need. Balance in the work environment is imperative for empowering employees from all background to feel certain about their potential and accomplish their best. The higher the self-esteem, the more beneficial the employees are. People from different background can offer variety of abilities and experiences, aptitudes and encounters that might be of advantage to the organization and their work execution. Although some hybrid of aptitudes can be gainful with regards to helping each other, a mixture of skills and abilities among the group likewise implies that workers can gain from each other. By working nearby individuals of various backgrounds, experiences and working styles, creative ideas can be conceived then discussed among each other and offering feedback and proposals. Though one individual might be extraordinary at out of the box thoughts, another individual may have the important experience to execute it; so it is fundamental to play on every individual's skills, abilities and work together within the group.

Simple definition of workplace would be ''a place where people work, such as an office or factory'' every industry or organizations first aim is to benefit from their work and reach the purpose and targets they have built. One of the key drive is to have the right people for achieving that desired goals, workplace happiness and comfort have direct effect on achieving any organizations goals, you can take the best out of people by making them feel a pleasant working environment, secure and support from their higher managements within the a workplace, all these will result in increasing employees well-being and productivity. Keeping high morale in the workplace will give hard working employees in return.

Management style is best portrayed as a strategy of leadership that is utilized by supervisors. Management is the technique of working with and via others to successfully acquire the goals of the organization, through efficient use of the available resources as management is a wide range subject and there are so many researches, publication and articles in this field, each one have different division and definition for the management styles used.

At first, "**Visionary or imaginative style**'' in which, this style is most proper when an organization needs another heading. Its objective likely moves individuals towards a new set of shared visions and goals. Visionary leader focuses on where a group is going and doesn't matter how it gets there in other words the focus is on the destination, not the road, allowing individuals to advance, explore and take risks.

Secondly, "**Coaching style**'' in which this one-on-one style centres on creating people, showing them how to improve their performance and aligning their goals with organization goals.Coaching style works best with employees who demonstrate activity and need more expert advancement. However, backfire is expected if it goes towards "micromanaging" which will cause losing self-confidence and morale for the employee.

The third style is known as an "**Affiliative style**'' which underlines the significance of collaboration and makes group harmony by strengthening people's communication. It is specifically important when you have to enhance the balance of the team, improve morale, and restore the broken trust and communications in the organization. However, it has its downsides, continuous positive feedback on the group performance might lead to poor performance to go uncorrected and persuade that insignificance will be endured.

Another approach is a "**Democratic style**''. A democratic manager is a person who solves issues or makes changes with the aid of asking crew members for their feedback, recommendations, and ideas. This leader can be uncomfortable with making all of the decisions themselves. This approach canbe catastrophic during crises, and in the times that quick and urgent decisions are needed, also it's time consuming and decision making process takes longer time.

Furthermore, there is "**Pacesetting style**'' where the leader sets high standards for performance. He or she is obsessive about doing things better and faster and asks the same from everyone, this style destroys work environment, employees will experience overwhelmed by managers needs for excellence. Working guidelines might be clear for the manager, however, they do not clarify them properly and expects people to know what to do and how to thinks, it will lead to morale drop and failure feeling among people. But it has shrouded advantage: quick acquiring of the outcomes within the short time period, there will be a high-energy group with the terrific performance in terms of conducting tasks as well as the quality of the work itself.

"**Autocratic style**'' this is the style where the manager tells the employees what to do. Consequences awaits them if they fail to fall in line, employees are inspired generally via fear of discipline. The company has precise, clear regulations that employees should comply with. The higher management has no interest in hearing feedbacks from the employees. All things considered, in emergency circumstances, when urgent action is required, it can be a successful approach.

Finally, there is "**Laissez-faire style**'' that is the inverse of autocratic, workers are permitted to settle most of the decisions, with management giving direction when required, the manager for this situation is viewed as an adviser instead of a leader. This style of management is mainstream in new businesses and technology organizations, where the risk taking is supported. It works well when a group of experts are working together and they have the success skills to achieve the desired goals.

Note that what recognize every initiative style above aren't the individual attributes of the leader, yet rather the nature and requirements of the individuals who are being driven.

Managers arrange and regulate the work by other individuals with the goal that authoritative objectives can be refined, none managerial employee work specifically on a job or assignment and have nobody answering to them which is the feature differentiate managers from their employees yet the main purpose of manager is making sure that the works and activities are completed in the best way and as efficient as possible. Organizations have three qualities in general; a purpose, made from individuals, and a conscientious structure. A considerable number of the present organization are organized to be more open, adaptable, and receptive to changes, managers are critical to the firms, companies or organization for three reasons. To begin with, organizations require their managerial aptitudes and abilities in unclear, complex, and disordered circumstances. Second, managers are basic to complete things and finalizing the tasks and finally, managers can affect employees' efficiency and reliability; the way workers are overseen can influence the organizations budgetary execution, managerial potentials has been appeared to be essential in making hierarchical esteem.

Managers should have the ability to perceive and use the qualities of individual workers to properly pick up on their strength and weakness and utilize those special qualities in a way that is helpful to theorganization. No two workers are the same and people can be significantly more compelling when their skills are utilized further towards their advantage.

Another tool for a good manger is the ability to change management styles for depending on whom they are responsible for, the best manager perceive that employees do not react the same to the way he/she manages, however, they can alter their management style as needs be to amplify workplace satisfaction and, thus, increasing efficiency. For instance, some workers respond better to harsh and criticism and under pressure working while others are better responding to gentle, encouraging guidance.

Choosing one style of management might be impossible as all of them have advantages and disadvantages, any of them is best for certain situation but if a manager has to choose one style, then situational or adaptive leadership works best in most cases, you will get more from your people if you are stern but understanding, keeping an open-door policy, asking for feedbacks, and keeping all informed on what is going on inside the company or organization. Most people prefer managers who are good communicators and friendly, people tend to be recognized and respected, engaging your employees in daily activity will result in moving towards a continuous improvement, the productivity will increase, quality will enhance, turnover ratio will decrease, and it will cause in reducing absence from work, considering all above parameters you will see happiness within the organization, people will work with passion and loyalty as they feel recognized and respected which in return the profitability of the organization will be more and more.

Managers should have a clear vision about the goals to be achieved and have passion for the organization along with the ability to inspire trust among the employees as well as making sure that everyone believes in the organization visions and they are excited about it.

Current workplace requires different managing skills as the diversity increases, the new generation workforce needs more attention due to mixture of different culture, religion and background, people are reaching high position at young ages which is acceptable as long as they eligible to hold that responsibility, two different generation can be noticed nowadays in which the first one is having years of experience but sometimes they lack of technology skills or communication with new generation which are very hard to manage, they are more demanding they expect high salaries with least experience, more free time and distance working, following the applied organizations policies is not their point of strength as they tend to change things, suggesting new ideas and expecting to be implemented quickly which is the main conflict between the two generation.

Not to forget the role of female workers have increased during the last decade, now women are given more chances and competing with mans in a very high level, anyone can reach any position based on eligibility which is accepted by majority of people regardless of age, religion, nationality, gender etc.

Some concerns to be considered as the preferences based on cultural or linguistic background that will result in un-unified workforce, the organization will turn into a bunch of groups in which all works on their own groups' interest. Organization should have strict policies against any type of preferences and insist on unified language within the workplace.

Also religion has a strong impact on religious people behaviour and efficiency, so it should be respected and well treated. the organization should consider this subject carefully because it's like double-edged sword as if you praise it and respect people's belief the productivity will increase, the harmony and happiness of the workplace will grow in return

and in the other hand the organization might face problems even operating in the area.

Ineffective Managerial Styles

Learning how to lead a team can be a case of trial and error, often involving learning from past mistakes. There are many management styles you may wish to follow, and there are even more to avoid.

Ineffective leadership styles can have detrimental effects on a business. For example, poor leadership may result in unmotivated employees, can lower the efficiency of the business and has the potential of being costly if bad decisions are made.

A number of leadership styles that you may want to avoid, include mushroom management, seagull management and autocratic styles. Have youever experienced any of these management styles? What do you think makes a good leader?

However, good leaders know that they are not perfect, but they should avoid the following ineffective managerial styles:

Micro Managing

Helping employees is one thing, but it's also important to know when to take a stepback. Over-management leads to anunempowered team.

Anything Goes

The opposite of micro management is also problematic as well. By letting everything fly, there is no order and it can lead to missing deadlines or low expectations.

Autocratic

In many situations, having just one person making the decisions can lead to employees carrying out projects that they disagree with or do not think will work.

The Charge-Ahead General

Charging ahead on every new project usually comes with a key weakness: a lack of patience. If managers continually get impatient with employees, it affect trust and respect within the organisation.

Complete Self-Reliance

If a manager can't trust others, then the work will pile up for that manager until it becomes unbearable. Meanwhile, employees have a tough time becoming independent in their roles.

Dictatorial

If decisions cannot be questioned, it leads to employees feeling like they are incapable or that they have no input.

Excessive Consistency

A manager with this leadership style has inflexible boundaries, and tends to be overstrictwith employees.This can create resentment and lower motivation.

Mushroom Management

Severe lack of communications between management and employees leads to misunderstandings and confusion.

The Morale Buster

Criticism is important, but too much of it canhurt employee morale.

The Screamer

Too much expression of authority, or expressing it in unprofessional ways, canlead to a lack of respect between employees and management.

There are other ways to articulate authorityand constructive criticisms.

Seagull Management

Managers only interact with employees when there is a problem – this means employees never get praise or encouragement when it is needed.

Being a manager or business owner is challenging. Some days you might feel as if you're being pulled in a dozen different directions—and none of them take you where you want to go! Everyone has leadership strengths and weaknesses, and it can be tough to acknowledge your own shortcomings.

During stressful times as a leader, stay self-aware so you don't slip into negative patterns of behavior. Micromanaging, instilling fear, or disparaging your employees leads to a toxic and unproductive work environment.

That's why it's crucial to be aware of these common—and some not-so-common—bad management styles:

The Poor Communicator

Poor communicators have trouble clearly articulating instructions, goals, and expectations, and they have trouble listening to and understanding others' points of view. They may fail to provide proper training on key tasks, assuming that certain aspects of the job are "common knowledge". They often give partial or confusing instructions. And, when workers share concerns, poor communicators may tune them out.

If you notice that your workers frequently fail to meet expectations, maybe you have not provided clear instructions. Take a few minutes to thoroughly review procedures to make sure you are all on the same page. For complex tasks, schedule training sessions to ensure that workers gain

necessary skills and truly understand the procedures and protocols. Ask for feedback and listen to what they have to say, as well, repeating back comments in your own words to convey your understanding.

The Unfocused Manager

Another example of bad management styles is the unfocused manager who muddles through each day without any sort of plan or direction. Employees who work with unfocused managers tend to feel as if their own work lacks meaning or purpose. Having a clear vision of your company's mission—and an understanding of what steps need to be taken to fulfill that mission—can help you stay focused on the big picture in the midst of the day-to-day grind. Take a few minutes each day to remind yourself of your objectives, and share this with your employees regularly. Set simple short-term and long-term goals and chart your progress to stay focused.

The Micromanager

Micromanagers show little faith in the talents and abilities of others. They tend to be overly controlling and are likely to handle all company decision-making. They may hover over employees excessively or they may take over projects midstream, without giving workers a chance to complete the task. Micromanaging is damaging to employee morale because it makes workers feel powerless, ineffective and incapable.

If you think that you might have micromanaging tendencies, ask yourself why you feel the need to handle everything yourself. Are you worried that your employees will make mistakes that will hurt the business? Do you feel as if no one can do the job as well as you? Challenge yourself to overcome these ideas by taking a fresh look at your employees' skills and delegating certain tasks with a hands-off approach. Start with simple tasks and work your way up to more complex projects. Focus more on results and less on process by reminding yourself that there is usually more than one right way to do something.

The Indecisive Manager

Do you have difficulty making hard decisions or sticking to a plan once it's formed? If you often find yourself wavering on issues or changing your mind to suit your current audience, you might find that your employees are running in circles, too. There's nothing wrong with reassessing situations or changing your mind based on new information—in fact, those are good executive attributes—but if you switch courses to please others or to avoid facing a challenge, you may be damaging your business and credibility as a leader.

One tip to help you avoid this bad management style: think carefully before announcing decisions. Whenever possible, take the time to digest all sides of an issue before stating your course of action. When you inevitably do find it necessary to alter course, examine the reasons why and share them with your employees. If the shift is based on logic and reason, workers are likely to see you as decisive instead of uncertain.

The Abusive Manager

Abusive managers lead by instilling fear and creating a hostile climate that makes employees feel unappreciated and apathetic. This is the most damaging of all bad management styles. Managers, who make inappropriate remarks, belittle or demean employees, or lash out in anger risk damaging their reputation and losing valuable employees. Abusive leaders lack empathy and are rigid and unyielding. They see things in stark terms and are often unforgiving of even minor mistakes or transgressions. When dealing with a problem, they tend to focus on placing blame rather than finding solutions. These negative, tyrannical behaviors can cripple an organization by stifling creativity and teamwork.

Although everyone overreacts occasionally, if you find yourself losing your temper often or engaging in these types of behaviors, it may be time to seek professional help. There may be unresolved issues that make it difficult for you to maintain emotional stability, which is essential in the workplace. Look for a qualified therapist or find a professional development course that focuses on "soft skills" to help you improve your ability to work effectively with others.

Reduce Stress to Become a Better Leader

As a manager, you set the tone for the workplace atmosphere. If you are calm and focused, your employees are more likely to be calm and focused. If you're frazzled and overwhelmed, your employees are likely to feel the same.

Many bad management styles can be overcome by reducing daily stress. Take regular breaks, eat well, and take time to connect with your employees. Engaging in group activities—holiday parties or summer picnics, for example—orcelebrating small victories with a pizza party or ice cream can go a long way in strengthening work relationships!

7.3 LET US SUM UP

The role of a Business Manager is to supervise and lead a company's operations and employees. They perform a range of tasks to ensure company productivity and efficiency including implementing business strategies, evaluating company performances, and supervising employees.

- The main responsibilities of a Business Manager are:

- Assess and identify new opportunities for growth in current and prospective markets.

- Establish the company's goals and objectives.

- Recruit and train new employees.

- Perform regular employee evaluations to determine areas of improvement.

- Design business strategies and plans to meet the company goals.

- Make sure that the company has sufficient resources such as personnel, material, and equipment.

- Develop a comprehensive company budget and perform periodic budget analyses.

- Ensure all company activities adhere to legal guidelines and policies.

- Assess overall company performance.

New research suggests that the most effective executives use a collection of distinct leadership styles each in the right measure, at just the right time. Such flexibility is tough to put into action, but it pays off in performance. And better yet, it can be learned. The most effective managerial styles are: Democratic, Coaching, Pacesetting, Authoritative, Coercive, Laissez-Faire and Persuasive management styles.

Ineffective leadership styles can have detrimental effects on a business. For example, poor leadership may result in unmotivated employees, can lower the efficiency of the business and has the potential of being costly if bad decisions are made. Some of the ineffective managerial styles are: Micro Managing, Anything Goes, Autocratic, The Charge-Ahead General, Complete Self-Reliance, Dictatorial, Excessive Consistency, Mushroom Management, The Morale Buster, The Screamer and Seagull Management.

7.4 EXERCISES

Q. 1. Explain the role and responsibilities of a manager.

Q. 2. Discuss the effective and ineffective managerial styles with reference to your own work situation.

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8

MANAGEMENT AND LEADERSHIP

Unit Structure

8.1 Management

8.2 Leadership

8.3 Difference between Management and Leadership

8.4 Understanding Level 5 Leadership

8.5 Summary

8.1 MANAGEMENT

8.1.1 INTRODUCTION

The 21st century economy is a knowledge based and performance driven economy. A businessman drives his business with the help of innovations and technology to transform it as per the customer expectations. In a course of time, every business develops with complexities. Beyond a level, managing alone becomes a difficult task for a person. The need for management has increased tremendously.

The existence and application of management is not only essential for growth and development but also it is essential for the survival of business organizations. There are several types of groups. Every human being has needs and desires. Organizations understand and work in this direction to provide better goods and services to the customers. These needs and wants can be satisfied by working and living together in an organized group of organizations.

The motive is to satisfy their economic and social needs by helping organizations to achieve the common goals. They work in a controlled and coordinated manner to achieve the goals. Management works in this direction to carry out the operations effectively and efficiently towards the achievement of the goals of the organizations. Various managerial skills are required at various levels of the organizational hierarchy while managing an enterprise. Management is needed in all types and levels of organization.

8.1.2 MEANING

Management is an art of getting things done through people to achieve the common goal of the organization. Management is must to achieve the desired goals through group efforts. It is a social and universal process. Management is an art of maximizing efficiency of groups and putting their efforts towards the predetermined goals of the organization.

The concept of management not only deals with the art of getting things done through people but also directing their efforts through utilization of available resources towards the objective of the organization. Management is a comprehensive term and covers planning, organizing, directing, controlling and coordinating. Decision making is an important component of management.

It is a systematic technique of extracting work from people. The work is divided and responsibility is put through groups. It is to be ensured by the manager that the people are working as per the rules and expectations of the predetermined things. There are many functions of management which help managers to extract the work from people in a more systematic and efficient way.

8.1.3 DEFINITION

There are many definitions contributed by many management thinkers. Lets recall a few -

The *American Management Association* defined management as, " The art of getting things done through other people."

According to *Peter F. Drucker* " A Multipurpose organ that manages a business and manages managers and manages workers and works ".

According to *F.W. Taylor* " Management is the art of knowing what you want to do in the best and cheapest way ".

In the words of *Henry Fayol* - "To manage is to forecast and to plan, to organize, to command, to co-ordinate and to control".

According to *Harold Koontz* " Management is the art of getting things done through and with formally organized groups."

Mary Parker Follett defined management as the "art of getting things done through people".

The definition given by Mary Parker Follett drew attention towards the fundamental difference between a manager and other employees. A manager contributes his work by directing the people towards the goal while the other people contribute by actually working. That's why, it is said that management is an art of getting things done through people towards the achievement of common goals.

8.1.4 CONCEPTUAL FRAMEWORK OF MANAGEMENT

Fig. 8.1: Concept of Management
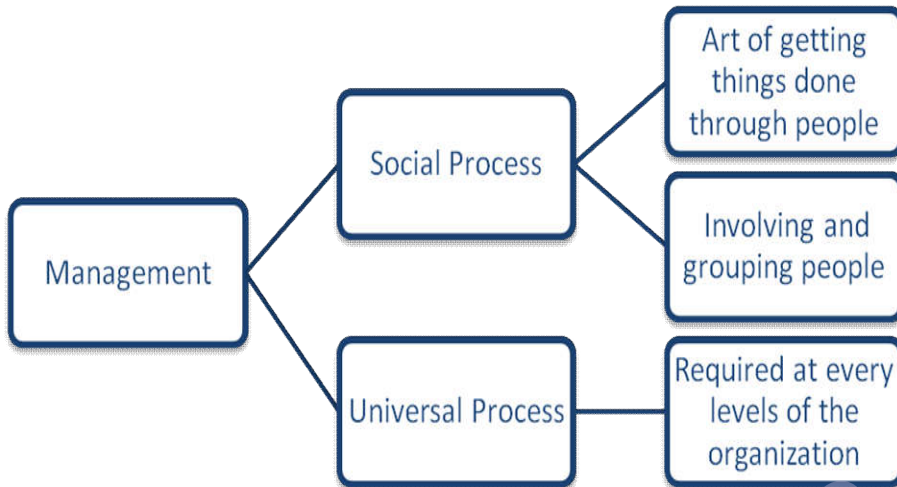
Fig. 8.1: Concept of Management
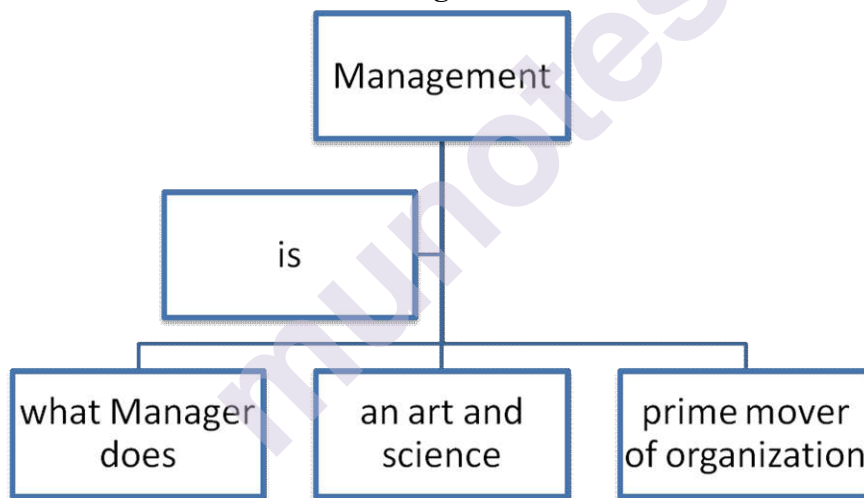
Fig. 8.2: Framework of Management

In nutshell, it can be said that management is an art of managing resources and science of building and maintaining knowledge. Application of theories on organization is an important part of management.

8.1.5 MANAGEMENT AS A SYSTEM

The system approach to management deals with the way of converting inputs into outputs with the help of various management functions. The system approach covers the policies, framework and strategies which helps managers to work and coordinate the efforts of the people towards

the common goal. With the help of this diagram, we can understand how the management works as a system.

Input	Process	Output
•Men •Material •Machine •Method •Market •Money	•Planning •Organizing •Directing •Controlling •Other functions of management	•Product and services •Customer satisfaction •Profitability •Sustainability •Environmental impact
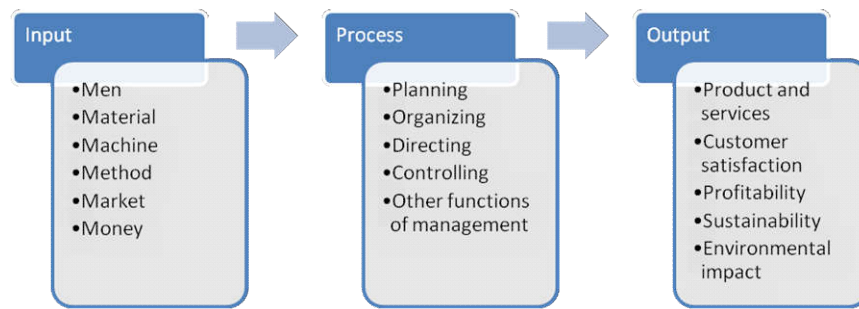
Fig. 8.3 System Approach to Management

8.1.6 FOUR DISTINGUISH ASPECTS OF MANAGEMENT

Management is an art. Management is also considered as a science as well. Management as a science is a systematic body of knowledge. Managers use analytical approaches to solve problems. Management consists of various theories, models, theories, tools and techniques. These things have been extensively used by the managers from time to time to deal with the problems and their solutions. Management as a science has four distinguishing aspects -

01. As a science, system orientation is used.

02. Use of scientific methods and procedures.

03. It is considered as an interdisciplinary team approach.

04. Various models and techniques are put into use.

8.2 LEADERSHIP

Good leadership is the essence of an organization. The success and failure of managers depends on their leadership qualities. To achieve objectives, managers bring resources together, develop strategies and tactics, plan and control activities to achieve organizational goals. They decide what is to be done and accordingly motivates and influences subordinates to work. Finding solutions to the problems of the subordinates is one of the tasks of the manager when he/she acts as a leader.

In an organization, wherever a person has subordinates, he may act as a leader. A person may be an effective manager but if he lacks leadership skills, he/she will serve the organization as a manager only and will fail to understand the problem of subordinates as a leader. Being a good planner and organized administrator cannot make a person a leader. Organizations need such people who possess managerial as well as leadership qualities. In today's business world, most organizations prefer managers who also possess leadership skills to meet the challenges of a dynamic world.

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8.2.1 INTRODUCTION

Leadership development is an important issue in the field of management. Due to complex organizational structure, fast changes, internal imbalances, diversity in human nature and other reasons, organizations are putting efforts to have a manager who must act as a leader. It is believed that leaders are made not born. Few believes, leaders are born not made. The new concept advocates leaders are born and also made.

8.2.2 MEANING

Leadership is an act of influencing people to achieve the goals of the organizations. It is a process of influencing the behavior of people. The relation between leader and followers is important. Leader is one who influences and followers are the one who get influenced by the leader. The success of leadership depends upon the acceptance of followers. One must have followers to be a leader. Otherwise, a manager will be called a manager only and he/she will not be acknowledged as a leader.

A leader is directive, supportive, achievement oriented and participative for his subordinates. A leader tries to influence the behavior of followers to achieve desired goals. Leadership is a dynamic process. It is basically a continuous process of influencing behavior. It is an art of persuading others to work towards defined goals. The process of leadership also involves authority and responsibility.

8.2.3 DEFINITION

According to *C.I. Bernard* – 'Leadership is the quality of behavior of the individuals whereby they guide people or their activities in organized efforts'.

In the words of *Keith Davis*, "Leadership is the process of encouraging and helping others to work enthusiastically towards their objectives. Leadership must extract cooperation and willingness of the individuals and groups to attain the organizational objectives."

According to *Koontz and O'Donnell,* "Leadership is the process of influencing people so that they will strive willingly towards the achievement of group goals."

George R. Terry defined, "Leadership is a relationship in which one person influences others to work together willingly on related tasks to attain what the leader desires."

According to *Livingston* – 'Leadership is the ability to awaken the desire to follow a common objective'.

According to *Bernard Keys and Thomas* – 'Leadership is the process of influencing and supporting others to work enthusiastically towards achieving objectives'.

In the words of ***Keith Davis***, "Leadership is the process of encouraging and helping others to work enthusiastically towards their objectives. Leadership must extract cooperation and willingness of the individuals and groups to attain the organizational objectives."

8.2.4 CONCEPTUAL FRAMEWORK
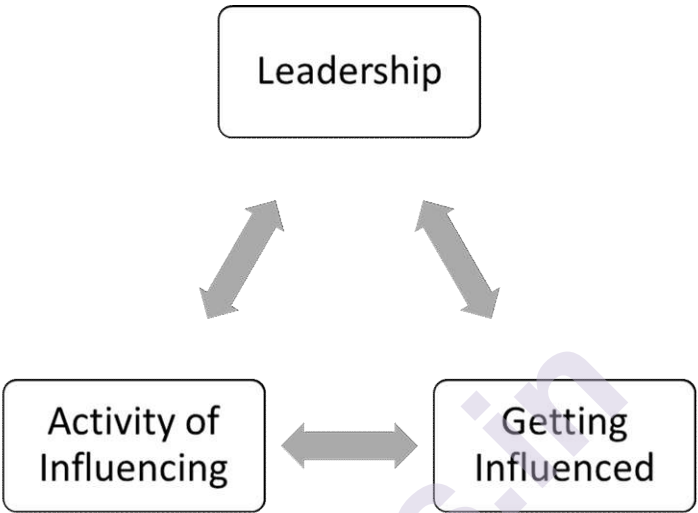
**Fig.8.5 :
Leadership**

**Fig.8.5 : Leader and various roles8.2.5 KEY ELEMENTS OF
LEADERSHIP**

Every group that attains its goals and performs well has a good leader. As it is mentioned earlier leaders are born and also made. A leader must have some key elements. Lets understand -
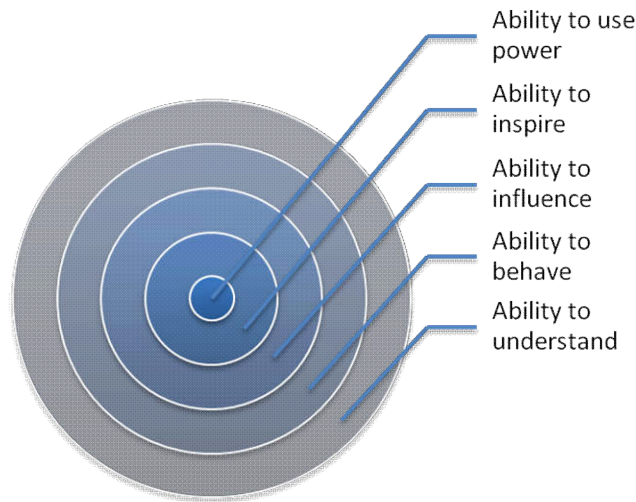
Fig.8.6: Key Elements

01. Ability to Use Power

The first element of leadership is the ability to use power effectively. In a responsible manner, it is expected that a leader must use his power. A leader can exercise power on others. Using power diligently can affect the behavior of the people in a positive way. The capacity to affect the behavior of others by using power must be reasonable and effective.

02. Ability to Inspire

The ability to inspire people at the workplace is one of the fundamental elements of leadership. The leader must be able to inspire people. There are many theories and principles of management. A manager must be able to apply this knowledge on people in an organization. He must have the ability to inspire people towards the desired goal of the organization.

03. Ability to Influence

Leadership is an act of influencing people towards the common goal of the organization. Through the art of influencing, a manager strives willingly and enthusiastically towards the desired goals. It is the ability of persuading people in an organization. The act of leadership involves other people. By the degree of their willingness, they determined the status of the manager as a leader.

04. Ability to Behave

Harmonious work culture and relations are the key of a good organization. This element concerns the style of a manager adopted in an organization as a leader. By understanding the importance of values, status, power, pride and money, a leader can design and implement a model of behaving in a proper way with his subordinates. This will ultimately help a manager in creating a good atmosphere in organization.

05. Ability to Understand

Ability to understand people is a significant factor to run an organization effectively. It is important for a leader to understand the fact that people are motivated by different forces at different times. A manager who understands the behavior of subordinates is expected to use the strength and nature of humans in a better way.

Leadership involves the application of certain values. Through the process of leadership, leaders use non-coercive influence to inspire and motivate people to work towards the group goals and ultimately towards the organizational goals.

8.3 DIFFERENCE BETWEEN MANAGEMENT AND LEADERSHIP

How do we differentiate leadership and management? How do we define management and leadership? Few years ago, entrepreneurs created companies and they hired managers to manage them. Now, the concepts are changing significantly. Leadership and management overlap but they are not the same.

People often mistake management and leadership as the same thing. But, in essence and work, management and leadership are very different. It can be said that management and leadership are mutually interdependent. Leadership is a necessary part of good management. A manager has to act as a leader. There are many more other dimensions as well. Leadership in management is an important component to every employee to excel.

Both management and leadership involve working with people, influencing people to achieve common goals. Leadership is a style and management is a system. There are many other points which can justify the topics, their differences in a beautiful way. Let's have a look.

- Deciding in advance what is to be done in future — Planning
- Assignng tasks and allocating resources across the organization — Organizing
- Taking corrective actions in case of deviation — Controlling
- Process of guiding, insr> cting employees — Directing
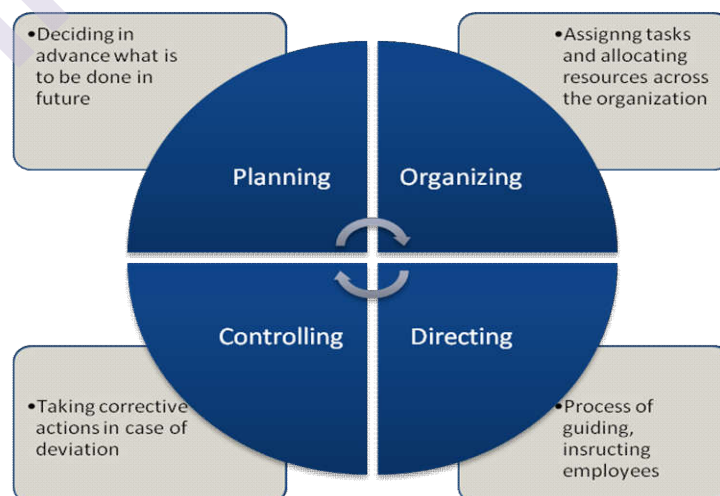
Fig.8.7: Essence of Management

Fig. 8.8: Components of Leadership

8.3.1 THE THREE TESTS THEORY- MANAGER AND LEADER

Mr. Vineet Nayar is a founder and chairperson of Sampark Foundation. He is a former CEO of HCL Technologies. A keynote speaker and an author of a highly acclaimed management book. According to him, the three tests are devised to help managers in analyzing and deciding whether they have shifted from managing people to leading people.

The Three Tests Theory -

01. Counting Values vs. Creating Values

02. Circles of Influence vs. Circles of Power

03. Leading People vs. Managing People
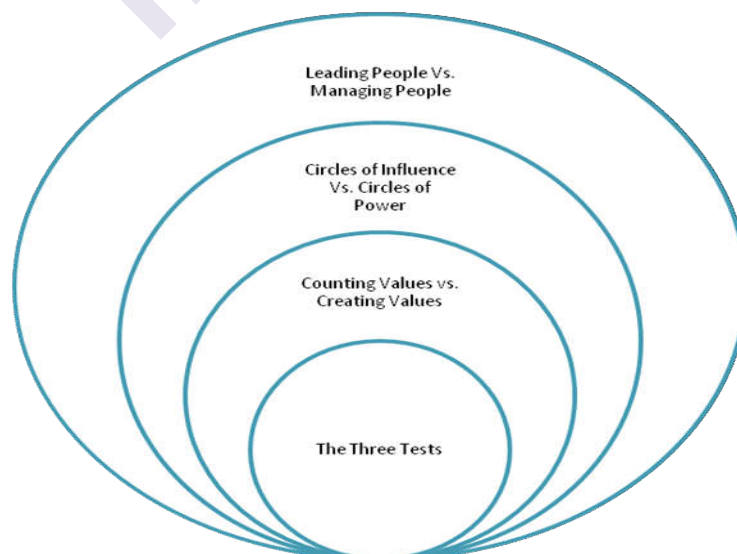
Fig. 8.9: The Three Tests

01. Counting Values vs. Creating Values

Nayar said that, " Leading by example and leading by enabling people are the hallmarks of action-based leadership." Managers count value. Leaders instead of counting values focus on creating values.

02. Circles of Influence vs. Circles of Power

He says, "The quickest way to figure out which of the two you're doing is to count the number of people outside your reporting hierarchy who come to you for advice. The more that do, the more likely it is that you are perceived to be a leader." Managers create a circle of power while leaders create a circle of influence. Managers have subordinates and leaders gain followers. He emphasized that one must identify what type of people you have around.

It's all about understanding circles of influence and circles of power.

03. Leading People vs. Managing People

Leadership is an activity of influencing people while management is an art of getting things done. Managers divert the work of individuals towards the common goal. A leader motivates individuals to work towards common goals. One is managing people, the other is leading people. It's not about power and control but inspiring and influencing people.

8.3.2 POINT OF DIFFERENCE

As mentioned earlier, people think management and leadership are the same. In essence, they are different. Leaders have followers, managers have people who work for them. The following points can justify the difference between management and leadership -

01. Difference in Skills

02. Difference in Vision

03. Difference in Abilities

04. Difference in Queries

05. Assembling vs. Creating

06. Managing People vs. Leading People

01. Difference in Skills

A manager is a member of an organization who is basically involved in carrying out the various managerial functions of the organization. A manager is required to have certain managerial skills to involve the people of the organization in work. Not all managers can possess leadership skills.

A leader need not hold or have a managerial position in an organization. A leader can be anyone. Leadership is a quality or we can say it is a skill. A leader must have influencing skills to motivate his followers to work towards the organizational goals. A manager acts as a leader.

02. Difference in Vision

Managers are good at taking work from people. They set out to achieve organizational goals through the system. Budgeting, organizational planning, producers, set of rules and regulations are some important processes used by managers to achieve vision of the organization. They generally carry the vision set by the system and work in that direction.

Leaders set the pathways to excel in organizational growth. They are considered visionary. They see where their organization stands. After analysis, they decide where they want to go with followers. They decide the strategy to reach the goal. They are the ones who create their own vision to achieve the vision of the organization.

03. Difference in Abilities

Whatever a manager does, he/she does through decision making. Managers have different abilities to carry out the managerial functions of the organization. Managers have the ability to be a leader. Some managers have poor leadership qualities. It makes employees follow their instructions. They are compelled to do so because they are not inspired by the management style.

Leader is someone who influences and inspires people to do work willingly. They are able to motivate, communicate and guide their followers to work better towards the organizational goals. Not every manager is able to be a good leader. Leadership is a quality or we can say it is an ability to inspire people.

04. Difference in Queries

Managers are expected to carry out their plans effectively. They are known for getting things done. Their work emphasizes on assessment and analysis of plans. If the plans are not implemented properly, they are not required to analyze failures. Managers focus on how and when. As far as the queries of subordinates are concerned, a manager maintains the status quo.

A leader is the one who initiates work first. A leader expects that the follower should follow their path. A leader asks what and why. If the things are not in the interest of the team, they try to attempt to bring the changes which are in favour of their team. They help their teammates in solving their queries. They make sure that the followers in case of any query should contact them first. This quality of supportiveness makes them leaders.

05. Assembling vs. Creating

Managers are responsible for assembling the work of the employees and direction of their efforts towards the common goal of the organization. They basically work as per the plan and processes. They distribute, direct and assemble the work from their subordinates.

Leaders believe in working with their employees. They believe in creating a team rather than working in a group. They believe in taking the failure on them and sharing success with their teammates. They create opportunities, involve and work with followers.

06. Managing People vs. Leading People

Management function deals with the planning, organizing, directing and controlling people in the organization. A manager basically deals with managing work of the subordinates towards the common goal. He is responsible for the implementation of the managerial functions in an organization.

Leadership emerges as a result of their actions. They inspire, influence and motivate their followers to work. A leader takes a lead in doing work with his/her subordinates. He makes sure that he is the first who is contributing in initiating any work. That's why a leader is known for leading his team rather than managing.

Table 8.1: Differences between a manager and a leader -

Point of Difference	Manager	Leader
01.	Managers create goals	Leaders create vision
02.	Managers may use common approach	Leaders are unique
03.	Managers control risks	Leaders take risks
04.	Managers reply on proven skills	Leaders grow personally
05.	Managers direct	Leaders coach
06.	Managers have subordinates	Leaders have followers
07.	Managers build system	Leaders build relationships
08.	Managers focus on short term	Leaders focus on long term
09.	Managers maintain the status quo	Leaders are change agen

Fig. 8.10 Leader and Manager

8.3.3 TRAITS OF A MANAGER

The following are the important traits a manager must possesses -
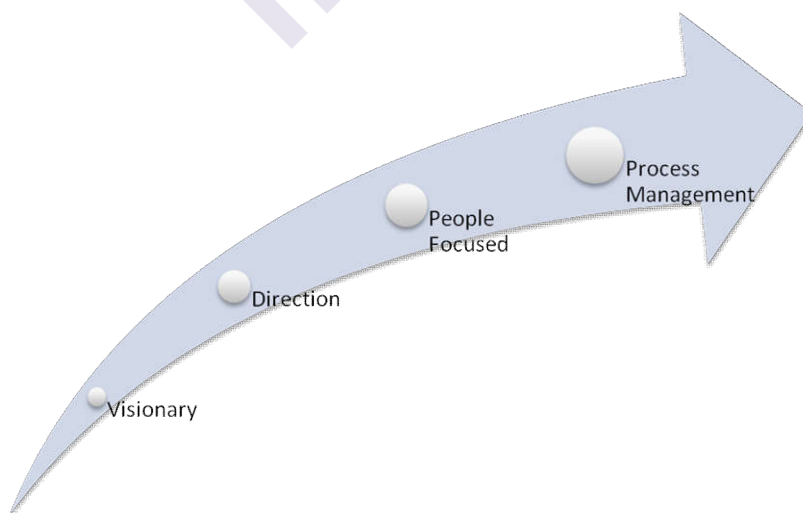
Fig. 8.11 Traits of a Manager

01. Visionary

A manager must possess this quality. He must be a visionary and should be in a position to prepare strategic plans.

02. Direction

He must be a good director. Giving orders and instructions is an important task, a manager is needed to perform.

03. People Focused

A manager must be people centered. Listening to them , involving them in work are some qualities and skills a manager is required to possess. He must be people focused.

04. Process Management

Setting rules and regulations, procedures and strategies is something an organization needs. A manager must possess the quality of understanding, preparing and implementing the process.

8.3.4 TRAITS OF A LEADER

The following are the important traits a leader must possesses -
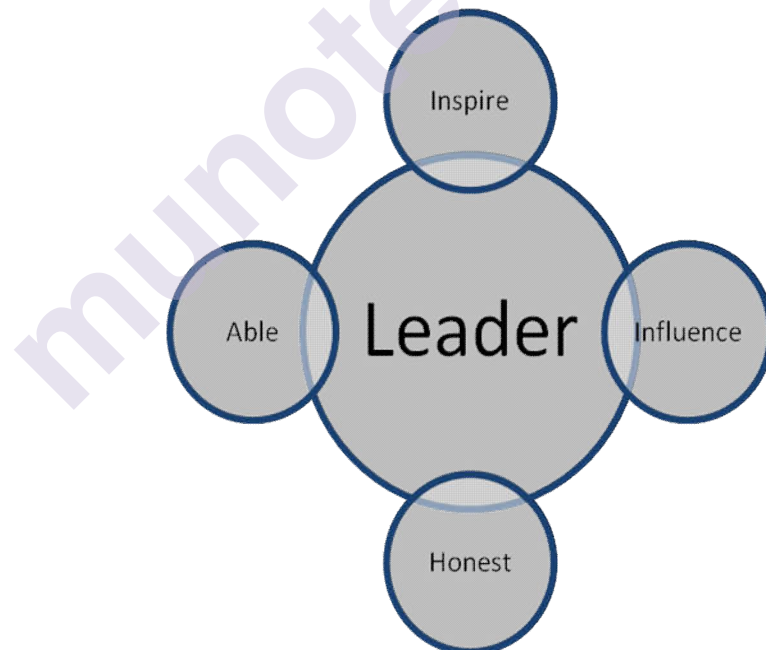
Fig. 8.12: Traits of a Leader01. Inspire

A leader must set an example for followers. He must be an inspiration for others. They help their team in understanding their role in a larger context.

02. Influence

Leader must act as an influencer. He must have the ability to influence people towards the common goals to get the desired results.

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03. Honest

A leader must act honestly and with integrity. They help their followers in setting some benchmarks in their career. They assure them that they will walk with them in their problems in finding solutions.

04. Able

Thinking out of the box is one of the things leaders must do. He must possess the ability to communication, understand. They challenge the status quo.

8.3.5 CONCLUSION

Management and Leadership are like two sides of a coin. Many complementary qualities are linked to each other. If you want to be a good manager, you must have leadership skills. If you want to be a good leader, you must have managerial skills.

8.4 UNDERSTANDING LEVEL 5 LEADERSHIP

The concept of level 5 Leadership is based on empirical studies and is unique. The concept of Level 5 Leadership is developed by Business Consultant, Jim Collins. In a Harvard Business Review Article, he wrote about this model in 2001. Later, he published his research in his popular book, "Good to Great."

In 1996, Jim Collins began research about what makes a company great. He started by looking at 1,435 companies. After analysis, he selected 11 companies for this research. These 11 companies were headed by Level 5 leaders.

Collins found that the leaders of these companies have humility. They don't run for glory. They share credit for success and take the blame on themselves for mistakes. The leaders are fearless when it comes to making decisions.

Collin's have identified the following types of leaders and classified them into five categories. His discovery was based on a hierarchy of capabilities and traits discovered during his study.

Let's have look on Collin's 5 Level Leadership Model - Level 1 - Highly Capable Individual

Level 2 - Contributing Team Member

Level 3 - Competent Manager Level 4 - Effective Leader Level 5 - The Executive

Fig. 8.13: Collin's Level 5 Leadership

01. Highly Capable Individual

A highly capable individual is the one who makes quality contributions in his work. They are talented, enthusiastic, knowledgeable and skilled. They carry effectiveness at the workplace. They are ready to contribute to work. They are good at their jobs.

02. Contributing Team Member

Level 2 of leadership theory deals with the trait of contribution and supportive trait. They are good at working with others. They use their knowledge and skills to help the team to get success. Their work is effective, productive and they try tomake every endeavor successful. They are known for helping others in groups. They are notably proficient in helping people to reach the objectives of the group.

03. Competent Manager

A competent manager is one who is able to organize a group effectively to achieve the desired goals. They can effectively oversee people and resources.. They help others to achieve predetermined goals.

04. Effective Leader

Level 4 category is all about an effective leader. Most top leaders fall into this category. Here, leaders can steer their organizations to work towards well-defined and compelling goals. They keep their working of the

organizations at a high level of performance. An effective leader with his followers work towards the achievement of the vision and mission of the organization.

05. The Executive

Level 5 of the leadership is the executive level. Here, a leader has all the abilities which are needed to reach at this level. Not everyone comes at this level of leadership. Leaders have a unique blend of humility and they understand their company and employees well. Collins defines, " The executive is a paradoxical combination of personal humility plus professional will.

8.4.1 HOW TO ACHIEVE LEVEL 5 IN LEADERSHIP

The following points talk about the features of Level 5 leader-

01. Level 5 leaders are humble people.

02. Level 5 leaders take responsibility for their team's mistakes.

03. Level 5 leaders are disciplined.

04. Level 5 leaders lead their work with passions.

05. Level 5 leaders depend on the people.

After knowing about the distinguish features of level 5 leadership, here are some strategies that will help to grow a leader to grow emotionally and professionally -

Ask for help Develop humility Help people to grow Develop discipline Take responsibility Lead with passion Find the right people**.**

8.5 SUMMARY

● The concept of management not only deals with the art of getting things done through people but also directing their efforts through utilization of available resources towards the objective of the organization. Management is a comprehensive term and covers planning, organizing, directing, controlling and coordinating. Decision making is an important component of management.

● Leadership is an act of influencing people to achieve the goals of the organizations. It is a process of influencing the behavior of people. The relation between leader and followers is important. Leader is one who influences and followers are the one who get influenced by the leader. The success of leadership depends upon the acceptance of followers. One must have followers to be a leader. Otherwise, a manager will be called a manager only and he/she will not be acknowledged as a leader.

● People often mistake management and leadership as the same thing. But, in essence and work, management and leadership are very

different. It can be said that management and leadership are mutually interdependent. Leadership is a necessary part of good management. A manager has to act as a leader. There are many more other dimensions as well. Leadership in management is an important component to every employee to excel.

● Jim Collin's has identified the following types of leaders and classified them into five categories. His discovery was based on a hierarchy of capabilities and traits discovered during his study.

● Collin's 5 Level Leadership Model comprises Level 1 - Highly Capable Individual, Level 2 - Contributing Team Member, Level 3 - Competent Manager, Level 4 - Effective Leader and Level 5 - The Executive.

8.6 QUESTIONS

01. Define the term 'Management'.

02. Define the term 'Leadership;.

03. Distinguish between "Management" and "Leadership".

04. Point out the difference between a Manager and aLeader.

05. "Every Manager is not a leader" Comment.

06. Describe the theory of Level 5 Leadership.

07. Explain the various levels of Level 5 Leadership

❖ ❖ ❖ ❖

STRATEGIC MANAGEMENT

Unit Structure

9.1 INTRODUCTION

In the field of management, strategic management is a relatively new discipline. This subject deals with defining the organization's strategy. This discipline of management is exciting and interesting and poses various challenges in front of the managers. The concept of strategic management does not replace traditional functions like planning, organizing, directing and controlling rather it integrates these functions in formulating and implementing the strategies. The strategies will help organizations to understand and take into account the external environment and internal environment to set the goals and objectives.

Strategic management makes fundamental decisions about the future direction of a firm. The purpose, resources and how it interacts with the environment. It helps organizations in understanding every aspect with respect to its employees, finances, production functions, customers, suppliers and market. Strategic management is described as the identification of the objective of the organization and the plans and strategies to achieve that objective.

The subject deals with the long term performance of the organization. The decisions are converted into action to achieve the purpose of the business enterprise. The strategies are formulated and implemented to achieve the purpose. It also helps in studying the management processes in an organization. It deals with determining the future impact of the decisions taken in the present.
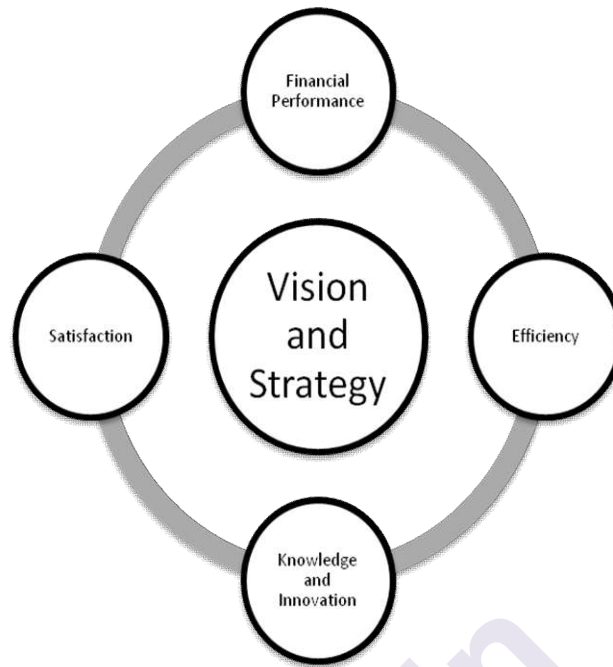
Fig 9.1: Vision and Strategy

Vision and strategies help organizations to work in a particular direction. The concept of vision and strategy plays a fundamental role in the subject of strategic management. Strategic management connects the dot between vision, mission, core values, focus areas, objectives, purpose, target and goals.

In common parlance, strategic management is a process of planning, monitoring, assessment and analysis of an organization to meet its purpose, goals and objectives.

9.2 DEFINITION

Many contributors have defined the term 'Strategic Management' in their words. Let's have a look -

According to **Dess, Lumpkin & Taylor**, "Strategic management consists of the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantages."

According to **Fed R David,** "Strategic management is a process of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objective".

In the words of **Alfred Chandler**, "Strategic management is concerned with the determination of the basic long-term goals and the objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary for carrying out these goals"

According to **Pearce and Robinson,** "Strategic management is the set of decisions and actions resulting in the formulation and implementation of plans designed to achieve a company's objectives."

Glueck and Jaunch defined strategic management as, "Strategic management is a stream of decisions and actions which lead to the development of an effective strategy or strategies to help achieve corporate objectives".

According to *Johnson and Sholes,* "Strategic management includes understanding the strategic position of an organization, making strategic choices for the future and turning strategy into action."

From the above definitions, we can say that strategic management deals with the managerial decisions which are long term and strategic in nature. It is a stream of decisions and action. It helps organizations in formulating and implementing plans to achieve a company's objectives.
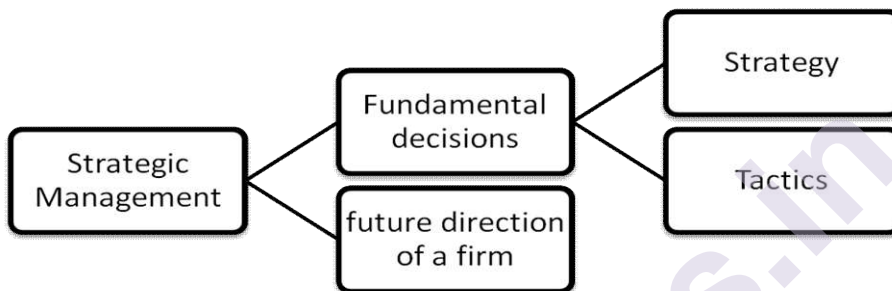
Fig.9.2: Concept of Strategic Management
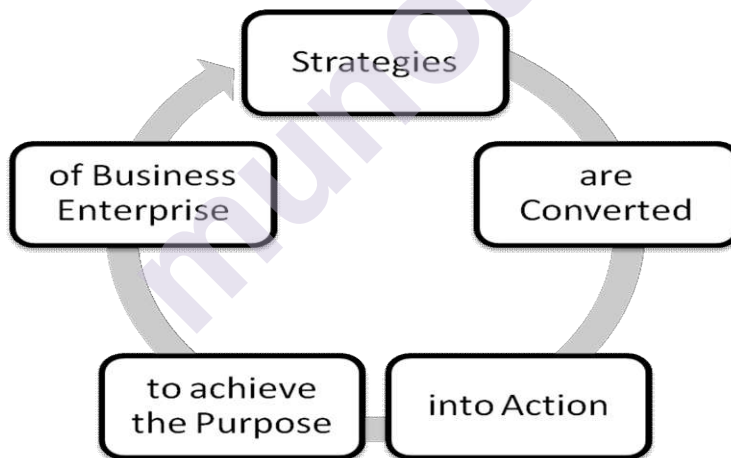
Fig.9.3: Framework of Strategic Management

9.3 CLASSES OF DECISIONS

Strategic decisions are long term decisions. They are concerned with the future planning and are long term in nature. In accordance with the mission and vision of the organization, these decisions are taken. The following are the classes of decisions -
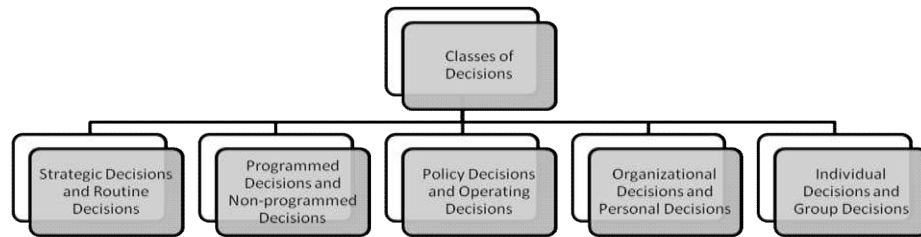
Fig. 9.4: Classes of Decisions

01. Strategic Decisions and Routine Decisions

Strategic decisions represent the long term decisions taken for the organization. Vision and strategies help organizations to work in a particular direction. Strategic management decisions connect the dot between vision, mission, core values, focus areas, objectives, purpose, target and goals.

Routine decisions are those types of decisions which are taken frequently and they are repetitive in nature. They are also known as structured decisions.

02. Programmed Decisions and Non-programmed Decisions

Programmed decisions are also called routine decisions but these decisions are more structured. These decisions are taken with the purview of the policy of the business enterprise. Programmed decisions deal with simple, common and frequently occurring problems that have well-established and understood solutions.

Non-programmed decisions are not structured in nature. These decisions deal with the exceptional or unusual problems. Most of the decisions are ill-structured, normal rules of decisions do not apply for such decisions.

03. Policy Decisions and Operating Decisions

In order to make an alignment with the purpose and goals of the firms, the policy decisions have a significant role. These decisions help in determining how we will act in the future. A policy is an ornament of an organization. Policy decisions provide clear cut directions for taking managerial and administrative decisions.

Operating decisions relate to the daily operations of an organization. Normally, middle level managers are responsible for taking these kinds of decisions. The decision related to shift hours, time of payment of bonus and wages, overtime allowances are few examples of operating decisions.

04. Organizational Decisions and Personal Decisions

Decisions taken for effective functioning of an organization are known as organizational decisions. The decision taken with respect to organizational working and its implementation is a part of organizational decisions.

Personal decisions do not reflect the functioning of an organization. The decisions taken by an individual for his/her personal life are personal decisions. It has no relation with respect to the working and functioning of an organization.

05. Individual Decisions and Group Decisions

Individual decisions and personal decisions are often termed the same. While, in reality they both share a different relation with organization. A person taking a personal decision is not a member of an organization while a person taking an individual decision can be considered as a member of an organization. He is delegated with authority to make individual decisions.

Organization is a group of people who work together to achieve a common goal. Groups are formed in an organization to facilitate work in a better and efficient way. Group decisions represent those decisions which are taken in a group.

9.4 LEVELS OF DECISIONS

There are three types or levels of strategy -

Fig. 9.5: Levels of Strategy

01. Corporate Strategy

Corporate level strategy is designed by top level management. Strategy which deals with vision, corporate goals, philosophy and culture is corporate strategy. The purpose is to identify the business areas in which an organization can carry out its operations.

Fig.9.6: Corporate Level Strategies

02. Business Unit Strategy

This level of strategy is also known as a strategic business unit. It is a fully functional and independent unit of a business that has its own purpose and goal. Business unit strategy or strategic business unit is an independent department of an organization. The unit manages products, services, customers or a geographical area. They are allowed to plan and implement strategies autonomously.
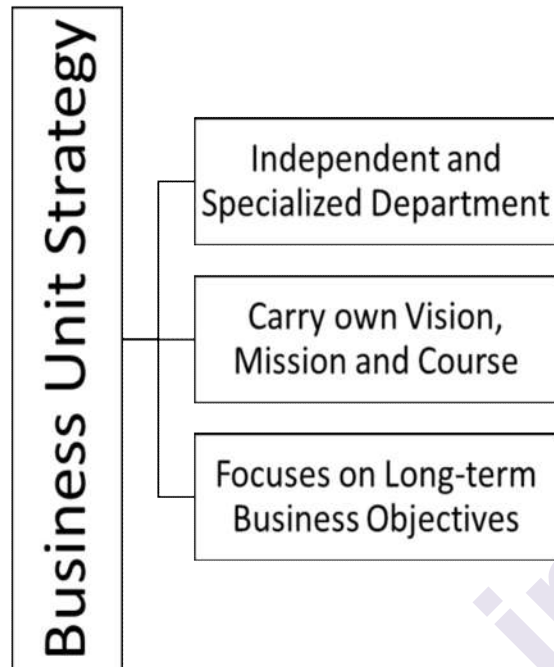
Fig.9.7: Business Unit Strategy
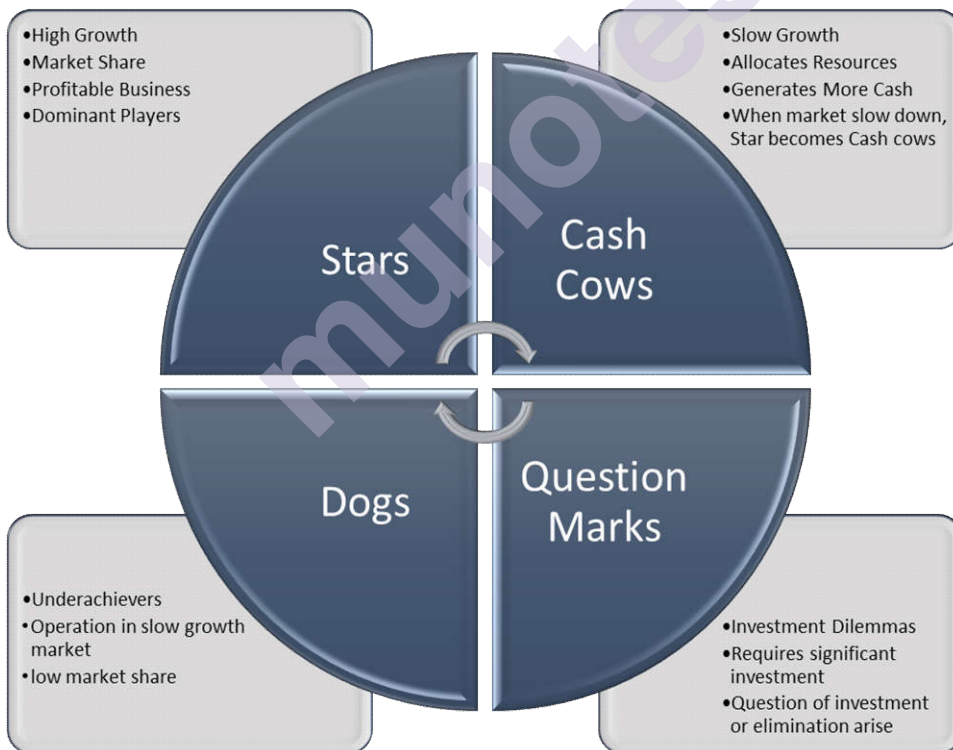
Fig. 9.8: Types of Strategic Business Units

03. Functional Strategy

Functional level strategy as the name suggests deals with the actions and goals as far as their functions are concerned to various departments. The functional level strategy supports corporate level strategy and business unit strategy. It focuses on appointing specialized people for the organization and combining activities within the functional areas.

It determines the daily operation of each and every department. Examples are strategies for product diversification, marketing events, market penetration, launching of a new product etc.

Fig.9.9: Functional Level Strategy

9.5 STRATEGY

9.5.1 INTRODUCTION

The term 'strategy' denotes a plan of action. It is a plan of action to achieve long term goals of the organization. Strategy defines the overall vision, mission and working of the organization. It bridges the gap between where we are and where we want to be. It deals with the evaluation and determination of alternatives to select possible courses of action.
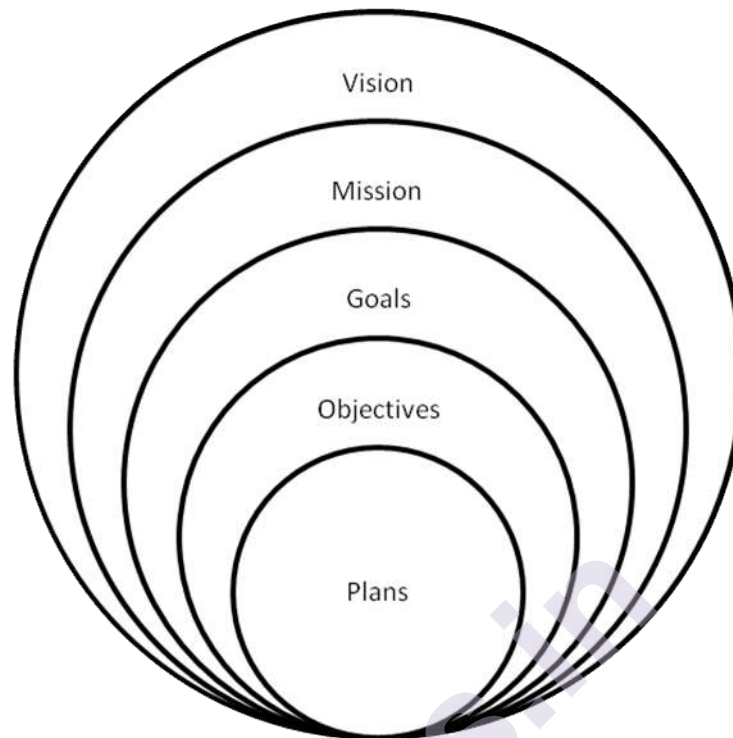
Fig.9.10: Strategic Plan Hierarchy

9.5.2 DEFINITION

According to **Kenichi Ohmae,** "Strategy is the way in which a corporation endeavors to differentiate itself positively from its competitors, using its relative strengths to better satisfy customer needs."

In the words of **Prahlad**, "Strategy is more than just fit and allocation of resources. It is stretching and leveraging resources."

According to **Alfred P Chandler**, "Strategy is the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals."

In the opinion of **Porter**, "Strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value."

According to **Mintzberg**, "Strategy is a mediating force between the organization and its environment: consistent patterns in streams of organizational decisions to deal with the environment."

According to Mintzberg, a strategy could be of five types -
- Plan
- Pattern
- Ploy

- Position
- Perspective

9.5.3 CONCEPTUAL FRAMEWORK
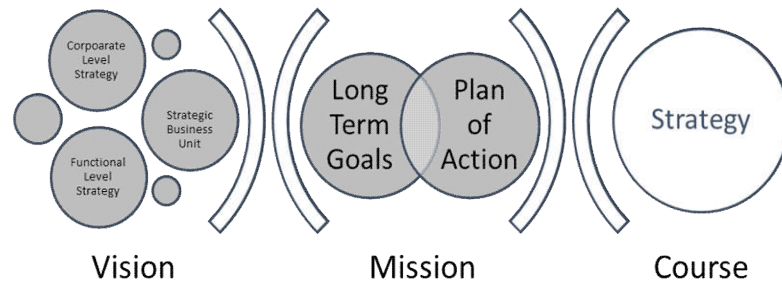
Fig. 9.11 Concept of Strategy
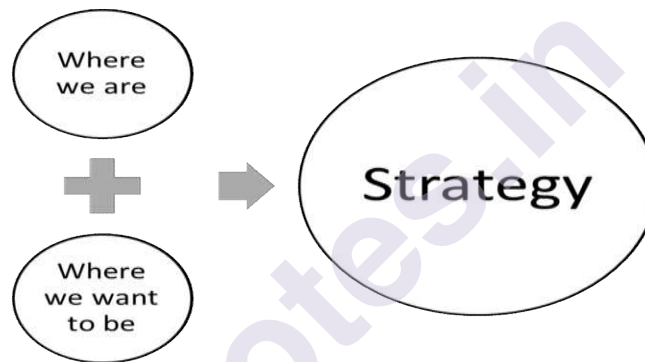
Fig.9.12 Strategy

9.5.4 NATURE OF STRATEGY

The following points justify the nature of strategy in organizational and common perspective -
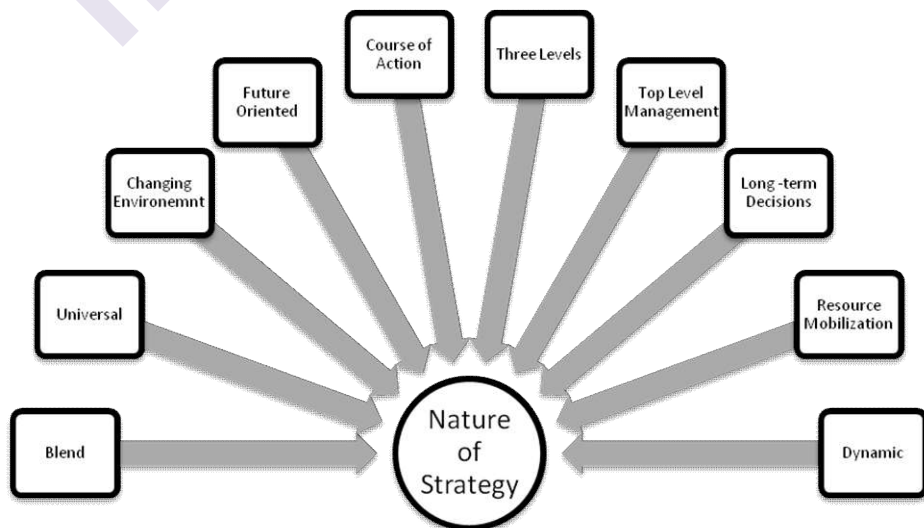
Fig.9.13 Nature of Strategy

01. Strategy is a blend of internal and external factors.

02. It is universal in nature.

03. It keeps pace with the changing environment.

04. It is future oriented.

05. It determines the major course of action for an organization.

06. There are three levels of strategy - Corporate level, business unit strategy and functional level strategy.

07. It is a product of top management thinking.

08. It deals with the long term decision making process.

09. It helps in resource mobilization.

10. It changes according to the business situations and is dynamic in nature.

9.6 ROLE OF DIFFERENT STRATEGIES

While discussing the role of strategies, it is important to understand the various components. The four major components are -
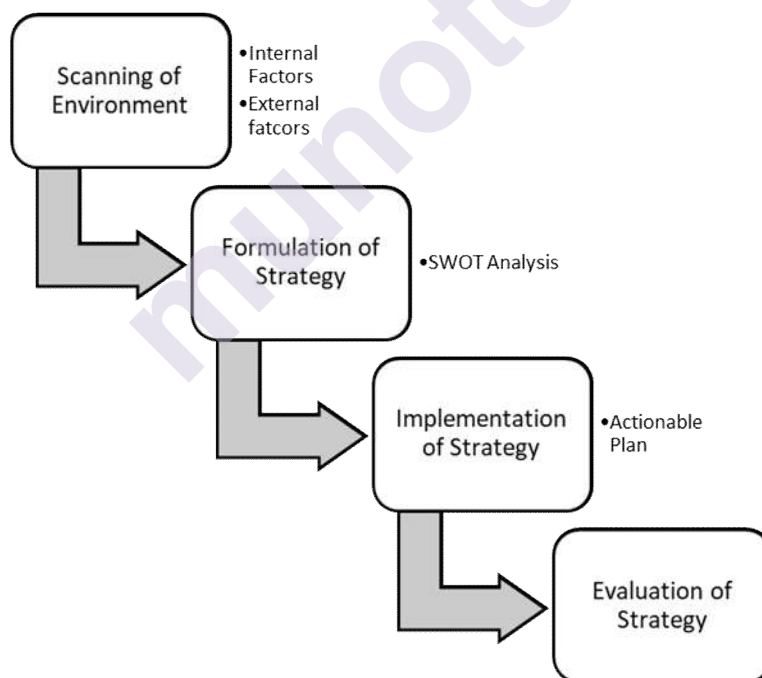
Fig.9.14 Components of Strategy and Strategic Management

According to many strategy Gurus, for the smooth functioning of any business enterprise the most important strategies are likely to be in the following areas -

01. The role of ***corporate level strategy*** deals with vision, corporate goals, philosophy and culture is corporate strategy. The purpose is to identify the business areas in which an organization can carry out its operations. deals with vision, corporate goals, philosophy and culture is corporate strategy. The purpose is to identify the business areas in which an organization can carry out its operations.

02. ***Strategic business unit*** role is to work independently. Each SBU has its own sets of goals, purposes, competitors and strategies. The focus is to determine the best ways of operating a particular business. The strategic business unit works in accordance with the corporate level strategy.

03. ***Functional level strategy*** focuses on developing an action plan for a particular department. This level of strategy plays a major role in product diversification, marketing events, market penetration, launching of a new product, research and development.

04. The role of ***finance strategy*** is very essential for any business operation. The firm should carefully choose its financial strategy after taking into consideration the merits and demerits of alternative financing strategies.

05. The role of ***growth strategy*** is to provide guidelines for the future growth of the organization. These strategies help in forecasting the quantity and speed of the growth required.

06. The strategy related to ***products and services*** helps in formulating a set of strategies that can be applied across the firm for effective performance. This strategy also focuses on customer satisfaction and customer base development by offering good products and services.

07. The role of ***differentiation strategy*** deals with the uniqueness and innovativeness of the product and services offered by the organization. If a firm is successful in differentiating products and services in front of its customers against competitors, they can take the advantage of sizable profit and remarkable growth.

9.7 RELEVANCE OF STRATEGIC MANAGEMENT AND ITS BENEFITS

Communicating strategies to all the key decision-making managers is an essential element of successful strategic management. In recent years, the relevance of strategic management for the managers and organizations has grown substantially. For the long term growth of the organization, the field of strategic management plays a vital role.

The following points highlight the relevance of strategic management and it also states the benefits of the strategic management -
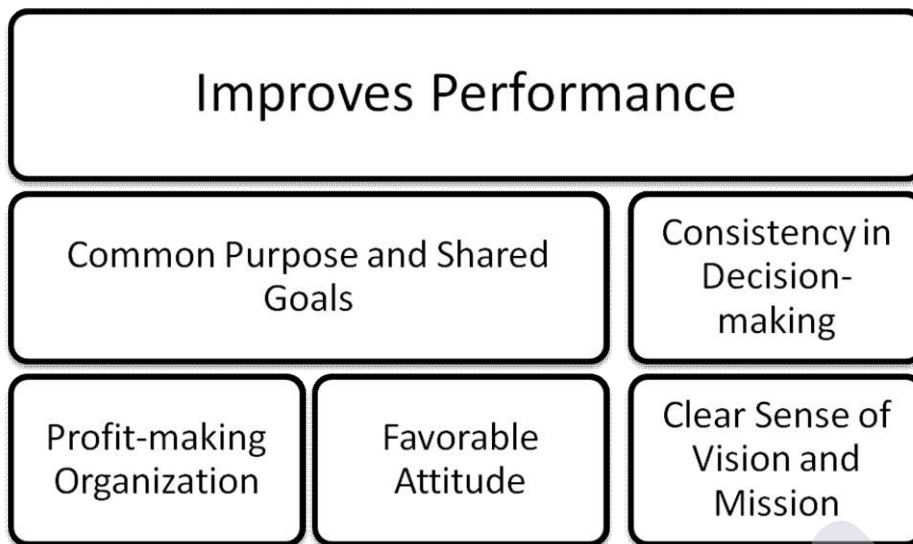
Fig.9.15 Relevance of Strategic Management

01. Improves Performance

Strategic management helps organizations in framing better policies for the future. Each and every unit of the organization works in accordance with the mission and vision of the organization by setting their own supportive goals and objectives. Ultimately, it contributes to improving the performance of the organization.

02. Common Purpose and Shared Goals

Strategies and policies are closely related terms. The purpose and shared goals helps organizations to form a basis for operational goals and it influences the other areas of management. The common purpose provides a uniform direction to the groups of the organization to work together.

03. Consistency in Decision-making

When the things are clear, it becomes easy for every member of the organization to work in that direction. Strategic management provides consistency in decision-making. The vision, mission and course is already shared and this helps in getting the things done in time.

04. Profit-making Organization

Strategic management helps organizations to perform well. Most organizations recognize the role of strategies for the long term growth and survival of the organization. The subject also helps in facilitating the development of plans. It helps organizations in making themselves a profit generating enterprise.

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05. Favorable Attitude

Another benefit of strategic management is that it enables managers to prepare for the changing conditions of business. On the basis of experience, failure and success, they develop an attitude of handling each and every situation in an optimistic way. This develops a favorable attitude for the organization regarding work and conditions.

06. Clear sense of Vision and Mission

On the basis of vision and mission, the strategic plans are formulated for a long-term period. It helps organizations in communicating the vision., mission and goals to achieve the desired results of the plan. Thus, strategic management helps in providing a clear sense of vision and mission.

Managers involved in the strategic management process aim at translating the vision and mission of the organization into an action. They focus extensively on long-term goals. Strategic planning helps managers in anticipating problems before they arise.

9.8 STRATEGIC MANAGEMENT IN INDIA

As mentioned earlier, the concept of strategic management does not replace traditional functions like planning, organizing, directing and controlling rather it integrates these functions in formulating and implementing the strategies. The strategies will help organizations to understand and take into account the external environment and internal environment to set the goals and objectives.

Strategic management deals with the purpose, resources and how it interacts with the environment. It helps organizations in understanding every aspect with respect to its employees, finances, production functions, customers, suppliers and market. It connects the dot between vision, mission, core values, focus areas, objectives, purpose, target and goals.

Strategic management in India is gaining relevance due to the growing economy of our country. Thanks to the Industrial policy of 1991, due importance was given to Liberalization, privatization and globalization. The concept of LPG was introduced in front of all businesses and industries to provide a good pace to economic growth. Due to LPG policy, strategic management has gained more relevance. Economic liberalization increased the relevance of strategic management as Indian companies received greater autonomy in terms of decision-making.

Among Indian corporates, the subject of strategic management is gaining more and more relevance. The following points reveal the nature and benefits of strategic management in India like how it is helping Indian companies to work more efficiently. Let's have a look -
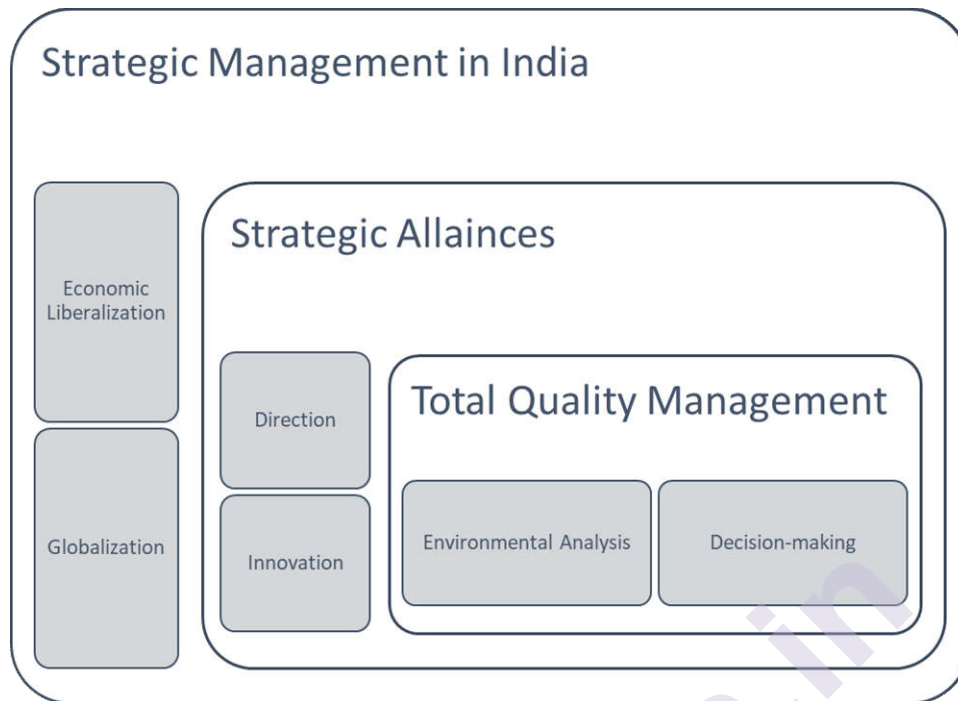
Fig.9.16 Strategic Management in India

01. Mergers and Acquisitions

Scrapping of many acts have opened the avenues for many Indian companies. Due to the growing economy, the opportunities in India are giving a pace to the economic growth and development. Dereservation and delicensing of industries have created an opportunity for business enterprises to go for mergers and acquisitions to gain more market share and profit.

Without the knowledge of strategic management, a manager cannot connect the dots between the vision and goals. This subject is proved to have relevance in mergers and acquisitions of businesses.

02. Provide Direction

India's economy right now is flooded with many unicorns and a variety of start-ups. Good strategy helps new businesses to connect the link between vision and objectives. Keeping an eye on the goal helps organizations to work towards product development and customer satisfaction.

03. Total Quality Management

The concept of total quality management deals with the overall working and efficiency of the organizations. Integration of total quality management with strategic management is a fundamental requirement for an organization to make both the concepts are implemented well. The philosophy of TQM aims at maximizing customer satisfaction through

operational efficiency. Strategic management integrates the efforts of Indian corporates to implement the concept of TQM successfully.

04. Environment Analysis

Strategic management allows Indian companies to evaluate the business environment - internally and externally. It provides various tools like SWOT, PESTLE, BCG Matrix to evaluate the current position of the firms. The firms with the help of the tools of strategic management can evaluate the market, planning and control measures to achieve the desired results strategically.

05. Operations at Global Level

More and more industries are going global. Strategic management is helping firms in keeping track of international changes and developments. It is also helping companies to make such kinds of strategies which will provide more competitive advantage to the firms at global level.

06. Strategic Alliances

With similar and complimenting objectives and goals, a firm can go for strategic alliances. Apart from mergers and acquisitions, firms are creating many ways to get in connection with other organizations to increase their market share and earn more profit. It is also giving them competitive advantage at international level as well.

9.9 SUMMARY

● Strategic management makes fundamental decisions about the future direction of a firm. The purpose, resources and how it interacts with the environment. It helps organizations in understanding every aspect with respect to its employees, finances, production functions, customers, suppliers and market.

● There are programmed decisions, non-programmed decisions, strategic decisions, policy decisions, functional decisions which helps firms to categorize the classes as per the nature of the decision.

● There are three levels of decisions - corporate level decisions, strategic business unit and functional level decisions.

● The term 'Strategy' is a plan of action to achieve long term goals of the organization. Strategy defines the overall vision, mission and working of the organization. It bridges the gap between where we are and where we want to be. It deals with the evaluation and determination of alternatives to select possible courses of action.

● The strategic management process aims at translating the vision and mission of the organization into an action. They focus extensively on long-term goals. Strategic planning helps managers in anticipating problems before they arise.

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- India's economy right now is flooded with many unicorns and a variety of start-ups. Strategic management in India is gaining relevance due to the growing economy of our country.

9.10 QUESTIONS

01. Define Strategy. Explain the nature of strategy.

02. What is Strategic Management? Describe the process and components of strategic management.

03. Explain the various classes of decisions.

04. Write a note on strategic management in India.

05. Explain the three levels of decision.

06. Highlight the benefits associated with the concept of strategic management. How is it helping Indian corporations?

07. "India is home to the third largest number of start-ups globally. But, many fail due to lack of innovation." Comment and support your answer with the help of some examples.

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10

CHANGE MANAGEMENT

Unit Structure

10.1 INTRODUCTION

10.1.1 ORGANIZATIONAL CHANGE

Change is inevitable in nature. This is the common line used to introduce the concept of change. Change is something which denotes a transition from one state to another. The fact of being replaced or changed creates fear in the mind of the people. In an organization, translating change into an action is challenging if it is not communicated properly. People feel change is a never ending process where responses to it will be in the form of readjustment or readaptation.

It is introduced in an organization to make structural adjustments, project, initiative or solution to improve the way of work. Planned change is something an organization should introduce. Planned change reflects proper understanding of the need for change and communication to the people. The purpose is to change employee behavior towards change in a positive way and to improve the ability of the organization to adapt changes in the new environment. It is not that easy to introduce change. People ressists due to many reasons. That's why, management of change is a concept which one must understand as far as the organizational perspective is concerned.

Change is called the law of life. It is constant, inevitable and consistent. In every walk of human life, we witness many changes. Uncertainty and complex nature of businesses due to growing competition and customers expectation, compelling organizations to introduce changes. Manager's job is becoming difficult and challenging. If change is introduced, it is a tendency of a human being to resist change. They think of losing something.

10.1.2 CHANGE MANAGEMENT

Proper planning, communication and implementation is required to introduce change. Change management is a systematic approach in dealing with organizational change. Change management is a process in which the changes are introduced in a planned and systematic way in an organization. Dealing with the change involves the perspective of an organization as well as an individual. Pre-defined models are proved to be helpful in successfully implementing change in an organization.

When a manager plans for change, communicate the need of change to the people, assure them about the positive aspects of change and implement the same with the support of the people. This process is called change management. It is like managing those things which are inevitable, consistent and create fear in the mind of the people. The concept of change management plays a vital role in any organization. The task of managing change is not an easy task.

Standardized methods, strategies and processes that are beneficial to bring change are used by the managers for the successful implementation of change in an organization. It is important to communicate the need for change. Introducing change is a problem and communication of the need for change and its successful implementation later on is the solution. Change management deals with the people's side of the change.

10.1.3 CONCEPTUAL FRAMEWORK

The following diagrams help us to understand the conceptual framework of Organizational Change and it's management.
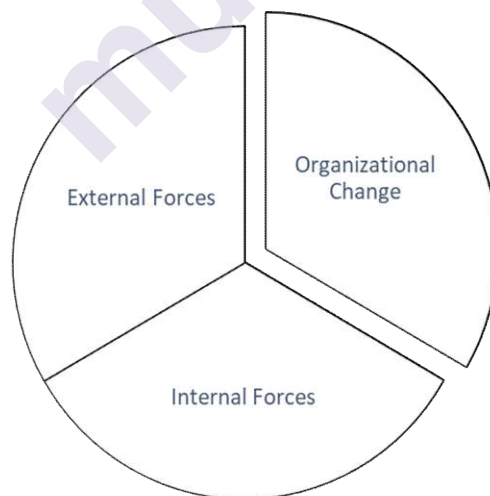
Fig.10.1: Forces and Organizational Change

Internal Forces - Internal forces are internal to the organization and are controllable in nature.

External Forces - External forces are external to the organization and are uncontrollable in nature.
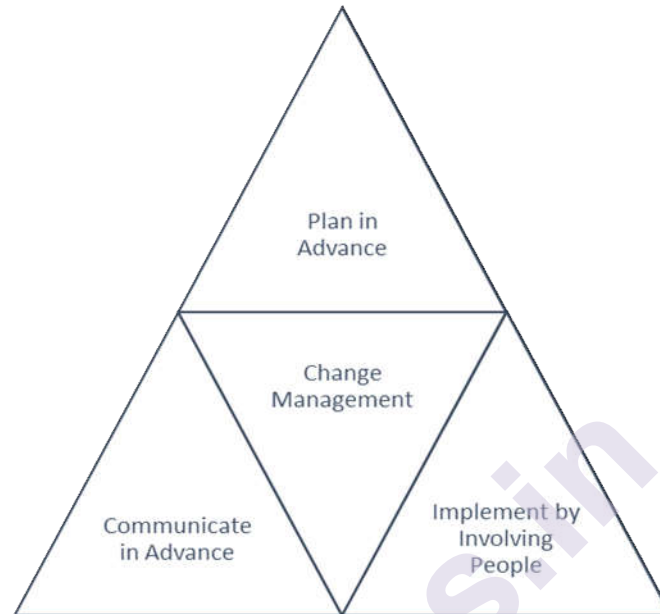
Fig.10.1: Change Management

It is important to understand the three important elements of change management -

● Change must be planned in advance.

● It must be communicated in advance.

● One must implement the change by involving needs.

One more important dimension is the need for change. Change is going to give an impact to a few people or to the whole organization. If the need of the change is communicated clearly, the people will adopt it freely. Though, there will be few who will resist change.

The topic of resistance of change is also discussed here in the later headings for better understanding.

10.1.4 NATURE OF CHANGE MANAGEMENT

To understand the concept of change management, it is important to know the nature of change management. With the help of the diagram given below, one can understand the nature of management of change -
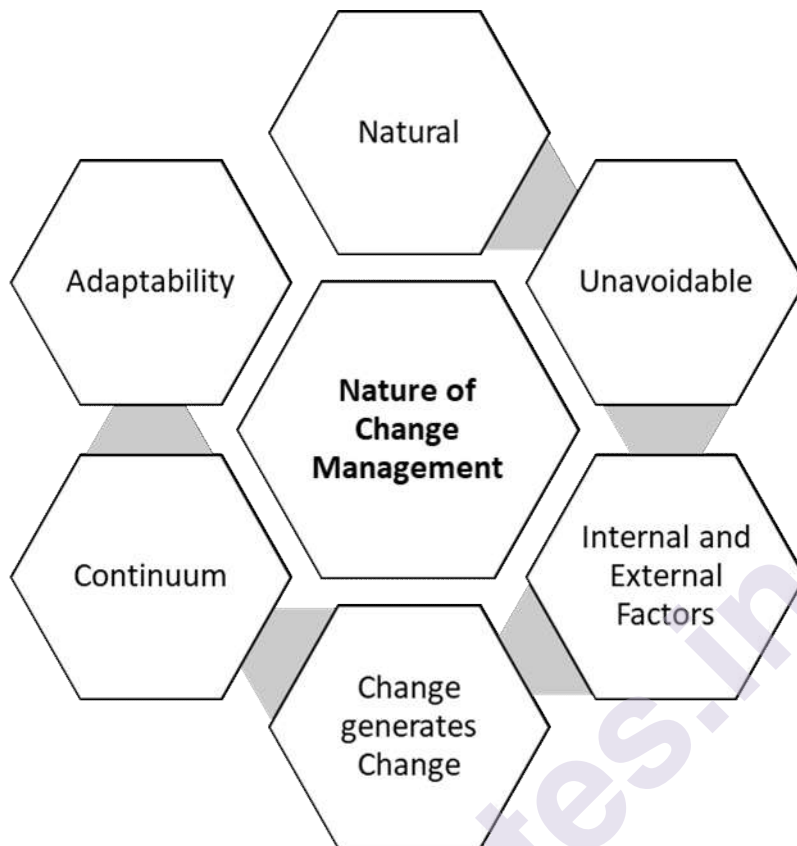
Fig.10.2: Nature of Change Management

01. Natural

The concept of change is not new. It is natural and one has to adopt the change. Organizations not accepting change may face the problem of growth and survival in the market.

02. Unavoidable

One cannot avoid change. It is inevitable in nature. It is not a series of events. Sometimes, it is planned for the betterment of organization and sometimes, it is compelled. With the help of proper planning and control, one can deal with change.

03. Internal and External Forces

The nature of change can be determined by the external and internal forces. Internal forces are internal to the organization and are controllable in nature. External forces are external to the organization and are uncontrollable in nature.

04. Change generates Change

Change at one place will simultaneously demand change at another place. Changes in one system require changes in additional aspects. Change management follows system approach in an organization.

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05. Continuum

Change is a continuum. Continuum means to keep on going. Something which changes slowly. Change is not a new thing and it keeps on coming. The transition from one state to another helps organizations to move and be flexible.

06. Adaptability

Adaptability of change means accepting change and implementing the same for the betterment of organization. One has to plan and communicate the change to people of the organization.

10.2 FORCES OF CHANGE

The need for bringing about a change arises due to external and internal sources. Organizations undergo changes for the betterment and survival. The following are the major driving forces which provoke organization to introduce and implement change -
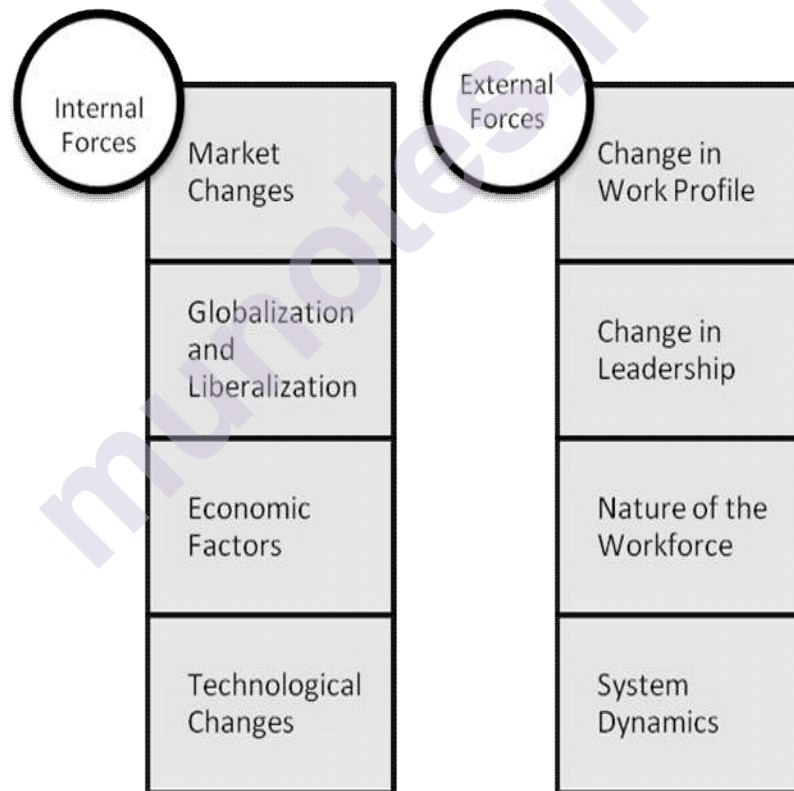
Fig. 10.3: Forces of Change

01. Internal Forces

Internal forces are those forces which originate within the organization. The internal forces are under the control of the organization. The internal forces come from either individual problems or from the system. The problem of communication is considered as the major cause of conflict and thus it leads to change.

There are many internal forces which bring changes in an organization. Some of the changes are depicted in a diagram above while along with those points, the few can be discussed here.

- Change in work profile
- Change in leadership style
- Dynamic changes in system
- Safety and security of individual
- Influence of union
- New technology's implementation
- Change in employees profile
- Inadequate working conditions
- Change in management policy
- Personnel policy

02. External Forces

External forces originated outside the organization. The external forces are beyond the control of the organization. The impact of these forces is general. Many firms and organizations get affected due to these forces. Change in legal framework, social factors, economical factors, ban on technology affects the working and efficiency of the firm.

There are many external forces which bring changes in an organization. Some of the changes are depicted in a diagram above while along with those points, the few can be discussed here.

- Changes in market
- Globalization and liberalization
- Changes in technology
- Economic factors
- Change in taste and fashion
- War
- Natural Calamities
- Political factors
- Change in legal framework
- Demographic factors
- Competition

10.3 WHY DO PEOPLE RESIST CHANGE?

Change is inevitable in nature. Although, people resist change. There may be numerous reasons as human behavior is caused. Whatever we do, there is a reason behind that. Resistance to change can be a source

of functional conflict. Some evidence of resistance to change is very destructive. To further understand this topic, the reasons for resistance to change are divided into two categories.

Fig.10.4: Why do People Resist Change

01. Organizational Resistance

The main reason people resist change is uncertainty of its impact. The organizational structure itself also resists change. Every kind of change involves resistance to change. Let's have a look on the reasons of organizational resistance to change -
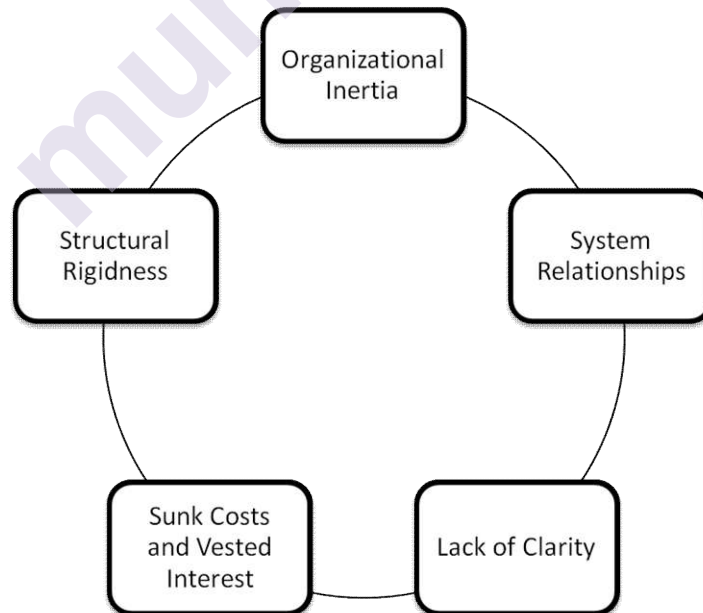
Fig.10.5: Reasons of Organizational Resistance

i) Organizational Inertia

Making significant internal changes in the face of external changes is known as organizational inertia. It depends upon the organization's ability to make changes. People react when they feel the changes are occurring gradually. On the basis of their past experience, they resist change.

ii) System Relationships

It is one of the important features of change that one change brings another change. It has a domino effect. Due to the changes which arise in one subsystem lead to changes in other subsystems also. The change in one department may bring the change in another department as well. That's why organizations resist change.

iii) Lack of Clarity

When organizations lack clarity about the incidence and gravity of change, they resist. The organizational structure itself also resists change. Most changes have the power to disrupt things. Lack of clarity brings more confusion and fear about the change.

iv) Sunk Costs and Vested Interest

Sunk costs are those costs which are used in investments. Investments in fixed assets like machinery, land and building are treated as sunk costs. Any new change can create a disruption in his system. Vested interests of an individual involve commitment of an individual towards resources, programmes, policies of the organization. Organizations resist change when the things related to abandonment arise.

v) Structural Rigidness

Organizations resist change due to structural rigidness also. Many changes have the capacity to disrupt the structural rigidness. It affects the power structure as well. Decentralization of authority can be often seen as threats to the power of superiors when it comes to delegation and granting power is concerned.

02. Individual Resistance

Individuals resist change due to multiple factors. The main factor which is considered is dfera. They fear losing power, status, responsibilities and post.
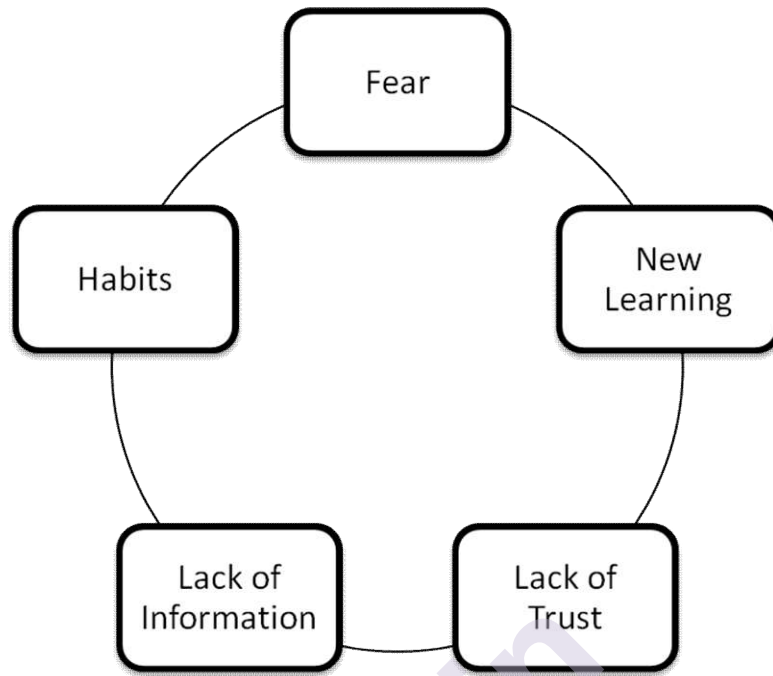
Fig.10.6: Reasons of Individual Resistance

i) Fear

The most common reason for people resisting change is fear. Fear of the unknown, uncertainty and ambiguity are some of the reasons. Fear of learning something new is also one of the reasons that compel people to resist change.

ii) New Learning

New learning is also one of the reasons. New learning requires effort and energy. For doing new work and tasks, one requires to learn new methods, a new technology etc. learning something new can be exciting if a person is willing to learn. Few people may find it unattractive to learn and that's why they resist change.

iii) Lack of Trust

The relation between management and labor is a sensitive one. Labor if not communicated properly about the change may suspect the reason for change and try to oppose the decision taken in favor of the change against the management. Lack of trust is also considered as one of the reasons.

iv) Habits

Human beings are slaves of habit. Changes create challenges for the people who believe in routine work and do not like the concept of newness. Rapid changes in organizations can disturb the routine of their work nature. Such people find resistance easy rather than accepting change.

v) Lack of Information

Providing information about the change is a fundamental step of introducing change. Lack of information about the change can create fear of the unknown and it can disrupt the stable relationships and work culture of the organizations.

10.4 MANAGING RESISTANCE TO CHANGE

Managing resistance to change is a key to management of change. Through the following ways, an organization can effectively manage resistance of change -

Participation
Communication
Coercion
Facilitation
Support
Co-optation
Education
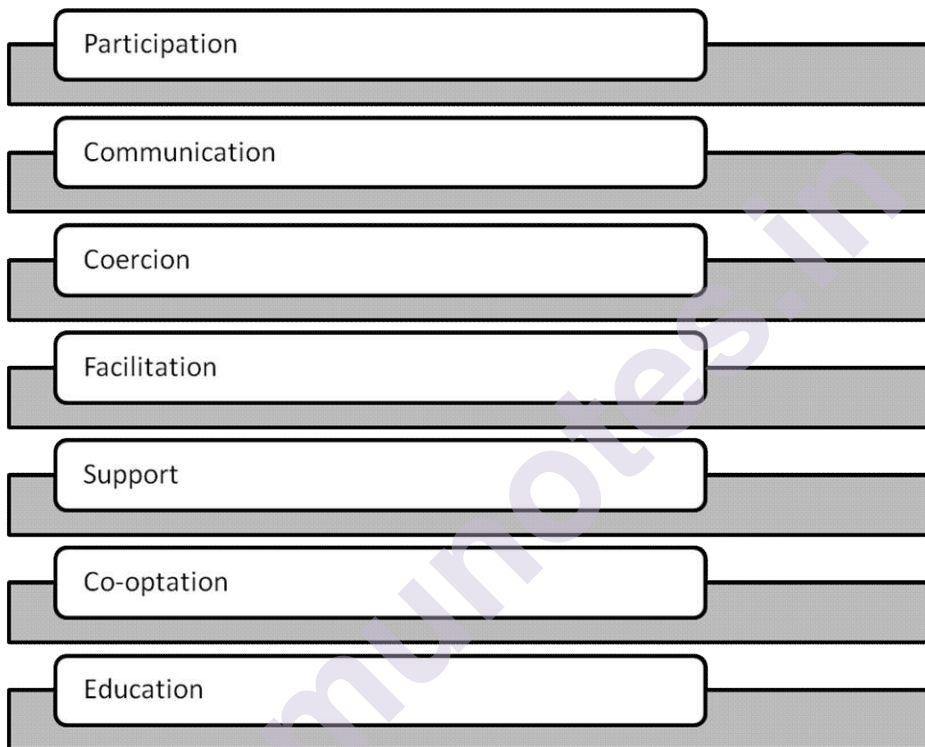
Fig. 10.7: Management of Resistance of Change

01. Participation

Taking participation of employees in the change process can help organizations and managers to implement change. It is observed that individuals find it difficult to resist a change in decision in which they participate. A bring can involve all employees and those employees who resist change. They can be brought into the decision process.

02. Communication

Communication is the best way to bring change. Communication is a powerful force for change in ambiguous situations. Giving communication about the need for change is an effective tool to facilitate change. Communicating the process of change to employees helps them to accept change.

03. Coercion

This can be taken as the last resort to implement change. After taking into consideration all the measures, as a last tactic organization can apply direct threats on the resisters to make them understand and accept the change. Coercion in the form of demotion, transfer, loss of promotion, ineffective performance appraisal can be used against the resistor.

04. Facilitation

Facilitating change is an easy process to make employees understand the gravity of change. Providing empathy to those employees who have trouble in dealing with change is another important strategy. Managing change through facilitation is a kind of help extended to the person who is facing trouble in accepting change.

05. Support

One of the important strategies for managing resistance to change is providing support to the employees. The persons who are facing trouble in accepting change, they must be provided proper and needed support like skill training, knowledge about the work, counseling and therapy etc.

06. Co-optation

Co-optation means an act of co-opttating something in order to take over something. The people who resist are invited to get their endorsement regarding change. The technique of co-optation is less expensive and simple. Through this method, a manager can seek the support of the resistors in an organization. They are being tricked for undertaking change. Manipulation and co-optation covert attempts to influence.

07. Education

Providing details to employees about the change and its need is one of the best methods to manage resistance to change. Employees can be educated about the change. Methods like discussions, memos, notices, groups discussion can be used to educate the employees about the change and its nature.
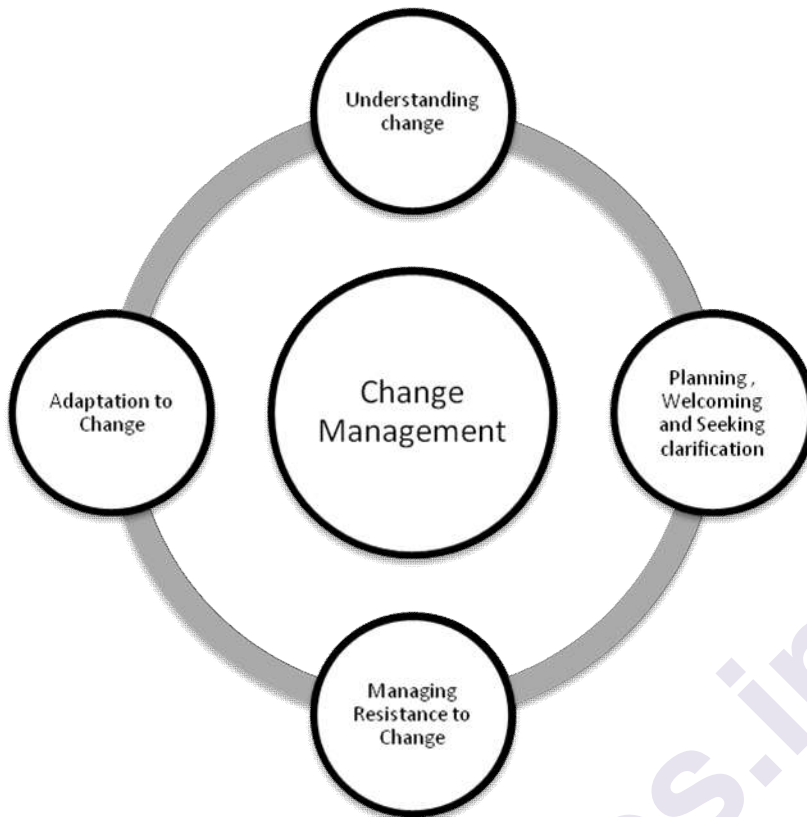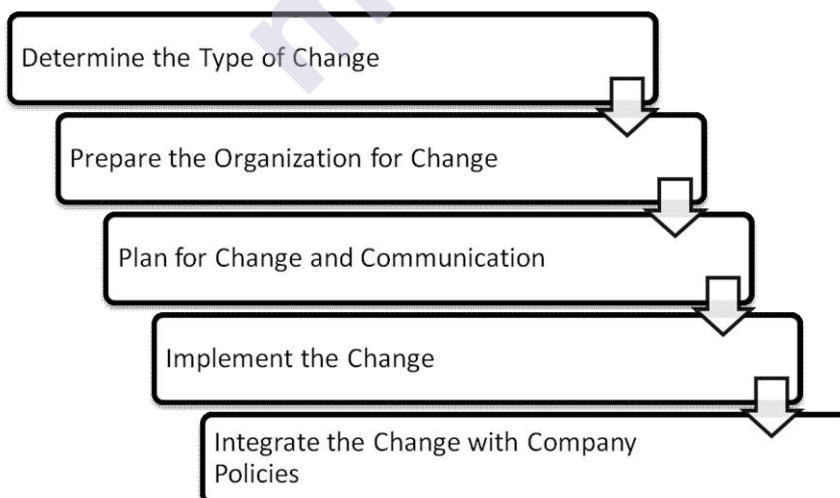
10.6 PROCESS OF CHANGE MANAGEMENT

Any change, big or small, has its effect on its employees and organization. There is a close relationship between the organizational change and the behavior of employees. Managing change is a process. Change management is considered as a process of introducing, planning and implementing change in an organization.

Fig.10.8: Managing Organizational Change

The acceptance of change depends on the responsiveness and understanding of the employees regarding change. Implementing and managing change successfully needs the involvement of the employees. Through the process of change management, the employees can be convinced about the benefits of accepting change in an organization. Let's have a look -

Fig.10.9: Process of Change Management

Step I - Determine the Type of Change

Determining the type of change is the first step in the process of change management. Organizational change can be transformational or adaptive, reactive or proactive depending on nature. When the forces compelled organizations to implement change without delay, the process of change management will involve less days. Determining the type of change is helpful in planning for the next steps to implement change successfully.

Step II - Prepare the Organization for Change

In this phase, managers are focused on preparing the organization for change. They make people understand the need and importance of change. They educate, provide support and try to facilitate the change. They try to involve people in the change process to avoid resistance.

Step III - Plan for Change and Communication

Managers after preparing the organization for change, plan for change. Managers are required to develop a plan to bring change systematically in an organization. Managers take into consideration goals and strategies, key indicators, components, scope of the change to make it more realistic and well planned. A planned change is considered as half the target achieved.

**Step IV - Implement the Change**

After planning about the introduction of change, the fourth step of the change management process deals with the implementation part. It involves changes which need to be implemented in sync with company' structure, policies, plans, processes and system. The most important consideration of this step is to analyze and seek support from people. This step involves the implementation of change as per plan.

Managers must empower their subordinates to accept change and ensure that they must participate and contribute in the change process.

Step V - Integrate the Change with Company Policies

Once the change is implemented, it is really important to integrate the change with the company's policies. Reversion to the old situation or status quo will disturb and disrupt the whole process. The change should work in accordance with the company's policies. Integration is an important process of change management.

The sixth and the most important step of change management is to review the process and manage the change effectively. Every change introduced by the management involves different steps. Managers must thoroughly understand the change process.
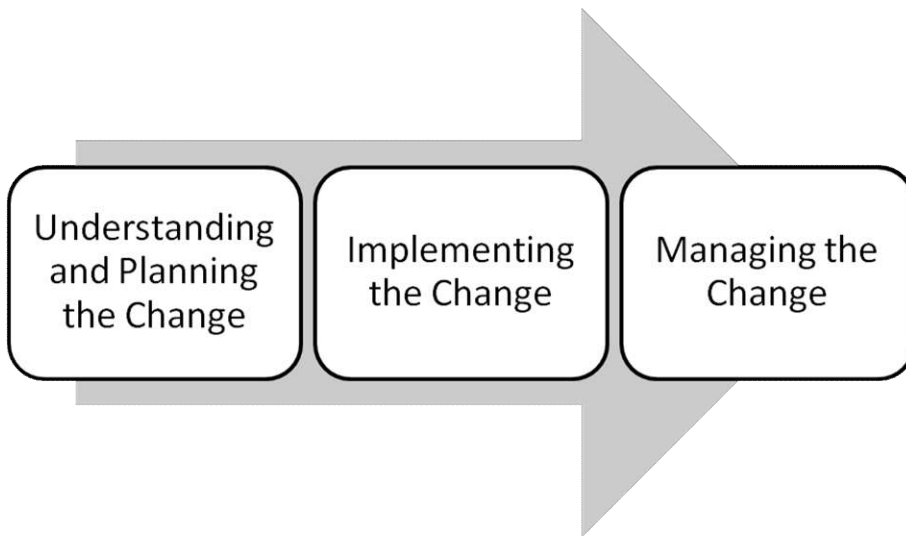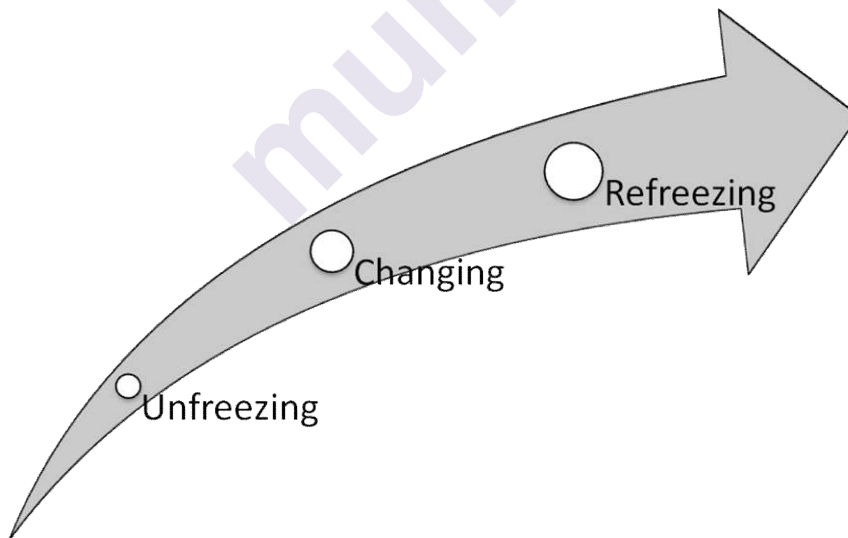
Fig. 10.10: Process of Change Management

10.7 MODELS OF CHANGE MANAGEMENT

10.7.1 LEWIN'S CHANGE MANAGEMENT MODEL

Kurt Lewin has developed a change management model popularly known as Lewin's Change Management Model. The model represents a simple and practical approach for understanding the change. This change model involves three steps - Unfreezing, Changing and Refreezing. For better understanding, the explanation is given below -

Fig. 10.11: Steps of Change Management Model

Unfreezing

Before implementing aay change, it must go through a process of unfreezing. The objective is to create an awareness about the need and level of change. Communication is an essential part of this step. The

benefits associated with the change must also be communicated to each employee.

Idea is to make them accept change. In this step, many people will naturally change. Awareness and communication are the key elements of this step.

Changing

In this step, the people are already aware that the change is going to happen and is better for us. They will be ready to transition from one state to another state. This step marks the implementation of change. The people may fear or may feel insecure about the change. In this step, communication, support and time are the key elements in his step. People begin to learn the new nature, behavior and ways of thinking.

Refreezing

The final stage of Lewin's model is refreezing. It can be referred to as the stage of reinforcing the change and stabilizing the change. After stabilizing, the new state can be solidified. In this stage, people have accepted change and are accustomed to it. A manager must ensure that the people should not revert back. The change must be integrated in such a way that it should get in line with the company's policy.

10.7.2 MCKINSEY'S 7-S CHANGE MANAGEMENT MODEL

The McKinsey 7S Model was developed by Tom Peters and Robert Waterman. This model is a powerful tool to analyze the changes in the internal circle of the organization. The model is based on seven key elements. These seven key elements determine the organization's success. For improving organizational behavior and analyzing futuristic change, this model can be used.

As per this model, there are seven elements which determine the organization's success. These elements must work together for effective change management. This model is basically used to plan and implement organizational changes. The McKinsey 7S model is divided into hard and soft element categories.
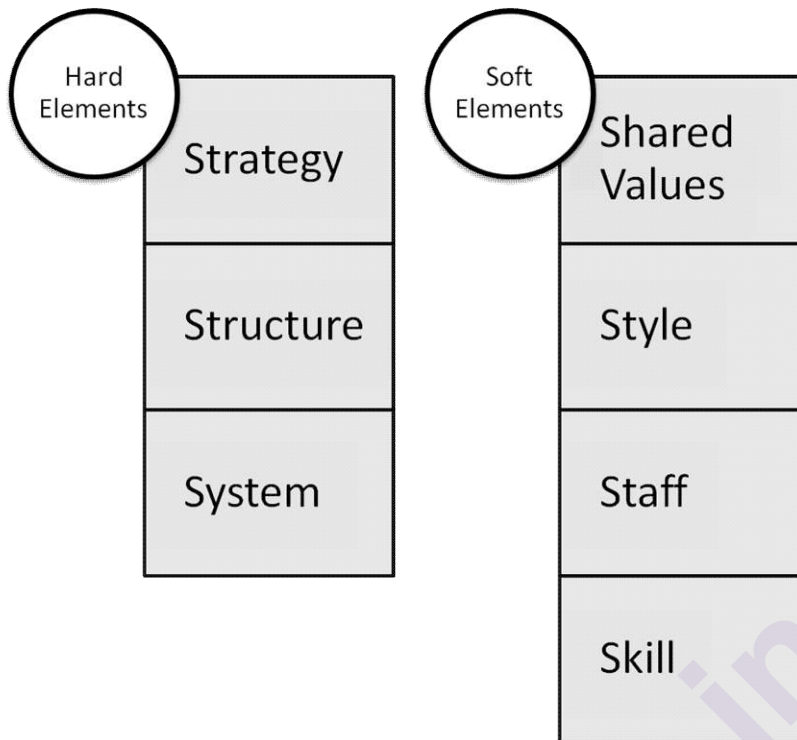
Fig. 10.12: McKinsey 7S Model

01. Strategy

Strategies are the roadmap by which an organization can gain competitive advantage. It is an organization's plan for achieving and maintaining competitive advantage over competitors. It deals with the long term.

02. Structure

Structure means how the department and levels are divided? How the groups and teams work towards the common goals. It means the reporting pattern of the organization. Who will report whom?

03. System

To get the job done, procedures and processes are followed. To complete the assigned task, a system is followed by the staff to get the work done.

04. Shared Values

The mission, vision, objectives and goals of the organization denotes the shared values. Because it is shared by all in general. Every group works towards the achievement of the desired goals of the organization.

05. Style

Style influences organizational performance. The way employees are treated define the style of leadership. How the leadership style influences the strategic decisions of the organization comes under these elements.

06. Staff

Staff represents the human resources of the organization. The HR policies and its impact comes under this element. The domain of this element also covers knowledge management, training and development of the staff in an organization.

07. Skill

The capabilities and competencies of the employees determine the skills of the employees. Skill level of employees determine how well the employees are able to accept change.

This model is used to identify which element company is in need to realign to improve performance. The changes in the form of -

● Mergers and Acquisitions

● Restructuring

● Adoption of New Technology

● New Processes

● New Systems

● Leadership Style can be adopted by the organization to work more effectively. This model is used for organizational design and restructuring.

10.8 SUMMARY

● Change is inevitable in nature. This is the common line used to introduce the concept of change. Change is something which denotes a transition from one state to another. The fact of being replaced or changed creates fear in the mind of the people.

● Change management is a systematic approach in dealing with organizational change.

Change management is a process in which the changes are introduced in a planned and systematic way in an organization.

● Internal forces are those forces which originate within the organization. The internal forces are under the control of the organization. The internal forces come from either individual problems or from the system. External forces originated outside the organization. The external forces are beyond the control of the organization. The impact of these forces is general. Many firms and organizations get affected due to these forces.

● Resistance to change can be a source of functional conflict. Some evidence of resistance to change is very destructive. To further understand this topic, the reasons for resistance to change are divided

into two categories - Organizational resistance and personal resistance.

● Managing resistance to change is a key to management of change. Through communication, participation, support and coercion, the resistance of change can be managed.

● The acceptance of change depends on the responsiveness and understanding of the employees regarding change. Implementing and managing change successfully needs the involvement of the employees. Through the process of change management, the employees can be convinced about the benefits of accepting change in an organization.

10.9 QUESTIONS

01. What is meant by organizational change? Why is change considered as inevitable in nature?

02. What are the major external and internal forces for change in organization?

03. "People resist change and it's a completely normal part of the process" Comment.

04. How can resistance to change be prevented and managed? Explain its various techniques or measures.

05. Discuss various models of change.

06. Describe the process of change management with the help of diagrams.

07. Write a note on Lewins' change management model.

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TOTAL QUALITY MANAGEMENT

Unit Structure

11.1 Introduction

11.2 Concept of Quality and Quality Management

11.3 Concept of Total Quality Management (TQM)

11.4 TQM Framework

11.5 TQM Principles

11.6 TQM Tools and Techniques

11.7 Summary

11.1 INTRODUCTION

Total Quality Management is a new approach to management. It originated in the 1950's in Japan. The concept of TQM has now gained popularity all over the world due to its importance. As the name suggests, it basically deals with the continuous improvement in an organization. It is both philosophy and a set of guiding principles to help organizations to continuously improve. This approach is for customer oriented organizations. The employees are expected to produce quality products and provide quality services. This approach is centered around the needs of the customers.

Fig. 11.1: Quality, Quality Management and Total Quality Management

For better understanding the concept of Total Quality Management (TQM), let us first understand the concept of quality and quality management-

11.2 CONCEPT OF QUALITY

The word 'Quality' is often misunderstood and popularly used. The concept has shifted from quality to quality circle, from quality circle to quality control, from quality control to quality assurance, from quality assurance to quality management and from quality management to noq total quality management. It has always been the most exploited word.

Fig. 11.2: Concepts of Quality

Quality means a degree of excellence a product or service provides. Quality is considered as a measure of the achievements and efficiency of the organization. The quality is measured in terms of customer satisfaction, product quality and service delivery. Quality denotes that the organization is working beyond or above the level of minimum standards. It shows the level of commitment of an organization in whatever activities they are undertaking, ensuring that the level of excellence is always maintained at all levels by the managers and employees.

Quality is considered as excellence but it lacks measurability. Some viewed the concept of quality as value. The value concept of quality deals with the performance and features of the products. How useful is it? Sometimes, quality is perceived as conforming to the requirements. This concept is technical in nature and deals with the specifications and functions of the products. Quality is also called zero error policy.

Quality is considered as a parameter which decides the performance of the product. Product or service is inferior or superior is determined by the quality. It helps companies to differentiate their products from their competitors as far as product or services are concerned. In every business, quality plays an important role. It has also proved to be helpful in surviving the cut-throat competition. The reason why the company is gaining more and more customers and market share is because of quality.

The quality is defined in many ways, let's have a look -

W. Edwards Deming defines it as "A predictable degree of uniformity and dependability at low cost and suited to market".

According to *Gilmore*, "Quality is the degree to which a specific product satisfies the wants of a specific consumer".

Crosby defines quality as the means to conform to standards, specifications or requirements.

Joseph M Juran defines "Quality is fitness for use or purpose".

Bill Conway defines quality as "Development, manufacture, administration and distribution of consistently low cost and products and services that customers need and want".

11.2.1 QUALITY MANAGEMENT

The concept of quality management includes quality planning and quality control. Quality planning refers to the process of knowing the specifications and requirements of the customers. While, quality control deals with the inconsistency of the action with the planning by taking corrective actions.

Thus, quality management refers to all the functions which deal with designing and providing quality products and services to fulfill the needs of the customers. The core concept of quality management includes quality planning, controlling, assurance and improvement. The scope of quality management is not confined to inspection. The factors which effects quality management are -

● Contribution of management

● Involvement of employees

● Support from suppliers

● Customer satisfaction

● Efficient production

● Effective planning and control

Quality management ensures that the organization is working efficiently and as per the expectations and requirements of the customers. It also ensures that the products and services are consistent as far as their performance is concerned. The four major components of quality management covers all the fundamental functions of an organization in terms of quality. The approach of quality management in any organization should be based on the principles of relationship management, effective decision-making, efficient leadership, customer focused and engagement of people of the organization.
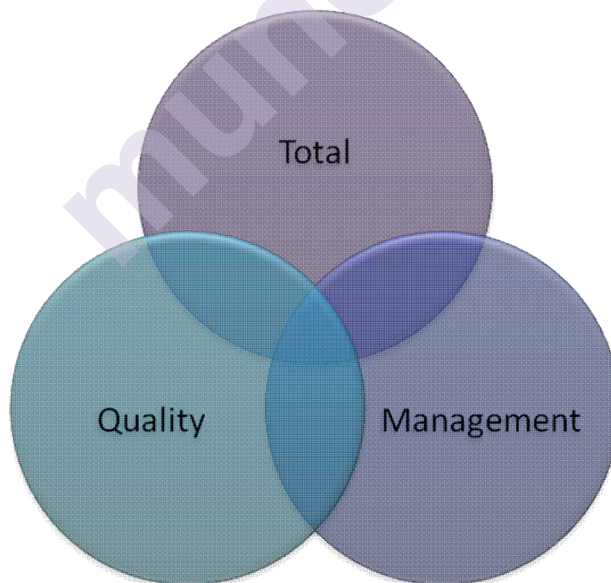
11.3 TOTAL QUALITY MANAGEMENT

Initially, the concept of total quality management originated for the manufacturing sector but it can be applied to all organizations. The concept of total quality management was originally developed jointly by W. Edwards deming, A.V. Feigenbaum and Joseph Juran. The concept of total quality management involves every employee in the organization.
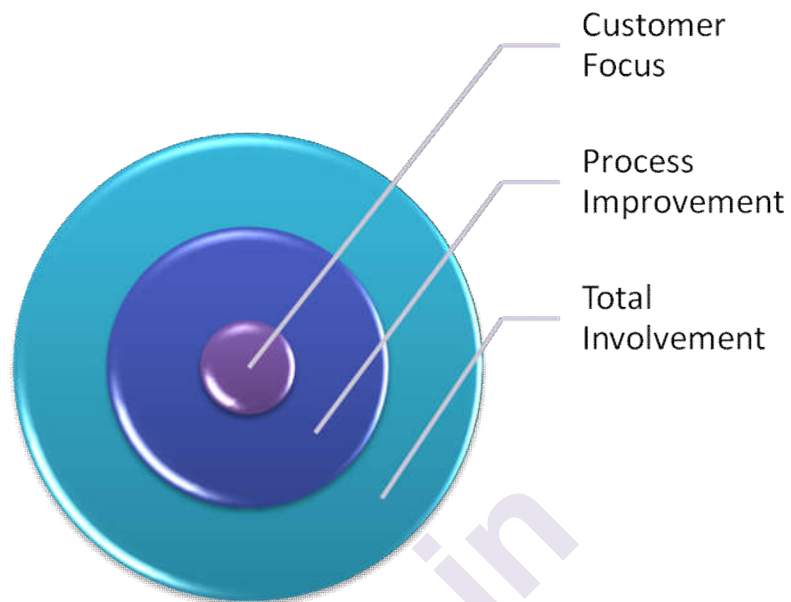
Total quality management is a philosophy. It is not a technique. It states that every employee should work towards the improvement of the organization. To ensure a continuous success, the employees should contribute in improving the work culture, work efficiency, services, systems and processes. It is mainly concerned with continuous improvements in all the areas of organization. The approach of total quality management is a never ending process.

The term consists three words -

Fig.11.3: Total, Quality and Management

Total - Every employee of the organization is responsible for maintaining quality.Quality - Degree of excellence of the product or service and meeting the confirmation and requirement of the customers.

Management - art of getting things done with the help of planning, organizing, directing and controlling.

Fig.11.4: Framework of TQM

The concept of total quality management is cross functional in nature and involves the entire organization. It is a long term activity which ensures the operational efficiency of the organization. It is a never ending push to improve. It means organizations will work towards continuous improvement. It also lays emphasis on customers' expectations. The main objective of total quality management is continuous improvement. The approach covers all the rules, regulations, guidelines and principles that contribute in improving the efficiency and performance of the organization.

To satisfy the expectations and needs of the customers, the approach continuously works. It integrates all the management techniques to achieve the objectives of quality. The process of quality planning, control, assurance and improvement requires a continuous improvement between the customers and the organization. Defining the quality attributes on the basis of customer needs and defining how to measure each attribute are the important steps of quality planning, control and improvement.

**Fig.11.5: Conceptual Framework and Elements of TQM**

The concept of total quality management is based on total system approach and involves the involvement of top level management. It is an integral part of the strategic decision making of the management. Infact, it involves the involvement of all levels of management. It is a consistent effort taken by all the employees of the organization. In all aspects of the business, a company must set and specify the quality standards.

11.4 TQM FRAMEWORK

The concept of total quality management has evolved over a period of time. Management Gurus like Juran, Deming, Shewhart, Crosby and many more have contributed their efforts towards the development of the subject area of total quality management. How the framework of total quality management works can be understood with the help of the following diagram -
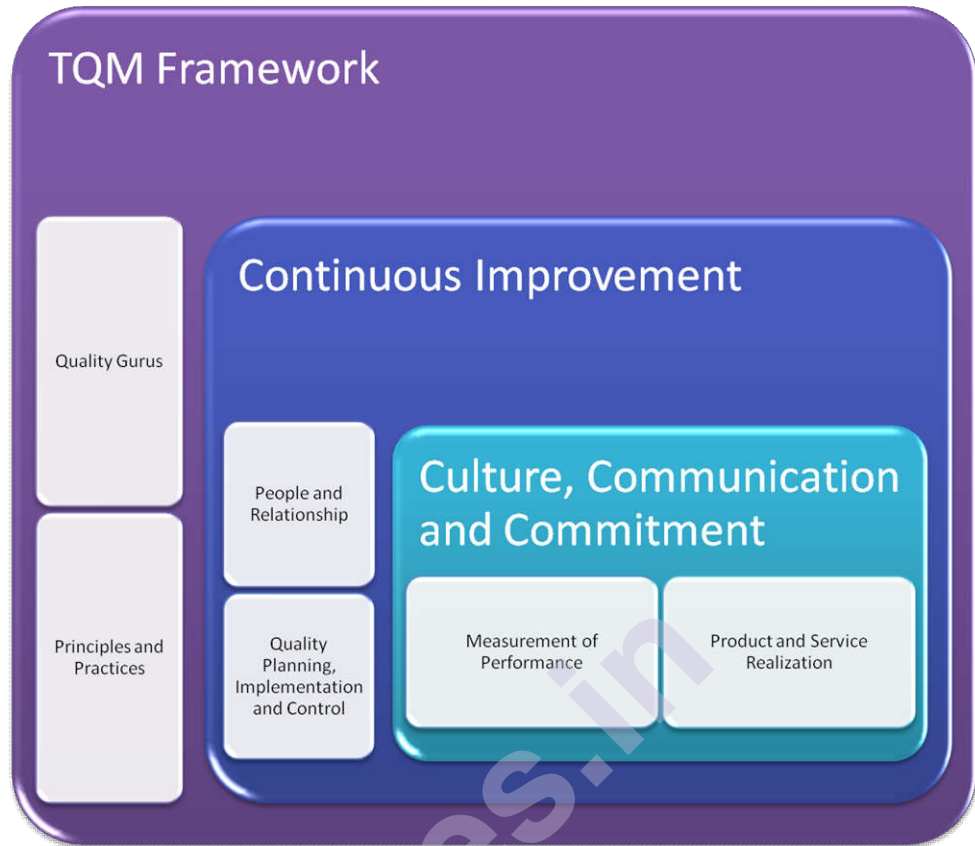
Fig.11.6: Framework of TQM

Many quality Gurus have contributed their knowledge and understanding towards the subject of total quality management. The whole concept is focused towards customers through continuous improvement. Principles and practices of TQM are directed towards the development of a concept which is continuously working for the improvement of quality of the organization.

On the basis of factors of people and their relationship in terms of customer satisfaction, leadership, involvement and commitment of employees, partnership with suppliers, relation with the various stakeholders helps to determine the quality planning. After preparation of quality planning, the managers concentrate on its implementation and control aspects.

The fundamental thing in the whole process is -

● Culture of the organization

● Communication flow and

● Commitment of people

The performance is measured to evaluate the impact of planning. In the direction of the set goals, it is also observed that the products and services are of best nature. Improved quality and customer satisfaction

are some important parameters which helps organizations to evaluate the benefits of TQM.

The framework of TQM is determined by the way it is perceived and managed by top level management. Only a committed top management can inculcate the culture of continuous improvement. The main focus will be on consumers needs, expectations and requirements. Involvement of employees can also be ensured by instilling the feeling of quality consciousness in them. Performance measures act as motivators. It helps organizations to know about their path and direction.

11.5 TQM PRINCIPLES

Quality is the main parameter for every organization. There are many principles of total quality management directing organizations to move towards business excellence. When the principles are implemented together, it helps the organization to work towards the development of quality aspects at all levels covering the whole organization. The following are the principles -

Focus on Customer	Involvement of Employees	Continuous Improvement
Integrated System	Strategic Approach	Facts based Decision-making
Communication	Process Centered	Leadership

Fig.11.7: Principles of TQM

01. Focus on Customer

The quality of the products and services is determined by the customer. Customer feedback plays an important role no matter what an organization does? In the form of customer return ratio, reviews, feedback, surveys, an organization can work on this principle.

02. Involvement of Employees

The essence of the organization is people. At all levels of management, the involvement of employees are needed to implement the system of TQM. Their abilities and skills at the fullest can be used for the organization's benefit. They must be empowered and feel motivated to involve themselves in work.

03. Continuous Improvement

This principle is the essence of TQM. preparing plans and implementing policies for the quality aspects of the organization will instill a culture of continuous improvement among employees. It also encourages employees to learn the system of quality at all levels.

04. Integrated System

An organization should follow an integrated system to manage the work of various units and departments. Integrated systems allow for effective total quality management. The work of every department and unit must be integrated to achieve the quality objectives of the organization.

05. Strategic Approach

Strategic plan helps organizations to outline their work in accordance with the vision and mission. How an organization intends to achieve the objective and goals of the business is an essence of this principle. Strategic and systematic approach for an organization easily facilitates working towards the business goals by keeping quality as the core component.

06. Facts based Decision-making

Analyzing and checking data to ensure its reliability is an important part of TQM. Based on the available information, the analysis of data leads to better decisions. On the basis of sales data, revenue, market share, customer retention rates, factual based decision making ensures effective administration.

07. Communication

Effective communication ensures that the goals and objectives are conveyed properly to the employees. A good communication system is a key to better management. It is essential when an organization is implementing changes and policies for the improvement of the system. Reasons behind the change must be communicated in advance to facilitate the better flow of work.

08. Process Centered

The system of total quality management should be process centered. Fault in process is the main cause of all the problems. Effective planning, monitoring and control of the system ensures the maintenance and improvement of quality.

09. Leadership

In achieving the organizational objectives, leadership plays an important role. Leaders influence people to work towards the common interest of the organization. Leaders must create and maintain the quality aspects in their mind while planning and implementing work.

11.6 TQM TOOLS AND TECHNIQUES

A quality-focused environment is the key indicator of quality. Customer satisfaction by continuous improvement of products ,services, processes and organization sustain the TQM movement in the company.

The following tools and techniques enable organizations to adopt and maintain the system of
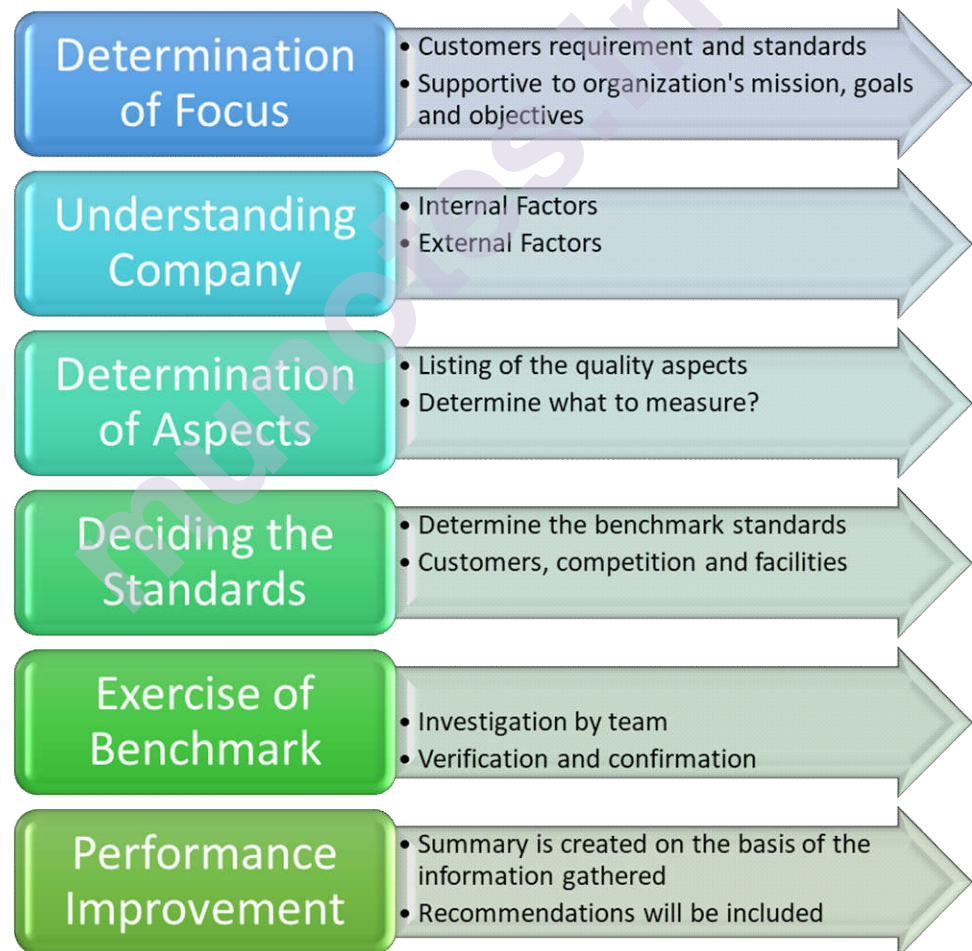
TQM -
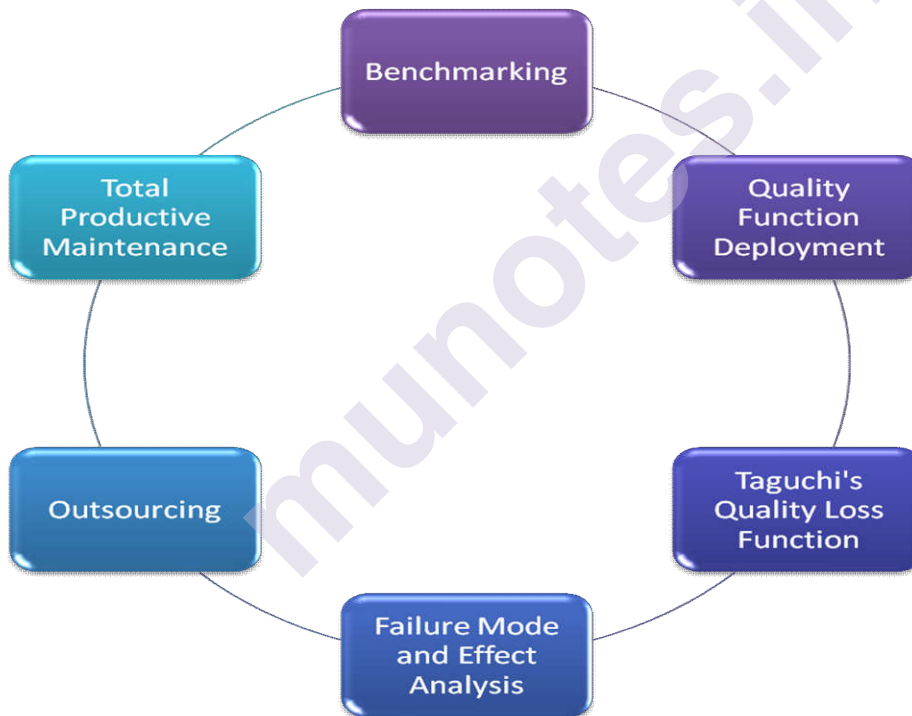
Fig.11.8: TQM Tools and Techniques01. Benchmarking

Identifying the internal opportunities for improvement is known as benchmarking. Benchmarking involves the measurement and comparison of product and services with other companies to identify the best in class. It is an organized search for best practices by taking into consideration time, quality and cost. During this exercise, the company compares its performance against the performance of the other companies. The information is an important parameter in benchmarking. There are various types of benchmarking.

- When a company wishes to understand the internal issues, the type of assessment it carries is known as perception based benchmarking.

- During the compliance based benchmarking, companies which are in a process to get ISO 9000 certification choose this type of assessment.

- For continuous improvement, to ensure effectiveness in terms of quality, time and cost this type of benchmarking process is carried by the organizations.

- Another type is effectiveness based benchmark assessment to ensure that the requirements are being fulfilled.

With the help of benchmarking, a company can assess the company's quality management system, allocation of appropriate resources, areas having greatest strength and weaknesses, opportunities and threats. Companies internal and external assessment. This information helps companies to work in a better way towards objectives, plans and policies.

| Step	Details
Determination of Focus	• Customers requirement and standards • Supportive to organization's mission, goals and objectives
Understanding Company	• Internal Factors • External Factors
Determination of Aspects	• Listing of the quality aspects • Determine what to measure?
Deciding the Standards	• Determine the benchmark standards • Customers, competition and facilities
Exercise of Benchmark	• Investigation by team • Verification and confirmation
Performance Improvement	• Summary is created on the basis of the information gathered • Recommendations will be included

Fig. 11.9: Steps of Benchmarking

To understand the company's competitive position, benchmarking is done. The information gathered during the steps decides the future course of action of the company with regard to the continuous

improvement. The company's strengths, weaknesses, opportunities, threats and challenges are quantified during the process.

02. QUALITY FUNCTION DEPLOYMENT

Quality function deployment is a structured method of benchmarking. In this method, the customer's requirements are translated into appropriate technical specifications for the products and services. Then , these specifications are used for each stage of product planning, development and production. This approach of benchmarking is customer focused.

Translating the customers requirement into the product development process is known as quality function deployment technique. The central aspect of this technique is to listen and understand the requirements and specifications of the products and services from the customers.
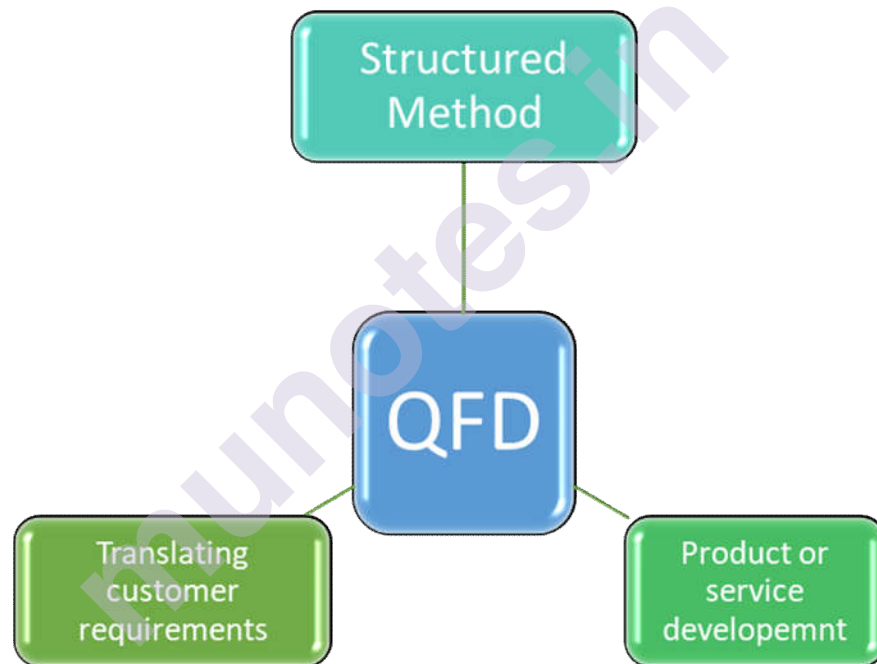
Fig. 11.10: Concept of Quality Function Deployment

HOW IT WORKS

Step 1 - In the first step, during the product planning the customer requirements and design requirements are taken into consideration.

Step II - In the second step, the components like the technical requirements, design features and quality components are listed.

Step III - In the third step while dealing with the process planning, the quality characteristics are once again measured to study the relationship. During this process, the key process operation takes place.

Step IV - In this step, production planning and development takes place. customer specifications are now translated into product or service development processes. It is the duty of the team to translate the requirements into technical specifications.

**Correlation Matrix**
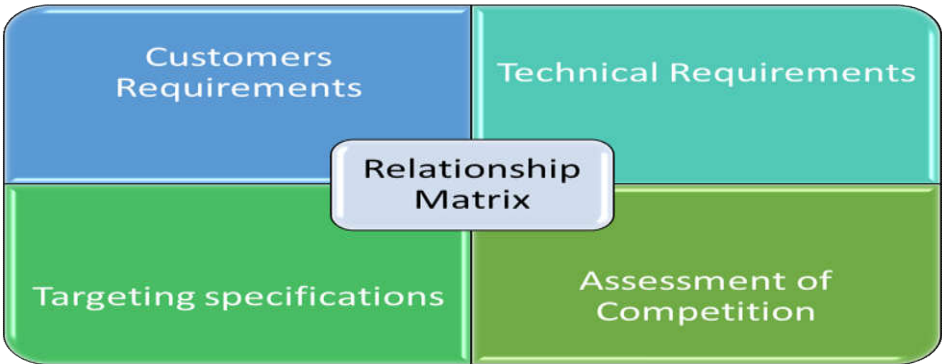
Fig. 11.11: House of Matrix

This diagram is often referred to as 'House of Matrix' because of its house-like appearance. The additional aspects are added to the matrix to broaden the scope of analysis and assessment.

03. TAGUCHI'S QUALITY LOSS FUNCTION

Taguchi's quality loss function was developed by Dr. Genichi Taguchi. It is a simple and effective method. The other name of the method is Taguchi Method-based Design of experiments. This method is used in solving quality-engineering problems. Dr. Taguchi for his contribution in quality engineering received an award as well. He has been honored with the Deming award in the field of quality engineering.

The concept combines cost, target and variation. This function states that when there is a deviation from the target value, loss occurs to society. When a firm is not able to understand or justify the target value due to poor customer service, shorter life of product etc., the loss occurs to society. When the variations are within specifications, the loss may occur in the form of many things. Oversize of the product or undersize, alignment problems, incomplete finish etc.
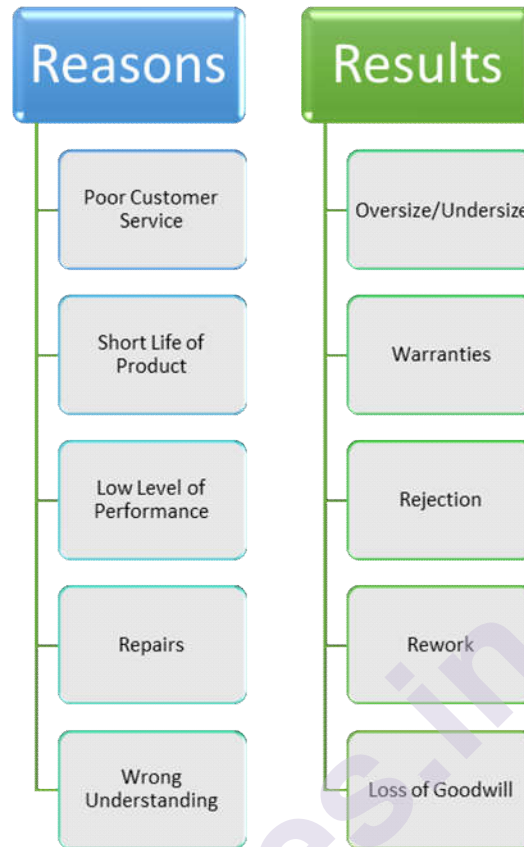
Fig. 11.12: Reasons and Results of Loss

If the variations extend beyond the specifications, the loss may arise in the form of loss of goodwill, rejection, exchange, warranties etc. This function helps companies to set the production and quality parameters to maintain quality at all levels. Loss can be minimized by improving the performance and consistency of the working of the products.

This method identifies the optimum level of process which helps companies to reduce variations. By adopting the following steps, one can eliminate this loss. There are four basic steps -
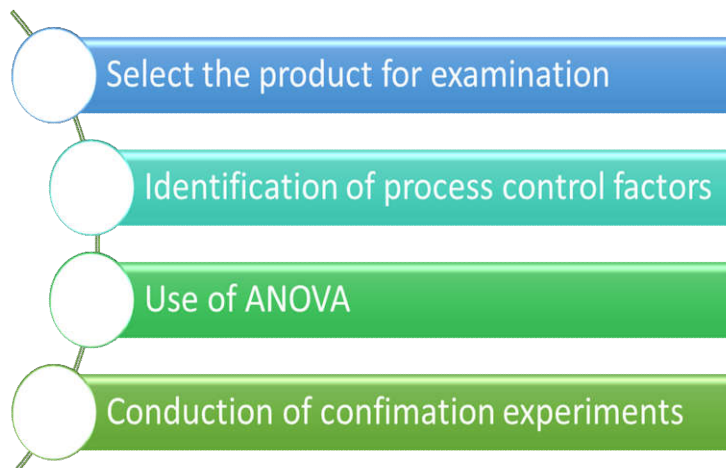
Fig. 11.13: Process of Taguchi's Quality Loss Function

Taguchi stated that "quality is the loss a product causes to society after being shipped, other than losses caused by its intrinsic functions."

04. Failure Mode and Effect Analysis (FMEA)

FMEA is a technique through which the actions are identified to eliminate the chances of potential failures. It is one of the most reliable tools for determining the accuracy of products or services. To identify the potential failure, this technique is used to analyze the design of a product or service. The objective is to minimize the risks of failures which arise due to multiple reasons.

This technique works before-the-event. It is a proactive strategy of total quality management. This before-the-event approach will minimize the changes and efforts of people in design and production. Basically, the process of Failure Mode and Effect Analysis involves three steps -
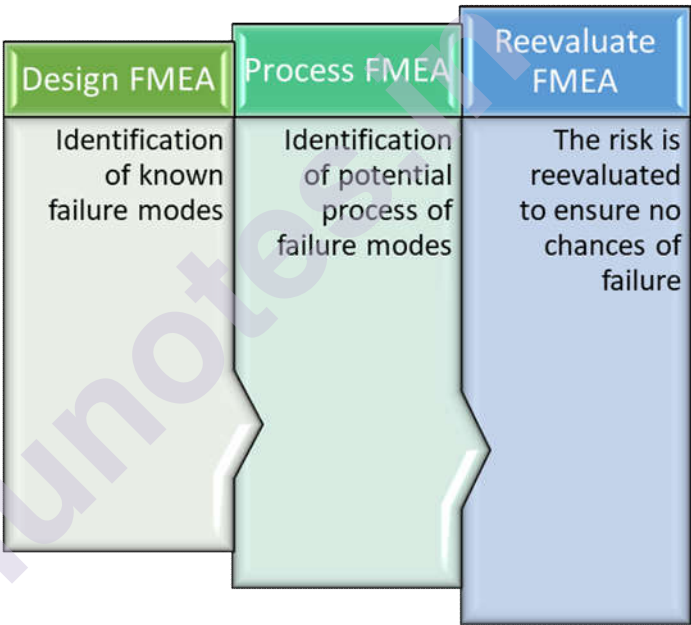

Fig. 11.14: Stages of FMEA

01. Designing FMEA

This step involves identifying the known failure modes. After identification, the failures are ranked. The relative impact on the product is assessed and analyzed in this stage. The prediction regarding failure is analyzed. Accordingly, priorities are set up. This stage saves time, quality and cost as far as development of product and services is concerned.

02. Processing FMEA

This stage identifies the potential failures associated with the process. The failures are ranked like the first stage. The relative impact on customers is again analyzed in this stage. The prediction regarding failure is analyzed. Accordingly, priorities are set up.

03. Reevaluating FMEA

After designing and processing Failure Mode and Effect Analysis, the checking of effectiveness of the system adopted till now is carried out once again. The risk priority number is calculated. The causes are ascertained and corrected by proper control mechanisms. To avoid the failure, the whole process is again reevaluated.

Some parameters are taken into consideration while using this technique like -

● Failure is certain - In this case, the probability of the failure will be very high.

● Repeated failure - In this case, the probability of the failure will be high.

● Occasional failure - In this case, the probability of the failure will be moderate.

● Less number of failures - In this case, the probability of the failure will be low.

● No chances or unlikely - In this case, the probability of the failure will be remotely low.

05. OUTSOURCING

The approach of total quality management is customer focused. Outsourcing management process helps organizations to pay attention towards customer satisfaction and continuous improvement. The organization gets quality services when they outsource their operations. In outsourcing the work is performed by different firms and that work is outsourced by the firm.

Outsourcing is the technique which helps organizations to restructure or downsize. It is the process of taking the help of other firms in providing services and operations at much cheaper or better rate. It is not possible for business firms to perform each and every function on their own. To maintain quality at all levels and in every activity of business operations, businesses take the process of outsourcing to manage their administrative and business services.

If organizations can identify the areas of outsourcing, they can save their time, cost and energy to realize high quality service. Organizations can focus on their core competencies. Along with their employees, they can put their energy in other operations of the organizations.

The following are the functions that can be outsourced to maintain total quality management at organizational level -

● Security

● Transportation

- Legal services
- House-keeping
- Training and development
- Counseling
- Data processing etc.

In simple words, it can be said that through outsourcing, organizations get quality services from outside agencies at cheaper and affordable cost.

06. TOTAL PRODUCTIVE MAINTENANCE

The technique of total productive maintenance is defined as a strategy which involves the participation of the whole company in maintaining quality aspects of the organization. It is based on an idea that every employee of the organization should take part in maintenance of productivity and quality. Rather than to be called as a team, their act should represent their work.

It is not only a responsibility of the quality team to maintain standards but also everyone in the organization is responsible for maintaining quality. The concept of total productive maintenance involves maintenance planning, maintenance prevention, maintenance improvement and preventive maintenance. Prevention is always better than cure.
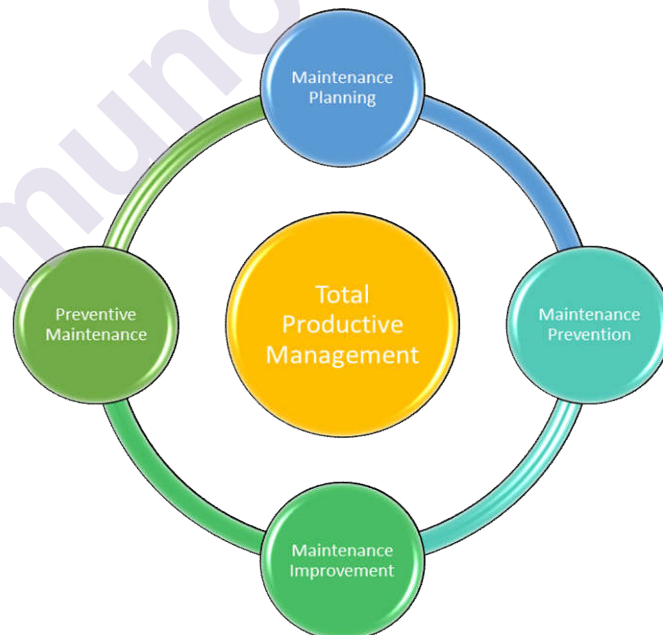
Fig. 11.15: Total Productive Maintenance

The goals of total productive maintenance is zero defects and zero breakdown. When these two goals are achieved, the costs come down and it increases productivity of the organization in terms of customer service and satisfaction. The overall aim is to maximize the equipment

effectiveness and overall efficiency of the organization. The participation of all the employees is needed in the technique of total productive maintenance

Development Stages of TPM

The development stages of total productive management involves four stages to achieve the zero defects and zero breakdown policy and overall efficiency of the organization in terms of quality aspects.

01. The first stage is known as *Breakdown Maintenance*. In this stage, it is ensured that the condition of equipment is good and the equipment is 100% available for work. If any problem arises, it has to be solved as early as possible.

02. The second developmental stage is *Preventive Maintenance*. In this stage, the preventive measures are ensured by the organization to avoid any error or breakdown. Timely repair of machines and equipment is taken into consideration. This stage is a proactive stage.

03. The third stage is the *Productive Maintenance* stage. In this stage, a maintenance schedule is developed. The modification or repair of any equipment is planned to prevent breakdowns. The autonomy in this stage ensures the productivity of operations at all levels.

04. The fourth and last stage is *Total Productive Maintenance.* TPM is carried out by all employees through group activities to ensure the system is implemented as per the plan carried out by the organization. The system can generate the benefits of cost savings and saves firms to bear direct and indirect loss.

11.7 SUMMARY

- Quality means a degree of excellence a product or service provides. Quality is considered as a measure of the achievements and efficiency of the organization. The quality is measured in terms of customer satisfaction, product quality and service delivery. Quality denotes that the organization is working beyond or above the level of minimum standards.

- Quality management refers to all the functions which deal with designing and providing quality products and services to fulfill the needs of the customers. The core concept of quality management includes quality planning, controlling, assurance and improvement.

- Total Quality Management is both philosophy and a set of guiding principles to help organizations to continuously improve. This approach is for customer oriented organizations. The employees are expected to produce quality products and provide quality services. This approach is centered around the needs of the customers.

- To satisfy the expectations and needs of the customers, the approach of TQM continuously works. It integrates all the

management techniques to achieve the objectives of quality. The process of quality planning, control, assurance and improvement requires a continuous improvement between the customers and the organization.

- There are many principles of total quality management directing organizations to move towards business excellence. When the principles are implemented together, it helps the organization to work towards the development of quality aspects at all levels covering the whole organization.

- Benchmarking, outsourcing, TPM, Taguchi's Quality Loss Function, QFD are some important tools and techniques of TQM.

11.8 QUESTIONS

01. Define the Quality, Quality Management and Total Quality Management.

02. Explain the framework of Total Quality Management. How does it work?

03. Explain the role of top level management in the Total Quality Management implementation process.

04. Highlight the various principles of Total Quality Management.

05. Write a detailed note on tools and techniques of Total Quality Management.

06. Explain the benchmarking process with the help of an example.

07. What is Quality Function Deployment?

08. Describe the significance of outsourcing. How does it help organizations in Total Quality Management?

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