Course Material

HSMC-501

Principles of Management

For UG Programme

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MANAGEMENT

- 'Management' is the practice of efficiently using human, mechanical, and material resources to accomplish organizational goals.

PLANNING TIME

- Planning time is much more important in order to work effectively and in short period. It can be understood from the picture given below.

T1	PT	ET

total time

T2	PT	ET

total time
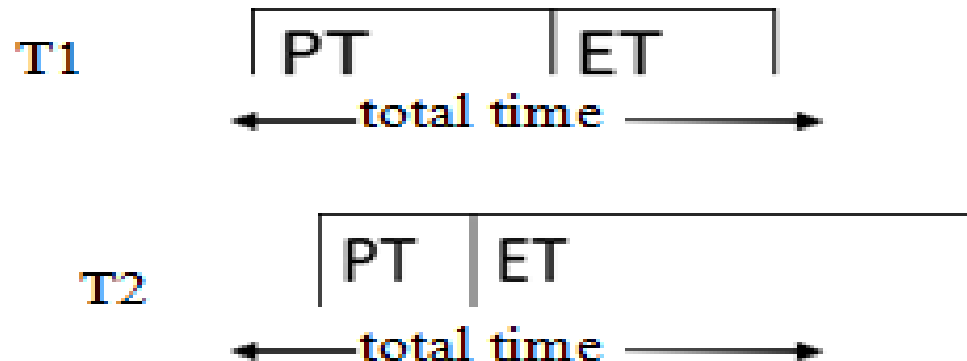
EXECUTING TIME

- If planning is done well we can execute faster& bring better results. These are most important parameters to achieve the goal after planning, if anyone is missing we cannot achieve.

- **Knowledge**
- **Willingness**
- **Action**

FUNCTIONS AND PROCES OF MANAGEMENT

- Planning, organizing, staffing, directing, and managing are some of the many tasks that make up this special process, which is carried out to set and accomplish organizational goals through the use of human and other resources.

Cont.

(A) Management Process:

Inputs	Planning	Leading	Controlling	Output
Men Money Materials Machines Methods Market		Management Process		Objec-tives End Result
	Organising	Motivating	Staffing	

(B) Elements of Management Process (Functions of Management):

Functions of Management

- **Planning**: Planning is future course of action which decide how to attain goals of the organization

- **Organizing** : Organizing refers to the process of identification of activities to be carried out ,grouping them & creating departmental organization which in turn leads to establishing authority and responsibility.

Cont.

- **Staffing**: The function of staffing involves the process of manpower planning , recruitment, employees training and development along with remuneration payments.

- **Directing**: Directing is a wider concept which deals with inter personal relation. This function involves establishing communication with employees, providing them with leadership and motivating them.

Cont.

- **Controlling**: The controlling function compares actual performance against the planned standards and when the performance is not up to the standards then corrective action is to be taken.

COMPARISON OF ADMINISTRATION & MANAGEMENT

Basis of comparison	Administration	Management
Meaning	Concerned with objectives formulation, plans and policies.	Getting the work done through others in a positive manner.
Nature	Decision making function, thinking function	Execution function, doing function
Decision making	What should be done? And when should be done?	Who will do the work? And how will it be done?
Scope	Major decisions of an enterprise as a whole	Decisions within the frame work set by the administration
Environment	It directly interacts with the external environment	It is mainly concerned with internal forces

IS MANAGEMENT AN ART OR A SCIENCE?

- It is possible to define science as a systematic body of information that can be verified and is founded on precise principles and appropriate findings.

- Art is concerned with obtaining the desired result through the application of skills.

Characteristics of Science

- It should have a well defined and established method of scientific enquiry.

- Should be verifiable

- Should be universally applicable

- Should have concept principles and theories

Characteristics of Arts

An art subject should have following characteristics:-

- It should reflect personal skills
- It involves practical knowledge
- Its creative in nature
- It help in achieving the result

Management as Science

- Management consist of systematized body of knowledge. We use scientific techniques to collect and analyzed data. Many principles have been developed and verify.

- However, management is not a perfect science like other physical sciences because management is dealing with the people who are unpredictable.

Management as Arts

Management is an art because:

- • It requires skills;

- • It is a creative process;

- • It moves toward results;

Conclusion

- A manager uses the information and principles learned from studying the science of management to manage both people and material resources.

- So, it can be concluded that management is both the Science and Art.

BEHAVIOURAL APPROACH TO MANAGEMENT

- Behavioral science is an inter disciplinary approach and which integrates the knowledge from different disciplines such as hhistory,eeconomics, ppsychology, ssociology, and political science.

- It is an applied science with the objective of applying various researches to resolve the organizational issues and problems.

Cont.

- It is a science establishes the cause and effect relationship and prescribe the solution to the organizational problems.

- The attention of the approach is from humanistic viewpoint.

- It values an individual as a thinking, feeling and living organism.

Cont.

- The behavioral approach is goal oriented. It evaluates goals and conflicts in the organization and provides suggestion to the individual organizations for creating better organizational environment and enhancing organizational effectiveness.
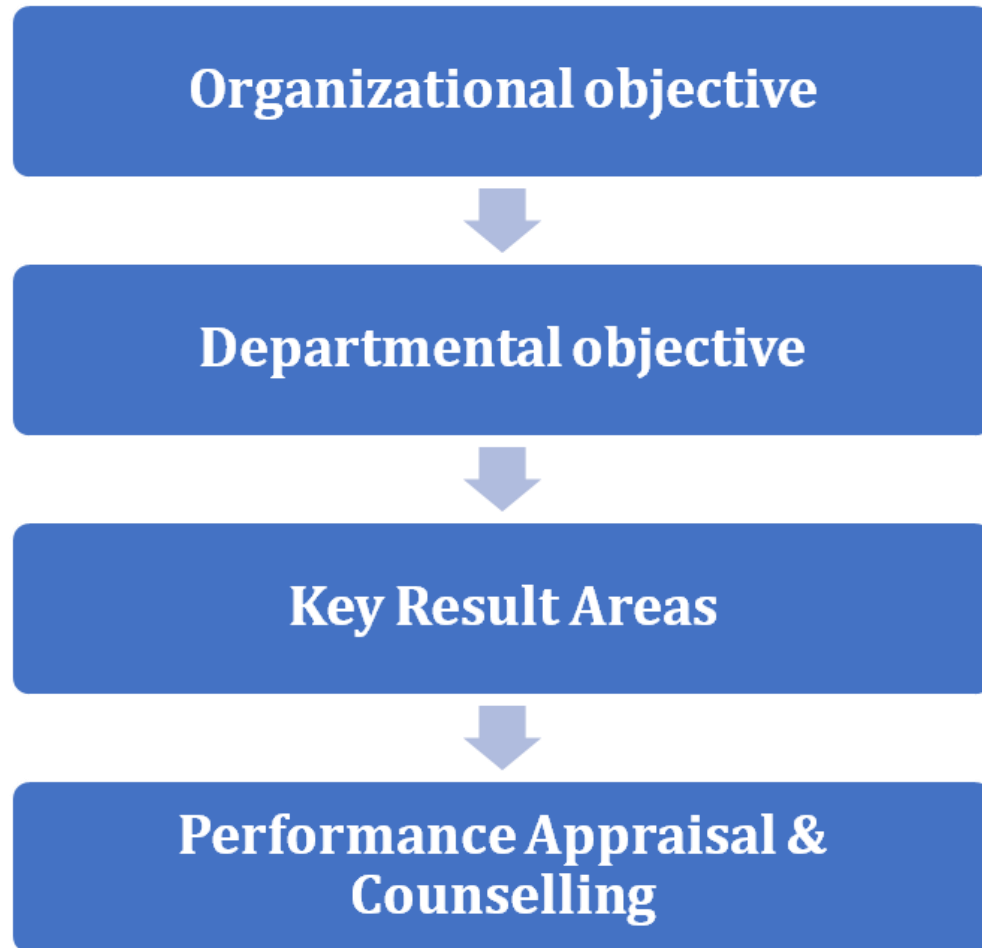
Management By objectives

- MBO is a procedure wherein an organization's superiors and subordinates work together to determine the shared goals.They define every individual's key responsibilities in the terms of expected results and use them as guide for unit operations and assess each members contribution.

STEPS OF PROCEDURES OF MBO

- **Organizational objective**:-To set the objective or we can set to set objective for the improvement of an organization

- **Departmental objective**:-Various department coming under that organization which have to be improved using these objective.

- **Key Result Areas**:-KRAs are planned on the basis of the capability & interest of the employees so that they can excel.

- **Performance Appraisal & Counselling**:-This is one of the most important step. If any gap is found then accordingly corrective measure is taken and counselling of those who are involved is also carried out.

Cont.

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┌─────────────────────────────────────────┐
│        Organizational objective         │
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│        Departmental objective           │
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│            Key Result Areas             │
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│       Performance Appraisal &           │
│            Counselling                  │
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Steps in MBO Process

There are following steps in the process of management by objectives:

Setting organizational objectives

- Defining the organizational objectives are key to the success of any organization. They serve a variety of purposes.

- Several different managers from different units are included in setting the objectives.

- Thus, set objectives are provisional in nature which are based on the interpretation and evaluation of what the organization can expect to achieve and should achieve within a specified time.

Defining individual (employee) objectives

- The managers should begin setting the individual goals of each employee after the overall goals, plan, and methods have been created.

- This process is based on one-on-one discussion between the managers and the subordinates where the subordinate explain their individual objectives and goals, and the specific time and resources required to achieve those goals.

- At this phase, they can also put forth their individual thoughts on which the organizational or departmental management may examine if it is feasible.

Ongoing performance and progress monitoring

- Although the MBO strategy aims to improve managerial effectiveness, it is also a useful tool for assessing the performance and advancement of the organization's personnel.

Performance evaluation

- As was previously said, it is a useful instrument for tracking employees' work and development.

- Managers' participation in the MBO framework allows for an effective evaluation of performance.

Providing feedback

- As per the MBO framework, after the evaluation of the performance, the most important step s to provide effective and constructive feedback.

- This in turn will help the employees to keep a track on their performance and progress, and to make necessary corrections to their actions where needed.

- The continuous feedback system is established by conducting the formal meetings frequently among the superiors and the subordinates.

- The progress and performance of the employees is discussed in these meetings which leads to more feedback.

Performance appraisal

- Performance appraisal is the routine review of the performance and the contribution of the employees towards the success of the organizational objectives.

Role of Manager in an Organisation

A manager in an organization performs following three sets of roles:-

- **Informational**
- **Decisional**
- **Interpersonal**

Informational role

- Transferring the information
- Monitoring
- Spokesperson for the organization

Decisional role

- Entrepreneurial Role

- Disturbance

- Negotiator

- Resource Allocator

Interpersonal role

- Head
- A Leader
- Liaisoning officer
- Conflict Management

Making decisions

- Making decisions involves choosing one course of action from a list of options in order to meet the decision problem's goals more effectively than another.

- Making a decision involves selecting one option from a range of two or more options. Making decisions involves analyzing your alternatives and possibilities, weighing them, and deciding on a course of action.

Elements of Decisions Making

- The decision maker.
- The choice problem,
- The setting in which the decision must be made,
- The decision maker's goal, the other course of action, and the results anticipated from different possibilities
- Making the ultimate decision regarding the alternative;
- Putting the best option into practice;
- Constant observation and evaluation

Types of Decisions

- **Routine Decision**
- **Policy and Operational**
- **Organizational and Personal decisions**
- **Programmed and non-programmed decisions**
- **Individuals and groups decisions**

Organisation

- An organization is a recognizable collection of individuals who work together to achieve objectives.

Traits of organization

- It symbolizes partnerships between two or more people.

- It was made to accomplish a few shared goals.

- All members of the group are able to communicate with one another.

- To control group members' behavior, the group establishes rules and guidelines.

Organisation as a structure of relationship

- An organization is simply the structure that allows management of a business to carry out their duties.

- An organization is a dynamic entity made up of people, resources, goals, and connections between people.

- Undoubtedly, an organization is more than just a chart. It is a system by which management guides, plans, and oversees the operations of the company.

Organization as a function of management

- Integrating and coordinating the efforts of financial, technological, human, and other resources to achieve specific goals is the process of organization.

Organization as a process

- Organization entails determining and classifying the tasks that must be completed in order to achieve organizational goals.

Nature of Organisation

- An organization is a group of persons contributing their efforts towards the attainment of goals.

- Communication is the main connecting link.

- Organizing is a basic functions of management.

- Organizing shows structure of relationships.

- Organizing involves a networks of authority and responsibility.

Organizing

- In order to implement plants in a highly effective and efficient manner, organizing can be defined as the activities to gather and arrange resources.

- Organizing is the process of arranging people and other resources to work together to accomplish a goal.

FUNDAMENTALS OF ORGANIZING

- **Chain of command-** A scalar chain is the sequence in which a request or directive should proceed at every level of an organization.
- **Authority**-The right to take action, to make decision, and to direct others pertaining to work.
- **Responsibility**-It is an employee's duty to perform the assigned task given by the organization..
- **Accountability**- means who will be responsible, answerable for the given task. In case of not completing the task that person will be accountable.

ORGANISATION STRUCTURE AND ITS TYPE

Line organization

- Scalar or military organization are other names for the line organization, which is the line structure in a direct vertical relationship through which the authority flows. It appears to be a line.

  MD→ JMD →President →VP→GM→DGM

ADVANTAGES

- It's very simple to set up.
- It makes command unity easier.
- The roles of authority and responsibility are clearly defined.
- It guarantees outstanding discipline within the company.
- Decisions are made quickly.

DISADVANTAGES

- There is a concentration of power at the top.

- Superiors are overworked as a result of the company's expansion.

- Due to the lack of experts, line organization is not appropriate for large organizations.

- Subordinates cannot directly to management what they wan

Line & staff organization

- In the line & staff type of organization along with the line authority specialized professionals are available.

- MD→JMD→PRESIDENT →GM→DGM

ADVANTAGES

- Specialized knowledge is there

- Reduction of burden

- Better decision can be taken

- More flexibility is there

DISADVANTAGES

• The line and the staff executive are at odds. Experts believe their advice is not adequately addressed, and line managers believe that experts don't always provide the best advice.
• It's also unclear how responsibilities are divided between the line and the employees.
• The staff may not be carrying out their duties to the highest standard because they are not responsible for the outcome, unlike the experts.

FUCTIONAL ORGANISATION

- This is a mid way position b/w line & staff authority in this type structure, experts are recruited in the top positions, throughout the enterprise.

ADVANTAGES

- The advantages of work specialization are attained through functional organization.
- Executive development: A functional manager can only pursue personal growth if they possess competence in a single function.
- Reduction of workload
- Better control.

DISADVANTAGES

- A person in a functional organization is answerable to numerous processes.

- The functional organization is very much complicated.

- There is a lack of co-ordination.

FORMAL ORGANISATION

- A formal organization is a clearly defined structure of authority and responsibility that establishes relationships and authority delegation among different members of the organization.

- It operates in accordance with predetermined schedules, policies, plans, procedures, and programmers.

- In a formal organization, most decisions are made in accordance with established policies.

- A purposefully created structure with formal authority, responsibility, rules, regulations, and communication channels is called a formal organization.

FEATURES OF FORMAL ORGANIZATION

• A purposefully designed structure that establishes the formal relationships between employees in various job roles.

• It is job-oriented;

• Work is divided;

• Appropriate departmentation is in place to handle the work.

MEANING OF DELEGATION

- It simply means allocation of job, duty, task to employees.

MEANING OF CO-ORDINATION

- It is a team work where all the employees work together to achieve goals for an organization.

FORMAL ORGANIZATION BENEFITS

• It outlines the organization's goals and the relationships of authority and responsibility among its members in order to achieve those goals.
• It leads to the best possible use of the company's resources.
• The organizational structure prevents two people or two departments from doing the same thing.
• They are not all assigned to the same task.
• A formal organizational structure clearly defines career advancement and promotions.
• There is an appropriate channel system for communication.

LIMITATIONS

- Loss of initiatives
- Reduced flexibility
- Reduced information flow
- Unsatisfied social needs.

INFORMAL ORGANISATION

- They stand for unscheduled, informal social interactions between employees of formal organizations.

- They emerge from people's shared interests.

- Despite not being governed by a formal set of principles, these organizations play a significant role in the business.

CHARACTERISTICS OF INFORMAL ORGANIZATION

- unplanned structure;
- meeting social needs;
- lack of formal leaders;
- informal communication system;
- absence of rules and regulations; and no set tenure.

Benefits of informal organizations

- promoting social and cultural values;
- relieving top managers;
- fostering social security and satisfaction;
- improving relationships;
- facilitating communication;
- resolving work-related issues;
- encouraging creativity;
- fostering self-control and social satisfaction;
- and providing managers with timely feedback.

Limitations of informal organization

- **It spreads rumours**
- **It opposes change**
- **Group norm pressure**

Integration of formal and informal organization

• Both formal and informal structures work well together. The significance and requirements of both types of organizational structures should be understood by managers. The following can be used to accomplish this:
• Employee counseling can help overcome conflict and resistance to change.
• By combining the objectives of the organization and its employees, role conflict can be minimized.

Authority

- The subordinate receives authority from the superior to carry out his duties.

- Authority is the right to give orders or commands.

Features include the following

- Authority is the right to command and control;

- It is given to a position for the accomplishment of organizational goals;

- It can be used to persuade;

- If subordinates disobey, the superior has the right to take disciplinary action.

Responsibility

- The work or duty that an individual is assigned due to their position within the organization is referred to as responsibility.

Qualities

• Trust: When accepting responsibility, it's crucial to remember this.

• Professionalism: In the workplace, one must act professionally.

• Ethics: Moral and ethical conduct must be embraced.

• Accountability: Once accountability is accepted, it must be fully accepted in order to finish the task.

Accountability

It is required to exercise authority and fulfill responsibilities in relation to performance standards.

Difference between authority and responsibility

Authority	Responsibility
● Authority can be delegated to the subordinates.	● Responsibility cannot be delegated
● Authority moves downward.	● It flows upward
● It arises because of formal position in organization.	● It arises for a superior subordinate relationship
● Authority is the right of manager to command his sub ordinates	● Responsibility means duties or work assigned.

Delegation

- Delegation is the process of giving a subordinate the authority to carry out the tasks and responsibilities that have been assigned to them.

ASPECTS OF AUTHORITY DELEGATION

- **Entrustment of duty or responsibility:** This results from a person's standing within the company and the tasks that their superior assigns them.
- **Authority grant:-**Authority is the right or ability given to a person to enable them to carry out the tasks they have been given.
- **Obligation/Accountability**: Authority is accompanied by accountability. It is the duty to fulfill the responsibility.

IMPORTANCE OF DELEGATION OF AUTHORITY

- Workload sharing
- Decision-making speed
- Subordinate training
- Improved performance and fresh concepts
- Improved employee relationships
- Official motivation

Recruitment

- This is the process of searching the new candidates foe employment and stimulating them to apply for the job in the organization.

Sources of recruitment

Internal: Within the organization
- By Transfer from one department to another
- By promotion

External: Outside the organization
- Through recommendation
- Campus placement
- Advertisement
- Employment agencies
- Unsolicited application
- Gate Hiring

SELECTION

- A person who has the skills and qualifications to carry out a job offered by an organization is hired as a result of the selection process.

SELECTION PROCEDURE
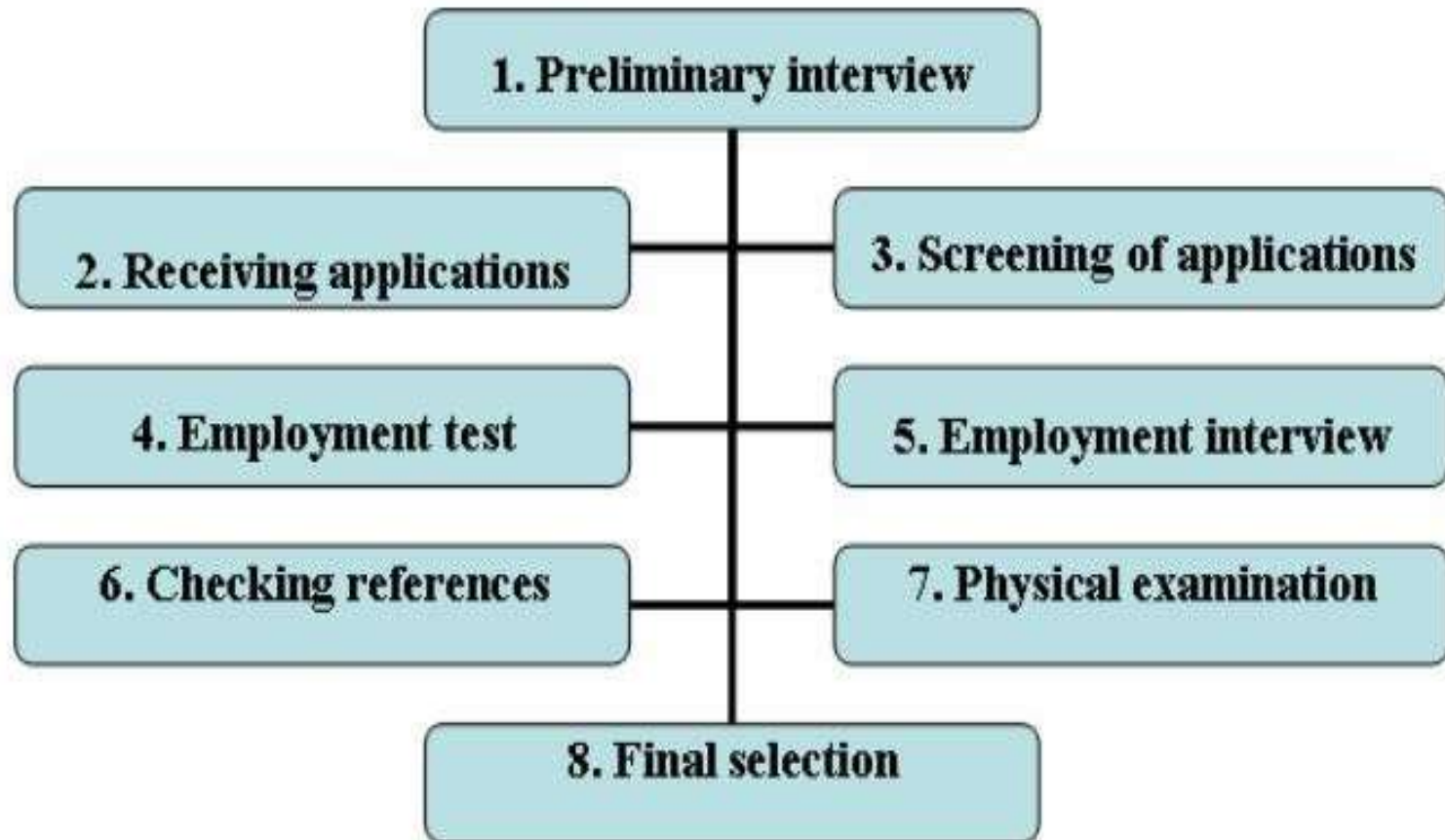
FORCASTING AND ITS FEATURES

Forecasting in business means estimation or prediction of future happenings .

FEATURES

- It connected with future event.
- Necessary for planning process.
- The impact of future event has to be considered in planning process.
- It considers all factors which effect functioning of the organization.
- Personal observation also help forecasting.

PROCEDURE

- By laying the foundation.

- Future estimation.

- Results gathering.

- Making forecast predictions and calculations.

IMPORTANCE

- It plays an important role in an organization to frame various policies which are going to impact the future of a company.
- Business development: Accurate forecasting is essential to achieving the stated goal.
- Coordination: Forecasting aids in gathering data regarding both internal and external factors, which serves as the foundation for organizational coordination.
- It helps in the SWOT analysis of the organization as well as the employees.
- It is a key to success.
- It's very important for Implementation of a project.

FORECASTING TECHNIQUE

All the organizations have been using their past experience to predict future events for their growth and development. With the passage of time various techniques of forecasting have been developed. The choices of method of forecasting depends upon-
• The availability and pertinence of historical data.
• The forecast's context situation requirement.
• The required level of precision.
• The time frame that will be discussed.
• The forecast's cost-benefit analysis.
• The amount of time available for analysis.

QUANTITIVE METHODS

Time series analysis

- It is done on the basis of trends in the past . It helps to identify & explain any regular systematic variation in the demand of a product which is due to any reason.

Regression analysis

In this method we can select from various possibilities between different variables(dependent & independent) which are relevant for forecasting.

Naive forecasting

In this method the sale of previous year is taken into consideration when calculating the forecasting.

QUALITATIVE METHODS

PANEL METHOD

- In this method a group of experts from various levels of the organization are invited & sit together to discuss and forecast or to find out the solution of the problem.

DELPHI METHOD

- With this approach, a group of specialists in a certain issue is assembled. These specialists are kept apart and their identities are kept a secret from one another rather than being brought together. Mostly, this is accomplished by creating a questionnaire.

SALES FORCE OPINION

- As these are the persons who know the ground realities and are in direct contact so they can judge and predict the sales forecasting in a better way.

Communication

- The word "Communis" is the root of the word "communication."

- It is the process by which two or more individuals share knowledge and concepts with one another.

- The art of communicating information, thoughts, and attitudes from one individual to another is known as communication.

Channel of Communication

Formal Channel

- This is the officially prescribed path for the flow of communication between different levels and positions of the organization.

Informal channel of communication

- This is the method by which people carry on social, non-programmed activities within the organization. This channel of communication is also known as "Grapevine" communication.

Formal Channel

Advantages:
* it allows only essential information to flow .
* it is easy to maintain in the org.
* it reduces the chances of miscommunication.
* it keeps control over the subordinates.

Disadvantages:
* increases the organizational distances.
* it operates with slow speed.
* It decreases organizational belongingness

Informal channel of communication

Advantages:

- It operates with greater speed.

- it's more convenient.

- It develops good relations among the employees

Disadvantages:

- This is less orderly channel.

- Any person can mould the information on account of to his motive.

- It creates indiscipline in the organization

Process of Communication

- **Sender**:- The one who want to convey his/her ideas to the other person or to the receiver. the one who starts or say something to the receiver and waiting for the response.

- **Idea**:- The matter or the ideas which is transferred by the sender to the receiver consist of the group of words or some act to do or some work. these are the ideas which is to be communicate and it's response will be feedback by the receiver.

- **Encoding**:- (Conversion of ideas into words or actions) The ideas are encoded to so that it is understand by the receiver. it is encoded in a manner so that receiver can understand it and respond to it.

- **Channel**:- It is a path through which sender and receiver can communicate or can exchange their ideas very effectively. it is of two types
- **Receiver**:- The person who gets the idea from the sender and respond to it or take an action, the one who gives feedback to the sender after decoding the ideas or giving response.
- **Decoding**:- The receiver decodes the ideas sent by the sender and respond to it .
- **Feedback:-** This shows response of the receiver to the sender, of what has been sent by the sender so as to ensure that communication is effective**.**

Barriers of Communication

Semantic:- These barriers are due to language problem of the persons involved in communication.

- **Semantic Distortion:-**Due to the distortion, which can be done with intention or can occur by chance.

- **Poorly expressed message:-** When the message is not conveyed properly which may be due to poorly selected words for communication or inadequately vocabulary the communication is not proper.

- **Faulty translation:-** This is due to not being able to convey the message into proper words in the same manner in which it has been send so as to make it understandable.

Physiological barriers

- **Poor listening:-** When during the communication, we don't concentrate on the listening part, we will not be able to understand.

- **Premature evaluation:-** This is a common tendency of the every person to guess, to make premature judgement before the completion of what is being said which increases the chances of miscommunication .

- **Loss by transmission or poor retention**:- While passing through various level of the company, the message gets distorted and it comes out with some different meaning which is again a communication barrier.

- **Threat & Fear**:- In the environment where threat & fear is there all type of communication is doubtful. No one believes on anybody so proper communication cannot take place.

Organizational barriers

- **Organizational policy**:- Lack of proper organizational policy towards the flow of communication will result in communication barrier.

- **Complexity in organizational structure:-** In case of organization having multiple managerial level, the communication gets delayed & distorted.

Personal barrier

- Unfavourable attitude of superior.
- Lack of confidence & trust in the subordinates.
- Lack of awareness
- Unwillingness to communicate.

Motivation

According to Scot motivation means a process of stimulating people to action to accomplish the desired goals.

X-Y Theory

In the 1960s, social psychologist Douglas McGregor developed two contrasting theories that explained how and what motivates people . He named it as Theory X and Theory Y.
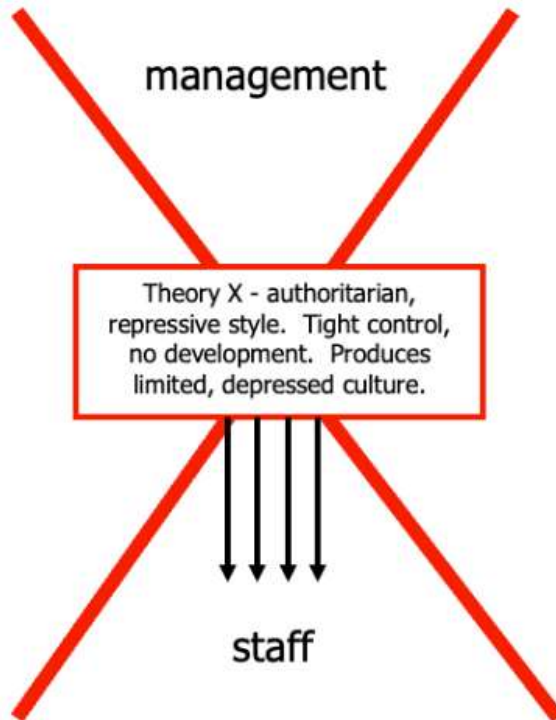
Theory X

- Based on assumption that are basically lazy & Shirk work.
- People don't take initiatives. They like to be directed.
- People avoid responsibility, whenever possible.
- For gathering the work done people must be supervised strictly.
- Autocratic style of leadership is more effective.
- It is applicable to illiterate unskilled and lower level workers.

Theory Y

- Based on the assumption that people like work & children love to play.
- People like to take initiatives at their own. They seek self discipline.
- People are beyond the responsibility if the conditions are favourable.
- People do not require strict supervision.
- Participative style of leadership is suitable.
- It is applicable to educated and skilled employees.

'Theory X'

management

Theory X - authoritarian, repressive style. Tight control, no development. Produces limited, depressed culture.

staff

'Theory Y'

staff

Theory Y - liberating and developmental. Control, achievement and continuous improvement achieved by enabling, empowering and giving responsibility.

management
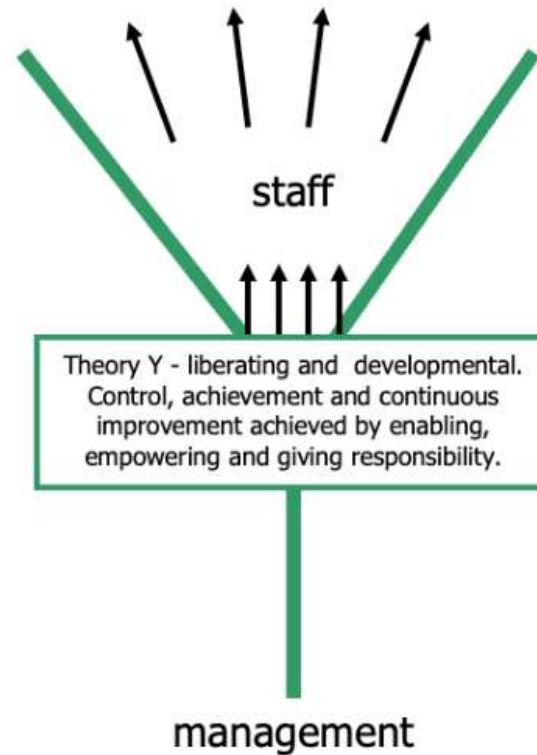
Maslow's theory of Motivation

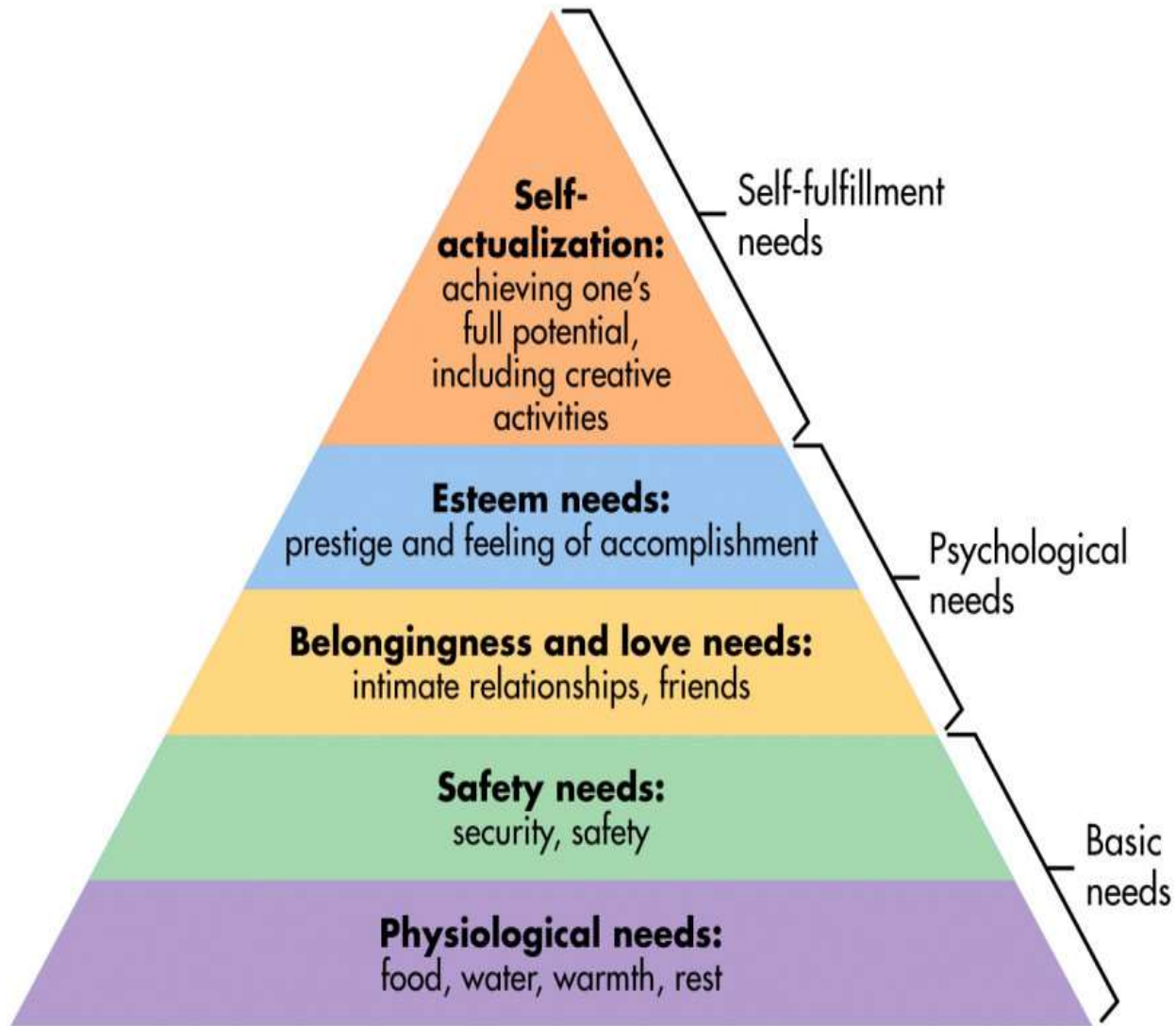Abraham H. Maslow a famous social scientist gave the theory of motivation in which he has covered various types of needs.

- **Physiological needs**:- Basic needs of food, clothes and shelter. This is the need to be fulfilled at top priority.

- **Safety needs**:-Once the 1st need fulfilled , financial security and physical security comes next. Everybody wants to be safe from both the parameters.

- **Social needs**:- Human beings cannot survive alone . They are the social beings. They are part of a family,

- **Esteem needs**:- This need is also named as recognition need. This a human tendency that many of us wants identity in the society. We want to be unique to show our separate recognition.

- **Self-actualization**:- This is the need in which human beings try to achieve the maximum what they can achieve. This is the need to maximize one's potential. To be what you want to be.

Self-actualization: achieving one's full potential, including creative activities

Esteem needs: prestige and feeling of accomplishment

Belongingness and love needs: intimate relationships, friends

Safety needs: security, safety

Physiological needs: food, water, warmth, rest

Self-fulfillment needs
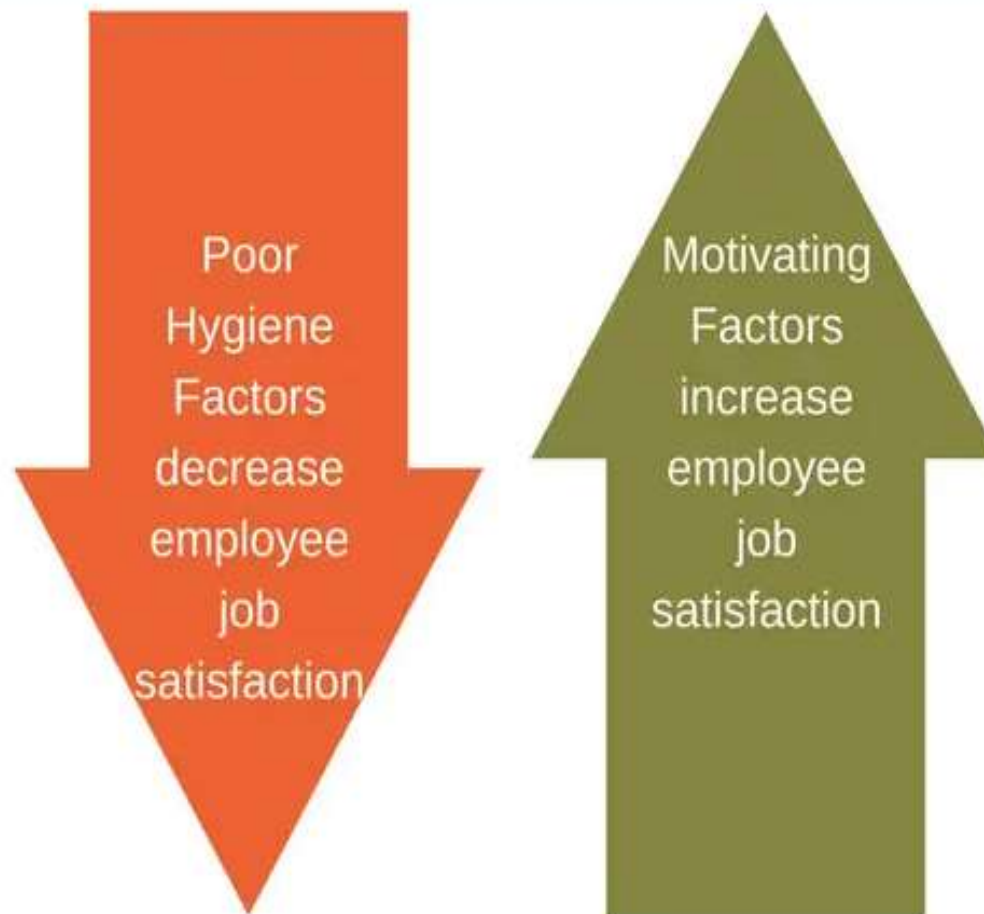
Psychological needs

Basic needs

Herzberg's Motivation- Hygiene model

A research was conducted by Herzberg and his associates. Based on the interview of 200 engineers and accountants who worked for 11 different firms. They were asked to recall specific incidents in their jobs which led to draw a distinction between motivation to the employees but the absence of these factors served as dissatisfies

Hygiene factors are also called maintenance factors e.g. Working conditions, Interpersonal relations, salary, company policy, status, technical supervision and the **Motivational factors** which motivates the employees e.g. achievement, recognition, responsibility, work itself.

Herzberg's Two Factor Theory

Poor Hygiene Factors decrease employee job satisfaction

Motivating Factors increase employee job satisfaction

McClelland's three need model

David C McClelland modern concerned motives:-

- **Need for Achievement** :Individual focus on their skills & abilities .They are goal oriented.

- **Need for Power:** Individual with high power needs, try to dominate influence or have control over people.

- **Need for Affiliation:** Individual with high affiliation need value interpersonal relation. They show sensitivity towards other persons feeling

McClelland's Achievement Motivation Theory

Need for Power

Need for Achievement

Need for Affiliation

Leadership

Leadership is the relationship in which one person i.e. leader influences others to work together willingly on related task to attain the goals set by the leader or by the group.

Styles of Leadership

- **Autocratic style of leadership-** In this type of leadership all the decision making power is with the leader , he is the person who acts as a dictator and takes the decision , nobody else is involved in the decision making. This style is named as 'Dictatorship'.

- **Democratic type of leadership-** In this type of leadership the leader involves his/her subordinates in the decision making process and they altogether set the goal for the development of the organization.

Autocratic style of leadership

Advantages of autocratic leadership:-

- As only leader is involved in decision making so it will take less time to make decision.

- It leads to discipline in the organization.

- Less chances of conflict among the employees.

Disadvantages of autocratic leadership:-

- Employees can't suggest or express their view and ideas.

- As the employees are ignored so there is no sense of belongingness.

- There is fear among the employees of the company from the leader.

Democratic type of leadership

Advantages of democratic leadership:-

- As more people are involved in goal setting they feel concerned and get motivated and they work with more sincerity for the organization.

- There is more sense of belongingness among the employees for the organization.

- There is no fear among the employees as they feel part of the team.

Democratic type of leadership

Disadvantages of democratic leadership:-

- As everyone is involved in decision making. Consensus on the point may not be there so decision making becomes a time consuming process.

- If not properly used it may cause indiscipline in the organization.

Managerial grid

- It is given by Blake and Mouton in 1985.
- It is two directional
- One direction shows the concern for people (X axis)
- Another direction shows the concern for production(Y axis).

Figure 1: The Blake Mouton Grid

Left grid:

Concern for People (vertical axis, Low to High)
Concern for Production (horizontal axis, Low to High)

- Country Club (High People, Low Production)
- Team Leader (High People, High Production)
- Middle of the Road (center)
- Impoverished (Low People, Low Production)
- Produce or Perish (Low People, High Production)

Right grid:

Concern for people (vertical axis, Low to High, 1–9)
Concern for production (horizontal axis, Low to High, 1–9)

- (1.9) Country club style
- (9.9) Team style
- (5.5) Middle-of-the-road style
- (1.1) Impoverished style
- (9.1) Produce or perish style

Marketing Management

- Marketing is the process of identifying and then satisfying the needs and wants of customers. Management of marketing activities is called marketing management.

- **According to Philip Kotler,** MM is the process of planning and executing the conception (idea) , pricing, promotion and distribution of goods, services and ideas to create exchanges with target group that satisfy customers, organization and society.

Objective of Marketing

The primary objective of marketing is to satisfy customer needs based upon need analysis of customer's products/services are developed. Once the product is manufactured, the market personnel design pricing, promotion and distribution plans to make the product available to the customers.

Cont.

- To create the customers for business
- To satisfy the needs of customers
- To determine marketing mix that will satisfy the needs of the customer.
- Marketing mix includes price, product, promotion and physical distribution. If Customer get good quality of product as reasonable price the business goes high. So, marketing mix is very important concept.
- To earn goodwill for the business.
- To generate adequate profits for the growth of business.
- To raise the standard of living of the people.

Scope of Marketing Management (MM)

- MM is the marketing programme prepared on the basis of needs, wants of customers.

- It involves decision making with regard to pricing the products.

Marketing Mix

- It is the term used to describe the combination of various P's of marketing that is product, price structure, and promotional activities, physical distribution used to satisfy the needs of organization's target market and at the same time to achieve its marketing objectives.

- The purpose of determining the Marketing Mix is to satisfy the basic needs of the customers in the most effective manner.

- It is a dynamic concept i.e. if the needs of the customer change marketing mix will also changed accordingly.

Elements of Marketing Mix/ P's of Marketing Mix

- **Product**:- Activities related to product are product design, style, quality, product features, branding, packaging warranty.

- **Price**:- It includes decision relating to the price i.e. what should be the price of product, so as to compete in the market with other products.

- **Promotion**:- It includes publicity, advertising, personal selling, so as to promote the sale of product in the market.

- **Place / Physical distribution:-** Includes transportation, storage, order processing, delivery schedule.

Marketing mix- 4P's

- Sales Promotion
- Advertising
- Public Relations
- Direct marketing

Promotion

Product

- Features
- Quality
- Branding
- Packaging
- Services
- Warranties

Marketing mix

- Channels
- Market coverage
- Assortment
- Location
- Inventory
- Transport

Place

Price

- Price strategy
- Pricing
- Allowances
- Discounts
- Payment terms

Functions of Marketing Mix

- Marketing mix serves as a link between the company and its customers.

- Marketing mix takes care of the needs of the customers. It helps in increasing the sales of the company.

- It helps in meeting the requirement of different type of customers.

- Marketing mix signifies that its various elements are closely inter-related, so the right combinations of these are very important.