



## Unit 1

Motivation is the process of channeling a person's inner drives so that he wants to accomplish the goals of the organization. Motivation concerns itself with the will to work. It seeks to know the incentives for the work and tries to find out the ways and means whereby their realization can be helped and encouraged.

Motivation is a Latin word which means to move'. Human motives are internalized goals within individuals. Motivation may be defined as those forces that cause people to behave in certain ways.

According to Louis Allen, "motivation is the work of a manager performs to inspire, encourage and impel people to take required action"

In the words of William G Scott, "motivation means a process of stimulating people to action to accomplish desired goals"

Thus motivation is a process by which a need or desire is aroused and a psychological force within our mind sets us in motion to fulfill our needs and desires. An unsatisfied need becomes the

motive for a person to spend his energy in order to achieve a goal.

### Characteristics of Motivation

The following are the important characteristics and nature of motivation

1. Motivation is an internal feeling – Motivation is a psychological phenomenon which is a force within an individual that drives him to behave in a certain way.
2. Motivation produces goal-directed behaviour – An individual's behaviour is directed towards a goal.
3. Motivation is related to needs – Needs are deficiencies which are created whenever there is a physiological or psychological imbalance.
4. Motivation can be positive or negative – Positive or incentive motivation is generally based on rewards. Negative or fear motivation is based on force and fear.



5. Motivation is a continuous process – Satisfaction of human needs is a never ending process. It is a continuous process. So motivation is also a continuous process.
6. Motivation is dynamic – Needs of a person today may be different from needs of tomorrow. So motivation is highly dynamic.

#### Importance and benefits of Motivation

Motivation is an effective device in the hands of a manager for inspiring the work force and creating confidence in it. By motivating the work force, management can achieve the organizational goals. The various benefits of motivation are

1. A manager directs or guides the workers' actions in the desired direction for accomplishing the goals of the organization by motivating the workers.
2. Workers will try to be efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the organization.
3. Ability to work and willingness to work are necessary for performing any task. These two things can be created only by motivation.
4. Motivation contributes to good industrial relations in the organization.
5. Motivation is the best remedy for resistance to changes. If the workers of an organization are motivated, they will accept any change whole-heartily for the organizational benefits.
6. Motivation facilitates the maximum utilization of all the factors of production and thereby contributes to higher production.
7. Motivation promotes a sense of belonging among the workers.
8. Motivation leads to lower turnover and absenteeism because a satisfied employee will not leave the organization.

Theories of Motivation

There are many internal and external variables that affect the motivation to work. Behavioural scientists started to search new facts and techniques for motivation. These are called as motivation theories. The most important theories are



1. McGregor's Theory X and Theory Y
2. Herzberg's Two Factor Theory
3. Maslow's Need Hierarchy Theory
4. McClelland's Achievement Theory

#### McGregor's Theory X and Theory Y

The style adopted by a manager in managing his subordinates is basically dependent upon his assumption about human behaviour. Theory X is negative, traditional and autocratic style while theory Y is positive, participatory and democratic. Thus these two theories are contrasting set of assumptions about human behaviour.

**Theory X** – This is the traditional theory of human behaviour which makes the following assumptions

1. The average human being has an inherent dislike of work and will avoid it if he can.
2. He lacks ambition, dislikes responsibility and prefers to be directed.
3. He is inherently self-centered, indifferent to organizational needs.
4. He is by nature resistant to change.
5. Working method of the people is generally traditional and hence there is little scope for the development and research.
6. People would be passive without active intervention by management. Hence they must be persuaded, rewarded, punished and properly directed.
7. He is gullible, not very bright.

**Theory Y** – As a result of many psychological and social researches McGregor developed an opposing theory- theory Y. according to McGregor, Theory Y is based on the following assumptions

1. Work is natural as play or rest, provided the conditions are favorable. The average human being does not inherently dislike work.
2. External control; and the thrust of punishment are not the only means for bringing about efforts towards organizational objectives. Man will exercise self direction and self control in the service of objectives to which he is controlled.
- 3.



- 4. Commitment to objectives is a result of the rewards associated with their achievement.
- 5. The average humans being, under proper conditions learn not only to accept responsibility but also to seek it.
- 6. He has capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems in widely, not narrowly distributed in the population.
- 7. Under conditions of modern industrial life the intellectual potentialities of people are only partially utilized.

**Difference between theory X and theory Y**

	<b>Theory X</b>	<b>Theory Y</b>
1	Theory X assumes human beings inherently dislike work and are dissatisfied with towards work.	Theory Y assumes that work is as natural as play or rest
2	Theory X emphasizes that people do not have ambition and they shrink responsibility.	Theory Y assumes just reverse. Given proper conditions, people have ambitions and accept responsibility.
3	Theory X assumes that people in general have little capacity for creativity.	According to Theory Y, the creativity is widely distributed in the population.
4	According to Theory X, people lack self motivation and require be externally controlling and closely supervising in order to get maximum output.	In Theory Y people are self directed and creative and prefer self control.
5	Theory X emphasizes upon centralization of authority in decision making process	Theory Y emphasizes the decentralization and greater participation in decision making process.

**Herzberg’s Two Factor Theory (Motivation – Hygiene Theory)**

The motivation – hygiene theory was proposed by Fredrick Herzberg, a well known psychologist, in 1959. According to Herzberg, there are two separate factors that influence motivation. They are

- (i) hygiene or maintenance factors and (ii) motivational factors.



Hygiene Factors – They are also called as dissatisfiers. The presence of these factors will not motivate people in an organization. Otherwise dissatisfaction will arise. Herzberg called these factors as maintenance factors because they are necessary to maintain a reasonable level of satisfaction in the employees. Any increase beyond this level will not provide any satisfaction to the employees; however, any cut below this level will dissatisfy them.

Motivation Factors – These factors are satisfiers. These are a set of job conditions which operate primarily to build strong motivational factors. According to Herzberg, the six motivational factors motivate the employees are achievement, recognition, advancement, challenging work, possibilities for growth and responsibility.

However, Herzberg model is not applied in all conditions. The classification as maintenance and motivating factors can only be made on the basis of level of persons' need satisfaction and relative strength of various needs.

#### Maslow's Need Hierarchy Theory

Abraham Harold Maslow, an eminent US psychologist, gave a general theory of motivation known as Need Hierarchy Theory in 1943. According to him, there seems to be a hierarchy into which human needs are arranged. The needs are as follows

- 1. Physiological Needs** – these needs are related to the survival and maintenance of life. These include hunger, thirst, shelter, sex and other bodily needs.
- 2. Safety or Security Needs** – These consist of physical safety against murder, fire accident, security against unemployment etc.
- 3. Social or Love Needs** – these needs are also called as affiliation needs. These consist of need for love, affection, belonging or association with family, friends and other social groups.
- 4. Esteem or Ego Needs** – The esteem needs are concerned with self respect, self confidence, feeling of personal worth, feeling of being unique and recognition. Satisfaction of these needs produces feeling of self confidence, prestige, power and control.
- 5. Self Actualization or Self Fulfillment Needs** – Self actualization is the need to maximize one's potential, whatever it may be. It is the need to fulfill what a person considers to be his real mission in life. It helps in individual to realize one's potentialities to the maximum.



### McClelland's Achievement or Need Theory

David C McClelland, a Harvard psychologist, has proposed that there are three major relevant motives, most needs in work place situations. According to him, the motives are

1. The Need for Achievement i.e., strives to succeed.
2. The Need for Affiliation i.e., warm relationship with others.
3. The Need for Power i.e., controls other people.

According to McClelland, every motive is acquired except striving for pleasure and avoiding pain. He proposed that people acquire these needs for achievement, power and affiliation through experiences over the time. On the job, people are motivated by these needs, and the manager can learn to recognize these needs in workers and use them to motivate behaviour.

McClelland used the Thematic Apperception Test (TAT) to study human needs. The TAT process involves asking respondents to look at pictures and write stories about what they see in the pictures. The stories are then analysed to find certain themes that represent various human needs.



## Unit 2

### Leader

A leader is someone who has the capacity to create a compelling vision that takes people to a new place, and to translate that vision into action. Leaders draw other people to them by enrolling them in their vision. What a leader does is inspire people and empower them. Thus a leader is a person who has a vision, a drive and a commitment to achieve that vision, and the skills to make it happen.

### LEADERSHIP

Leadership is an activity on the part of the managers to get something done by others, willingly and not by compulsion. Leadership is a process of influence on a group. Leadership is the ability of a manager to induce subordinates to work with confidence.

In the words of Koontz and O' Donnell, "leadership is the ability of a manager to induce subordinates to work with confidence and zeal."

According to Chester I Bernard, "leadership refers to the quality of the behaviour of individual whereby they guide people on their activities in organized efforts"

According to Luis A Allen, "a leader is one who guides and directs other people. He gives the efforts to his followers a direction and purpose by influencing their behaviour"

Thus leadership is a psychological process of influencing followers and providing guidance, directing and leading the people in an organization towards attainment of the objectives of the enterprise.

#### Nature or Characteristics of Leadership

1. A leader should have followers
2. leadership is basically a personal quality
3. leadership involves a community of interest between the leader and his followers
4. leadership is a process of influence



5. leader ensures absolute justice
6. Leadership is a continuous, dynamic and ever evolving process.

### Importance of Leadership

Without a good leader, organization cannot function efficiently and effectively. The leader guides the action of others in accomplishing the organizational goals. A good leader motivates his subordinates, creates confidence and increases the morale of workers. The importance of leadership can be discussed as follows

1. Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goal.
2. An effective leader motivates the subordinates for higher level performance.
3. Leadership promotes team spirit and team work which is quite essential for the success of any organization
4. Leadership is an aid to authority as it helps in the effective use of formal authority.
5. Leadership creates confidence in the subordinates by giving them proper guidance and advice.

### Functions of a Leader

The functions of a leader can be detailed as follows

1. Taking the initiative – A leader initiates all the measures which are necessary for the purpose of ensuring the health and progress of the undertaking in a competitive economy.
2. He identifies group goals
3. he represents the organization
4. He acts as an arbitrator
5. To assign reasons for his actions
6. To interpret the objectives of organization
7. To guide and direct the organization



8. To encourage team work
9. manages the organization
10. leadership Styles

The term leadership styles can be defined as a leader's behaviour towards group members. It refers to the pattern of behaviour which a leader adopts in influencing the behaviour of his subordinates in the organizational context. Different leadership styles can be categorized as follows.

### 1. Autocratic Leadership

2. Autocratic leadership is also known as authoritarian, directive, leader centered or monothetic style. Under this style, leader concentrates all authority in himself, instructs a subordinate as to what to do, how to do it, when to do it etc. He also exercises close supervision and control over his subordinates. There are three categories of autocratic leaders

- a. **Strict Autocrat** – A strict autocrat relies on negative influence and gives orders which the subordinates must accept. He may also use his powers to disperse rewards to his group.
- b. **Benevolent Autocrat** – The benevolent is effected in getting high productivity in many situations and he can develop effective human relationship. His motivational style is usually positive.
- c. **Manipulative Autocrat** – A manipulative autocrat leader is one who makes the subordinates feel that they are participating in decision making process even though he has already taken the decisions.

### 3. Participative Leadership

This style is also called as democratic, consultative, group centered or ideographic style. A participative leader is one who consults and invites his subordinates to participate in decision making process. Under this style, subordinates are freely allowed to communicate with the leader and also with their fellow subordinates and take their own initiative.



#### 4. Laissez Faire or Free-rein Leadership

Under this style of leadership, the leader largely depends upon the group and its members to establish their own goals and make their own decisions. The leader is passive and assumes the role of just another member in the group. Only very little control is exercised over group members. This style is also known as permissive style of leadership. This style is suitable to certain situations where the manager can leave a choice to his groups. Z

qualities

The following are the major innate qualities in a successful leader.

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1. Physical features like height, weight, health and appearance
2. Intelligence
3. Emotional stability
4. Human relations
5. Empathy
6. Objectivity
7. Motivating skills
8. Technical skills
9. Communicative skills
10. Social skills.

#### LEADERSHIP THEORIES

Leadership is the process of influencing others towards the accomplishment of goals. Recent efforts by behaviourists have shown a trend towards integrating the numerous theories of leadership. A number of theories and approaches to study leadership have been developed. There are broadly three theories of leadership.

- Trait Theory
- Behaviour Theory
- Contingency Theory



**(a) Trait Theory**

This theory of studying leadership is taken into consideration to analyze the personal, psychological and physical traits of strong leaders. The assumption made in this theory was that some basic traits or set of traits differentiates leaders from non-leaders. For example, the leadership traits might include intelligence, assertiveness, above average height, self-confidence, initiative and understanding of interpersonal human relations. The existence of these traits determines the importance of leadership. Possession of these traits helps the individuals to gain possession of leadership. Since all individuals do not have these qualities, only those who have them would be considered potential leaders.

**(b) Behaviour Theory**

The behavioural theory assumed that effective leaders behaved differently from ineffective leaders. It also identified the need of consistency of behaviour of good leaders. This theory can be more clearly understood with the help of following case studies.

• The Michigan Studies:

Researchers at the University of Michigan, led by Rensis Likert, began studying leadership in the late 1940s. Depending on broad discussions with both the managers and subordinates, the Michigan studies identified two forms of leadership behaviour. They are discussed as below:

Job-centered leadership behaviour :

The first was called job-centered leadership behaviour, which focuses on performances and efficient completion of the assigned tasks. A job-centered leader interacts with group members to explain task procedures and oversee their work.

Employee centered leadership behaviour:

The second behaviour was identified as employee centered leader behaviour, which focuses on, high performance standards to be accomplished. This can be done by developing a cohesive work group and ensuring that employees are satisfied with their jobs. Thus, the leader's primary concern is the welfare of theordinates. The Michigan researchers thought a leader could show signs of one kind of behaviour, but not both.



- The Ohio State Studies:

At about the same time, a group of researchers at Ohio State also began studying leadership. The Ohio State leadership studies also identified two major kinds of leadership behaviours or styles, which are as follows:

Initiating-structure behaviour:

In initiating-structure behaviour, the leader clearly defines the leader-subordinate roles so that everyone knows what is expected. The leader also establishes formal lines of communication and determines how tasks will be performed.

Consideration behaviour:

In consideration behaviour, the leader shows concern for subordinates feelings' and ideas. He attempts to establish a warm, friendly and supportive.

(c) Contingency Theory

The main assumption of contingency theory is that the behaviour of an appropriate leader varies from one situation to another. The motive of a contingency theory is to identify key situational factors and to specify how they interact to determine appropriate behaviour of a leader. The three most important and widely accepted contingency theories of leadership are as follows:

- The LPC theory:

The first contingency theory of leadership is Fred Fielder's Least Preferred Co-worker (LPC) Model. Fielder identified two types of leadership: task-oriented and relationship-oriented. Fielder believes that a leader's tendency to be task-oriented or relationship-oriented remains constant. In other words, a leader is either task-oriented or relationship-oriented while leading his group members. Fielder used the Least Preferred Co-worker (LPC) scale to measure the type of leadership. A leader is asked to describe characteristics of the person with whom he or she is least comfortable while working. They can do this by marking in a set of sixteen scales at each end, by a positive or negative adjective. According to Fielder, the contingency factor favours the situation from the leader's point of view. This factor is determined by leader-member relations, task-structure and position-power, which are discussed as below:



- Leader-member relations:

A Leader-member relation refers to the nature of relationship between the leader and his work group. If the leader and the group enjoy mutual trust, respect, confidence and they like one another, relations will remain good

- Task-structure:

Task-structure is the degree to which the group's task is clearly defined. When the task is routine, easily understood, and unambiguous and when the group has standard procedures, the structure is assumed to be high. When the task is non-routine, ambiguous, complex, with no standard procedures and precedents, structure is assumed to be low. .

- Position-power:

Position-power is the power vested in the position of a leader in an organization. If the leader has the power to assign work, administer rewards and punishment, recommend employees for promotion or demotion, position-power is assumed to be strong. If the leader does not have required powers, the position-power is weak. From the leader's point of view, strong position power is favourable and weak position power is unfavourable.

**(d) The Path-Goal theory**

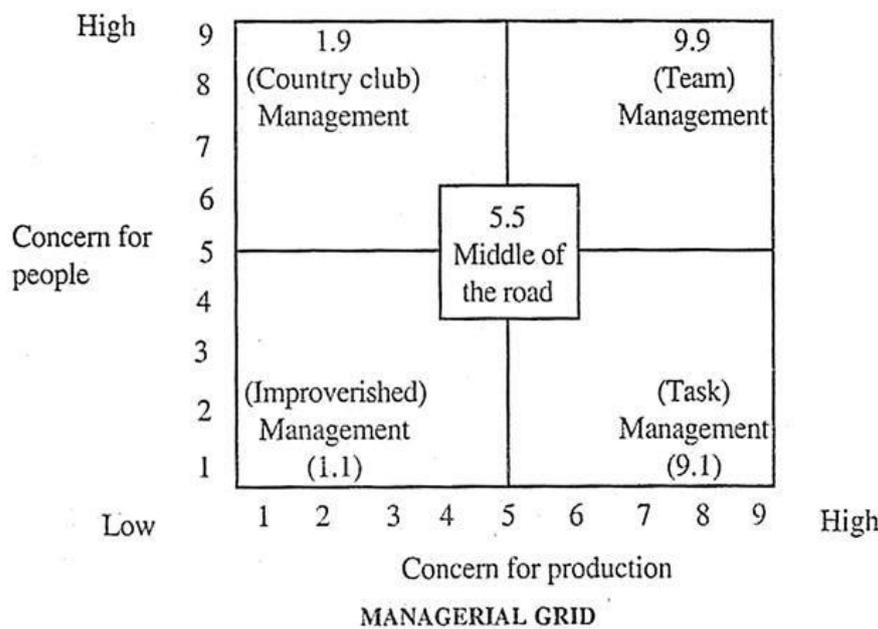
The path-goal model of leadership was introduced by Martin Evans and Robert House. Path-goal theory says that a leader can motivate subordinates by influencing their expectations. Leaders can motivate subordinates by making clear what they have to do to get the reward they desire. The path-goal model assumes that leaders can change their style or behaviour to meet the demands of a particular situation.

This model identifies four kinds of leader behaviour: directive, supportive, participative and achievement-oriented. According to this model managers can adjust their behaviour to include any four kinds of leadership behaviour mentioned above. For instance, while leading a new group of subordinates, the leader may be directive in giving guidance and instructions to them. He may also adopt supportive behaviour to encourage group cohesiveness, to look after their needs and ensuring that they get the rewards and benefits.

As the group becomes more familiar with the task and as new problems are taken into consideration, the leader may use participative behaviour by which he can participate with employees in making decisions and take their suggestions as well. Finally, the leader may use achievement-oriented behaviour to encourage continued high performance of sub-ordinates.

Managerial grid theory

At conception, the managerial grid model was composed of five different leadership styles. These styles were a relation between a manager's concern for people, concern for production and his motivation. The motivation dimension really provides the underlying motive of the leader behind a successful leadership style. Thus the managerial grid model categorizes leaders into one of 81 possible categories. Later, two additional leadership styles were added as well as the element of resilience.



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**1. The Indifferent or Impoverished (1,1)**

These leaders have minimal concern for people and production. Their priority is to fly under the radar while they content to seek solutions that won't bring any negative focus to themselves or their department. Preserving their employment, position as well as their seniority is what drives their elusive and evading behaviours. In short, the indifferent leaders are ineffective and are sorely lacking in any of the traits that can be attributed to successful and effective leaders.

**2. The Country Club or Accommodating (1, 9)**

These leaders will go above and beyond to ensure that the needs and desires of his employees are met. These leaders are making the assumption that their staff will yield maximum results as they are likely to be self-motivated when they are lead in such environment. These leaders will have behaviours that will yield and comply with the needs of their staff. The productivity of the group however, can suffer from the lack of attention on tasks.

**3. The Status Quo or Middle-of-the-Road (5, 5)**

These leaders balance out the needs of their staff with those of the organization, while not adequately achieving either. These leaders will balance and compromise their decisions, often endorsing the most popular one. They dedicate minimal efforts towards facilitating the achievements of their staff or the production results in average or below average levels.

**4. The Dictatorial or Produce, Perish or Control (9, 1) Similar to autocratic leader**

These leaders focus all of their attention to production-related matters and very little towards the needs of their employees. These leaders will direct and dominate while holding the belief that efficiency gains can only be achieved through rigid disciplines especially those that don't require human interaction. Employees are considered expendable resources. Productivity is usually short lived as high employee attrition is unavoidable. The dictatorial style is inspired by the McGregor X theory.



**5. The Sound or Team (9, 9)**

According to Dr. Robert R. Blake and Dr. Jane Srygley Mouton (and I agree), the sound leader is the most effective leadership style. These leaders will contribute and are committed, can motivate and are motivated while holding the belief that trust, respect, commitment and employee empowerment are essential for fostering a team environment where team members are motivated, thus resulting in maximum employee satisfaction as well as the most efficient productivity. This sound leadership style is also inspired by the McGregor Y theory.

### COMMUNICATION

Communication is a process in which Information, Ideas, Thoughts and Feeling exchanges within two or more person.

It is a process of sending and receiving information between two or more people. The person who is sending message referred to as the sender, while person who is receiving information is known as receiver.

#### Types of Communication

People communicate with each other in different ways that depends on the message. There are two types of communication are:

1. Verbal Communication
2. Non Verbal Communication

#### Verbal Communication



Verbal communication refers to that communication in which message is transmitted verbally. It can be done by the words of mouth and a piece of writing. When we talk to others, we assume that others understand what we are saying because we know what we are saying. But this is not the case. Usually people bring their own attitude, perception, emotions and thoughts about the topic and hence creates barrier in delivering the right meaning.

It can be divided into two

forms: Oral

Communication Written

Communication

Oral Communication

Oral Communication is that communication which formed orally like spoken of words. It includes face-to-face conversation, speech, telephonic conversation, videos, radio, television. It can be influenced by pitch, volume, speed and clarity of speaking.

#### Written Communication

Written communication has great significance in today's business world. It is an innovative activity of the mind. Effective written communication is essential for preparing worthy promotional materials for business development. Speech came before writing. But writing is more unique and formal than speech. Effective writing involves careful choice of words, their organization in correct order in sentences formation as well as cohesive composition of sentences. Also, writing is more valid and reliable than speech.

Nonverbal Communication

Nonverbal communication is the sending or receiving of wordless messages. We can say that communication other than oral and written, such as gesture, body language, posture, tone of voice or facial expressions, is called nonverbal communication. Nonverbal communication is all about the body language of speaker.



Nonverbal communication helps receiver in interpreting the message received. Often, nonverbal signals reflect the situation more accurately than verbal messages. Sometimes nonverbal response contradicts verbal communication and hence affects the effectiveness of message. It involves appearance, body language, and Sound.

There are two types of communication are:

1. Formal Communication
2. Informal Communication

#### Formal Communication

In formal communication, certain rules, conventions and principles are followed while communicating message. Formal communication occurs in formal and official style. Usually professional settings, corporate meetings, conferences undergoes in formal pattern. In formal communication, use of slang and foul language is avoided and correct pronunciation is required. Authority lines are needed to be followed in formal communication.

#### Informal Communication

Informal communication is done using channels that are in contrast with formal communication channels. It's just a casual talk. It is established for societal affiliations of members in an organization and face-to-face discussions. It happens among friends and family. In informal communication use of slang words, foul language is not restricted. Usually, informal communication is done orally and using gestures. Unlike formal communication, doesn't follow authority lines. In an organization, it helps in finding out staff grievances as people express more when talking informally. Informal communication helps in building relationships. Informal channel of communication is also known as Grape vine.



### Downward communication

Communication which flows from the superior to subordinates is referred as downward communication. It is needed,

- To get things done
- To prepare for changes
- To discourage misinformation and suspicion
- To let the people feel the price of being relatively well informed.

### Upward communication

It flows from a subordinate position to superior position. That is, the subordinate work performance report, their opinions, ideas and suggestions, complaints and grievances of subordinates, etc.,

### PROCESS OF COMMUNICATION

Communication is a process of exchanging verbal and non verbal messages. It is a continuous process. Pre-requisite of communication is a message. This message must be conveyed through some medium to the recipient. It is essential that this message must be understood by the recipient in same terms as intended by the sender. He must respond within a time frame. Thus, communication is a two way process and is incomplete without a feedback from the recipient to the sender on how well the message is understood by him.

1. **Sender / Encoder** – Sender / Encoder is a person who sends the message. A sender makes use of symbols (words or graphic or visual aids) to convey the message and produce the required response. For instance – a training manager conducting training for new batch of employees. Sender may be an individual or a group or an organization. The views, background, approach, skills, competencies, and knowledge of the sender have a great impact on the message.
2. **Message** – Message is a key idea that the sender wants to communicate. It is a sign that elicits the response of recipient. Communication process begins with deciding about the message to be conveyed. It must be ensured that the main objective of the message is clear.



3. **Medium** – Medium is a means used to exchange / transmit the message. The choice of appropriate medium of communication is essential for making the message effective and correctly interpreted by the recipient. This choice of communication medium varies depending upon the features of communication. For instance – Written medium is chosen when a message has to be conveyed to a small group of people, while an oral medium is chosen when spontaneous feedback is required from the recipient as misunderstandings are cleared then and there.

4. **Recipient / Decoder** – Recipient / Decoder is a person for whom the message is intended / aimed / targeted. The degree to which the decoder understands the message is dependent upon various factors such as knowledge of recipient, their responsiveness to the message, and the reliance of encoder on decoder.

5. **Feedback** – Feedback is the main component of communication process as it permits the sender to analyze the efficacy of the message. It helps the sender in confirming the correct interpretation of message by the decoder. Feedback may be verbal (through words) or nonverbal (in form of smiles, sighs, etc.). It may take written form also in form of memos, reports, etc.



### Unit 3

#### DIRECTION

Directing is the process of integrating the people within the organisation so as to obtain their willing co-operation towards meeting the pre determined goals.

According to Theo Haimann, "Directing consists of the process and techniques utilized in issuing instructions and making certain that operations are carried on as originally planned."

#### Principles of Direction:

The following are the basic principles of directing:

1. Integration of individual and organizational goals: This implies that the individuals contribute to the organizational goals to their maximum capabilities and at the same time satisfy their personal needs.
2. Participative decision making: Effective direction can be achieved by involving individuals and groups in decision making process.
3. Delegation of Authority: The subordinates should be delegated with adequate authority in order to facilitate decision making.
4. Effective communication: The managers should ensure free flow of communication at all levels of organizational hierarchy.
5. Right type of leadership: The management should develop leadership quality among the employees.
6. Unity of Command: This principle states that the subordinates should get directives from one superior only and should be accountable to one superior only.
7. Appropriateness of direction techniques: The direction techniques selected should be according to the situation.
8. Follow up: The management should see that whether the direction issued by them is carried out or not.

In simple words, direction can be described as providing guidance to workers for doing work.



## CO-ORDINATION

It is a process of integrating the interdepartmental activities as unified action towards the fulfilment of the predetermined common goals of the organization.

According to Henry Fayol, “ To co-ordinate is to harmonize all the activities of a concern so as to facilitate its working and its success. In a well co-ordinated enterprise, each department or division, works in harmony with other and is fully informed of its role in the organization. The working schedule of various departments is constantly turned to circumstances.”

### Features

1. It is not a separate function of management.
2. It is necessary to all levels of management.
3. It is a continuous and dynamic process.
4. Group efforts are more relevant than individual efforts.
5. Unity of action is the heart of co-ordination.
6. It is a system concept.

### Types of Co-ordination

The following are the important types of co-ordination.

- 1. Vertical co-ordination:** - It refers to co-ordination between activities of a manager and his subordinates
- 2. Horizontal co-ordination:-** It refers to co-ordination among peers – ie employees working at the same levels in organizational hierarchy and among various departments.
- 3. Diagonal co-ordination:** It is co-ordination among the users and between users and service personnel, which is achieved through understanding, negotiation and voluntary effort.



Principles of Co-ordination:

In order to ensure effective co-ordination, the co-ordination should be based on certain principles:

**Personal contact:** Effective co-ordination can be achieved through personal contact. Personal



#### Unit 4

**Corporate social responsibility (CSR)** is a type of international private business self-regulation that aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically-oriented practices. While once it was possible to describe CSR as an internal organisational policy or a corporate ethic strategy, that time has passed as various international laws have been developed and various organisations have used their authority to push it beyond individual or even industry-wide initiatives. While it has been considered a form of corporate self-regulation for some time, over the last decade or so it has moved considerably from voluntary decisions at the level of individual organizations to mandatory schemes at regional, national, and international levels.

Considered at the organisational level, CSR is generally understood as a strategic initiative that contributes to a brand's reputation. As such, social responsibility initiatives must coherently align with and be integrated into a business model to be successful. With some models, a firm's implementation of CSR goes beyond compliance with regulatory requirements and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law"

Furthermore, businesses may engage in CSR for strategic or ethical purposes. From a strategic perspective, CSR can contribute to firm profits, particularly if brands voluntarily self-report both the positive and negative outcomes of their endeavors. In part, these benefits accrue by increasing positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. From an ethical perspective, some businesses will adopt CSR policies and practices because of the ethical beliefs of senior management. For example, a CEO may believe that harming the environment is ethically objectionable



Proponents argue that corporations increase long-term profits by operating with a CSR perspective, while critics argue that CSR distracts from businesses' economic role. A 2000 study compared existing econometric studies of the relationship between social and financial performance, concluding that the contradictory results of previous studies reporting positive, negative, and neutral financial impact, were due to flawed empirical analysis and claimed when the study is properly specified, CSR has a neutral impact on financial outcomes. Critics questioned the "lofty" and sometimes "unrealistic expectations" in CSR. or that CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations. In line with this critical perspective, political and sociological institutionalists became interested in CSR in the context of theories of globalization, neoliberalism, and late capitalism. Some institutionalists viewed CSR as a form of capitalist legitimacy and in particular point out that what began as a social movement against uninhibited corporate power was transformed by corporations into a "business model" and a "risk management" device, often with questionable results.

Since the 1960s, corporate social responsibility has attracted attention from a range of businesses and stakeholders. A wide variety of definitions have been developed but with little consensus. Part of the problem with definitions has arisen because of the different interests represented. A business person may define CSR as a business strategy, an NGO activist may see it as 'greenwash' while a government official may see it as voluntary regulation." In addition, disagreement about the definition will arise from the disciplinary approach." For example, while an economist might consider the director's discretion necessary for CSR to be implemented a risk of agency costs, a law academic may consider that discretion to be an appropriate expression of what the law demands from directors. In the 1930s, two law professors, A. A. Berle and Merrick Dodd,



famously debated how directors should be made to uphold the public interest: Berle believed there had to be legally enforceable rules in favor of labor, customers and the public equal to or ahead of shareholders, while Dodd argued that powers of directors were simply held on trust.

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