Slow Learners SMG Capstone Micro notes

I. External enviromental Analysis

- Environmental scanning is the process of the collection, evaluation & delivery of information for a predetermined purpose.

- characteristics: continuous, Exploratory, Dynamic, Holistic

Types: Internal, External

II) Techniques of EE analysis

1. QUEST 2. PESTEL 3. porter's 5 force model 4. CPM

1.a QUEST - Quick environmental scanning Technique

4 steps →
- Internal strategist will observe & Identify the major trends & event
- ⇓
- Speculate the major issues, affect the org
- ⇓
- prepare the report & submit it (discussion)
- ⇓
- decide on suitable strategies for evolving environment

Adv
- Low cost
- Top mgt control

Dis. Adv
- biased

1.b PESTEL [political, Economic, social, Technological, Environmental & Legal - Environmental Assessment]

Political	Economic	Social	Technological	Environmental
- Govt policies - Leadership - Foreign Trade policies - Tax - regulation	- Economic Growth - Inflation - Labour cost - Disposal Income - change in environment	- Attitude - opinion - buying pattern - population's (demographic aspects)	- new methods - Distribution - communication	- resources - pollution - Ethics Legal - consumer right - statutory aspects

Steps
1. Brainstorm ideas (Important stakeholders)
2. Get the opinion of experts [distributors, customers etc)
3. Involve in research & gather evidence.
4. Refine your ideas & repeat the steps if necessary

II Competitive Advantage Assessment

1.c porter's 5 force model

Threat of new entrants	Bargaining power of customers	Threat of substitutes	Competitive Rivalry
* Time, cost & energy * specialist knowledge * cost advantage * Economics of scale * Barriers to entry	* no of customers * size of orders * Differentiation * price sensitivity * cost of changing	* performance * cost aspects Supplier power * no of suppliers * unique aspects * size of suppliers * ability to substitute	* no of competitors * quality differences * switching cost * customer loyalty

1.d CPM (competitive profile Matrix) - It is a tool that compares the firm & its rivals & reveal their relative strength & weaknesses

Critical success factor	Wt.	Samsung Rating	Samsung score	Nokia Rating	Nokia score	Sony Rating	Sony score
Advertising	0.20	1	0.20	4	0.80	3	0.60
Quality	0.10	4	0.40	4	0.40	3	0.30
Price	0.10	3	0.30	3	0.30	4	0.40
Management	0.10	4	0.40	3	0.30	3	0.30
Financial position	0.15	4	0.60	3	0.45	3	0.45
Loyalty	0.10	4	0.40	4	0.40	2	0.20
Expansion	0.20	4	0.80	2	0.40	2	0.40
Goodwill	0.05	1	0.05	4	0.20	3	0.15
	1.00		3.15		3.25		2.8

Conclusion:- Nokia's position is having better competitive advantage followed by Samsung in Mobile Market

II) Techniques of IE analysis

a. SWOT (TOWS) b. RBV c. VRIN

2.a SWOT (Strength, weakness, opportunities & threats analysis)

Advantages of SWOT: ↑ strength ↓ weakness Ensure survival

- Essential while Expand, Diversify & sustain in the market

Strength → capabilities (product/Technology/R&D/HR/Demand/skills/wealth

weaknesses → product mass/Technology/Mgt power/Lack of resources

opportunities → New product/new Market/new economy/Technology/change

Threats → political/legislative/Environmental/Technological/Market expansion

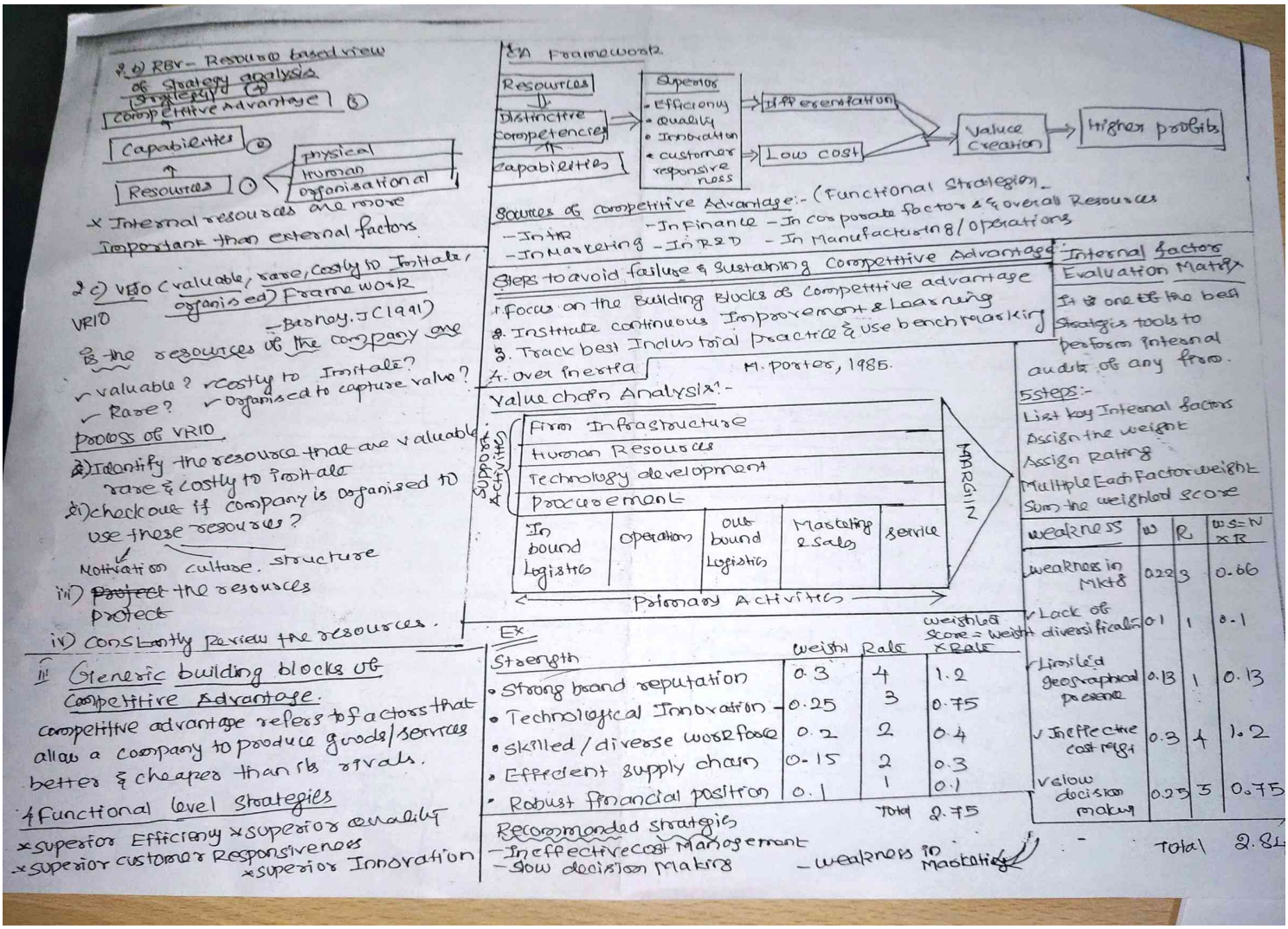
TOWS analysis → It matches the strength with opportunities and weaknesses with threats

SWOT Matrix

strength	weakness
opportunities	Threats

TOWS Matrix

	opportunities	threats
strength	S/O	S/T
weakness	W/O	W/T


2) RBV - Resource based view of strategy analysis
Competitive Advantage
Capabilities
Resources
physical
human
organisational
Internal resources are more important than external factors
2) c) VRIO (valuable, rare, costly to Imitate, organised) Framework
VRIO
Barney, JC (1991)
Is the resources of the company one
valuable? costly to Imitate?
Rare? Organised to capture value?
Process of VRIO
i) Identify the resource that are valuable rare & costly to Imitate
ii) check out if company is organised to use these resources?
Motivation culture. structure
iii) Protect the resources
Protect
iv) Constantly Review the resources.
II) Generic building blocks of Competitive Advantage.
Competitive advantage refers to factors that allow a company to produce goods/services better & cheaper than its rivals.
1 Functional level Strategies
Superior Efficiency
Superior quality
Superior customer Responsiveness
Superior Innovation
VRIO Framework
Resources
Distinctive Competencies
Capabilities
Superior
Efficiency
Quality
Innovation
customer responsiveness
Differentiation
Low cost
Value Creation
Higher profits
Sources of Competitive Advantage:- (Functional Strategies)
In HR
In Marketing
In Finance
In R&D
In corporate factors & overall Resources
In Manufacturing/operations
Steps to avoid failure & Sustaining Competitive Advantage
1. Focus on the Building Blocks of Competitive advantage
2. Institute continuous Improvement & Learning
3. Track best Industrial Practice & use benchmarking
4. over inertia
M. Porter, 1985.
Value chain Analysis:-
Support Activities
Firm Infrastructure
Human Resources
Technology development
Procurement
Inbound Logistics
Operations
Outbound Logistics
Marketing & Sales
Service
MARGIN
Primary Activities
Internal factors Evaluation Matrix
It is one of the best Strategic tools to perform internal audit of any firm.
5 steps:-
List key Internal factors
Assign the weight
Assign Rating
Multiple Each Factor weight
Sum the weighted score
Ex
Strength
Weight
Rate
weighted score = weight x Rate
Strong brand reputation 0.3 4 1.2
Technological Innovation 0.25 3 0.75
Skilled/diverse workforce 0.2 2 0.4
Efficient supply chain 0.15 2 0.3
Robust financial position 0.1 1 0.1
Total 2.75
Recommended strategies
- Ineffective cost Management
- Slow decision Making
- weakness in Marketing
weakness W R W=W x R
weakness in Mktg 0.22 3 0.66
Lack of diversification 0.1 1 0.1
Limited geographical presence 0.13 1 0.13
Ineffective cost mgt 0.3 4 1.2
Slow decision making 0.25 3 0.75
Total 2.84

I) Def :- Management is the art of getting things done through and with people in formally organized group
Henry Fayol ↓ —Koontz—
To manage is to forecast and to plan, to organise, to command, to coordinate and to control.

Nature :- It is a universal activity, It is goal oriented, It is intellectual activity, It is a process, both art & Science, ongoing activity, Intangible, Mgt is a profession

Purpose :- Goal Achievement / Efficient Resource, Organisational structure & Design / Leadership & Motivation, Control & supervision, Risk Management, Innovation & Improvement

[Unit I — Introduction to Management] Now Learn MOB (Mind Mapping)

III Management by objectives - It is a technique, by which superior & subordinate jointly identify the objectives desired to be achieved by the subordinate in tune with the overall results expected

Process
- Define the organisational goal
- Determine the subordinate objectives
- Constant Monitoring the performance
- Performance evaluation
- Providing Feedback
- Performance Appraisal

Advantages
- better communication & Relationship
- gives the subordinate the opportunity / Highly motivated

Disadvantages
- → Time Consuming
- → not suitable for Low level of employees

II) Evolution of management thoughts

A. Pre Scientific Management period

(a) Professor Charles Bethage of UK → Advised manufacturers to use Statistics & Mathematics

(b) Robert Owens of UK → employee welfare (x), Training, canteen, children education etc

B Process Approach by Henry Fayol

(a) Division of work / Authority & Responsibility / Discipline, Unity of command / unity of direction / Alignment of Interest, Remuneration, centralisation, Scalar chain, order Equity, Stability of personnel, Initiative, Esprit de Corps

(b) Scientific Management by F.W. Taylor
- science, not the Rule of thumb
- Harmony, not Discord
- Mental revolution
- cooperation, not Individualism

(c) Bureaucratic Approach (Max Weber)
- Division of work / Rules & Regulations,
- Hierarchy of authority / Technical Competence / Record keeping

(c) Neo classical Management

by Elton Mayo → Hawthorne experiments, from 1924-32, western electrical company's plant in Hawthorne near Chicago USA

(i) Illumination Test
production is more psychological

(ii) Relay Assembly Test Room Studies
recognition, attention & participation are effective than ~~no~~ direct supervision.

(iii) Mass Interview program
- This Interaction will engage productivity

(iv) Bank wiring observation Room study
slow worker can be Motivated by fast / accurate Employee (Group Incentive scheme)

(4) Contingency Approach :-
- Managers adapt the changes / - Integrates all earlier theories / capable to adopt dynamic changes

IX Functions of Management

Planning [Knootz O'Donnel]
- It is deciding in advance, what to do, when to do, how to do & who will do it. It bridges the hap from where we are to where we want to go

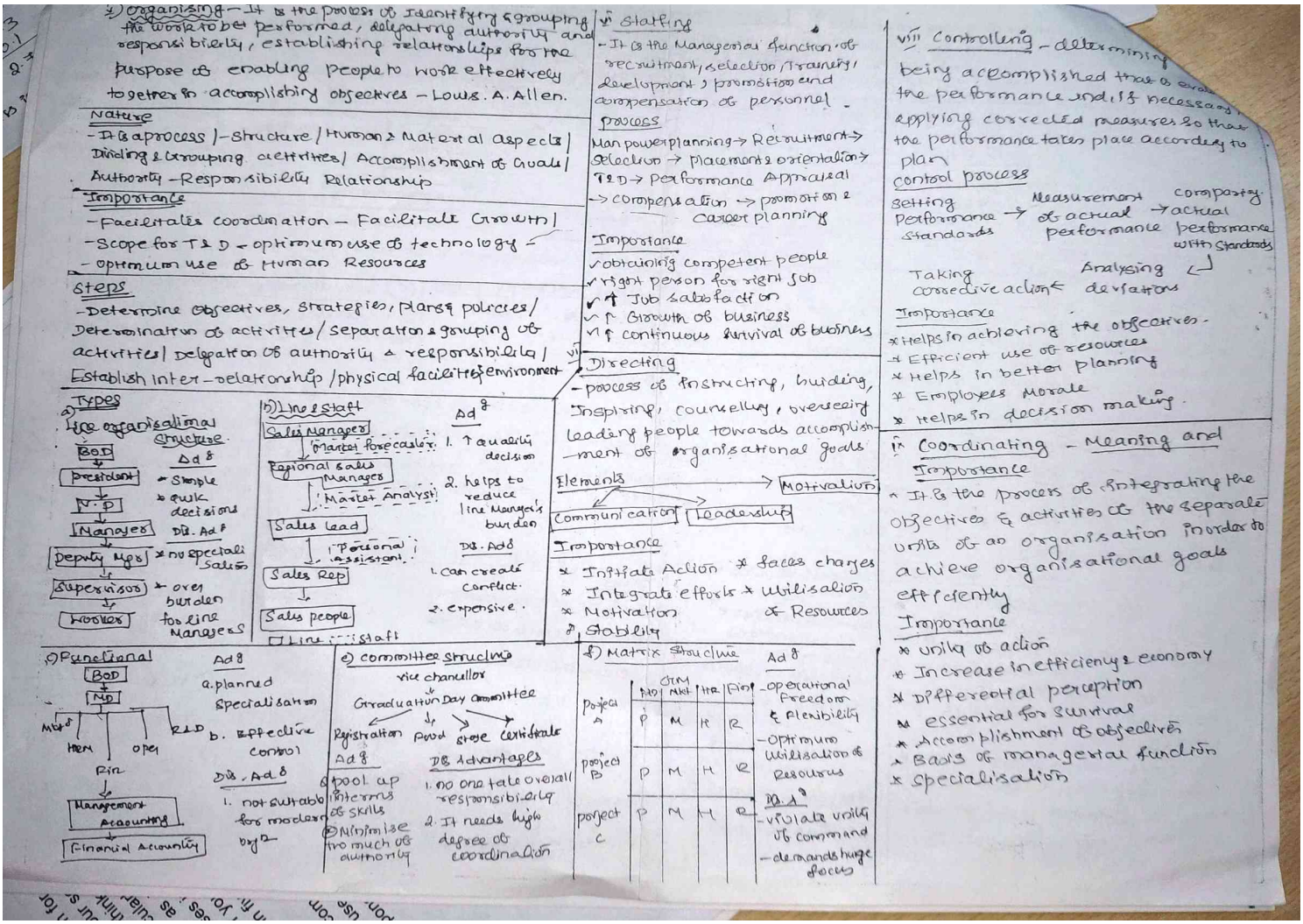
Nature
* primary function * goal oriented
* pervasive * Intellectual activity,
* Future oriented * Integrated approach * Continuous process

Importance
- no work pressure situations
- Helps optimal utilisation of resources
- Efficiency / effectiveness of doing things
- reduces risks & uncertainty
- provide coordination
- facilitates Control

Process
Identify business opportunities
↓
Establishment of objectives
↓
Determine planning premises
↓
Identify alternative course of action
↓
Select the best course of action
↓
Formulate the derivative plans
↓
Periodic evaluation & Review

Types
I) Standing
- objectives — specific goals
- Strategy — long term plans
- Policy — guidance
- Rules — behavior
- Methods — Technique

II) Single use
- programme (action plan)
- Budget (for a specific period)


ii) Organising – It is the process of identifying & grouping the work to be performed, delegating authority and responsibility, establishing relationships for the purpose of enabling people to work effectively together in accomplishing objectives – Louis. A. Allen.
Nature
- It is a process / - Structure / Human & Material aspects / Dividing & Grouping activities / Accomplishment of Goals / Authority – Responsibility Relationship
Importance
- Facilitates coordination – Facilitate Growth /
- Scope for T & D – optimum use of technology –
- Optimum use of Human Resources
Steps
- Determine objectives, strategies, plans & policies / Determination of activities / separation & grouping of activities / Delegation of authority & responsibility / Establish inter-relationship / physical facilities & environment
iii) Staffing
- It is the Managerial function of recruitment, selection, training, development, promotion and compensation of personnel.
Process
Man power planning → Recruitment → Selection → placement & orientation → T & D → performance Appraisal → compensation → promotion & career planning
Importance
✓ obtaining competent people
✓ right person for right job
✓ ↑ Job satisfaction
✓ ↑ Growth of business
✓ & continuous survival of business
viii) Controlling – determining being accomplished that is evaluating the performance and if necessary applying corrected measures so that the performance takes place according to plan
control process
Setting Performance Standards → Measurement of actual performance → Comparing actual performance with standards
Analysing deviations → Taking corrective action
Importance
* Helps in achieving the objectives.
* Efficient use of resources
* Helps in better planning
* Employees Morale
* Helps in decision making.
i) Types of organisational structure
BOD
President
V.P
Managers
Deputy Mgrs
Supervisors
Workers
Ad & Dis. Ad
- Simple
* quick decisions
* no specialisation
* over burden to line Managers
ii) Line & staff
Sales Manager
Regional sales Managers
Master Analyst
Sales Lead
Personal assistant
Sales Rep
Sales people
Line
Staff
Ad
1. Quality decision
2. helps to reduce line Manager's burden
Dis. Ad
1. can create conflict.
2. expensive.
Directing
- process of instructing, building, inspiring, counselling, overseeing leading people towards accomplishment of organisational goals
Elements → Motivation
Communication
Leadership
Importance
* Initiate Action * faces changes
* Integrate efforts * Utilisation & Resources
* Motivation
* Stability
iv) Coordinating – Meaning and Importance
* It is the process of integrating the objectives & activities of the separate units of an organisation in order to achieve organisational goals efficiently
Importance
* unity of action
* Increase in efficiency & economy
* Differential perception
* essential for survival
* Accomplishment of objectives
* Basis of managerial function
* specialisation
i) Functional
BOD
MD
Mkt
HRM
Opn
R&D
Fin
Management Accounting
Financial Accounting
Ad
a. planned Specialisation
b. Effective control
Dis. Ad
1. not suitable for modern days
2. pool of interests of skills
3. Minimise too much of authority
e) committee structure
vice chancellor
Graduation Day committee
Registration
Pond
Issue certificate
Ad
Dis Advantages
1. no one take overall responsibility
2. It needs high degree of coordination
f) Matrix structure
Ad
- operational Freedom & Flexibility
- Optimum Utilisation of Resources
Dis. Ad
- violate unity of command
- demands huge efforts
Project A
Project B
Project C
P
M
H
R

Unit 1 — Organization Design & Structure

MOB-Unit MADHUKAR.

...nizational design is a proces of creating a system that helps your business run smoothly & efficiently as possible.

Job title responsibility Roles

It is framework explains about job title, role & responsibility.

— Allen

Determinats / Parameter:-

1. Environment:- (stable / Dynamic) [micro / macro]

Stable → Remain contant

Dynamic → continuouly changing.

2. Organisational Strategy

Cost leadership	Differentiation
Cost Focus	Focus differentiat

* Differentiation
* Cost leadership
* Focus

- Distinguish product & service, company
- large scale production with economic of scale [Less cost]
* Focus:- Concentration on specific product or a market

3. Technology:-
- Information technology
- Collaboration "
- Communication " "

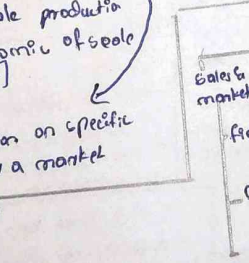
4. Organisational people:-
- Goals, values, attitude, belief, personality.
- While designing the structure these factor to be considered.

5. Size:
- It denotes no. of employees in the organisation
- It can be small or large based on size of the employee. a new type of organisation can be constructed.

CEO

Sales & marketing — Product Development — Human Resource — Finance — Facilities

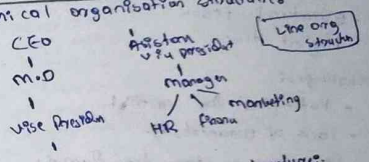
- Field sales Force
- Digital marketing
- E-comer
- Developer
- Tester
- Quality assurance
- maintanance
- Recruitment
- Learning & Development
- Pay roll



2. Hierarchical organisation structure:

CEO → M.D → Vice President → Assistant Vice president → Manager → HR, Finance, marketing

Line org structure



3. Divisional organisational structure:

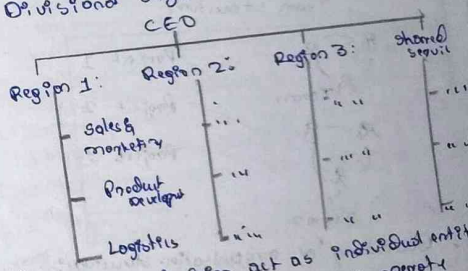
CEO

Region 1: Sales & marketing, Product Development, Logistics

Region 2: " " " " " "

Region 3: " " " " " "

Shared Service: " " " " " "



- Every division act as individual entity like MC's. MC's USA operate totally different from MC's India.

Types of organisational Structure

1. Functional Structure.

III Contemporary organisational structure:

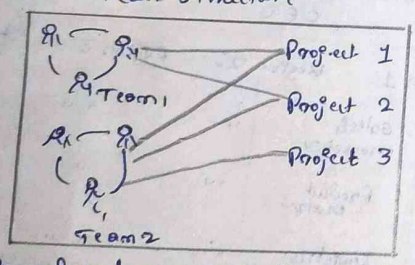
1. Team organisation structure:
- Self contained team with share responsibility focuses on collaborative approach.

key features:
- cross functional teams
- High autonomy
- share leadership
- Collaboration.

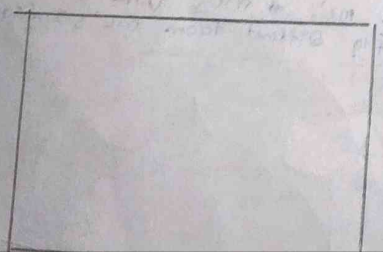
Types:
- self managed team (SMT)
- Virtual teams
- Project teams.

challenges:
- Potential for conflict
- lack of accountability.
- Dependency on strong team dynamic

Team structure



2. Boundary less organisation structure:-



- Promote open communication
- use Tehnology to connect
- Encourage cross-function team
- support leadership flexibility
- focus on projects:
- flat hierarchy
- Reduced barrier
- Employee empowerment.

3. Network modular & virtual organisation structure:

a Inner State that energizes, activates or moves & directs or channels behaviour goal.

- Berelson & Steiner

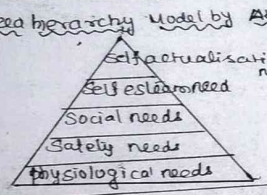
Individual's
- Intensity (How hard a person tries)
- Direction (if he puts in right direction)
- Persistence (Maintaining the efforts)

attaining goal

(1)

Theories of Motivation:-

a) Need hierarchy Model by Abraham Maslow



Higher order needs

Low order needs

(2)

b) Dual factor theory by Frederick Herzberg

Motivators	Hygiene Factors.
Achievement	supervision/Relationship
Recognition	Salary
Work itself	personal life
Responsibility	status
Advancement	Security
Growth	Rules/Regulations

enhance it further as it motivates employees

need to be corrected. otherwise organisation will turn sick

(3)

c) Mcclelland's three need Theory.

Need for Achievement (n Ach) - Desire for success

Need for power (n pow) - desire for Authority

Need of Affiliation (n aff) - desire for interpersonal relationship

(4)

d) McGregor Theory of X and Y (-ve and +ve)

Theory X → Assumes employee as Lazy, unmotivated, dislike his work, Required constant supervision, use external rewards (or) punishments, Traditional & Autocratic leadership

(5)

UNIT 4 - MOTIVATION

↳ Latinword "Motivus" Moving cause.

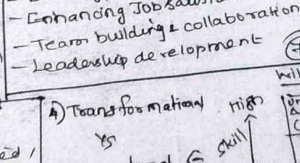
Theory Y -
- employees love to work.
- self motivated
- proactive, love responsibility
- promote participative leadership
- no need of supervision
- Responsible (employees.

e) Alderfer's ERG Model of Motivation

- According to this theory, people are motivated by 3 core needs:
  - i) Existence - need of physical & psychological survival
  - ii) Relatedness - sense of community & Good relationship.
  - iii) Growth → Self development, fulfillment.

(6)

Maslow II Alderfer's Comparison



Application of Motivational techniques
- Improving employee performance
- Boosting productivity
- Enhancing Job satisfaction
- Team building & collaboration
- Leadership development

(7)

LEADERSHIP

(8) Leadership is the ability of a manager to motivate their subordinates to work with confidence & enthusiasm

Styles

1. Autocratic
   - Leaders have all decision making power
   - exert complete control.
   - enforce rules through coercion & control
   - quick decisions are possible
   - clear chain of command

2. Democratic/ Participative
   - employees are the part of decision making, Open minded, collaborative & Transperant & Inclusive mindset

3. Delegative/ Lassiz-fair/ Free-rein
   - Delegate initiatives to employees / greater feedom
   - suitable for highly skilled, knowledgeable workforce
   - required little guidance

4. Transactional (Managerial)
   - Traditional Manager / emphasis on organisation, supervision, performance, compliance, meeting goals.
   - utilises rewards & punishment.

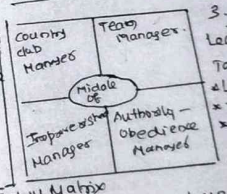
5. Transformational (visionary)
   - uses empathy, recognition & empowerment to this team & help them to achieve a shared vision.

4 I's Idealised Influence, Inspirational Motivation, Intellectual Simulation & Individual consideration

(9) Leadership theories

1. Trait theory - Leaders are born
   - extroverted
   - disciplined/commited
   - apparent advantage
   - Strong on Emotional Intelligence

2. behavioural theory - Managerial Grid - Leader behaviour



3. Situational / contingent theory

Least preferred coworker (LPC)

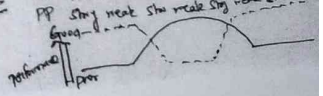
Task oriented — Relationship oriented

- Leader Member relationship (TMR)
- Task structure (TS)
- position power (PP)

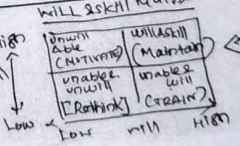
--- TASK oriented

— Relationship oriented

Category	1	2	3	4	5	6	7	8
LMR	Good	Good	Good	Good	poor	poor	poor	Poor
TS	High	Low	High	Low	High	Low	High	Low
PP	Strong	weak	Strong	weak	Strong	weak	Strong	weak

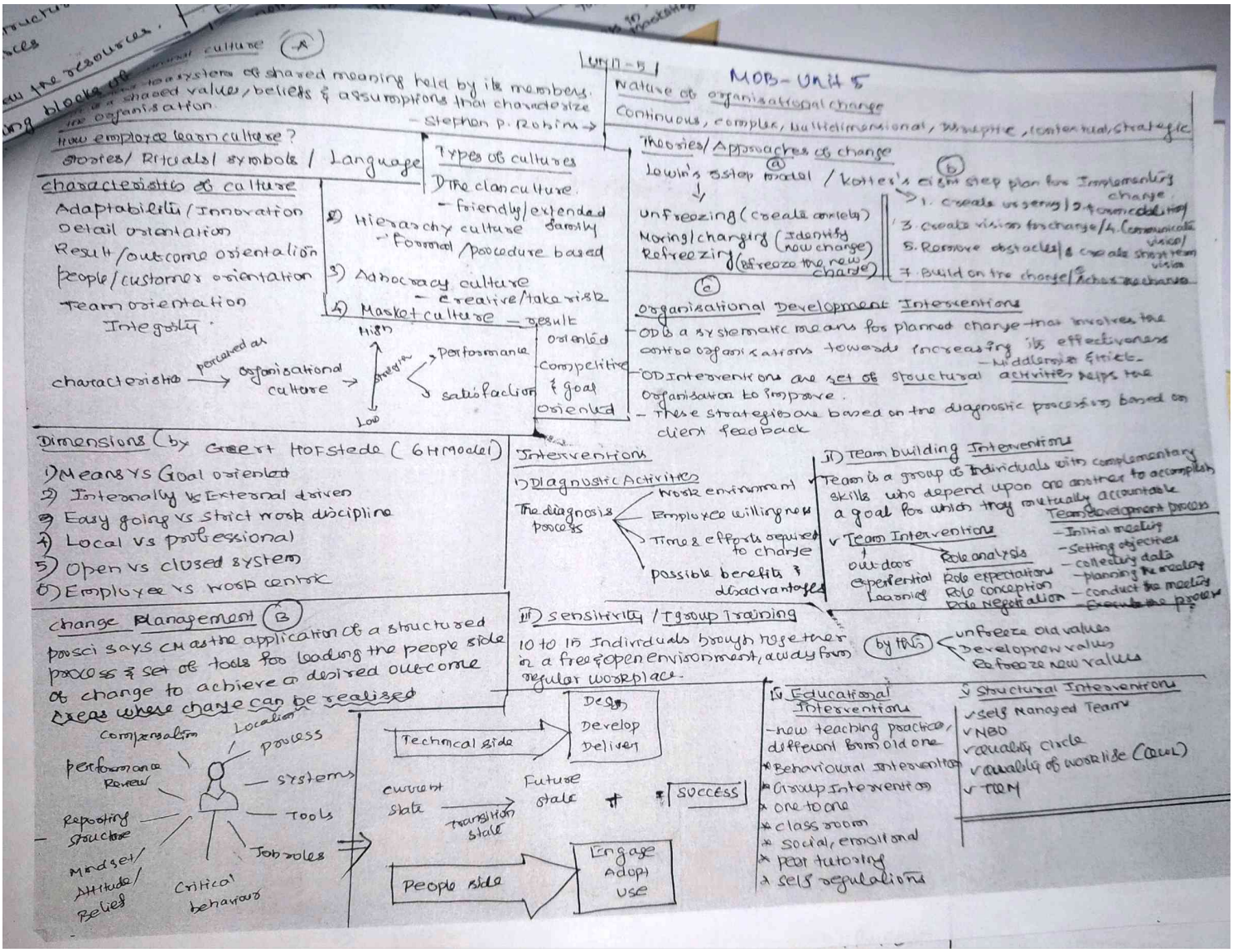


4) Transformational vs Transactional



Will & skill Matrix

Unwill Able (MOTIVATE)	Will & skill (Maintain)
unable & unwill [Rethink]	unable & will (TRAIN)



UNIT-5
MOB-Unit 5
culture (A)
system of shared meaning held by its members.
shared values, beliefs & assumptions that characterize the organisation.
- Stephen P. Robins
How employee learn culture?
Stories/ Rituals/ symbols / Language
Characteristics of culture
Adaptability/Innovation
Detail orientation
Result/outcome orientation
People/customer orientation
Team orientation
Integrity
Types of cultures
1) The clan culture
- friendly/extended family
2) Hierarchy culture
- Formal/procedure based
3) Adhocracy culture
- creative/take risk
4) Market culture - result oriented
competitive & goal oriented
characteristics
perceived as
organisational culture
High
Low
strength
Performance
satisfaction
Nature of organisational change
Continuous, complex, multidimensional, disruptive, contextual, strategic
Theories/Approaches of change
(a) Lewin's 3 step model / (b) Kotter's eight step plan for Implementing change
Unfreezing (create anxiety)
Moving/changing (Identify new change)
Refreezing (Refreeze the new change)
1. Create urgency / 2. Form coalition
3. Create vision for change / 4. Communicate vision
5. Remove obstacles / 6. Create short term vision
7. Build on the change / 8. Achor the change
(c) Organisational Development Interventions
- OD is a systematic means for planned change that involves the entire organisations towards increasing its effectiveness
- Middlemist & Hitt
- OD Interventions are set of structural activities helps the organisation to improve.
- These strategies are based on the diagnostic processes based on client feedback
Dimensions (by Geert Hofstede (6H model)
1) Means vs Goal oriented
2) Internally vs External driven
3) Easy going vs strict work discipline
4) Local vs professional
5) Open vs closed system
6) Employee vs work centric
Interventions
i) Diagnostic Activities
The diagnosis process
Work environment
Employee willingness
Time & efforts required to change
possible benefits & disadvantages
ii) Team building Interventions
Team is a group of individuals with complementary skills who depend upon one another to accomplish a goal for which they mutually accountable
Team Interventions
Outdoor experiential Learning
Role analysis
Role expectations
Role conception
Role Negotiation
Team development process
- Initial meeting
- Setting objectives
- collecting data
- planning the meeting
- conduct the meeting
- Execute the process
change Management (B)
prosci says CM as the application of a structured process & set of tools for leading the people side of change to achieve a desired outcome
Areas where change can be realised
Compensation
Location
process
performance Review
systems
Reporting structure
Tools
Job roles
Mindset/ Attitude/ Belief
Critical behaviour
Technical side
Design
Develop
Deliver
current state
transition state
Future state
SUCCESS
People side
Engage
Adopt
Use
iii) Sensitivity / T group Training
10 to 15 individuals brought together in a free & open environment, away from regular workplace.
by this
unfreeze old values
Develop new values
Refreeze new values
iv) Educational Interventions
- new teaching practice, different from old one
* Behavioural Intervention
* Group Intervention
* one to one
* class room
* social, emotional
* peer tutoring
* self regulations
v) Structural Interventions
✓ self Managed Teams
✓ NBO
✓ quality circle
✓ quality of worklife (QWL)
✓ TQM