

Pondicherry University

Directorate of Distance Education

MBA – 1st Semester

Management Concepts and Organisational Behaviour

PRESENTATION – 3&4 -12TH & 13TH MARCH, 2022

NATURE AND PROCESS OF PLANNING



Dr. P. G. Arul
Professor

Dept. of International Business
Pondicherry University
Pondicherry - 605014

Introduction- Planning

- Primary function of a manager
- Process of deciding in advance
- How, when and whom it will be done
- Visualizing and anticipating futures
- Process of determine objectives of organization
- Process of identifying strength and weakness
- Guidelines for taking decision
- Steps in day to day operation

Management Experts on Planning

- Killen: Planning is the process of deciding in advance what is to be done, who is to do it and when it is to be done"
- Koontz O'Donnell and Weihrich: "Planning is an intellectually demanding process; it requires the conscious determination of courses of action and the basing of decisions on purpose, knowledge and considered estimates"

Nature of Planning

- Planning is an intellectual activity
- Planning involves selection among alternatives
- Planning is forward looking
- Planning is related to objectives
- Planning is the most basic of all management function
- Planning is pervasive function of management

Is planning really Necessary?

- Growing complexities of modern business
- Technological changes
- Rapid social, economic and political changes
- Recognition of social responsibilities
- Growth of trade unionism
- Uncertainties caused by trade cycles
- Shortage of certain resources
- Increasing government control over business
- Need for research and development activities

Benefits of Planning

- Focuses attention on objectives
- Ensures economical operation
- Reduced uncertainty
- Facilitates control
- Encourages innovation and creativity
- Improves motivation
- Improves competitive strength
- Facilitates coordination

Types of Plans

Single use plans	Standing plans
objectives	policies
strategy	procedures
programme	methods
budget	Rules and regulations

Contd.,

- Organizational level
(corporate, divisional and functional planning)
- Focus:
strategic, operational and tactical planning
- Time period:
long range-medium and short term plan

The process of planning



Limitations of Planning

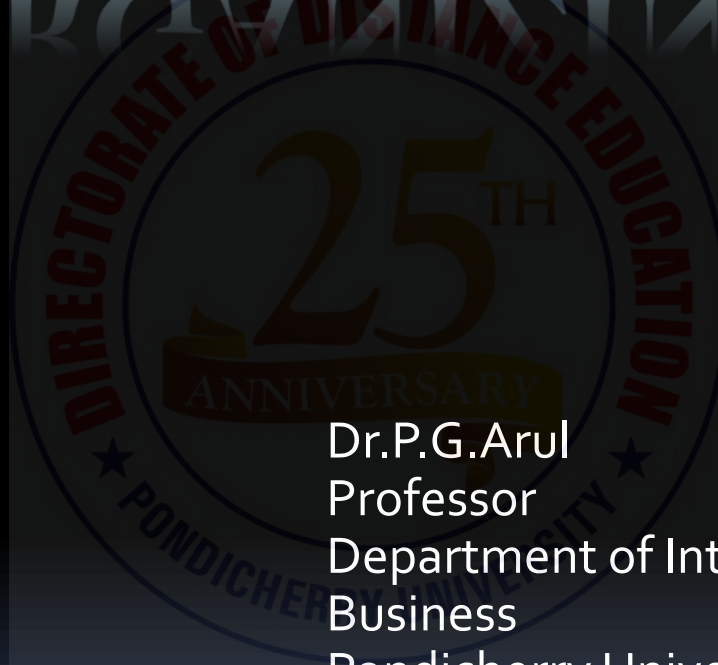
- Lack of reliable data
- Lack of initiative
- Costly process
- Rigidity in organizational working
- Non-acceptability of change
- Psychological barriers
- External limitations

Measures to overcome limitations of Planning


- Setting clear cut objectives
- Management information system
- Effective forecasting
- Careful premising
- Flexibility
- Dynamic managers
- Availability of resources
- Cost-benefit analysis



PRESENTATION -4 ORGANIZING



Dr.P.G.Arul
Professor
Department of International
Business
Pondicherry University
Pondicherry - 605014

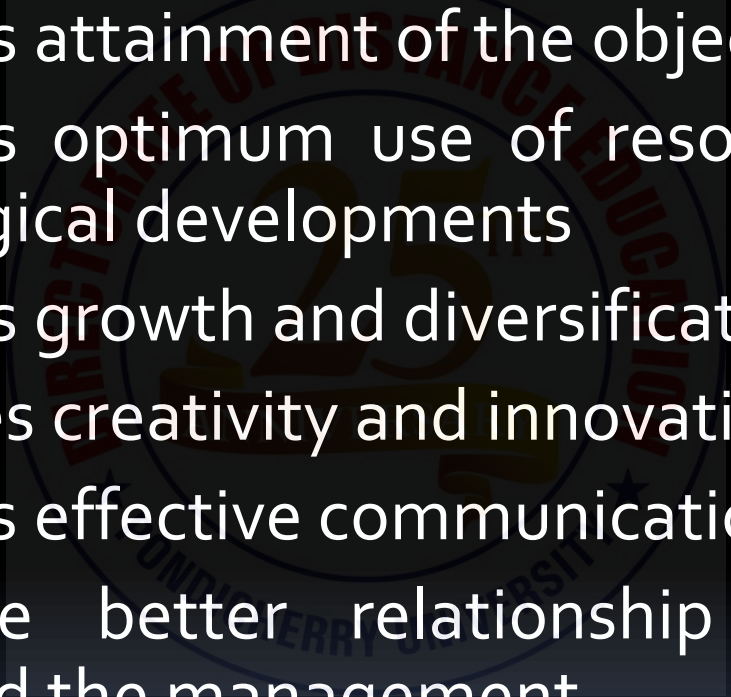


Introduction:

- Back bone of management
- Effective organization contributes success
- “Take away our trade, our avenues of transportation, our money. Leaving nothing but our organization and in four years we shall have re-established ourselves” – An American Industrialist
- Good organization structure produce good performance



Sound organization brings the following:

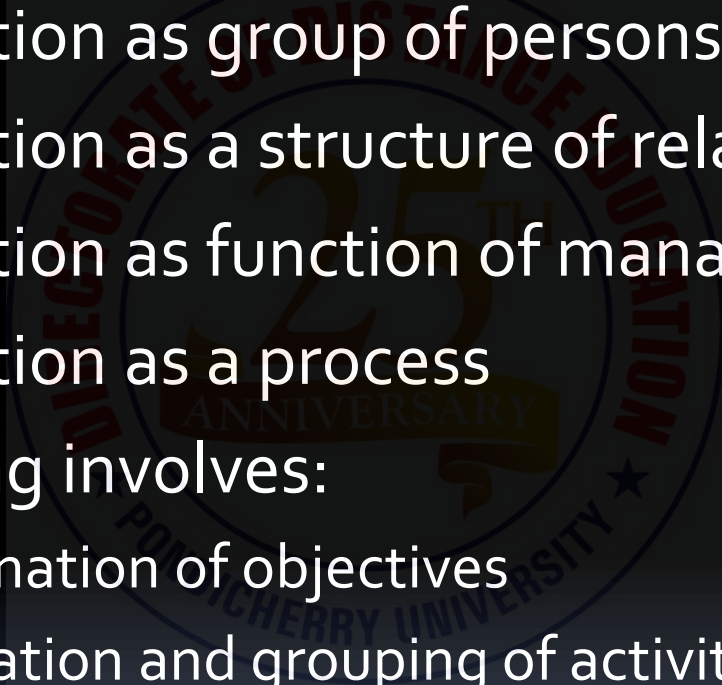
- Facilitates attainment of the objectives
 - Facilitates optimum use of resources and new technological developments
 - Facilitates growth and diversification
 - Stimulates creativity and innovation
 - Facilitates effective communication
 - Encourage better relationship between the labour and the management
 - Increase employee satisfaction and decreases employees turnover
- 

Concept of Organization

- **Sociologist:** “Organization means study on the interactions of the people, classes or hierarchy of an enterprise”
- **Psychologist:** “Organization means an attempt to explain, predict and influence behavior of individual in an enterprise.
- **Management:** “Organization is also used widely to connote a group of people and the structure of relationship”

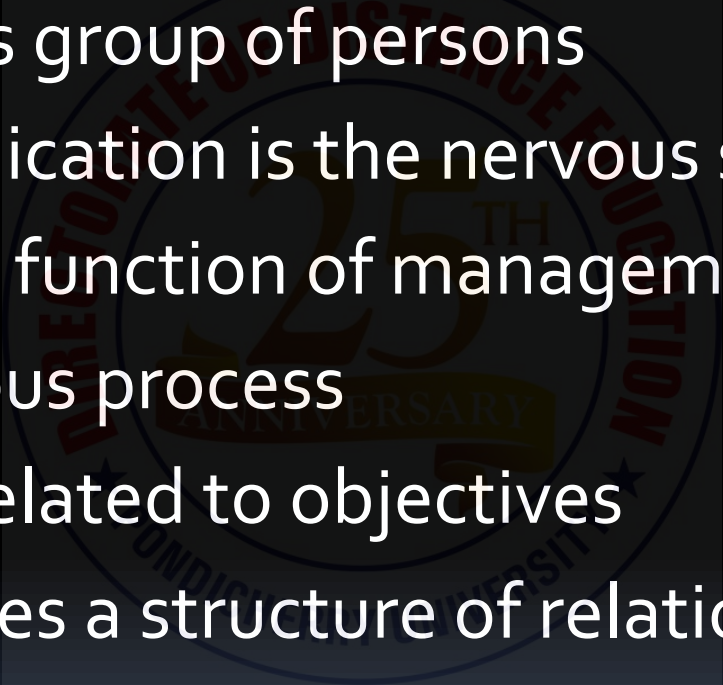


To understand organization better:

- Organization as group of persons
 - Organization as a structure of relationship
 - Organization as function of management
 - Organization as a process
 - Organizing involves:
 - Determination of objectives
 - Identification and grouping of activities
 - Assignment of duties
 - Developing authority and responsibility relationship
- 



Nature of Organization

- Connotes group of persons
 - Communication is the nervous system
 - It is basic function of management
 - Continuous process
 - Always related to objectives
 - It connotes a structure of relationship
 - It involves network of authority and responsibility relationship
- 

Significance of Organization

- Clear cut authority relationship
- Pattern of communication
- Location of decision centers
- Balancing of activities
- Stimulating creativity
- Encouraging growth
- Making use of technological improvements

Designing Organizational Structure:

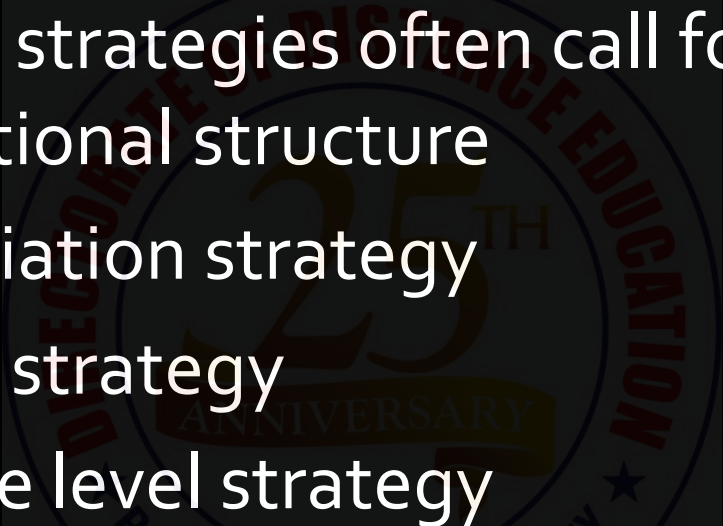


Organizational Environment

- External and Internal environment changes
- Speedy decision required
- Situation prevailing in org. make speed/slow
- Authority and responsibility based on environment prevails
- Faster communication

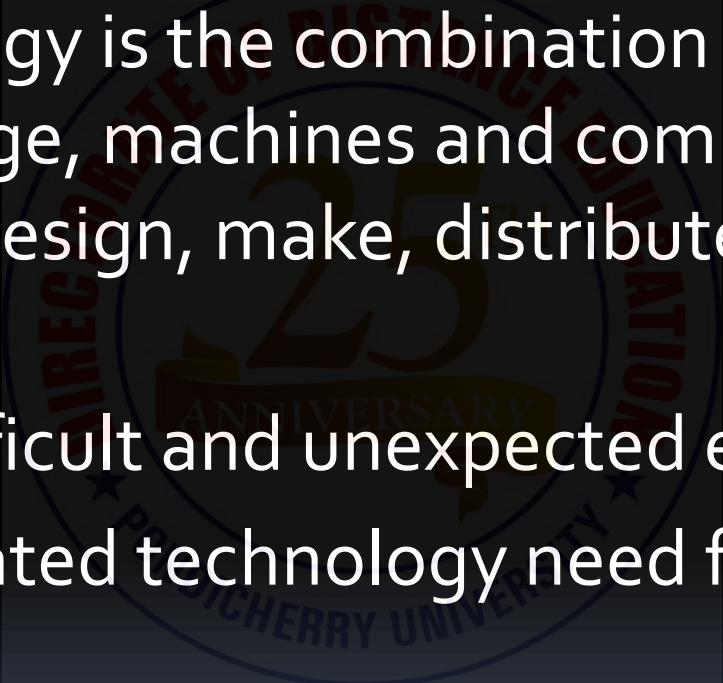


Strategy

- Different strategies often call for the different organizational structure
 - Differentiation strategy
 - Low cost strategy
 - Corporate level strategy
- 




Technology

- Technology is the combination of skills, knowledge, machines and computers that are used to design, make, distribute goods and services
 - More difficult and unexpected event can arise
 - Complicated technology need for flexible org. structure
- 



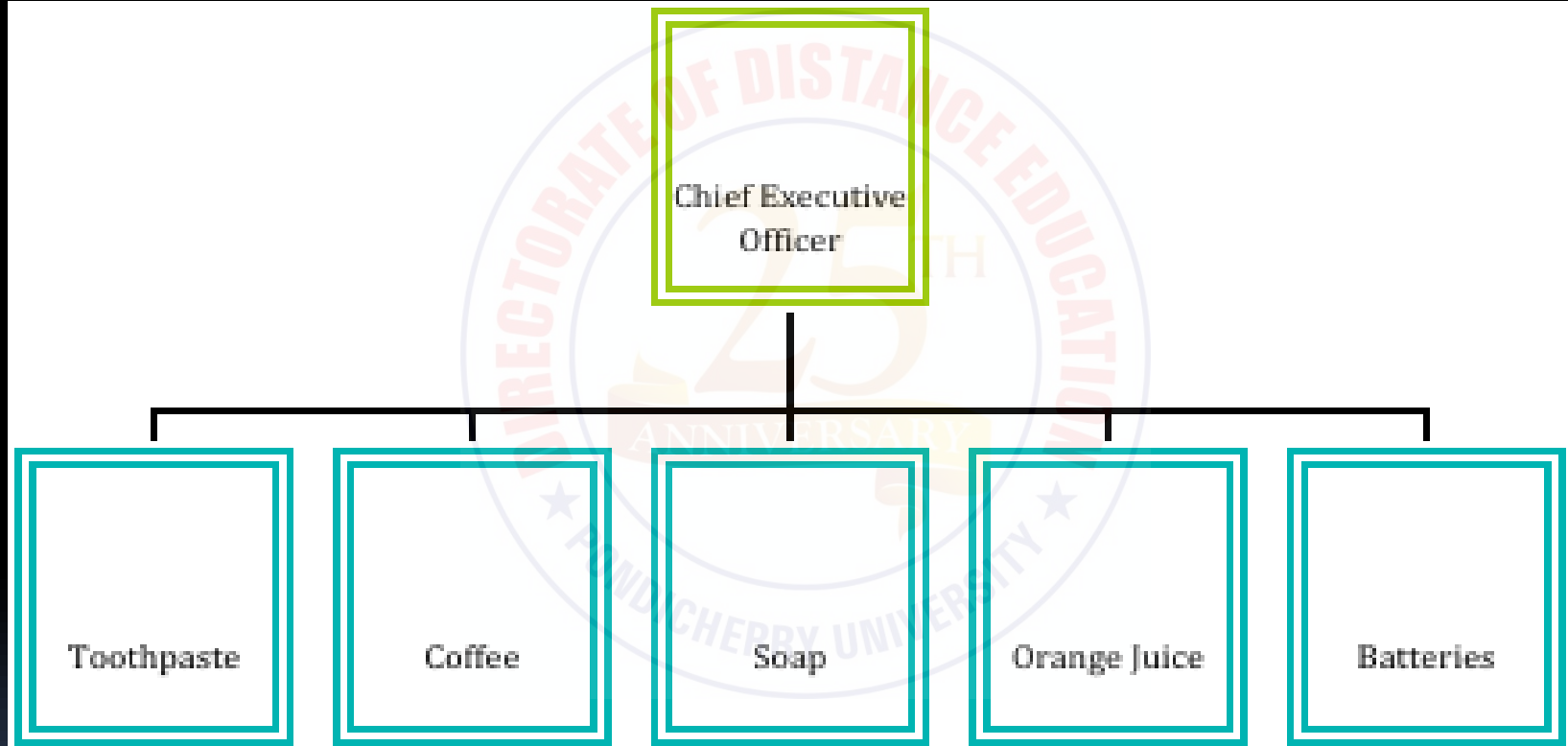
Human Resources

- Flexible, decentralized structure, professional culture based on values and norms
 - Grouping tasks into jobs, job design
 - Job enlargement and job enrichment
 - Grouping jobs into functional and divisionals
 - Functional structure
 - Divisional structure (product, market and geographic)
 - Matrix and product team design
 - Hybrid structure
- 

Functional organizational structure:



Product organizational structure:



Geographic structure:

- Geographic Division

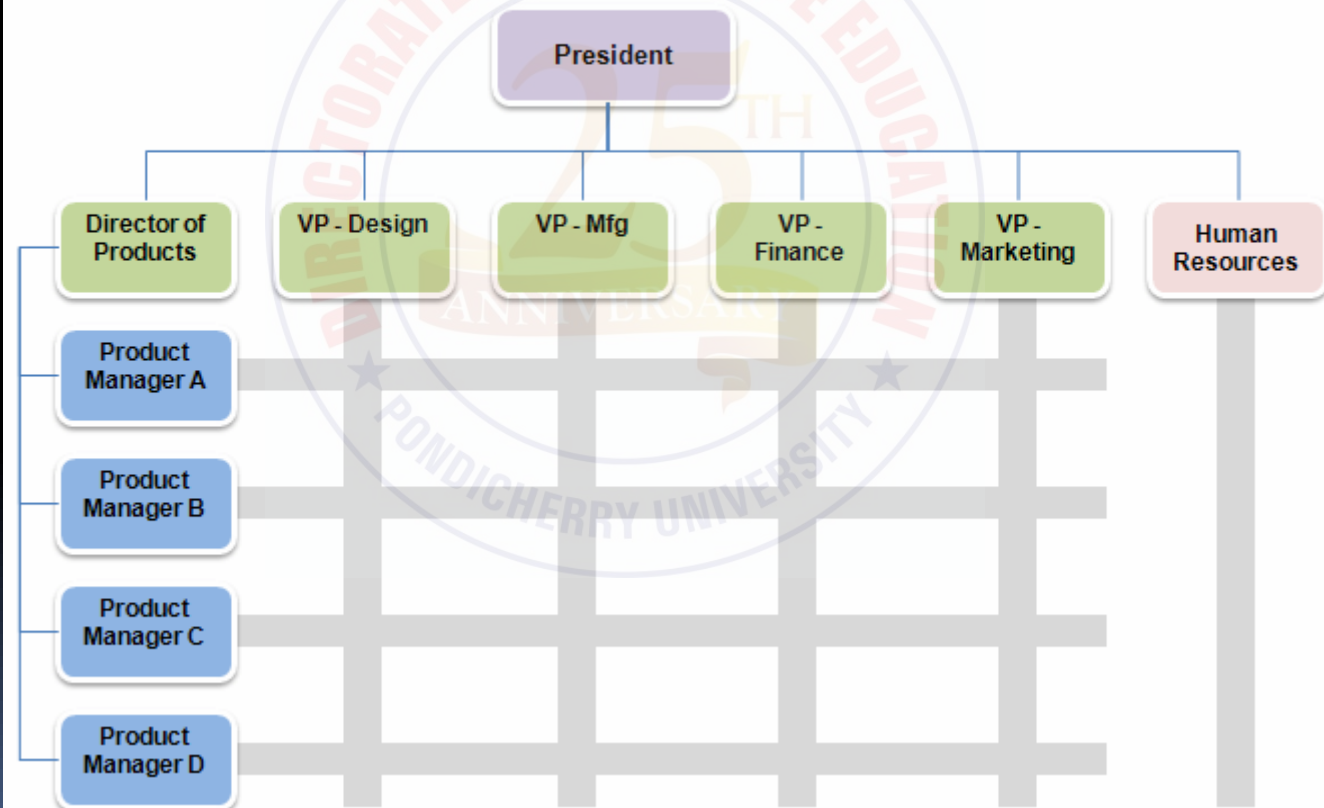
- Northern Region
- Western Region
- Southern Region
- Eastern Region

Functions:



Matrix Org. Structure

Sample Matrix Organizational Structure

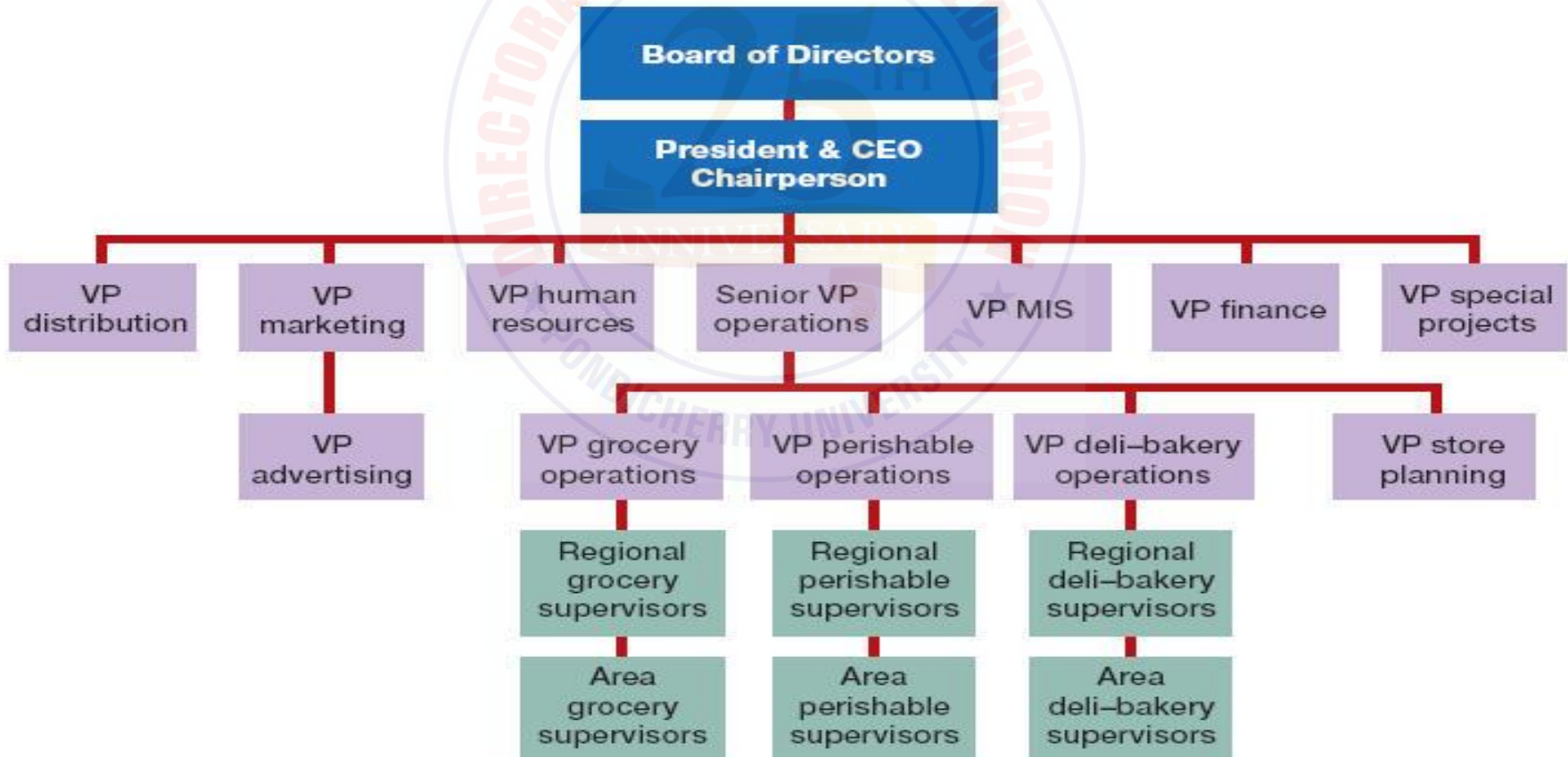


Product Team Org. Structure:

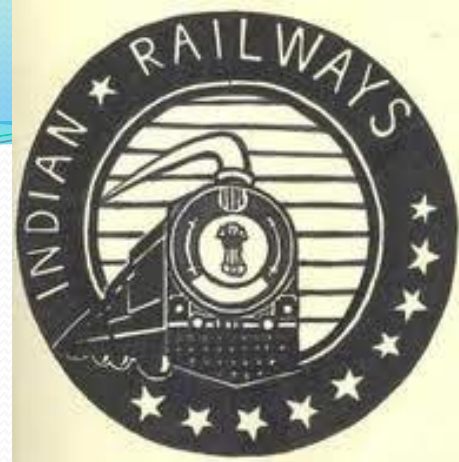


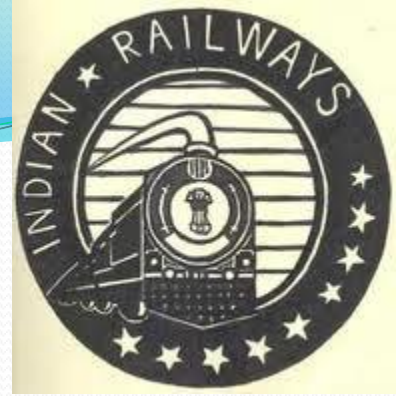
Hybrid Org. Structure:

- Large organization that has many division and simultaneously uses many different structures has a hybrid structure.



Indian Railways





Indian Railways

- Indian Railways is a publicly-owned company controlled by the Government of India, via the Ministry of Railways. The ministry is currently headed the Union Minister for Railways and assisted by two junior Ministers of State for Railways, Reporting to them is the Railway Board, which has six members and a chairman.

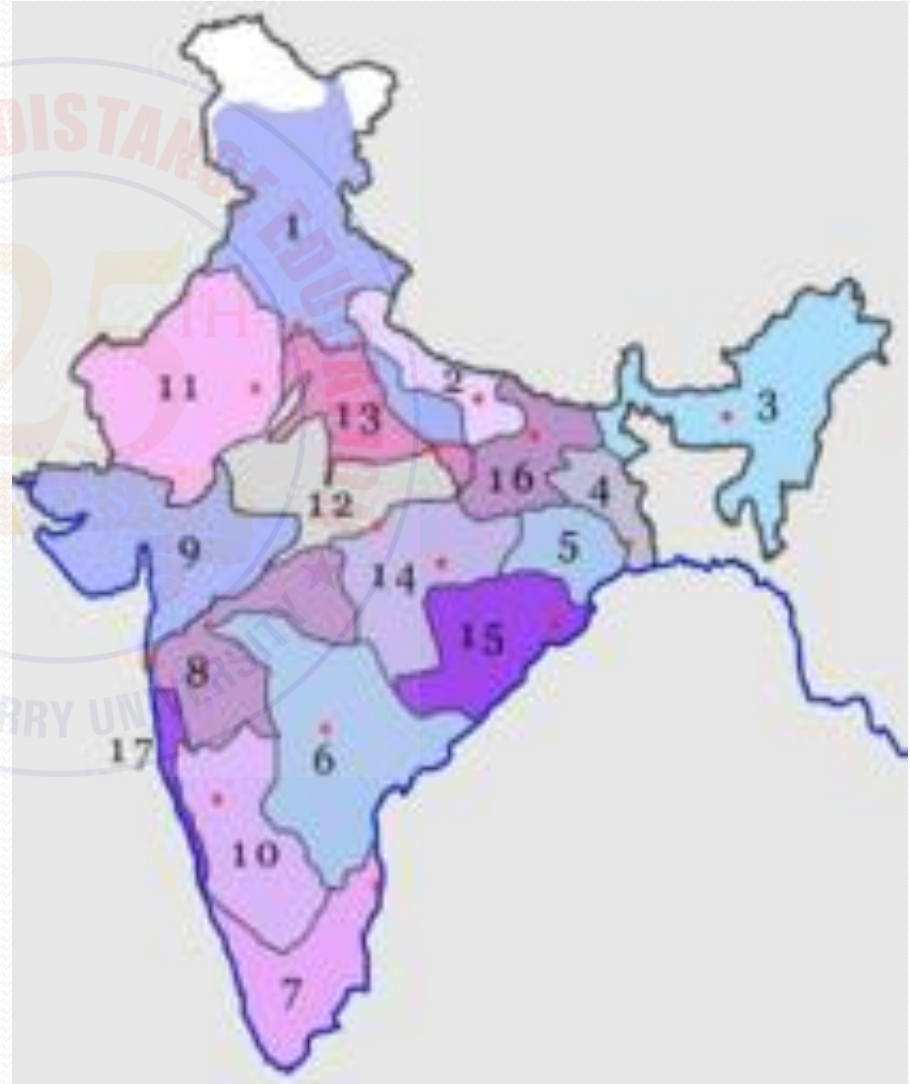
Contd.,

- Each of the sixteen zones is headed by a General Manager (GM) who reports directly to the Railway Board.
- The zones are further divided into divisions under the control of Divisional Railway Managers (DRM).
- The divisional officers of engineering, mechanical, electrical, signal & telecommunication, accounts, personnel, operating, commercial and safety branches report to the respective Divisional Manager and are in charge of operation and maintenance of assets.
- Further down the hierarchy tree are the Station Masters who control individual stations and the train movement through the track territory under their stations' administration.
- Apart from these zones, a number of Public Sector Undertakings (PSU) are under the administrative control of the ministry of railways. Some of these PSU's are:

For administrative purposes, Indian Railways is divided into sixteen zones .

Headquarters

1. Northern Railway NR Delhi
2. North Eastern Railway NER Gorakhpur
3. Northeast Frontier Railway NFR Guwahati
4. Eastern Railway ER Kolkata
5. South Eastern Railway SER Kolkata
6. South Central Railway SCR Secunderabad
7. Southern Railways Chennai
8. Central Railway CR Mumbai
9. Western Railway WR Mumbai
10. South Western Railway SWR Hubli
11. North Western Railway NWR Jaipur
12. West Central Railway WCR Jabalpur
13. North Central Railway NCR Allahabad
14. South East Central Railway SECR Bilaspur, CG
15. East Coast Railway ECoR Bhubaneswar
16. East Central Railway ECR Hajipur
17. Konkan Railway †KR Navi Mumbai





Contd.,

- Konkan Railway (KR) is constituted as a separately incorporated railway, with its headquarters at Belapur CBD (Navi Mumbai), although it still comes under the control of the Railway Ministry and the Railway Board.
- The Calcutta Metro is owned and operated by Indian Railways, but is not a part any of the zones. It is administratively considered to have the status of a zonal railway.
- Each zonal railway is made up of a certain number of divisions, each having a divisional headquarters. There are a total of sixty-seven divisions.

Zonal Railway Divisions

- Northern Railway Delhi, Ambala , Firozpur, Lucknow, Moradabad
- North Eastern Railway Izzatnagar, Lucknow , Varanasi Northeast Frontier Railway Alipurduar, Katihar, Lumding, Rangia, Tinsukia
- Eastern Railway Sealdah, Asansol , Malda South Eastern Railway Adra, Chakradharpur, Kharagpur, Ranchi
- South Central Railway Secunderabad, Hyderabad, Guntkal , Guntur, Nanded, Vijayawada
- Southern Railway Chennai, Madurai, Palghat, Tiruchchirapalli, Trivandrum
- Central Railway Mumbai, Bhusawal, Nagpur, Pune, Solapur
- Western Railway Mumbai, Baroda, Ratlam, Ahmedabad, Rajkot, Bhavnagar South Western Railway Hubli, Bangalore, Mysore
- North Western Railway Jaipur, Ajmer, Bikaner, Jodhpur West Central Railway Jabalpur, Bhopal, Kota North Central Railway Allahabad , Agra , Jhansi
- South East Central Railway Bilaspur , Bilaspur, Bilaspur
- East Coast Railway Khurda Road, Sambalpur, Waltair
- East Central Railway Danapur, Dhanbad, Mughalsarai, Samastipur, Sonpur

Some of these PSU's are:

- apart from these zones, a number of Public Sector Undertakings (PSU) are under the administrative control of the ministry of railways. Some of these PSU's are:
- Indian Railways Catering and Tourism Corporation
Konkan Railway Corporation
Indian Railway Finance Corporation
Centre for Railway Information System
Mumbai Rail Vikas Corporation
Railtel Corporation of India – Telecommunication Networks
RITES Ltd. – Consulting Division of Indian Railways
IRCON International Ltd. – Construction Division



 **Airtel**
Express Yourself

Achievement:

- Chairman and Managing Director of Bharti Group, India's largest GSM-based mobile phone service provider
- Sunil Mittal can be called as originator of cellular phone revolution in India.
- He is the founder, Chairman and Managing Director of Bharti Group and runs India's largest GSM-based mobile phone service.
- Sunil Bharti Mittal's father was an M.P. Sunil did not followed his father's footsteps. After graduating from Punjab University in 1970s, he set up a small bicycle business in Ludhiana in partnership with his friend.
- By 1979, Sunil Mittal realized that his ambitions could not be fulfilled in Ludhiana, so he moved out to Mumbai from Ludhiana.

Contd.,

- He spent a few years in Mumbai and in 1982, Sunil Mittal started a full-fledged business **selling portable generators** imported from Japan. This gave him a chance to acquaint himself with the nitty-gritty's of marketing and advertising.
- His business was running smoothly but **later on the government banned** the import of generators as two Indian companies were awarded licenses to manufacture generators locally.
- In 1986, Sunil Bharti Mittal incorporated Bharti Telecom Limited (BTL) and entered into a **technical tie up with Siemens AG of Germany** for manufacture of electronic push button phones.
- Gradually he expanded his business and by early 1990s, Sunil Mittal was making **fax machines, cordless phones and other telecom gear.**

Contd.,

- In 1992, when the Indian government was awarding licenses for mobile phone services for the first time, **Sunil Mittal clinched Delhi cellular license in collaboration with French telecom group Vivendi.**
- In **1995**, Sunil Mittal founded Bharti Cellular Limited (BCL) to offer cellular services under the brand name **AirTel**. Soon, Bharti became the first telecom company to cross the 2-million mobile subscriber mark.
- Bharti Cellular Limited also rolled out India's first private national as well as international long-distance service under the brand name IndiaOne.
- In 2001, BCL entered into a joint venture with Singapore Telecom International for a \$650-million submarine cable project, **India's first ever undersea cable link connecting Chennai in India and Singapore.**

Contd. ,

- Today, Sunil Mittal runs a successful empire with a market capitalization of approximately \$ 2 billion and employing over 15,000 people.
- He has been honored with several awards. Sunil Bharti Mittal was chosen as one of the top entrepreneurs in the world
- He also received IT Man of the Year Award 2002 from Dataquest and CEO Of the Year, 2002 Award (World HRD Congress).

Bharti Airtel Limited

- **Name:**
- Bharti Airtel Limited.
- **Business description**
- Provides GSM mobile services in all the 22 telecom circles in India, Srilanka, Bangladesh and now in 16 countries of Africa.
- Provides tele media services (fixed line and broadband services through DSL) in 87 cities in India.
- Provides an integrated suite of Enterprise solutions, in addition to providing long distance connectivity both Nationally and Internationally.
- Offer DTH and IPTV Services
- **Established**
- July 07, 1995, as a Public Limited Company

Bharti Airtel Limited

- **Proportionate revenue**
- Rs. 169,749 million (ended June 30, 2011-Audited)
Rs. 122,438 million (ended June 30, 2010-Audited)
As per IFRS Accounts
- **Proportionate EBITDA**
- Rs. 57,058 million (ended June 30, 2011 - Audited)
Rs. 44,456 million (ended June 30, 2010 - Audited)
As per IFRS Accounts
- **Shares in issue**
- 3,797,530,096 as at June 30, 2011

Bharti Airtel Limited

listings

- Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)

stock exchange symbol

- NSE – BHARTIARTL
BSE – 532454

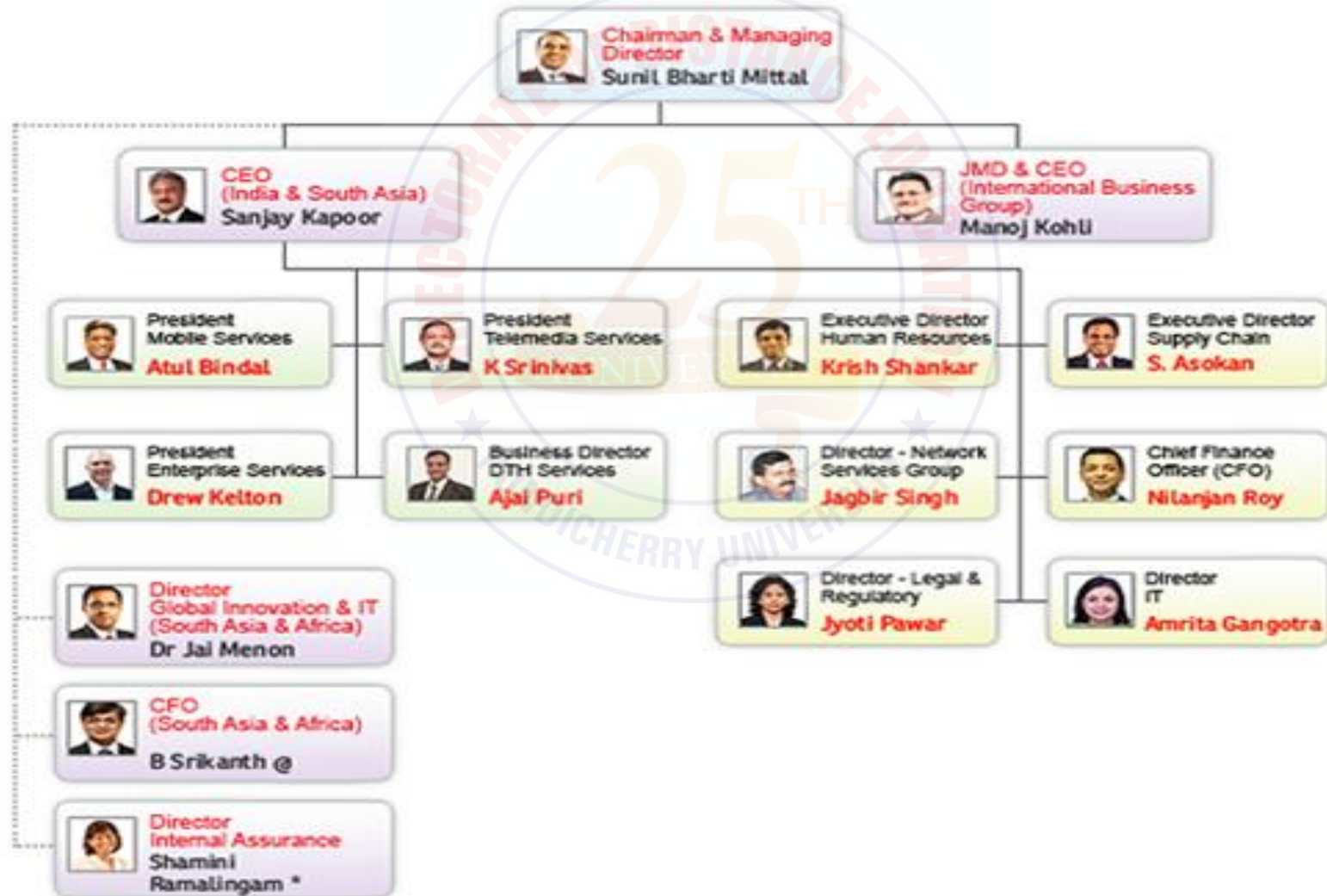
customer base

- India & South Asia: 174,941,000 GSM mobile, 3,322,000 Telemedia customers
- and 6,262,000 Digital TV Services
(status as on June 30, 2011)
Africa: 46,306,000 GSM mobile customers.
(status as on June 30, 2011)

Registered office


- Bharti Airtel Limited
(A Bharti Enterprise)
Bharti Crescent, 1 Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi - 110 070.
Tel. No.: +91 11 4666 6100
Fax No.: +91 11 4666 6411

Organizational Structure





The composition of the board

- The board of directors of the company has an optimum mix of executive and non-executive directors, which consists of two executive and fourteen non-executive directors.
 - The chairman and managing director, Mr. Sunil Bharti Mittal, is an executive director.
 - the number of independent directors on the board is 50% of the total board strength.
 - The independence of a director is determined on the basis that such director does not have any material pecuniary relationship with the company, its promoters or its management, which may affect the independence of the judgment of a director.
 - The board members possess requisite skills, experience and expertise required to take decisions, which are in the best interest of the company.
- 

The Audit Committee of Bharti Airtel Limited

- The Audit Committee of Bharti Airtel Limited comprises of following six members, two-third of which are independent directors.
- member director
- category
- [Mr. N.Kumar \(Chairman\)](#)
- Independent Director
- [Mr. Rakesh Bharti Mittal](#)
- Non-Executive Director
- [Mr. Ajay Lal](#)
- Independent Director
- [Mr. Pulak Chandan Prasad](#)
- Independent Director
- [Ms. Tan Yong Choo](#)
- Non-Executive Director
- [Mr. Craig Edward Ehrlich](#)
- Independent Director

Remuneration Committee (which is known as HR Committee)

- In compliance with the non- mandatory requirements of Clause 49 of the Listing Agreement, Bharti airtel has constituted a Remuneration Committee (which is known as HR Committee). The HR Committee comprises of following six non-executive directors, out of which four members including the chairman of the committee are independent directors.

Remuneration Committee (which is known as HR Committee)

- member director
- category
- Lord Evan Mervyn Davies (Chairman)
- Independent Director
- Mr. Rajan Bharti Mittal
- Independent Director
- Mr. Nikesh Arora
- Independent Director
- H.E. Dr. Salim Ahmed Salim
- Independent Director
- Mr. Tsun-yan Hsieh
- Independent Director
- Mr. Hui Weng Cheong
- Non-Executive Director



The Investor Grievance Committee of the Board

The Investor Grievance Committee of the Board is constituted in accordance with Clause 49 of the Listing Agreement. The Committee comprises of following four members of whom three members including the Chairman, are non-executive directors.

- Mr. Akhil Gupta(Chairman)
- Non-Executive Director
- Mr. Manoj Kohli
- CEO & Joint Managing Director
- Mr. Rajan Bharti Mittal
- Non-Executive Director
- Mr. Rakesh Bharti Mittal
- Non-Executive Director

Case study: Bharti Airtel

Creates an integrated customer-centric organization

- Bharti Airtel on recently announced new organization structure for its India and South Asia operations that is aimed at driving the **next phase of company's growth**.
- It has created two separate business verticals — Business to customer (B2C) and Business to Business (B2B) — **for enhanced business efficiency and employee value, besides transforming from a 'technology' facing organization structure to a 'customer' facing one**.
- To come into to effect from August 1, the new structure will see Bharti Airtel's mobile, telemedia, digital TV and other emerging businesses such as m-commerce, m-health and M-advertising into B2C (Business to customer) division.
- As part of **consolidating its operations**, the B2B business unit will continue its focus on serving large corporate and data services through Bharti Airtel's wide portfolio of telecommunication solutions.

Contd.,

- The restructuring is aimed at **driving greater business and functional synergies, providing a common interface to customers, and creating a de-layered and more agile organisation.** In addition, the new structure will provide more **meaningful, empowered roles and enhance employee engagement.**
- According to Bharti Airtel Chairman & Managing Director Sunil Mittal, "As we move into **the next phase of our growth** journey, this new organisation structure marks a major step towards **building an organisation of the future.** Customers are at the core of our business and with this new structure we are proactively **creating an integrated customer-centric organization**".

Contd.,

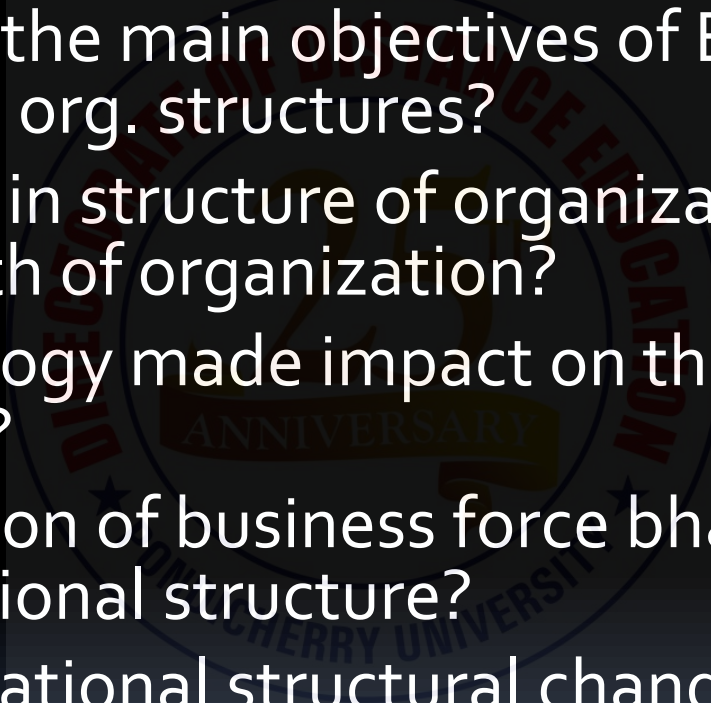
- The **Consumer Business group** will lead the overall B2C strategy and will focus on customer experience, product and service innovation (including data, VAS, new products/services), and build an **ecosystem around** the B2C services. K. Srinivas will lead this vertical as the President, Consumer Business.
- **Market Operations group** will lead the 'go-to-market' strategy. This vertical will take products and services to customers in South Asia with speed and efficiency. Market Operations in India and South Asia will be divided into three regions, each headed by an Operations Director — the North, East and Bangladesh operations will be headed by Ajai Puri; South and Sri Lanka operations by Vineet Taneja; and operations in the West by Raghunath Mandava (along with National Distribution portfolio).

Contd.,

- The B2B business unit will continue its focus on serving large corporate and carriers through Bharti Airtel's wide portfolio of telecommunication solutions. The B2B organisation will continue to be led by Drew Kelton.
- In their new roles Mr. Srinivas, Mr. Ajai Puri, Mr. Raghunath Mandava and Mr. Vineet Taneja, along with Mr. Drew Kelton, will report to Sanjay Kapoor, CEO, India and South Asia. Atul Bindal, who has successfully led the Mobility Business for over two years, will move into a role within the group.



Questions?

- What are the main objectives of Bharathi to changing org. structures?
 - Is change in structure of organization helps to the growth of organization?
 - Is technology made impact on the organization structure?
 - Is expansion of business force bharathi to expand organizational structure?
 - Is organizational structural change helps employee to move higher ladder of organization?
- 



Organization structures: More networked than linear


- I am at a conference and I find myself part of a high-powered panel discussing some abstruse topic called 'The impact of digital age dynamics on traditional organizational constructs'. A topic about which I have no knowledge or interest whatsoever. The fact that the gentleman next to me is confidently mouthing stuff that seems to indicate his level of vacuity is cold comfort to me. The panel moderator turns to me and says ...
- The dream pops, I wake up with a shudder and look guiltily around me and am comforted by the collective somnolence of a well fed post-lunch crowd at a typical seminar. And thank God, I am a part of the audience!

Contd.,

- A very dear friend of mine keeps telling me again and again that structure should always follow strategy. The fact that he has to keep repeating himself shows how much I listen to his words! Lo and behold, the same lesson is brought home to me most forcefully as I watch a documentary about the Roman Empire. As the empire expanded with its conquests, the Roman army became more sophisticated and ultimately evolved into a force that became highly hierarchical and defined by purpose: depending on whether they were troops who accompanied the emperor; were meant to defend major cities; or were forward-facing elements proactively engaging the empire's enemies. I am pretty sure that earlier civilisations would have evolved similar structures, but the Romans refined them to perfection. Over time, the Romans settled down in conquered territories. Then came the matter of the army's interface with the civilian administrations in the territories, most of which had been amalgamated into the empire through conquest. Right through this evolution, control still lay with those in power in Rome. Sounds familiar? It should. This pretty much represents the traditional organisational structure in corporates and bureaucracies alike.




Contd.,

- This format has served us well all through human history; perhaps, even until the period immediately after World War II. That is the time the big push began when companies from the Western world began expanding globally; the next wave saw the Japanese sweep everything before them in the 1970s through to the 1990s. Then the Koreans took over the mantle and now the Chinese are on the march.
 - In all these developments, each country brought its own variation in managerial structure but broadly mapped the age-old system. Most depended on the command and control principle, where there was clarity that the home base was invested with both the knowledge/ expertise and authority over its dominions. In essence, it was based on the thesis that control over finances/ information/ knowledge is power and most of the power was vested in the central office.
- 




Contd.,

- Come the digital revolution and things have changed dramatically over the last decade or so. Given the fact that there is a growing need for work to be done wherever there is a significant commercial or knowledge advantage, it has naturally meant that the iron grip of the HQ has to get diluted. While there have always been cases when country-specific adjustments have been done by many companies to address local needs, the change now is significantly different. Now, intellectual capital is being built in multiple locations and in many cases, the local siblings have become considerably more critical than the parents.
 - The communication revolution is another major contributor to the success of the distributed work syndrome. Simultaneously, it has ensured that power is slowly but steadily devolving away from the hub and into the satellite units.
- 



Contd.,

- This is a radical change that is akin to our solar system moving away from being purely centred around the sun. This has contributed immensely to the dissemination of knowledge and it is increasingly clear that this trend will only gather pace.
 - These developments have begun to impact organisational structures and I believe the trend will accelerate in the years to come. The new strategies for growth and, hence, the resultant structures will mean far more collaborative work and a shift away from monolithic power structures.
 - For quite some time now, we have had dotted lines making their appearance alongside the old fashioned solid lines. In times to come, the structure will likely evolve more as a network of knowledge centres with what may be termed core financial and administrative power being retained at the centre and knowledge-based power being much more widely distributed in the system.
- 

Contd.,

- This will perforce necessitate an acknowledgement of this change and more importantly, a willing internalization of its implications. Hegemony will need to give way to democracy.
- From boxes and lines, organisation structures will surely evolve into more sophisticated formats. Maybe it will look like a honeycomb structure — who knows? What is certain though is that knowledge-based power will share the high table with traditional power based on ownership and control of financial resources.
- (This article was published in the Business Line print edition dated September 5, 2011)

Questions?

