STUDY MATERIAL

FOUNDATION PROGRAMME

BUSINESS MANAGEMENT ETHICS AND COMMUNICATION

PAPER 2

THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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Public Dealing Timings

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Laser Typesetting by AArushi Graphics, Prashant Vihar, New Delhi, and
Printed at IPP Printers/July 2014

FOUNDATION PROGRAMME – IMPORTANT NOTE

The study material has been written in lucid and simple language and conscious efforts have been made to acquaint students with basic principles of management, ethics and communication skills applied in business environment. This study material has been divided into three main parts–

Part-A Business Management,

Part-B Business Ethics, and

Part-C Business Communication

There is Computer based examinations for Foundation Programme of CS Course. Students are advised to go through instruction regarding Computer based examinations available at ICSI website **www.icsi.edu**

For supplementing the information contained in the study material, students may refer to the economic and financial dailies, commercial, legal and management journals, Economic Survey (latest), CS Foundation Course Bulletin, Suggested Readings and References mentioned in the study material and relevant websites.

The objective of the study material is to provide students with the learning material according to the syllabus of the subject of the Foundation Programme. In the event of any doubt, students may write to the Directorate of Academics in the Institute for clarification at **academics@icsi.edu**

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Should there be any discrepancy, error or omission noted in the study material, the Institute shall be obliged if the same are brought to its notice for issue of corrigendum in the e-bulletin CS Foundation Course Bulletin.

SYLLABUS

PAPER 2: BUSINESS MANAGEMENT, ETHICS AND COMMUNICATION

Level of Knowledge: Basic Knowledge

Objectives: *To acquaint with the basic principles of management, ethics and communication techniques.*

PART A: BUSINESS MANAGEMENT (40 Marks)

1. **Nature of Management and its Process**
   - Meaning, Objectives, Importance; Nature of Management- Science, Art Profession; Management Approaches; Management Functions- Planning, Organizing, Personnel Management, Directing and Control; Principles of Management- Fayol's and Taylor's Principles; Managerial Skills; Task and Responsibilities of Professional Manager
2. **Planning**
   - Concept, Features, Importance, Limitations; Planning process; Types of Plans - Objectives, Strategy, Policy, Procedure, Method, Rule, Budget; Plan vs. Programme, Policies and Procedures; Decision-Making
3. **Organisation**
   - Concept, Features, Importance, Limitations; Organizing Process; Types of Organisation; Structure of Organisation; Centralisation and De-Centralisation; Delegation; Growth in Organisation
4. **Human Resource Management**
   - Concept, Features, Importance, Limitations; Recruitment Process- Selection; Training and Development-Methods; Functions of Personnel Manager; Performance Appraisal
5. **Direction and Co-ordination**
   - Direction: Concept, Features, Importance, Limitations; Elements of Direction: Elements of Directing – Supervision, Motivation, Leadership, Communication;
   - Co-ordination: Concept, Features, Importance, Limitations; Types- Internal and External; Co-ordination-the Essence of Management
6. **Controlling**
   - Concept, Features, Importance, Limitations; Control Process; Essentials of a Good Control System; Techniques of Control- Traditional and Non-Traditional Control Devices; Relationship between Planning and Controlling; Change Management
7. **Recent Trends in Management**
   - Change Management
   - Crisis Management
   - Total Quality Management
   - Risk Management
   - Global Practices

PART B: BUSINESS ETHICS (20 MARKS)

8. **Business Ethics**
   - Genesis, Concepts, Elements, Ethics in Business
   - Challenges of business ethics and corporate leadership
   - Ethical principles in business – Indian perspective

PART C: BUSINESS COMMUNICATION (40 Marks)

9. **Business Communication**
   - Concept, Features, Importance, Limitations; Means of Communication- written, oral, visual, audio-visual
   - Principles and Essentials of Business Communication
   - Process of Communication
   - Barriers to Communication
10. **Essentials of Good English**
   - Grammar and usage; enriching vocabulary, words - multiple meaning, single word for a group of words - choice of words - words frequently mis-spelt; punctuations, prefix and suffix; parts of speech; articles; synonyms and antonyms; tenses; idioms and phrases; foreign words and phrases commonly used; abbreviations and numerals; pronunciation. Latin, French and Roman words which are used in abbreviated form like "e.g., RSVP, viz. etc."
11. **Business Correspondence**
   - Human Resource: Preparation of Resume, Job application, Drafting Of Interview Letters, Call Letters and Offer of Appointment, Provisional and Final Appointment Orders; Goodwill Messages, Condolence Letters
   - Purchase: Requests for Quotations, Tenders, Samples and Drawings; Purchase Order, Order acceptance, Complaints and Follow-Up
   - Sales: Drafting of Sales Letters, Circulars, Preparation of Sale Notes, Sales Reports, Sales Promotion Matters, Customers' correspondence - Regarding Dues, Follow up Letters
   - Accounts: Correspondence with Various Agencies; Banks - Regarding Over-Drafts, Cash Credits and Account Current, Insurance Companies - Regarding Payment, Renewal of Insurance Premium, Claims and their Settlement
   - Secretarial: Correspondence With Shareholders And Debenture-Holders Pertaining To Dividend And Interest, Transfer And Transmission, Stock Exchanges, Registrar Of Companies And Various Authorities Like Reserve Bank Of India, SEBI
   - Introduction to Preparation of Agenda and Minutes for Meetings
12. **Administration**
   - Drafting of Messages; Messages through Electronic Media; Public Notices and Invitations; Representations to Trade Associations, Chambers of Commerce and Public Authorities
13. **Inter-departmental Communication**
   - Internal memos; Office Circulars; Office Orders; Office Notes; Representation to Chief Executive and Replies thereto; Communication with Regional/Branch Offices
14. **Preparation of Press Releases**
15. **E Correspondence**

LIST OF RECOMMENDED BOOKS*

PAPER 2 : BUSINESS MANAGEMENT, ETHICS AND COMMUNICATION

Readings

1.	N.C. Jain, Saakhshi	Management: Theory and Practice; A.I.T.B.S. Publishers, Delhi.
2.	J.P. Mahajan	Management – Theory and Practice; Ane Books Pvt. Ltd., Daryaganj, New Delhi-26
3.	L.M. Prasad	Principles and Practice of Management
4.	T. Ramasamy	Principles of Management; Himalaya Publishing House
5.	M.C. Shukla	Business Organisation & Management; Sultan Chand & Co., New Delhi.
6.	Y.K. Bhusan	Fundamentals of Business Organisation & Management; Sultan Chand & Co., New Delhi.
7.	Singh & Chabra	Business Organisation and Management; Kitab Mahal, Allahabad.
8.	J.S. Chandan	Management: Concepts and Strategies; Vikas Publishing House Pvt. Ltd., New Delhi.
9.	George IT Milkovich and Jahri W. Boudreau, Chicago	Human Resource Management
10.	Lan Breadwell and Lan Holden	Human Resource Management; Macmillan, New Delhi.
11.	C.S. Venkataratnam and B. K. Srivastava	Personnel Management and Human Resources; Tata McGraw Hill, New Delhi.
12.	K. Dayal	Management Training in Organizations; Prentice Hall of India, New Delhi.
13.	Daryl Koehn	The Ground of Professional Ethics
14.	Robert Almeder, James Humber	Business Ethics – Revised Edition – Corporate Values and Society
15.	Robert E. Federick	Companion to Business Ethics; Blackwell Publishers Limited, UK
16.	Ashok K. Nadhani	Business Ethics and Business Communications; Taxmann Publications Pvt. Ltd., New Delhi.
17.	S. Balachandran, Raja, Nair	Ethics, Indian Ethos and Management; Shroff Publication.
18.	Vikas Publishing House Pvt. Ltd.	Modern Grammar with Practical Exercises.
19.	Rodney Huddleston	English Grammar - An Outline; Low Price Editions, Cambridge University Press.
20.	G.S. Mudambadithaya	English Grammar and Composition; Vikas Publishing House Pvt. Ltd.
21.	K. K. Sinha	Business Communication Galgotia Publishing Company Ltd.
22.	Varinder Kumar and Bodh Raj	Business Communication & organisation management.
23.	R.S.N. Pillai and Bagavathi	Commercial Correspondence and Office Management; S. Chand & Company Ltd.

*This study material is sufficient from the point of view of syllabus. The students may refer these books for further knowledge and study of the subject.

24.	Reddy, Appannaiah & Nagaraj Raja Rao	Essentials of Business Communication Himalaya Publishing House.
25.	Ramesh M.S., Pattanshetti & Madhumati M. Kulkarni	Business Communication; R. Chand & Co., 1, Ansari Road, Daryaganj, New Delhi.
26.	R.C. Bhatia	Business Communication; AES Publishers, Daryaganj, New Delhi.
27.	R. Satya Raju & A. Parthasarthi	Management – Text and Cases, PHI Learning Pvt. Ltd.

References

1.	P.C. Tripathi and P.N. Reddy	Principles of Management; Tata McGraw Hills Publishing Company Ltd., New Delhi.
2.	J. C. Sinha, V. N. Mugata	Business Management; S. Chand & Co., New Delhi.
3.	Peter F. Drucker	Principles of Management
4.	Koontz and O'Donnell	Principles of Management
5.	Joseph M. Putti	Management: A Functional Approach
6..	Raymond Murphy	Intermediate English Grammar; Cambridge University Press.
7.	Stuart Redman	English Vocabulary in Use Pre-intermediate and Intermediate; Low Price Editions, Cambridge University Press.
8.	Michael McCarthy & Felicity O'Dell	English Vocabulary in Use - 100 Units of Vocabulary Reference and Practice; Low-Price Editions, Cambridge University Press.
9.	Oxford University Press	The Concise Oxford Dictionary; Latest Edition.
10.	Cambridge University Press	Cambridge International Dictionary of English; Latest Edition.
11.	Harper Perennial	The Original Roget's International Thesaurus.
12.	Sidney Greenbaum	The Oxford English Grammar; Oxford University Press.
13.	Graham King	Collins Word Power - Good Grammer; Harper Collins.
14.	Rosemary T. Fruehling & Joan M. Lacombe	Communication for Results; A.I.T.B.S. Publishers and Distributors.
15.	Herta A. Murphy & Herbet W. Hildebrandt	Effective Business Communication; McGraw-Hill International Editions.
16.	Mary Ellen Guffey	Business Communication - Process & Product; South-Western College Publishing.
17.	A. P. Cowie & R. Mackin	Oxford Dictionary of Phrasal Verbs; Oxford University Press.
18.	A. P. Cowie, R. Mackin & I.R. McCaig	Oxford Dictionary of Phrasal English Idioms; Oxford University Press.
19.	Collins (Publishers)	The New Collins Thesaurus; Latest Edition.
20.	Merriam-Webster Incorporated	Merriam-Webster's Collegiate Thesaurus.
21.	Asha Kaul	Business Communication, PHI Learning Pvt. Ltd.

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PART A
Business Management

LESSONS

1.	Nature of Management and its Process
2.	Planning
3.	Organisation
4.	Human Resource Management
5.	Direction and Co-ordination
6.	Controlling
7.	Recent Trends in Management

LEARNING OBJECTIVES

Students "manage" their studies; Parents "manage" a family; and Business Tycoons "manage" their Businesses. Unlike these familiar uses of the word 'management', the object of this unit is to give an understanding of the various concepts of management, as they are used in organisations today. Management textbooks since long have tended to obscure the "wealth creation" aspect of management by focusing narrowly on what managers do; planning, organizing, directing, coordinating, and controlling or emphasizing its social character: "The function of getting things done through others" (Harold Koontz and Cyril O'Donnell).

What these definitions fail to capture is that the concept of "management" has developed with the modern business organisations, and that it is a unique and a specific idea.

As Peter Drucker has observed, management is universally popular as a discipline of study. Management as a profession has expanded its impact beyond business into non-profit and government organizations as well. Simply put, management has been responsible for developing new businesses and for building global firms. Management has been instrumental in wealth creation of great nations.

Lesson 1
Nature of Management and its Process

LESSON OUTLINE

- Concept of Management
- Objectives of Management
- Importance of Management
- Management – Science or Art
  - Features of Management as Science
  - Features of Management as Art
- Management as Profession
  - Features of Management as Profession
- Schools of Management
- Management Functions
  - Planning
  - Organising
  - HRM/Staffing
  - Direction
  - Control
- Review Questions
- Innovation and a Manager
  - Goals of a Manager
- Coordination, the Essence of Management
  - Principles of Coordination
- Development of Management Theory
  - Principles of Management
    - Frederick Taylor
    - Henri Fayol
- Administration and Management
- Managerial Skills
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

We are all involved in management of somekind : managing our own self, managing social and economic activities, even managing society at large.

To understand this concept better, let's take a simple example. Suppose you have to appear for the CS examination in a few months. You have all four papers to clear. The objective is very clear that you have to pass the examination, but a good time plan and its proper implementation is what is required. Your success will depend on a lot of things like the study plan, the books to be referred to and also the discipline in adhering to the time plan.

All through this exercise, managing of affairs (time plan, books to be referred to and discipline) is the most important. Now this is what is called managing and all that is done in the process of managing is called management.

However, in business world, management is defined as the art of getting things done from others. In today's business environment, the professional manager is responsible for the activities carried out by the organization.

Thus, the objective of this unit is to enable the students to understand that management is the specific organ of a modern institution on which the very performance and survival of that institution depends. It is the function of management to use all resources available to their organization for the realization of results, so as to enable the firm to earn surplus funds to meet the growth and expansion it needs.

Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.

Stephen R. Covey

CONCEPT OF MANAGEMENT

The economic environment around us consists of three basic entities – Households (the consumers), Firms (the producers) and Government (the co-coordinator).

In the present-day society, every household engages into some or the other economic activity in a firm to earn a livelihood in order to attain the ultimate objective - 'satisfaction of human wants'. Thus households and firms are inter-related as :

- households provide their service to firms and get paid for the same in the form of wages/salaries, whereas,
- firms provide goods and services to the household and get paid in the form of prices.

This mutual give-n-take becomes a complex phenomenon if there is no one to oversee the activities of these entities. To be effective with minimum adverse consequences, it is essential that group efforts are properly organized, directed and coordinated, i.e., there is a need for management. This role is played by the third entity – the government.

The word "management" has its origin in the *Greek* word '*nomos'* which means 'management'.

It is concerned with human beings whose behavior is highly unpredictable. Ever since people have begun forming groups to achieve individual goals, management has become the essence coordinating the individual efforts.

It involves not only a function but also the people who discharge it. A group of people, who accept the responsibility to run an organization and direct its activities, form the management of that organization.

Management denotes not only a special position and a rank but also a discipline and field of study. It is management that provides planning, organization and direction which are necessary for business operations. In a more important sense, management is a vital function concerned with all aspects of the working of an enterprise. Management, in this sense, may be defined as the art of getting things done.

Various economists have given different definitions of 'Management'.

Hick defines management as "*the process of getting things done by the people and through the people".*

Koontz and O'Donnell state that management means, "*Getting things done through and with people".*

According to **Henry Fayol,** *"To Manage is to forecast, and to plan, to organize, to command and to coordinate."*

Haimann observes, "*Management is the function of getting things done through people and directing the efforts of individuals towards a common objective*".

OBJECTIVES OF MANAGEMENT

Every human being has the potential to do remarkable things. To enable every person to understand, develop and utilize his/her potential, management should provide an environment whereby maximum output can be extracted from an individual.

The following are the objectives of management:

(i) *Achieving Maximum Output with Minimum Efforts*: The main objective of management is to attain maximum results with minimum efforts and resources. Management is basically concerned with discovering and utilizing human, material and financial resources in such a manner that they result in best combination. This combination results in the reduction of various costs.

(ii) *Optimum Use of Resources*: Through proper utilization of various factors of production, their efficiency can be increased to a great extent which can be obtained by reducing spoilage, wastages and breakages of all

kinds. This in turn leads to the saving of time, effort and money, which is essential for the growth and prosperity of any enterprise.

(iii) ***Maximum Prosperity*****:** Management ensures smooth and coordinated functioning of the enterprise. This in turn helps in providing maximum benefits to the employees in the shape of good working conditions, suitable wage system, incentive plans on the one hand and higher profits to the employer on the other.

(iv) ***Human Betterment & Social Justice*****:** Management serves as a tool for the upliftment as well as betterment of the society. Through increased productivity and employment, management ensures better standards of living for the society. It provides justice through its uniform policies.

IMPORTANCE OF MANAGEMENT

To a very large extent the success of an organization is dependent on its management. Therefore, it is essential to understand the importance of management and its wider scope. This will also help us in understanding how good management helps in the growth and progress of an enterprise in the long run.

Importance of management is given hereunder:

(i) ***Achieving Group Goals*****:** It arranges the factors of production, assembles and organizes the resources, integrates the resources in an effective manner to achieve the goals. It directs group efforts towards achievement of pre-determined goals. By defining the objectives of an organization clearly there would be no wastage of time, money and effort. Management converts disorganized resources of men, machines, money, etc. into useful enterprise. These resources are coordinated, directed and controlled in such a manner that the enterprise works towards the attainment of goals.

(ii) ***Optimum Utilization of Resources:*** Management utilizes all the physical and human resources productively. This leads to efficacy in management. Management provides maximum utilization of scarce resources by selecting its best possible alternate use in industry from out of various uses. It makes use of experts and professionals, their services and optimum use of their skills and knowledge, thus avoiding wastage of any kind. If employees and machines are producing their maximum, there would not be under employment of any resource.

(iii) ***Reduces Costs*****:** It gets maximum results through minimum input by proper planning. Management uses physical, human and financial resources in such a manner that it results in best combination. This helps in cost reduction.

(iv) ***Establishes Sound Organization*****:** To establish sound organizational structure is one of the objectives of management which should be in tune with the objectives of the organization. For the fulfillment of this, it establishes effective authority and responsibility relationship, i.e., who is accountable to whom, who can give instructions to whom, who are seniors and who are subordinates. Management fills up various positions with right persons with right skills, training and qualifications. All jobs should be clear to everyone.

(v) ***Establishes Equilibrium*****:** Management enables the organization to survive in changing environment by keeping in touch with the changing environment. With the change in external environment, the initial coordination of their organization must be changed. Hence, it adapts the organization to the changing demand of market / changing needs of societies. It is responsible for the growth and survival of the organization.

(vi) ***Prosperity of Society*****:** Efficient management leads to better economic production which in turn is beneficial for the welfare of the people. Good management makes a difficult task easier by avoiding wastage of scarce resources. It improves standard of living and increases the profit which is beneficial to business and society at large.

MANAGEMENT – SCIENCE OR ART

Science may be defined as a body of knowledge systematized through application of scientific methods in any department of enquiry. Science is systematic in the sense that certain relationships, principles and their limitations

have been discovered, tested and established into theories, laws and principles But it does not mean that the principles and laws so established are immutable for all times to come. Discovery of new knowledge and phenomena can always change any principle, irrespective of its nature, standing and application.

Science includes **physical sciences,** such as physics, chemistry, mathematics (also known as exact sciences) and **social sciences,** such as economics, sociology, psychology (known as variable sciences) as they are based on human behaviour which is unpredictable.

Management can then well be described as a science, albeit a variable one, if compared to the nature of exact physical sciences.

Management has now a theoretical base with a number of principles relating to coordination, organization, decision-making and so on. It is true that we cannot have the same kind of experimentation in management as is possible in natural sciences. But same is the case with economics, political science, military science and a number of other sciences dealing with the complex structure of group-norms and behaviour. When there is no objection to use the term science for these disciplines, there should not be any controversy about its use to the activity described as management. It is better to emphasise here that management is still a growing science.

Features of Management as a Science

The following features of management as a science are required to be properly understood:

(a) Management is an inexact science because it deals with complex human phenomena about which knowledge is still limited;

(b) Management is still a developing science; and

(c) Management is an inter-disciplinary science-it draws freely from other disciplines, such as economics, sociology and psychology.

There should also be not much of dispute over describing *management as an art*. The function of art is to effect change or accomplish goals by deliberate efforts. Practical application of theoretical knowledge is reflected in art. In this sense, management is an art as well. Management principles have been evolved not for the sake of knowledge alone but for their application in concrete situations as well. In fact, skill in the application of principles to work situations is so important to the job of an executive that some authorities regard management to be essentially an art. The practicing manager can be compared to a carpenter who has to cut, refashion, and combine the pieces of wood to execute the order.

Features of Management as an Art

Management is an art because of the following attributes:

1. The process of management involves the use of knowhow and skills;
2. The process of management is directed towards the accomplishment of concrete results;
3. It is creative in the sense that it is the function of creating productive situations needed for further improvements;
4. Management is personalized in the sense that every manager has his own approach to problems.

But it does not mean that science and art are mutually exclusive. The fact is that science is a body of knowledge, while art denotes the mode of practical application of knowledge. Evidently both are complementary to each other. Thus, theory and practice of management are mutually helpful and go side by side for the efficient functioning of any organization.

The most productive art is always based on an understanding of the science underlying it. Actually, managing, like all other arts, makes use of underlying organized knowledge-science-and applies it in the light of realities to gain a desired practical result.

MANAGEMENT AS PROFESSION

Growing administrative complexities, emergence of the corporate form of organizations with separation of ownership from management and development of an organized body of systematic knowledge of management are factors of great importance responsible for raising management to the status of a distinct profession. But there are people who still do not agree to management being a profession. To comment on this issue, therefore, one has to be conversant with important features of a profession.

Features of Management as Profession

A field is normally characterized as profession when the following special features are present in it:

(i) Systematic body of knowledge;

(ii) Need for learning and proper organization;

(iii) Entry restricted on the basis of examination or education; and

(iv) Dominance of service motive.

Except for restricted entry, management qualifies all other tests of a profession. It is now backed by a systematic body of knowledge. A number of management principles have been developed which need proper learning and education. Besides, in a number of countries management institutes, associations and universities are now imparting knowledge relating to management. Moreover, social and moral climate have thrown new challenges before management. Management of today must be creative rather than adaptive and conscious of its ethical and social responsibilities to the society. Another important development in the field of management has been that the professional management consultants are growing both in number and quality.

But management fails to qualify the test of professionalism relating to restricted entry. Though there is growing awareness in the society to employ properly educated and trained people for managing business enterprises, still self-made managers cannot altogether be eliminated. Thus, being different from the legal or medical professions, management in the strictest sense may fail to satisfy its standing as a profession. But professional overtones are very much present here.

SCHOOLS OF MANAGEMENT

Many management scholars and practitioners believe that the theories on management are aimed at establishing the best way of doing things. But it is to be appreciated that “management theories and science do not advocate the best way to do things in the light of every situation”. In fact, they are meant as a search for fundamental relationships for basic techniques, and for organization of available knowledge based on understanding of the concept. And undeniably the situational need determines their mode of application. Clearly therefore, effective management is always situational management - the application of knowledge to realities with a view to attaining desired results.

However, after World War II, the literature on management has grown at an unprecedented rate. This, in turn, has greatly helped in improving management research, teaching and practice. But such a growth has also added to differences of opinion and controversies. Ranging from the operational school of management thought to the mathematical school, one comes across the human behaviour school, the systems school and the decision theory school. These divergent views relating to management have made the task of defining management extremely difficult. In the following paragraphs we present a brief review of some approaches to management analysis.

Empirical Approach

Scholars belonging to this school believe that clear understanding of the management theories can only be developed by the study and analysis of cases and comparative approach. They have a strong conviction that it is through the study of successes and failures of managers in individual instances and their endeavour to solve specific problems that it is possible to apply effective techniques in comparable situations. In their approach they intend to make some generalizations from case studies with a view to establish theories as useful guides for future course of action.

Interpersonal Behaviour Approach

Since managing involves getting things done with and through people, scholars belonging to this school feel that study of management should be based on interpersonal relations. This approach is termed as 'behavioural science', 'leadership' or 'human relations' approach by different group of scholars. In the presentation and study of the theories, this school attaches significance to interpersonal relations, personality dynamics, relations of the cultures of individuals and groups. In other words, this approach leans too heavily on the human aspect of management. Their attention is primarily on the individual and his or her motivations as a socio-psychological being.

Group Behaviour Approach

In fact, this approach is closely related to interpersonal behaviour approach. But this school of thought is basically centered on studying the behavioural pattern of members and groups in an organization. The ultimate objective is to indicate the ways of achieving relatively effective organizational behaviour. Belief and thinking of the scholars with this approach move around the behavioural dynamics of small and large groups in any organization. Besides, recognition of the organised enterprise as a social organism, institutional foundations of organization authority, influence of formal organization, and social factors are the main areas of their attention which considerably help management practitioners in their real life situation.

Decision Theory Approach

The exponents of the decision theory emphasise that decision-making is the core of management. They concentrate on rational decision-making, selection from among possible alternatives of a course of action or policy. The approach of this school of opinion is concerned with the persons, or organizational groups making decisions, or with the analysis of the decision-making process. Besides the economic rationale of decisions, this theory also attempts to cover the social and psychological aspects, and the environment affecting the decisions and the decision makers.

Mathematical Approach

There cannot be any two opinions that mathematical tools and methods can be used by any school of management. But some management scholars and practitioners have viewed management exclusively as a system of mathematical models and processes. Operation researchers and analysts primarily belong to this group. They are of the opinion that if planning, decision-making, organizing, etc. conform to logical processes, then the same can easily and suitably be presented in mathematical symbols. The leaning of this school is heavily on expressing and interpreting the basic relationship of the problems in terms of determined goals. In a way, it is thus closely related to decision theory approach. But if differs from it in the sense that it emphasizes extensive use of mathematics in management.

Operational Approach

This approach consolidated the vital thinking of all the approaches to management in order to identify and

highlight what relates to actual managing and which can be most useful in real life situations. The operational approach thus fundamentally recognises that "there is a central core of knowledge about managing which exists only in managements". Its applicability can be brought to bear at all levels of management irrespective of the nature and size of the organization. But at the same time this approach does recognize that the problems faced by the executives and managers in their real life normally vary with the nature, size and level of enterprise. Further, operationalists have drawn and developed their concepts from all possible disciplines which have direct or indirect effect on human behaviour and organizational functioning. And in this way, the basic theory for the various facets of management has generally been established.

Thus, we see that the various approaches to interpret the term management may at best be described as "window" in as much as they emphasize a particular aspect of management while portraying its total picture. That management draws heavily from a variety of disciplines further creates interpretational problems. Nevertheless, the various approaches described above encourage holistic appreciation of the concept whose emergence has been described as having even more profound influence than the industrial revolution of nineteenth century.

MANAGEMENT FUNCTIONS

Functions related to activities, such as producing, purchasing, selling, advertising, accounting and engineering differ from one enterprise to the other. However, the functions of management are common to all business units and even non-profit organizations. Hence, it is important to know about these functions in some details. **Henry Fayol**[1], the French industrialist and popularly known as the '*founder of modern management theory*', divided all activities of industrial undertakings into six groups:

- Technical
- Financial
- Accounting
- Commercial
- Security
- Managerial

Fayol distinguished between the principles and the elements of management. He said that the principles of management are used for formulating rules and guidelines, whereas the elements help in deciding its functions. He grouped these elements into five managerial functions such as:

- Planning
- Commanding
- Controlling
- Organising
- Coordinating

Fayol's classification of managerial functions is widely acknowledged and acclaimed, though other classifications also exist.

For example, **Luther Gulick**[2] coined the word POSDCORB using the initial letters of management functions: planning (P), organising (O), staffing (S), directing (D), coordinating (CO), reporting (R), and budgeting (B). Reporting is a part of control function, while budgeting represents both planning and controlling.

Similarly, **Newmann and Summer** classified managing process as the functions of (i) organizing, (ii) planning, (iii) leading, and (iv) controlling.

1. Henry Fayol, "General and Industrial Management".

2. Quoted by Earnest Dale in his work "Management Theory and Practice".

REVIEW QUESTIONS

Choose the correct option:

1. Which of the following word did Luther Gulick coin using the initial letters of management functions:

(a) POSBRD

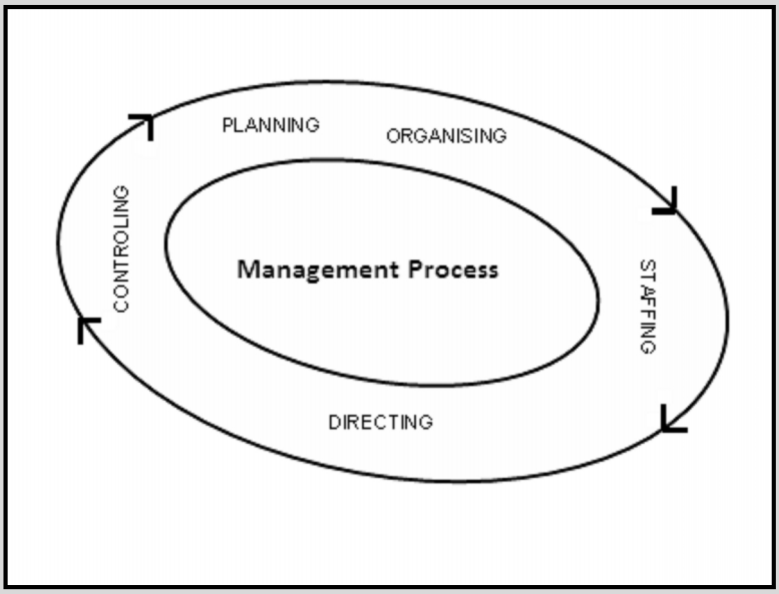
(b) POSDCORB

State True or False:

2. Success on the part of the executives essentially calls for a capability to promote self-appraisal.

Answers: 1. (b) 2. False

Still another useful method of classifying managerial functions is to group them around the components of planning, organizing, staffing, directing and controlling. Circular flow of these functions may be presented as follows:



Management Process

The above functions of management are common to all business enterprises and organizations in other fields but the manner in which these are carried out are generally not the same in all organizations. Similarly, though all these functions constitute the job of a manager, relative importance of each of them varies from time to time, as well as across the hierarchical levels.

Thus, economic conditions may force a firm to lay more emphasis on control for the time being, while a growing concern may have to devote more time to organizational problems. Likewise, top management is generally required to spend more time in planning, the middle level on organizing and the lower level managers may be more concerned with directing.

Planning

Planning is deciding in advance what is to be done, and how and when it is to be done. It involves projecting the

future course of action for the business as a whole and also for different sections within it. Planning is thus the preparatory step for actions and helps in bridging the gap between the present and the future.

In a more realistic sense, planning process comprises of determination and laying down of (i) objectives, (ii) policies, (iii) procedures, (iv) rules, (v) programmes, (vi) budget, and (vii) strategies.

Management might plan for a short period as well as for a long run. For improved efficiency and better results, short-range plans should be properly coordinated with the long-range ones.

Planning is a fundamental function of management and all other functions of management are greatly influenced by the planning process. Importance of planning is amply manifested in the increasing interest evinced in it in business, government and other organizations. Very often planning process is erroneously described to be the prerogative of top management. But the fact is that planning permeates to all levels in the organization and every manager, irrespective of his position in the management hierarchy, must plan within the limits of his authority and according to the decisions of his seniors.

Organising

Organising is concerned with both the "orderly" assemblage of human and material resources as well as the process of development of a structure of formally identified and distinguished tasks, roles and relationships that are attributable to the various members so that they can work effectively as a group. In order to achieve this following steps become important :

- Determination of activities of the enterprise keeping in view its objectives.
- Classification of such activities into convenient groups for the purpose of division.
- Assignment of these groups of activities to individuals.
- Delegation of authority and fixing of responsibility for carrying out the assigned duties.
- Coordination of these activities and authority relations throughout the organization.

Thus, the division of work among people and coordination of their efforts to achieve specific objectives are the fundamental aspects of organization.

It needs no mention that the problem of organising arises only when group efforts are involved. One person's activities cannot possibly be organised in the sense in which we use this term. Similarly, organization is always intended to achieve objectives and as such it is a means to an end and never an end in itself. For better results therefore, it is implied that organization should be based upon practical prudence and sound applications of organizational principles.

Human Resource Management/Staffing

Organization as a function of management helps the executive to establish positions and lay down their functional relations to one another. However, it is through HR function, the different positions in the organization structure are kept manned. HR process, therefore, provides the organization with adequate number of competent and qualified personnel at all levels in the enterprise. Since successful performance by individual largely determines the success of the structure, HR function of the manager deserves sufficient care and attention of the management. It implies that managers should properly estimate manpower requirements of the organization consistent with the qualifications expected for the proper the and efficient discharge of duties on existing and possible jobs in the organization. It should lay down suitable selection and placement procedures and develop employee skill through training and appraisal schemes, and devise suitable schemes of compensation.

HR is a continuous function. A new enterprise needs to employ people to fill positions established in the organization. In an established concern also such factors as death, retirement, resignation, termination, promotion, demotion, transfer, change in objectives as well as methods, etc. necessitate continuous performance of this function.

Direction

Mere planning, organising and staffing are not sufficient to set the tasks in motion. Management may have well coordinated plans, properly established duties and authority relations and able personnel, yet it is through the function of direction that managers are able to get the employees accomplish their tasks by making them integrate their individual efforts with the interest and objectives of the enterprise. It calls for properly motivating, communicating, leading and supervising the subordinates.

Along these broad aspects, directing the subordinates embraces the following activities :

- issuing orders and instructions;
- guiding, counselling and instructing the subordinates about the proper way of doing the job;
- supervising the work of subordinates to ensure that their performance conforms to the plan;
- motivating the subordinates to direct their behaviour towards accomplishing organizational objectives;
- maintaining discipline and rewarding effective performance.

Control

While directing, the manager explains to subordinates the work expected of each of them and also helps them to do their respective jobs so that enterprise objectives can be achieved according to the best of their abilities. But even then there is no guarantee that work will always proceed according to plans, and this possibility of drifting away from plans calls for constant observation of actual performance, so that appropriate steps may be taken to cause the events to conform to the plans. The important steps to be initiated in this regard are as follows:

- Measurement of actual performance against the standard and recording deviations.
- Analyzing and probing the reasons for such deviations.
- Fixing of responsibility in terms of person responsible for negative deviations.
- Correction of employees' performance so that group goals and plans are accomplished.

Control is thus closely related to the planning job of the manager. But it should not be viewed merely as a post-mortem of past achievements and performance. In fact, a good control system should suggest corrective measures so that negative deviations may not reoccur in future. The principle of feedback when incorporated in the system can be of great use in this respect.

INNOVATIONS AND MANAGER

Business conditions, both internal and external, do not remain constant for long. A true manager therefore, cannot continue to manage the same way as he has been doing in the past. Considerations of efficiency and survival require that a manager should be constantly engaged in the task of innovation, i.e., continually introducing new changes. In this sense, management is a creative and also an adaptive process. A manager can be innovative by developing new ideas, adapting ideas from fields other than his own combining old ideas with new ones, or even inspiring subordinates to develop new ideas.

That management should be creative is an easily acceptable proposition. However, to emphasize innovation to the extent of regarding it as a distinct function of management is debatable. The fact is that planning function itself includes innovation because in the event of planning the manager not only adjusts his organization by foreseeing future conditions but also attempts to effect changes in these conditions.

Sometimes a question is raised about the order in which different functions of planning, organizing, staffing, direction and controls are performed. Theoretically planning is done first followed by organizing, staffing, direction

and control. However, since management is a dynamic process where all its functions are repeated and performed continuously, no such order in practice is adhered to and followed. It is, therefore, futile to insist on a particular time or an order sequence for different functions of management.

Goals of a Manager

Traditionally it has been believed that managers act as convenient subordinates to the masters of industry and as such pursue their (owners') goal of profit maximization. Reasoning offered was that since they are employed by the owners, risk of losing jobs compels them to the single-minded pursuit of absentee owner's objective.

However, with the widening divorce of management from ownership and with the growing professionalization of management, it is not difficult to understand that managers may have objectives of their own which may even be in conflict with those of the owners. These objectives could be higher remuneration, prestige, power, status, etc.

Further, organizational goal-setting in today's environment is essentially an exercise in bargaining, reconciliation and ordering because of a variety of influences from such groups as worker-unions, government, consumers, suppliers, environment activists, equal-opportunity enthusiasts, etc. Indeed, harmonisation of divergent group interests through various forms of side payments in itself becomes an objective for the managers. Hence, managers do not manifest the diktat of a dominant group, rather they represent a collective view or varied interests.

COORDINATION- THE ESSENCE OF MANAGEMENT

Many scholars view coordination as a separate function of management. But Henry Fayol included coordination amongst the elements of management. However, since coordination is all pervasive and permeates through every function of management, it is better to consider it as the overall function or the essence of management. In fact, every managerial function represents an exercise in coordination. Thus, planning, organising, staffing, direction and control all help the managers to achieve proper coordination. Failure to perform any of the above functions is evidently reflected in poor coordination.

Coordination deals with harmonising the work relations and efforts at all levels for common purpose. It may be described as an exercise in unifying and harmonising individual efforts for the purpose of accomplishing group goals. The whole idea of coordination is to adjust, reconcile and synchronise individual efforts to make group efforts more effective and help achieve some common objectives.

Sometimes coordination is confused with cooperation and it is believed that if cooperation exists, coordination will automatically follow. Though cooperation helps to achieve coordination, it is by no means the sole condition for the latter to follow. One can take the example of a football or hockey match as a case in point. A team comprising of best players may find itself hamstrung due to lack of coordinated efforts on the part of its players. If individual efforts are properly coordinated, the group can be more effective than the sum total of its part. But it does not mean that coordination is spontaneous. In fact, differences in understanding, approach, timing, interest, or efforts have to be reconciled in any attempt to synchronise the individual efforts.

Principles of Coordination

A manager coordinates the work of his subordinates while managing. Following are the useful principles of coordination:

(1) Coordination should be viewed as a responsibility of every manager right from the bottom to the top. Every individual should know how his job contributes towards accomplishing objectives of his department and also the dominant goals of the enterprise. Even when a supervisor is able to accomplish the objectives of his department he should be made to realise that his achievement is nothing unless it is combined with achievements of other units and it contributes to the attainment of the higher level objectives of the organization. Thus, every manager should understand and appreciate hierarchy of objectives or means-ends chain.

(2) Individual efforts are more easily synchronised if coordination is achieved in the early stages of planning and policy-making. Thus, where production and marketing policies are at cross ends, coordination between the two groups of activities will be a serious problem.

(3) Coordination is better achieved through understanding interpersonal and horizontal rather than the vertical relationships of people in the organization, and then issuing orders for coordination.

(4) Good communication is another useful principle of coordination. As a result of constant change in business environment, plans and policies are frequently revised and compromises and adjustments made. If required information is not communicated well in time, unifying individual efforts for the accomplishment of enterprise goals shall become a difficult task for the management.

DEVELOPMENT OF MANAGEMENT THEORY

Management in some form or the other has been a concern for organised cooperation ever since the dawn of civilization. Thus, one can witness recognition of organization and management in the Buddhist order and the Sangha as far back as 530 B.C. Roman Catholic Church and 'military organizations' also offer good examples of early application of management principles. However, systematic study and examination of management is largely the product of the present century and more specifically of the past four decades. Ever since the great contributions of Taylor and Fayol was made to the management theory, the science of management has grown constantly at a fast rate.

Principles of Management

Various management principles defined by different authors are given below:

Frederick Taylor

Frederick Taylor, who is popularly known as the 'father of scientific management', began his career as an apprentice in a small machine shop and rose to the level of an engineer. Naturally, his writings reflect the practical wisdom and work experience. Taylor's main concern was management at shop level and he was mainly concerned with efficiency of workers and managers at the production level. The major principles and elements of his scientific management can be summarised as follows:

1. Separation of planning and action, equal division of work and responsibility between labour and management.
2. Replacement of old rule of thumb method of management by scientific method, i.e. scientific determination of each element of a person's job.
3. Scientific selection and training of workers.
4. Absolute cooperation between labour and management in work performance.
5. Determining time standard for each job through stopwatch study of all the essential elements of the job.
6. Introduction of the system of functional foremanship at supervisory level.
7. Differential piece rates of wage payment — workers attaining or exceeding the standard should draw their pay at a higher rate and those falling short of the standard be compensated at a lower wage rate.

The scientific management movement early in the twentieth century was hailed as a "second industrial revolution". Since scientific management meant an innovation in the field of management, it generated tremendous opposition even during the life time of Taylor. Public criticism and opinions compelled him to appear before the special Congressional Committee hearings in 1912. The industrial psychologists challenged his assumption of the best *method of job performance*. Although Taylor gave a very lucid explanation of management as a separate and

identifiable discipline, his stress on time and motion study and on efficiency at the shop level led to the overlooking of other general aspects of management, particularly in the U.K. and the U.S.A. In fact, the enthusiasm for Taylorism and scientific management had the unfortunate effect of overshadowing the work of Henry Fayol.

Though Taylor pioneered the scientific management movement, he was by no means the lone contributor. Henry Lawrence Gantt, for instance, corrected to some extent the difficulties of Taylor's '*differential piece rate*' system (where two rates of wages, one lower and one higher are fixed. Those who fail in attaining the standard, are paid at a lower rate and those exceeding the standard or just attaining the standard get a higher rate) by devising a new method known as the *"task and bonus plan"* (a wage incentive plan in which high task efficiency is maintained by providing a percentage bonus as a reward for production in excess of standard). Similarly, Franck Gilbreth and his wife Lillian Gilbreth, stressed the importance of giving greater attention to minute details of work, and also developed the principles of motion economy intended to eliminate redundant motions and produce a rhythm by scientific development of essential motions.

Henry Fayol

Henry Fayol is popularly known as the father of modern management theory, since he laid down the theory of general management applicable equally to all kinds of administration and to all fields whether social, political or economic. Henry Fayol started his career as a coal mine engineer in 1860 in a French coal mine and was its chief executive (Managing Director) from 1883 and 1918, during which he brought the enterprise from the verge of bankruptcy to high success. As a manager he came to the conclusion that there was a single administrative science applicable to all types of organizations. In the year 1916, he published his well-known work in French entitled "*Administration Industrielle et Generale*" (Industrial and General Administration). However, no English translation of his work was available until the year 1929, and in that year also only a few hundred copies were distributed in the U.K.

Fayol divided all activities of industrial enterprises into the following six groups:

1. Technical activities concerning production;
2. Commercial activities of buying and selling;
3. Financial activities intended to seek optimum use of capital;
4. Accounting activities pertaining to final accounts, costs and statistics;
5. Security activities relating to protection of property; and
6. Managerial activities.

The first five are quite well known and as such his work is largely devoted to the description and explanation of the managerial activities. He referred to the functions of management as its elements and grouped them around the activities of planning, organising, commanding, coordinating and controlling. Fayol observed that the importance of managerial ability increases as one goes up the echelons of management hierarchy. He also emphasised the need for training in management for which development of management theory is essential. On the basis of his experiences and foresight into the field of management, Fayol suggested the following fourteen principles of management.

1. *Division of Work:* So as to produce more and secure better performance with the same effort.
2. *Authority and Responsibility:* Whenever authority is used responsibility arises, and the two are co-extensive.
3. *Discipline:* To ensure obedience and respect for superiors.
4. *Unity of Command:* An employee shall receive orders from one senior only.
5. *Unity of Direction:* A group of activities with common objectives shall have one head and one plan.

6. *Subordination:* Subordination of individual interest to general interest.
7. *Remuneration:* It should be fair and afford maximum satisfaction to the firm and employees as well.
8. *Centralization:* Top management should decide the extent to which authority is to be dispersed in the organization or retained at higher levels. Centralisation or decentralisation should be viewed as a question of proportion.
9. *Scalar Chain:* It refers to superior-subordinate relations throughout the organization. It should be short-circuited and not be carried to the extent that it proves detrimental to the business.
10. *Order:* There must be a place for everything, and each thing must be in its appointed place. Similarly, there must be appointed place for each employee and every employee must be in his appointed place.
11. *Equity:* Management must have the desire for equity and equality of treatment while dealing with people. Equity is the combination of kindliness and justice in a manager.
12. *Stability of Tenure of Personnel:* Management should strive to minimise employee turnover.
13. *Initiative:* It refers to thinking out and executing a plan.
14. *Espirit de Corps:* This principle emphasises the need for teamwork and the importance of effective communication in obtaining it.

Fayol described the above principles as a matter of convenience. He did not intend to close the list or make the principles inflexible.

Contributions of the Behaviouralists, Sociologists and Psychologists

The contribution of behavioral scientists to management principles and practices has been recognised all over the world after the Hawthorne experiments (1928-32) were conducted by Elton Mayo and his associates. According to the behaviouralists, the study of management should be concerned with human behaviour in organizations and related matters; organizational effectiveness depends on the quality of relationship among people working in it good management rests on the ability of managers to develop interpersonal competence among members and to support collaborative efforts at all levels of the organization.

With its major emphasis on human relations, informal group communication, employee motivation and leadership styles, the behavioural approach to management has drawn attention to a wide range of socio-psychological phenomena, like the dynamics of organizational behaviour, group dynamics, organizational conflict, change and techniques of organizational development.

Psychologists and sociologists have made significant contributions to the behavioural school of thought. Psychologists like A.H. Maslow, McGregor, Leavitt, Chris Argyris, Herzberg and McClelland, and Sociologists like Bakke, Dubin, Katz, Gouldner and Etzioni, through their research findings, have laid the foundations of interdisciplinary approaches to the study of organization and management.

Systems Approach

A significant contribution has been made to the theory and practice of management in recent years by the introduction of the systems approach, which prior to World War II was considered applicable and meaningful exclusively to the physical sciences. A system is a set of things connected or interdependent so as to form a complex unity, a whole composed of parts in orderly arrangement according to some scheme or plan. The systems approach defines organization as a complex whole consisting of mutually interdependent parts or sub-systems and interacting with the environment of which it is a part. It views management as a system of inter-relationships involving the processes of decision-making, communication and balancing. The systems theorists' contribution to management thought is based on the recognition of organizations as open, adaptive system

subject to all the pressures and conflicts of the environment. Chester I Barnard viewed the executive as a component of a formal organization, and the latter as a part of entire cooperative system involving physical, biological, social and psychological elements.

Management is an open system. It affects and is in turn affected by the environment in which it operates. Neither objectives nor plans can possibly be set in the vacuum of a closed company system. Markets, government regulations, competitors, technology, and many other elements of an enterprise environment affect plans and objectives and cannot be overlooked. Likewise, no manager can disregard the fact that they are products of, and are influenced by a large cultural environment.

Systems approach to management enables us to see the critical variables and constants and their interaction with one another.

Importance of Management Theory

The need for knowing the theory and techniques of management is important in order to:

- Increase efficiency.
- Crystallize the nature of management.
- Improve research in management.
- Attain social goals by way of coordinating the efforts of people so that individual objectives become translated into social attainments.

Contingency Management

Management theory and science do not advocate the “one best way to do things” in the light of every situation. Internal states and processes of organization are contingent upon external requirements and members’ needs. Therefore, the actual practice and solution of varied problems differs depending upon the circumstances.

The idea of contingency management is that the internal functioning of the organization must be consistent with the demands of organization task, technology, or external environment and the needs of the members, if the organization is to be effective. Different organizations with different tasks and different competitive environments require different plans. The task of a manager is to apply his knowledge to realities in order to attain the desired results.

Responsibilities of Management

All the three levels of management, viz. top management, middle management and lower management have obligations towards three social groups: (a) those who have appointed them; (b) those whom they manage; and (c) the general community.

Drucker assigns three jobs to management: Managing a business; managing managers; and managing workers and work. He feels that management must place economic performance above everything else. It is by the economic results which it produces that it can justify its existence and its authority.

While managing, a manager plays many roles. According to Henry Mintzberg, a manager’s work role has three phases:

1. *Interpersonal Role:* It relates to his contacts and dealings with other people.
2. *Informational Role:* Because of his interpersonal role, the manager is in a unique position to get information. His contacts with outside world and his leadership position make him a focal point of information. In this role, a manager has to receive and transmit information so that he can develop a thorough understanding of his organization.

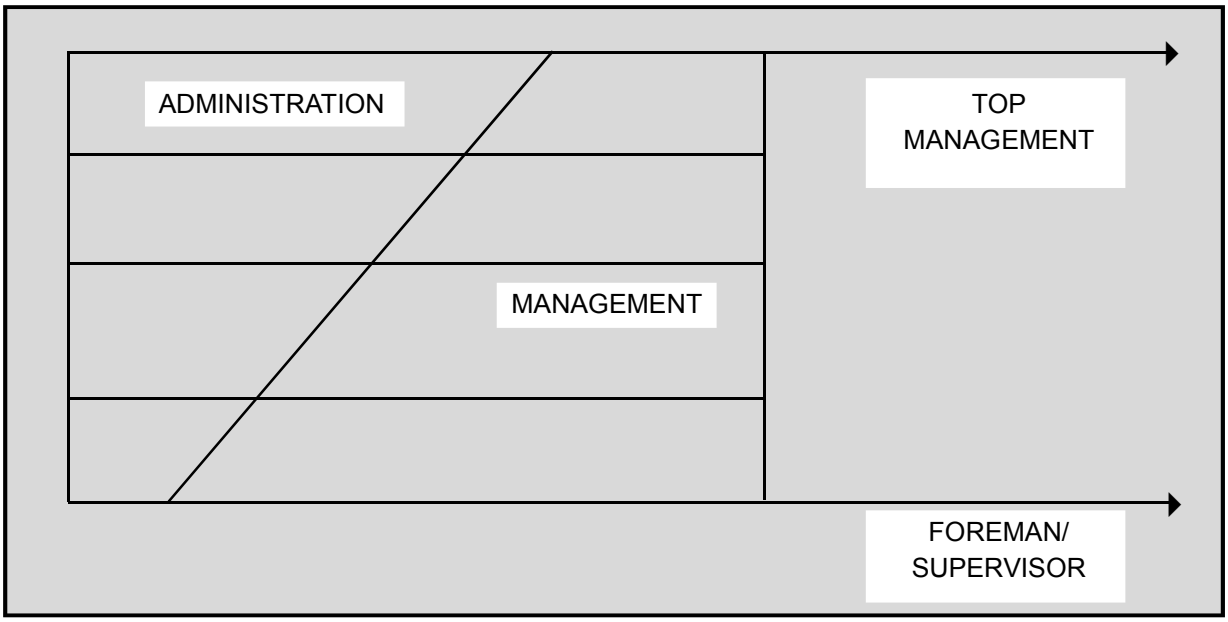
3. *Decisional Role:* There are four decisional roles that a manager has to perform:
   (a) He has to perform the entrepreneur's role by initiating change and taking risk which is involved in introducing change.
   (b) He has to assume the role of a disturbance handler by taking charge whenever the organization is threatened either due to external or internal reasons.
   (c) He performs the role of an allocator of resources.
   (d) He performs the negotiator's role in which he deals with those situations where he has to enter into negotiations on behalf of the organization.

ADMINISTRATION AND MANAGEMENT

A clear distinction may be made between administration and management in the following way:

1. Administration is concerned with policy making, whereas management with policy implementation.
2. Functions of administration are legislative and largely determinative, while that of the management are executive and governing.
3. Broadly speaking, administration is concerned with planning and organizing, but motivating and controlling functions are involved in management.
4. Board of directors of any company is normally concerned with administration, whereas personnel below that level are in charge of management.

So viewed, management is more important at lower levels, as has been depicted below:



Thus, the basic distinction between the two terms is that whereas administration is a process of laying down broad policies and objectives of the organization, management directs and guides the operations of an organization towards realizing the objectives set-forth by the former. It is also said that administration is a top-level function while management is a lower-level function.

As of today, management is thought of as comprising both the process of planning and policy-making, and their execution as well. Thus, management includes administrative management (i.e. administration) and operative management.

The conceptual distinction between administration and management hardly serves any purpose. In fact, management process is the same in all enterprises and at all levels in the organization. Management is as much responsible for planning as is administration. The above point is clearly borne out by the fact that no two separate set of personnel are required to discharge the administrative and managerial functions. It is true that planning is more important and broad at higher levels of organization, but it is equally true that every manager irrespective of his position or level in the organization must plan, and planning process is essentially the same at all levels.

MANAGERIAL SKILLS

Managerial skills are classified as **technical, human and conceptual** by Katz.

Assuming that a manager is one who directs the activities of other persons and undertakes the responsibility for the achievement of objectives through such efforts, the successful management seems to rest on three basic developable skills: technical, human and conceptual. The relative importance of these three skills varies with the level of managerial responsibility.

Thus, essential skills which every manager needs for doing better management are called as *Managerial Skills*.

According to Prof. Katz, all managers require the above mentioned three managerial skills. However, the degree of these skills required varies from levels of management and from one organization to another.

The top-level managers require more conceptual skills and less technical skills. The lower-level managers require more technical skills and less conceptual skills. Human relations skills are required equally by all three levels of management.

(i) ***Conceptual Skills:*** Conceptual skill is the ability to visualise the organization as a whole. It includes analytical, creative and initiative skills. It helps the manager to identify the causes of the problems and not the symptoms. It helps him to solve the problems for the benefit of the entire organization. It helps the manager to fix goals for the whole organization and to plan for every situation. According to Prof. Katz, conceptual skills are mostly required by the top-level management because they spend more time in planning, organising and solving the problems.

(ii) ***Human – Relations Skills:*** Human relations skills are also called Interpersonal skills. It is an ability to work with people. It helps the managers to understand, communicate and work with others. It also helps the managers to lead, motivate and develop team spirit. Human relations skills are required by all managers at all levels of management. This is so, since all managers have to interact and work with people.

(iii) ***Technical Skills:*** A technical skill is the ability to perform the given job. Technical skills help the managers to use different machines and tools. It also helps them to use various procedures and techniques. The low-level managers require more technical skills. This is because they are incharge of the actual operations.

Besides three managerial skills eloborated by Prof. Kartz, a manager also needs the following additional managerial skills.

(iv) ***Communication Skills:*** Communication skills are required equally at all three levels of management. A manager must be able to communicate the plans and policies to the workers. Similarly, he must listen and solve the problems of the workers and also encourage a free-flow of communication in the organization.

(v) ***Administrative Skills*****:** Administrative skills are required at the top-level management. The top-level managers should know how to make plans and policies and how to get the work done. They should be able to co-ordinate different activities of the organization and to control the full organization.

(vi) ***Leadership Skills:*** Leadership skills is the ability to influence human behaviour. A manager requires leadership skills to motivate the workers. These skills help the Manager to get the work done through the workers.

(vii) ***Problem – Solving Skills*****:** Problem solving skills are also called as design skills. A manager should know how to identify a problem and possess the ability to find a best solution for solving any specific problem. This requires intelligence, experience and up-to-date knowledge of the latest developments.

(viii) ***Decision – Making Skills*****:** Decision-making skills are required at all levels of management. However, it is required more at the top-level of management. A manager must be able to take quick and correct decisions and also be able to implement his decisions wisely. The success or failure of a manager depends upon the correctness of his decisions.

Competent Managerial Personnel

The overwhelming significance of competent managerial personnel for the development of any country should, in no circumstances, go unaccounted. Those small professional elite (of entrepreneurs and executives) can go a long way towards initiating economic growth has also been accepted in the writings of W.W. Rostorw, R.N. Farmer and B.M. Richman.

In fact, the problem of economic development is management oriented. No amount of capital investment and sophisticated technology can succeed in generating national wealth, if such wealth-producing resources are badly handled because of incompetent management. Loan and transfer can, at the best, help to mitigate temporary problems. But if an organization does not possess a garrison of competent managers, how can it maintain a sustained rate of growth and contribute to the country's economic development?[3]

It is needless to mention that in underdeveloped and developing countries, the scarcity of able and competent managers is a severe constraint to the growth and development of industrial and business enterprises, and the country at large. Indeed, people are available but those with intellectual potentialities and distinct managerial trait are rare. The search for capable men and women of outstanding managerial ability has not come to an end yet. Rather the problem is ever increasing with rapid industrial development and has further been accentuated due to fast changing socio-economic-political value of the people, growing complexities in the industrial world and the increased knowledge of management itself. The magnitude of this problem may well be understood from the observation of George R.Terry. He remarked: "The demand for competent administration has always been strong, but for the several decades the executive manhunt has acquired greater and greater emphasis".

Obviously, the pertinent question is, what role do managers play in any organization? Why so much of importance has been attached to them that it is contended that "business are made or broken in the long run not by markets, or capital, patents or equipment but by men....." (Urwick).

There is no denying the fact that executives and managers play the most vital role in determining the future of any concern in a specific industrial complex and society at large. On no account should it be forgotten that as victory or defeat in a battle largely depends on the performance of area commanders, likewise fulfillment of the desired mission of any organization requires effectiveness and efficiency of its higher-up, both individually and collectively. Hence, as a natural corollary, job involvement of these executives can better be highlighted under two broad heads – (i) distinct functions concerning one's specific area, and (ii) general functions related to overall prosperity of the concern.

No matter, whether people belong to sales or purchase, production or publicity, or any other branch of activity of the organization, it is evident that executives and managers have to deal with very many forces, as well as with the limitations in the pursuit of a common purpose. Indeed, they handle a very complex type of job. They owe an overwhelming responsibility to the concern. And naturally to achieve success in their strides, they have to design a course of action from among alternatives of programmes, procedures and methods, verifying whether everything occurs in conformity with a plan adopted, instructions issued and principles established, and make orderly arrangement of individual and group effort to secure unity of action. It is not difficult, therefore, to realise the responsibility of executives and managers of any organization. From a rational point of view leadership can be looked upon as their essential character, and decision-making their primary job.

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3. S. Das, Impact of Social Milieu in the Development of Management Classes (Capital, 1974).

In fact, people at the helm of affairs of any organization share the primary responsibility of achieving its definite mission effectively and in the most efficient manner. Emphatically speaking, any organization's contribution to society and the country depends on its understanding and knowledge of the situation and circumstances backed by changing needs and values of the society. As a matter of fact, success on the part of executives essentially calls for capability to utilise material and human resources most effectively.

Concern over Relationship

It must be reckoned in this connection that among the various facts of management, optimal utilisation of human resources is pivotal to all of their responsibilities since the most sensitive factor of production, human factor, can neither be purchased nor dictated to get things done by them. Rather it requires a prudent and judicious handling through interpersonal influence exercised in a situation and directed, through the communication process towards the attainment of specific goal or goals, the lack of which may lead to the complete failure of organization. A review of literature also reveals that most management writers acknowledge leadership skill as the determining trait to managerial effectiveness for their job involves accomplishing goals with and through people in a given situation.

Of course, emphasis on human skills was considered necessary in the past also. But adequate attention was not given to this aspect of managerial trait. Until recently, most of the management experts viewed their job exclusively in terms of jobs and tasks instead of human relationship. But is it at all possible to motivate an individual or a group by over booking the relationship aspect and the attitudinal and behavioural patterns? However, there is a doubt about the extent to which executive can get their people committed in the absence of mutual relationship and attachment which may be visualised from the way employees –

- honour their commitment to objectives;
- maintain conviction for what the organization stands for; and
- spell out their sense of belongingness to the organization.

Though there is no yardstick to measure managerial competency in the perspective of human relationship fostered and developed in the organization, it is not difficult to appraise it from their ability to:

- understand the psychology of the individual as well as the group;
- analyse past behaviour and predict future behaviour of the people;
- direct, change and control the behaviour of the people according to the need, situation and circumstances;
- promote self-appraisal;
- motivate individuals and groups to grow to the fullest extent of their potential.

The above characteristics of proven managerial ability may certainly be identified keeping in view the delicate managerial function to obtain results through individual and group endeavour.

It should be recognised that the human factor is the cockpit of all problems in an organization on account of its complex nature and fast changing character of socio-economic and political beliefs and values of the society in the perspective of (a) educational, (b) sociological and cultural, (c) political and legal, and (d) economic changes. As a logical consequence, the magnitude and complexity of human problems are also changing. In essence, the relational aspect has received a new dimension in executive thinking as a result of the overwhelming need for exceptional intellectual skills of distinct quality reflected in the attitudinal and behavioural pattern of managerial personnel.

W.J. Reddin has emphasised the importance of intellectual capacity as a prerequisite to managerial effectiveness and the impact of intellectual skill on the management effectiveness and, as such, advocated that managers must be selected on the basis of their intellectual capacity, not merely for their knowledge, and the selection should be based on behavioural flexibility because the knowledge which a manager has acquired may often become out-dated in a very short span of time.

From the above observation, it may be inferred that Reddin viewed intellectual skill as the one and the most significant factor in managerial effectiveness in view of changing environment. In short, managers, irrespective of the nature of organization they are associated with, or the level at which they are operating, should possess such intellectual skills so as to enable them to understand, appraise and respond to emerging patterns of human beliefs and values, attitude and behaviour. No matter what the nature of organization is, social or economic, managers are supposed to depend heavily on such skills in order to ensure individual as well as organizational effectiveness. Understanding and knowledge of the perspective activate decisions but clearly decisions without understanding are useless, and with poor understanding, ineffective.

Of course, we cannot ignore or undermine the need for technical skill on the part of managers. It may be mentioned that while technical skill happens to be an important requirement at the lower level, intellectual skill is the most important and vital at higher levels of the managerial hierarchy of any organization.

Tasks and Responsibilities of Professional Managers

Specialization in every field, technological advancement, globalization of business results into appointment of qualified managers. These qualified managers may be called professional managers.

A professional manager is an expert and trained and experienced enough to adeptly manage any type of organization be it a manufacturing house, a service organization, a hospital or a government agency. Professional managers:

- Are objective, focussed and performance oriented.
- Help in meeting competitive challenges of the business.
- Are creative and dynamic.
- Follow the management practices based on world-wide experiences and information.
- Apply theories of management to solve emerging organizational problem.

Professional Managers tasks includes the following:

(i) ***Providing Direction to the Firm:*** The first task, envisioning goals, is one of the tasks that should never be delegated. It is the ability to define overarching goals that serve to unify people and focus energies. It's about effectively declaring what's possible for the team to achieve and compelling them to accomplish more than they ever thought it was possible.

(ii) ***Managing Survival and Growth:*** Ensuring survival of the firm is a critical task of a manager. The manager must also seek growth. Two sets of factors impinge upon the firm's survival and growth. The first is the set of factors which are internal to the firm and are largely controllable. These internal factors are choice of technology, efficiency of labour, competence of managerial staff, company image, financial resources, etc. The second set of factors are external to the firm, like government policy, laws and regulations, changing customer tastes, attitudes and values, increasing competition, etc.

(iii) ***Maintaining Firm's Efficiency:*** A manager has not only to perform and produce results, but he has to do so in the most efficient manner. The more output a manager can produce with the same input, the greater will be the profit.

(iv) ***Meeting the Competition Challenge:*** A manager must anticipate and prepare for the increasing competition. Competition is increasing in terms of more producers, products, better quality, etc.

(v) ***Innovation:*** Innovation is finding new, different and better ways of doing existing tasks. To plan and manage for innovation is an on-going task of a manager. The manager must maintain close contact and relation with customers. Keeping track of competitor's activities and moves can also be a source of innovation, as can improvements in technology.

(vi) ***Renewal:*** Managers are responsible for fostering the process of renewal. Renewing has to do with providing new processes and resources. The practices and strategy that got you where you are today may be inadequate for the challenges and opportunities you face tomorrow.

(vii) ***Building Human Organization:*** Man is by far the most critical resource of an organization. A good worker is a valuable asset to any company. Every manager must constantly look out for people with potential and attract them to join the company.

(viii) ***Leadership:*** Organizational success is determined by the quality of leadership that is exhibited. "A leader can be a manager, but a manager is not necessarily a leader," says Gemmy Allen (1998). Leadership is the power of persuasion of one person over others to inspire actions towards achieving the goals of the company. Those in the leadership role must be able to influence/motivate workers to an elevated goal and direct themselves to the duties or responsibilities assigned during the planning process. Leadership involves the interpersonal characteristic of a manager's position that includes communication and close contact with team members. The only way a manager can be acknowledged as a leader is by continually demonstrating his abilities.

(ix) ***Change Management:*** A manager has to perform the task of a change agent. It's the manager's task to ensure that the change is introduced and incorporated in a smooth manner with the least disturbance and resistance.

(x) ***Selection Information Technology:*** Today's managers are faced with a bewildering array of information technology choices that promise to change the way work gets done. Computers, the internet, intranets, telecommunications, and a seemingly infinite range of software applications confront the modem manager with the challenge of using the best technology.

Some of the critical responsibilities of a professional manager are towards customers, shareholders, employees, suppliers, distributors and retailers, industry and competition, union, government and society. Therefore in brief it is the responsibility of a manager to take care of the above mentioned things by handling or directing them with a degree of skill.

LESSON ROUND UP

- Management can be defined as a process by which responsible people in an organization get things done through the efforts of other people in group activities.
- Management can be described as a science as well as an art. The theoretical knowledge of management is a science and its practical application to gain a desired result is an art.
- Many scholars view coordination as a separate function of management. It is the essence of management. The whole idea of coordination is to adjust, reconcile and synchronize individual efforts more effectively and to help achieve some common objectives.
- Federick Taylor is popularly known as the founder of modern scientific management and Henry Fayol is popularly known as the father of modern management theory.
- All the three levels of management namely top management, middle management and lower management have obligations towards three social groups. Druckers assigns three jobs to the management like managing a business, managing managers, managing workers and work.
- Many scholars have different views on the concept of administration, and management. It can be said that administration is a top level function while management is a lower level function.
- Executive and managers play the most vital role in determining the future of an organization. The demand for competent managerial personnel having intellectual potentialities and distinct managerial traits is increasing. The fulfillment of the desired mission of an organization requires effectiveness and efficiency. Intellectual skill is one of the most significant factors in managerial effectiveness in view of changing environment of the organization.
- Managerial skills are classified as technical, human and conceptual by Katz.

– A professional manager is an expert, trained and experienced enough to adeptly manage any type of organization be it a manufacturing house, a service organization, a hospital or a government agency.

GLOSSARY

Nomos	It is a Greek word which means management.
Albeit	Although; even if.
Conversant	It means to be familiar by use or study.
Rationale	A statement of reasons or a reasoned exposition of principles.
Manifested	Readily perceived by the eyes or the understanding.
Divergent	Differing or deviating.
Hamstrung	To destroy or hinder the efficiency or frustrate.
Overarching	Encompassing or overshadowing everything.
Crystallize	To give a definite form or expression to an idea or argument.
Bewildering	Extremely confusing.
Magnitude	Size, extent or dimension.
Reckoned	Consider.

SELF-TEST QUESTIONS

1. Discuss briefly the various functions which constitute the process of management.
2. Is management an art, a science or both? Give reasons for your answer.
3. Identify Fayol's principles of management and describe any four of them.
4. Compare and contrast Taylor's 'scientific management' with Fayol's 'general management'.
5. Distinguish between administration and management.
6. Discus the task and responsibilities of a professional manager.

Suggested Readings

(1) Management: A Systems and Contingency Analysis of Management Function – *Koontz & O'Donnell*

(2) Management: Theory and Practice – *Earnest Dale*

(3) Management for Business & Industry – *Claude S. George Jr.*

(4) The Art of Administration – *Ordway Tead*

Lesson 2
Planning

LESSON OUTLINE

- Concept of Planning
- Features of Planning
- Importance of Planning
- Limitations of Planning
- Types of Plan
- Planning Components
- Review Questions
- Planning Process
- Planning Period
- Concept of Forecasting
  - Steps in Forecasting
  - Advantages of Forecasting
- Concept of Decision-Making
  - Decision-Making Conditions
  - Principles of Decision-Making
  - Steps in Decision-Making
  - Hierarchy of Decisions
  - Decision-Making by Group
  - Evaluating Decision's Importance
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Planning is the most important function of every manager. It involves deciding in advance what is to be done and where, how and by whom it is to be done.

To understand better, let us take an example. Sita wanted to sit for the IAS exams and wanted to clear it in one go. She knew her target was difficult and that she needed to plan well in advance as there was only a year to prepare. She started planning for it by talking to previous pass outs, how they prepared, looked at last ten year's model question papers, etc. After taking a broad idea of how much syllabus is there, how she should study, from where to take help, etc. she planned her study schedule in the given time frame of one year. The best part was that she stuck to her study plan and emerged as one of the successful candidates. This is what planning means.

Therefore, the objective of this study unit is to enable the students to understand that planning is an all-pervasive and fundamental function of management and that it essentially means looking ahead and preparing for the future. It is decidedly a mental function.

Thus, this study will help the students in understanding the nature and utility of planning, types of plans, steps involved in planning and also how to use the practical aspects of planning for future endeavours.

Planning means deciding in the present what to do in the future. It is the process whereby companies reconcile their resources with their objectives and opportunities.

Philip Kotler

CONCEPT OF PLANNING

Planning is an all-pervasive and fundamental function of management. All other functions of organizing, staffing, directing and controlling must reflect planning function of management. Though more important for higher levels, planning is the function of every manager. It involves deciding in advance what is to be done and where, how and by whom it is to be done. While planning, the manager projects a course of action for the future aimed at achieving desired results for the enterprise as a whole and each department within it. Thus, merely ascertaining the future is not planning till it is followed by making provisions for it. Planning is a rational approach to the future.

Planning deals with future and involves forecasting. A manager does not plan about the past though in his planning for future he is also guided by past performance. Since planning relates activities of the enterprise to its future environment, it requires projecting future activities of the organization. But mere forecasting is not planning. Planning requires assessing the future and providing for it. Planning is forecasting and deciding in advance a course of action to be followed or activities to be pursued in future.

According to George R. Terry – Planning is the selecting and relating of facts and the making and using of assumptions regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results.

So, planning is a process whereby the relevant facts are collected and analyzed, the assumptions and premises are made for the future. In the light of these assumptions and premises, a plan of action believed necessary to achieve the desired results is visualized and formulated. Planning, therefore, essentially means looking ahead and preparing for the future. It is a mental task. One should have reflective thinking, imagination and farsightedness, if one is to succeed well in performing this difficult task.

Example of Effective Planning

Mr. ABC took over as an Executive-Chief of a loss-making company. The company had almost no sale had heavy cost of production, cost of production equal to the price of the competitors product, low morale of the staff, high fixed overheads, etc. He called a meeting of all his department heads and had a brainstorming session for determining the problem and finding a solution. Accordingly, the following plan was worked out jointly by all of them:

- Reduce material costs by increasing the supervision
- Reduce the wastage
- Increase the sales by being a second source of supply to major customers
- Improve the morale of the staff by laying out individual as well as team goals to be achieved with an overall plan.

The company started making profits and wiped out its accumulated losses in a period of three year. It happened because, it was just a matter of proper planning.

FEATURES OF PLANNING

The essential nature of planning can be highlighted by the following major aspects of planning:

(i) ***Planning – an Intellectual Process:*** Planning involves choosing the proper course of action from among alternatives and calls for decision-making, which is an intellectual process. Changes in the environment bring opportunities and involve risks as well. It is the task of planners to take advantage of opportunities and minimise the risks. This calls for mental pre-disposition to think before taking action. Moreover, planning is not a guess work. It is conscious determination and projecting a course of action for the future and is based on objectives, facts and considered forecasts.

(ii) ***Planning – a Primary Function:*** Planning is the most basic function of management. As a matter of fact, all other functions of management largely depend upon planning. Control, for example, is a necessary corollary of planning and cannot exist without planning. Organisation is also set up with a plan and objectives in mind and people are invariably guided and motivated towards accomplishing enterprise objectives. Planning is, therefore, the primary function of management.

(iii) ***Planning – a Continuous Function of Management:*** Management is a dynamic process and planning as its function cannot be an exception to it. Since different functions of management overlap and intermesh with each other, the planning process is continuously repeated. Moreover, as plans beget a number of sub-plans and since plans have to be revised in the light of changing environment, planning becomes a continuing necessity for management.

(iv) ***Planning – a Pervasive Function:*** Planning is a pervasive function. It pervades at all levels and in all departments of an organization. Sometimes, planning is erroneously considered to be the prerogative and responsibility of top management alone. In fact, planning which involves choosing the future course of action from among alternatives is basically the same whether it is at the supervisory level or at higher echelons of management. It must be noted, however, that planning horizons broaden and the implications of plans becomes wider as one goes up the levels in the management hierarchy.

IMPORTANCE OF PLANNING

Planning substitutes order for chaos and introduces rationality into the decision-making process of management. It provides the framework within which organizing, staffing, direction and controlling are undertaken. The importance of planning in any organized enterprise needs no exaggeration. To be more specific, planning makes following contributions:

(i) ***Planning makes Personnel Conscious of Enterprise Objectives:*** The first stage in any type of planning is the deliberate statement of objectives of each department in the organization and the enterprise as a whole. It helps personnel to see the enterprise in its entirety and see how their actions may contribute to its ultimate goals. Since objectives represent end points of planning, management should be aware of the future and revise its plans in the light of possible changes so that goals are accomplished more effectively.

(ii) ***Planning Leads to Economy in Operations:*** Planning is always done with an eye on economy and efficiency in operations. As an all-pervasive function, planning improves effectiveness of all other functions of management and also helps to secure coordinated efforts throughout the organization. Since it involves choosing, planning facilitates the choice of the best method and helps to identify alternatives expected to produce desired results with minimum unsought consequences. Planning for repetitive or routine matters reduces the need for thinking over the whole problem once again. Moreover, planning for the change, arms the management to face future contingencies very boldly, confidently and effective.

(iii) ***Planning Precedes Control:*** Control consists of those activities that are undertaken to force events to conform to plans. Planning is then the necessary prerequisite for control. Management function of control seeks to check the performance against some predetermined standard or projected course of action established through planning process. Though planning affects all other functions of management, the unique feature of control is that it cannot exist without planning.

(iv) ***Planning is a Precious Managerial Instrument to Provide for Future:*** Though forecasting is its essential characteristic, the task of planning does not end merely with assessing the future. Providing for future contingencies is an equally important part of planning. It is through planning process that management is made to look at the future and discover suitable alternative courses of action. If future changes can be correctly predicted, planning helps the management to have a clear view of the future and chalk out a suitable programme of action. There is no doubt that even the best plans cannot anticipate all the future changes. But this does not mean that planning is a futile exercise which can be dispensed with. As a matter of fact, it is during changing conditions and difficult

situations that planning becomes all the more necessary and assumes a greater importance. As a rational approach to the future, planning provides for unexpected events and arms the management against undesirable changes.

(v) ***Planning Influences Efficacy of Other Managerial Functions:*** Planning, organizing, staffing, direction and control – all account for and have their due contribution to the accomplishment of group's goals. The importance of each in the success of the management job cannot be overlooked. However, planning as a primary function goes a long way in improving efficiency of all other functions of management and makes the tasks of managing more effective.

LIMITATIONS OF PLANNING

Planning is an all-pervasive and a primary function of management. No manager, irrespective of his position in the organisation, can do without it. However, planning is subject to certain limitations and a proper understanding of them will go a long way in improving the efficiency of planning.

(i) ***Planning Premises may not be Fully Reliable:*** Planning premises provide the basis and framework for predictions. Since the future cannot be predicted with absolute accuracy, premising is always subject to a margin of error and guess-work which are reflected in various plans based on them. Difficulty of accurately premising them becomes the first planning limitation.

(ii) ***Rapidity of Change Sets Another Limit to Planning:*** Business enterprises operate in a changing environment, though the extent and impact of such changes may differ from industry to industry, and among the firms in the same industry. Planning is relatively simple and easy task for a concern operating under stable conditions. Most of the public utilities enjoy such an advantage. On the other hand, industries and units working under dynamic conditions and confronting rapid changes face new problems and complications on account of instability. It makes their planning job extremely difficult.

(iii) ***Availability of Time and Cost Involved in Planning also Lay Down Limits to Planning:*** During a crisis or any other emergency, decisions have to be made without planning in advance whether the manager is ready for it or not. Such decisions are taken in the event of non-availability of time for detailed analysis and research.

Besides, planning is not without cost. Greater the details in planning, more will be the cost. Similarly, cost of planning will go up if plans are drawn for longer periods. While finalising details of analysis the manager should remember that the benefits expected to be derived from planning should be more than the cost involved. But application of this rule is by no means an easy task. It is so because ascertaining the benefits and cost of planning is a difficult exercise.

(iv) ***Philosophy of Management and Personnel can be a very Serious Limitation of Planning:*** Old concepts, beliefs and traditions are often so deeply embedded in the minds of employees that plans which are not consistent with their philosophy may be extremely difficult to implement. Thus, where management is traditionally committed to high quality and high costs, it may not be inclined to carry out a plan to produce cheaper goods even though justified by results expected. Psychologically, people are resistant to change and as such new ideas have to be sold well and people have to be convinced of the value of the change.

(v) ***Procedural and Policy Rigidities also Come in the Way of Planning:*** Procedures, rules and policies once established are difficult to change. Planning, on the other hand, may call for a change in the existing procedures and policies. Where such internal inflexibilities dominate the enterprise, management tends to become bureaucratic and rule-centered. In such cases employees lose much of their initiative and bringing about an effective change through planning becomes a challenging job.

(vi) ***Capital Invested in the Firm is a very Powerful Internal Constraint on Planning:*** Changes in the environment may require overlooking consideration of capital already sunk in the business in the form of say, capital equipment or employee training. Managers, on the other hand, develop a strong tendency to

feel so much committed to the recovery of capital sunk as a result of some earlier decision that future planning is constrained and limited to its recovery, and very often capital so invested itself becomes a planning premise.

(vii) ***External Constraints also Set Limits to Planning:*** There are those external limitations of planning over which management has very little or no control at all. Personnel policies and decisions might be limited by considerations of labour union pressures particularly when union is organised on national basis, and also by directives, rules and legal provisions laid down by the Government from time to time. Similarly, Government policies, tax laws, competition and technological changes, etc. act as adeterent in the way of planning in varying degrees for different problems at different times.

In the actual planning process manager may face many more difficulties. But these limitations of planning should not demoralise management in any way from attempting to plan. If managing becomes more effective through planning, the manager has no other alternative than to plan. When planning is so useful it will be better if it is done systematically keeping in view its possible limitations.

TYPES OF PLANS

Some of the types of plans are:

(i) ***Business Plans:*** It is a formal statement of the following:

- Largely enforced business goals
- The reasons why they are believed attainable
- The plan for reaching those goals

It may also contain background information about the organization or the team attempting to reach those goals.

(ii) ***Marketing Plans:*** These are those business plans that keep changes in perception and branding as their primary goals.

(iii) ***Operational Plans:*** These describe the goals of an internal organization, a working group or a department.

(iv) ***Project Plans:*** These describe the goals of a particular project. They may also provide for the projects place within the organization's larger strategic goals.

(v) ***Strategic Plans:*** These are business plans that identify and target internal goals, but provide only general guidance on how those plans can be attained.

PLANNING COMPONENTS

Planning components are usually classified as purposes or mission objectives, policies, procedures, programmes, budgets and strategies.

Purposes or Mission

The mission of a business is the fundamental, unique purpose that sets it apart from other enterprises of its type and identifies the scope of its operations in terms of product and market. The mission is a general enduring statement of the intent of business. It reflects the belief and philosophy of the management.

Objectives

The first important task of planning is to lay down objectives or goals. Objectives represent the end towards which not only planning but all other activities of management are directed. Thus, goals are set for the organisation to accomplish. Similarly, staffing, direction and control aim at reaching common objectives. In fact, managing is

more effective when based on properly selected objectives. These objectives should be clearly defined and communicated throughout the organisation.

Objectives can be individualistic or collective; short-term or long-term; tangible or intangible; general or specific.

Peter F. Drucker[1] has laid down eight such key areas: market standing, innovation, productivity, physical and financial resources, profitability, management performance and development, work performance and attitude, and public responsibility. There is also a need to decide upon the emphasis to be given to each such area keeping in view the environment within which the business operates. Similarly, objectives in different areas should be properly balanced. This is an intellectual task of great responsibility and effort which calls for a constant review of enterprise objectives in the light of technological and other changes.

Policies

Policies are guide to thinking in decision-making. Policy lays down the course of action selected to guide and determine present and future decisions. Policy as a general statement of understanding lays down the limits within which decisions are to be made and, thereby, assures consistent and unified performance. For example, if it is the policy of a company to reinvest 50% of its earnings each year, decision relating to appropriation of profit and resorting to external sources of finance shall have to be made within the limits of this policy. Policies can originate at any level in the organisation and a manager should lay down policies within the limits of authority and also within the limits set by earlier policies and decisions of his seniors

Policy may be written, verbal or implied. On functional basis, policies may be classified as those pertaining to sales, production, personnel, finance, purchase, etc.

Policies are of great help in the delegation of authority by a manager. Policies sanctioned in advance help the subordinates too to take decisions within the broader framework established by the higher management. Thus, well defined policies help the manager to delegate authority without fear since policies lay down the limits for decisions taken by subordinates and ensure uniformity in the functioning throughout the organisation. However, policies never remain valid for all times to come. Changes in business environment might render some of the policies outmoded. For effective compliance policies should, therefore, be periodically reviewed and necessary changes be introduced in them consistent with accomplishment of group goals. Moreover, as guide to thinking in decision-making, policies should be flexible and allow reasonable discretion to subordinates responsible for their implementation. Strictly rigid policies tend to become rules and kill much of the subordinates' initiative.

Procedures, Methods and Rules

Procedures suggest the exact manner in which a particular activity is to be done. It specifies the chronological sequence for handling future activities. An enterprise, for example, may have promotion policy based on seniority. To implement this policy procedures must be established for calculating seniority of employees and granting them actual promotions. It is apparent, therefore, whereas policy is a guide to thinking, procedures are guide to actions

Method, on the other hand, involves a single operation or one particular step and specifies how this step is to be followed. For example, while calculating seniority a company may lay down various methods of calculating the 'number of completed years of service'.

Rules signify some kind of regulation, positive or negative and permit no discretion in its application. Thus, when we talk of leave rules, the idea is that leave can be granted and availed only subject to the regulations contained therein.

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1. Peter F. Drucker, "The Practice of Management".

Budgets

Budget is single-use plan containing expected results in numerical terms. Budgets may be expressed in time, money, materials or other suitable units capable of numerical expression. Income and expense budget, for example, projects the expected revenues and expenses for a given period. Since budget is an important control device it is often thought of in connection with controlling alone. However, budget-making is primarily a planning process, whereas its administration is part of controlling.

Programme

Programme refers to the outline of plans of work to be carried out in proper sequence for the purpose of achieving specific objectives. Thus, a company might embark upon an expansion programme by say, sixty per cent. And to implement this programme, management must lay down certain policies, procedures, methods, rules and other assignments properly related to and coordinated for its successful implementation. Programme is frequently supported by capital revenue and expense budgets. Thus, programme is a complex structure of policies, procedures, methods, rules, budgets and other assignments.

Programme can originate at any level in the organisation, and it can be a major programme or a minor one. Basic or major programmes usually call for establishing a number of derivative programmes.

Strategy

Strategy is a term very popular in military science. There it refers to meeting the enemy under conditions advantageous to one's own. A commander, for instance, may allow the enemy to advance upto a certain point and then attack from the back. In the business context a specific meaning attached to a particular policy, under the prevailing circumstances and in the light of competitor's policies, becomes strategy. Strategy is thus an interpretative planning. Anthony defines strategies as resulting from "the process of deciding on objectives of the organization, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use and disposition of these resources". Chandler defines a strategy as "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary to carry out these goals".

The purpose of strategies is to determine and communicate, through a system of major objectives and policies, a picture of what kind of enterprise is envisioned. Strategies show a unified direction and imply a deployment of emphasis and resources. They are a useful framework for guiding enterprise thinking and action.

REVIEW QUESTIONS

Choose the Correct Option:

1. Which qualities should a person possess to succeed in planning:

(a) Reflective thinking

(b) Imagination

(c) Farsightedness

(d) All of the above

State True or False:

2. Only economists and statisticians employed by the management as staff experts are involved in making forecasts.

Answers : 1. (d) 2. False

PLANNING PROCESS/ STEPS INVOLVED IN PLANNING

The techniques of planning may be visualized by analyzing the steps involved in major planning. It may be mentioned that planning must follow certain logical steps of techniques to make itself worthy of the purpose. Of course, minor plans are less complex and eventually involve lesser stress and strain in following the steps. But the steps are essentially the same in planning process only with a variation in the degree of complexity involved. Steps in planning may be generalized as follows:

(i) ***Establishing Objectives:*** The first and primary step in planning process is the establishment of planning objectives or goals. Definite objectives, in fact, speak categorically about what is to be done, where to place the initial emphasis and the things to be accomplished by the network of policies, procedures, budgets and programmes, the lack of which would invariably result in either faulty or ineffective planning.

It needs mentioning in this connection that objectives must be understandable and rational to make planning effective. Because the major objective, in all enterprises, needs to be translated into derivative objective, accomplishment of enterprise objective needs a concerted endeavour of all the departments.

(ii) ***Premising:*** The second step involved in planning process is the establishment of planning premises.

Premises signify planning assumptions or future setting within which planning will take place. The very nature of planning requires that some assumptions be made regarding future happenings. As a natural corollary, it is a prerequisite to determine future settings, such as the markets, prices, tax structure, government policy, business cycles, etc. before framing the master plan. Premises, as such, may be viewed as an environment of plans in operation.

Indeed, the selection, evaluation and review of planning premises and their use in planning depends upon the skill and experience of the planner. But the difficulties normally faced by the planners are twofold: (b) selecting what premises to use; and (a) evaluating the assistance obtained from the use of these premises.

However, it is to be kept in view that all assumptions are not premises. While some assumptions may be considered premises, some represent future expectations from actual plans developed. For example, assumptions pertaining to future business conditions, sales volume, change of government, industrial policy should be considered as premises on which to develop plans. These assumptions or forecasts are a prerequisite to planning. However, it is to be noted that forecast is often the resultant effect of planning. Forecast regarding returns on new investment or costs translate a planning programme into future expectations.

At the same time, plans themselves and the forecasts of their future effect often become premises for other plans. The decision of the Tourism Development Corporation of India to start cheaper hotels at the metropolises may be cited as an instance in point. It should be realised, however, that opening of cheaper hotels creates conditions that give rise to premises for many other plans necessarily dependent upon the hotels being built.

It may be noted that premises are not always the same for all the industries, or even units in the same industrial complex. Premises which may be of strategic significance to one industry may not be of equal significance to others due to the difference in size of the industry, nature of business and other relevant factors.

Planning premises may be viewed as (a) external and internal, (b) tangible and intangible, and (c) controllable, semi-controllable and non-controllable.

Premises internal to the firm are generally comprised of sales forecast, capital investment in plan and equivalent major programmes already laid down, and many other factors that shape the nature of planning. External premises may be generalized under three broad heads. The general business environment comprised of socio-economic and politico-technological conditions, the product market and the factor market.

Premises may be tangible as well as intangible. Premises are tangible when it is possible to quantify them in terms of rupees, working hours, man days, units of production, etc. Intangible premises, on the other hand, cannot be quantified in numerical terms, e.g. goodwill of a company.

Controllable premises are those that are largely decided by company management involving policies and programmes. Whereas premises which, to a considerable extent, may be modulated and controlled by the business enterprises are semi-controllable and those which are absolutely beyond the clutch of business enterprises are non-controllable premises.

However, all these premises need to be attended to minutely to make planning effective.

(iii) ***Determining Alternative Courses:*** The next logical step in planning is to determine and evaluate alternative courses of action. It may be mentioned that there can hardly be any occasion when there are no alternatives. And it is most likely that alternatives properly assessed may prove worthy and meaningful. As a matter of fact, it is imperative that alternative courses of action must be developed before deciding upon the exact plan.

(iv) ***Evaluation of Alternatives:*** Having sought out the available alternatives along with their strong and weak points, planners are required to evaluate the alternatives giving due weightage to various factors involved for one alternative may appear to be most profitable involving heavy cash outlay, whereas the other less profitable, but involving least risk. Likewise, another course of action may be found contributing significantly to the company's long-range objectives, although leaving the immediate expectations likely to go unfulfilled.

Evidently, evaluation of alternatives is a must to arrive at a decision. Otherwise it would be difficult to choose the best course of action in the perspective of the company needs and resources as well as objectives laid down.

(v) ***Selecting a Course of Action:*** The fifth step in planning is selecting a course of action from among the alternatives. In fact, it depends decision-making to decide upon the plan to be adopted for accomplishing the enterprise objectives.

(vi) ***Formulating Derivative Plans:*** To make any planning process complete, the final step is to formulate derivative plans to give effect to and support the basic plan. For example, if Indian Airlines decides to run Jumbo Jets between Delhi and Patna, obviously, a number of derivative plans have to be framed to support the decision, e.g. a staffing plan, operating plans for fuelling, maintenance, stores purchase, etc. In other words, plans do not accomplish themselves. They require to be broken down into supporting plans. Each manager and department of the organisation has to contribute to the accomplishment of the master plan on the basis of the derivative plans.

(vii) ***Numberizing Plans by Budgeting:*** After decisions are made and plans are set, the final step to give them meaning is to numberize them by converting them into budgets. If done well, budgets become a means of adding together the various plans and also important standards against which planning progress can be measured.

Thus it may be seen that the process of planning proceeds along the distinct stages of premising, forecasting and decision-making.

Planning Period

Plan can be made either for the long run or intermediate run, or short run. But there should be some logic in selecting the right time range for the company planning. A company should not plan for a longer period than is economically justifiable, yet it is at times risky to plan for a shorter period. The answer to the right planning period seems to lie in the "commitment principle", that logical planning encompasses a period of time in the future necessary to foresee, through a series of actions, the fulfillment of commitments involved in a decision.

What the commitment principle implies is that long range planning is not really for future decisions but rather for the future impact of today's decisions. In other words, a decision is a commitment, normally of funds, direction of action, or reputation. Hence, decisions lie at the core of planning.

The planning period will be longer or shorter depends upon the extent to which flexibility is desired to be built into the plan. The short range tends to be selected to conform to quarters or a year because of the practical need for making plans co-extensive with accounting periods. The arbitrary selection of five years or so for the long range

is often based on the belief that the degree of uncertainty over longer periods makes planning of questionable value.

Often short-range plans are made without reference to long-range plans. This is a serious error. No short-run plan should be made unless it contributes to the achievement of the relevant long range plan. Sometimes the short-range decisions, which are taken on immediate situation, not only fail to contribute to a long- range plan but actually impede or require changes in the long-range plan.

The commitment principle must be considered in the light of flexibility principle of planning. This principle applies to the building into plans an ability to change direction. The more the flexibility built into the plans, the lesser would be the danger of losses to be incurred by unexpected events.

The more planning decisions commited for the future, the more important it is that a manager periodically checks on events and expectations and redraws plans as necessary to maintain a course towards a desired goal. This is called the "principle of navigational change". This principle applies to flexibility in the planning process.

CONCEPT OF FORECASTING

Forecasting may be defined as analysis and interpretation of the future conditions in relation to operations of the enterprise. It involves looking ahead and projecting the future course of events. Forecasts may be comprehensive or limited in their scope. Managers at different levels might be responsible themselves for making forecasts, or the management may employ economists and statisticians as staff experts for the task. In the latter case forecasting experts are usually associated with top management. Since forecasts involve some amount of guess work and are always subject to a degree of error, it is essential that business executives bring to bear upon these forecasts their experience and clairvoyance.

Steps in Forecasting

Though it is difficult to lay down common elements of forecasting workable in different situations and acceptable to all, the following steps provide general guidelines:

(i) ***Identifying and Developing the Structure:*** Factors affecting future events are so complex and innumerable that it is neither feasible nor desirable to study and discover all of them. The manager and forecaster should, therefore, identify the strategic factors that materially bear upon the forecasts in hand. It calls for analysing the internal and external factors and discovering relations between them. Knowing the trend of each of them is of great help in forecasting.

(ii) ***Forecasting Future Course of Business:*** Having prepared the ground and structure on which to base different estimates, the next step is to make rational forecasts. Those responsible for forecasting make use of statistical and other techniques while projecting future business. The experience, clairvoyance and participation of management are important determinants of the quality of forecasts.

(iii) ***Analysis of Deviations:*** The next important step in forecasting is to observe the results and analyse major differences. Major deviation from predictions should be thoroughly analysed and reasons established. It helps to improve the quality of later forecasts.

(iv) ***Improving the Existing Forecasting Procedure:*** Skill in forecasting is largely gained through experience and practice. Hence, it is desirable that one should always think of improving and refining the existing procedure of forecasting. Guess-work should gradually be reduced and substituted by rational judgement and systematic analysis.

Advantages of Forecasting

It is the very basis of planning. Some of the advantages of forecasting are given hereunder :

(i) Plan is the synthesis of various forecasts, like annual, short-term, long-term, etc.

(ii) Forecasting enables the management to arrive at correct and accurate decision relating to various business matters.

(iii) Forecasting discloses those areas also where control system is inadequate and, therefore where forecsting is more necessary. It facilitates management for using proper control techniques.

(iv) As forecasting is done by a team, it facilitates team spirit in the organisation which helps planning and coordination.

(v) Forecastig ensures that all resources shall be fairly used and that future prudently assessed and provided for. This helps management to be prepared for the possible surprises.

Forecasting plays a very important role in planning. Fayol referred to planning as synthesis of various forecasts, like annual, long-term, short-term, special, etc. A large number of planning premises are based on or merged with different forecasts. Forecasts are based on postulations and assumptions and, as such, are subject to some amount of guesswork. Possibility of error cannot be completely eliminated from forecasts.

Management should, therefore, be aware of different forecasts. But limitations implied in forecasting are not so serious as to discourage business executives from attempting future projections. The fact is that management cannot do without them though there is an ever-present need for critical examination and review of different forecasts.

CONCEPT OF DECISION-MAKING

Decision-making signifies actual selection of a course of action from among a number of alternatives. It is so important to the job of managing that management is sometimes described as consisting essentially of the decision-making process. Decision-making permeates planning, organising, controlling and all other functions of management. Because of limitations in time, money, etc., management is forced to discover a number of alternatives and choose the one that is expected to contribute more with less costs and other unsought consequences to the accomplishment of some goal. Since decision-making involves selection from among the alternatives, the course of action to be followed, it is better regarded as part of the planning process.

Management has to take decisions on all types of problems and matters. Generally, decisions relating to routine matters are decentralized so that top management can concentrate on vital and strategic decisions and laying down of broad policies. It also adds to the efficiency of management if decisions related to distant future are made in advance. However, it needs to be emphasised that decision-making as a rational process should be based on systematic analysis of all pertinent facts and not guided by intuition or hunch.

Decision-Making Conditions

All organisations do not always exist in the same type of situation, and the situations do not remain the same for all decisions. Though, it is difficult to identify each and every situation and discuss it in this study lesson, we can classify various situations into three possible conditions. These are: (i) Certainty (ii) Risk (iii) Uncertainty.

(i) ***Certainty:*** This condition is present if the decision maker knows exactly what will happen. Thus, he will be able to predict the outcome precisely. For instance, if we put Rs. 1,000 in a fixed deposit for a year at 6 per cent rate of interest we will know how much interest (Rs. 60) our money will earn. When a decision is made under certainty, a manager knows exactly what the outcome will be because he knows his resources, time available, and other associated things.

(ii) ***Risk:*** The future conditions are not always known in advance. In real life, most managerial decisions are made under risk conditions, that is, some information is available but it is insufficient to answer all questions about the outcome. So a decision maker has to make probability estimates of these outcomes. How can one

assign probability estimates to various courses of action? One has to depend on past experience if the situation is similar. But no two situations are exactly similar in business operations. If probability estimates are assigned to expected outcomes on the basis of past experience, it is known as objective probability. On the other hand, if the probability estimates are assigned on the basis of what is known as "gut feel", it is subjective probability. The "gut feel" here refers to how an individual feels about the problem and the course of action to be taken to solve that problem without totally relying on past experience.

There is no rule of thumb approach in assigning probabilities to various courses of action. Some may use quantitative technique, such as expected value analysis by which the expected payoff of an action can be mathematically determined. Whatever the method used, the attitude of the decision maker becomes an essential ingredient when making decisions under conditions of risk. Some decision makers are risk takers while others are risk averters. A certain amount of risk-taking ability is essential for managerial success.

(iii) ***Uncertainty:*** Sometimes there are uncertain conditions when the decision maker feels that he cannot estimate probabilities for various alternatives or outcomes because he has no way of measuring the likelihood of those alternatives. For instance, if you are planning a trip to Kashmir and have never been there before, and have not been heard about the weather in Kashmir during winter, you may be in a predicament as to what clothes to carry and what precautions to take.

Principles of Decision-Making

A manager's effectiveness is related to the quality of his decisions. Decision-making by a manager involves arriving at conclusions and exercising judgement. In all circumstances management decisions should follow a few basic principles which are likely to ensure their soundness.

(i) ***Principle of Definition:*** A logical decision can be made only if the real problem is defined with minute attention. Too often, time and effort are wasted due to the manager's inability to pin-point what the problem or the objective is. Indeed, it would be no exaggeration to suggest that a problem well defined is half solved.

(ii) ***Principle of Evidence:*** Decisions should not be taken hastily. They must be based on evidence meaning that adequate facts must be present to back the judgement. When the facts underlying a problem are discovered and care is taken to analyse the situation, the basic work in decision-making is done.

(iii) ***Principle of Identity:*** People have different perspectives. As a result same fact appears to be different to different people. Not only that, the relative importance of the same fact differs from year to year.

It is, therefore, urged that the decision-maker should take into account different viewpoints and determine the relative significance of the time period during which the event happens. In case any decision involves two or more ersons it is adviseable to consider the views of each person. All view points should be weighed carefully and compared with other sources before a decision is taken.

Steps in Decision-Making

A manager is responsible for making decisions on matters falling within the scope of his authority. Moreover decisions that can be taken at a given level should not be generally referred to higher levels. A manager should use his skill and intelligence while deciding something because the quality of decisions made by him indicates the extent of responsibility discharged by him. Steps taken in decision-making are as follows:

(i) ***Identifying and Diagnosing the Real Problem:*** Understanding the problem intelligently is an important element in decision-making. Predetermined objectives, past acts and decisions and environmental considerations provide the structure for current decisions. Once this structure is laid, the manager can proceed to identify and determine the real problem.

Diagnosing the real problem implies knowing the gap between what exists and what is expected to happen,

identifying the reasons for the gap, and understanding the problem in relation to higher objectives of the organisation. However, sometimes symptoms are mistaken for real problem. Defining a problem is thus not an easy task. Very often it consumes a lot of time which is worth spending.

(ii) ***Discovery of Alternatives:*** The next step is to search for available alternatives and assess their probable consequences. But the number of forces reacting upon a given situation is so large and varied that management would be wise to follow the principle of the limiting factor. That is, management should limit itself to the discovery of those key factors which are critical or strategic to the decision involved. Thus, while planning for expansion of the enterprise, availability of finance or of trained staff during a short span of time might be the limiting factors.

Discovery of the limiting factors is so important to the process of decision-making that sometimes it is described as search for the strategic factors. But search for the limiting factor or factors is by no means easy. However, in any attempt to discover the strategic factors management should not lose sight of higher objectives of the enterprise, instead it should analyse the limiting factors in terms of their contribution to the accomplishment of organisational objectives.

(iii) ***Analysis and Evaluation of Available Alternatives:*** Once the alternatives are discovered, the next stage is to analyse and compare their relative importance. This calls for listing of the pros and cons of different alternatives in relation to one another. Management should consider the element of risk involved in each of them and also the resources available for their implementation. Executives should weigh each of them from the viewpoint of accomplishment of some common goals and in relation to the effort involved and results expected.

Both tangible and intangible factors should be considered while evaluating different alternatives. Tangible factors, like profits, time, money and rate of return on capital investment can be expressed numerically. Such factors are usually evaluated and compared by projecting their effects on income, expense and cost structure of the enterprise. Since such factors are analysed for the future, their evaluation is based on forecasts and estimates. It is, therefore, better if the analyst discovers the extent to which different estimates can be relied upon.

Management can afford to overlook intangible factors in situations where their effect on the course of action is negligible. However, facts like public relations, reputation, employee morale and personnel relations prove significant and cannot be ignored inspite of the difficulties to express them numerically. The analysis should, therefore, identify the relevant intangible factors and ascertain their relative importance to arrive at a judicious decision.

Sometimes, the manager is faced with a situation where two or more alternatives appear equally good or bad. In that case actual difference will be the deciding factor. Similarly, where none of the alternatives under consideration is expected to produce desired results the manager will do well to decide in favour of no action or else trace other undiscovered alternatives.

The evaluation of alternatives may utilize the techniques of marginal analysis, wherein the additional revenues from additional costs are compared. The real usefulness of marginal approach to evaluation is that it accentuates the variables in a situation and de-emphasizes averages and constants.

Alternatives can also be evaluated on the basis of cost effectiveness. It is a technique which implies choosing from among the alternatives and thus identifying a preferred choice when objectives are far less specific than those expressed by clear quantities. Cost effectiveness criteria can be made more systematic through the use of models and other techniques.

(iv) ***Selection of Alternatives to be Followed:*** Defining the problem, identifying the alternatives and their analysis and evaluation set the stage for the manager to determine the best solution. In such matters a manager is frequently guided by his past experiences. If the present problem is similar to the one faced in the past, the manager may have a tendency to decide on that very basis. Past experience is an useful guide for taking decisions in the present. But it should not be followed blindly. Changes in the circumstances and underlying assumptions of decisions in the past should be carefully examined before deciding on a problem on the basis of experience.

– *Selection on the basis of experiments*

It is sometimes argued that managers should draw conclusions on the basis of experiments. Say, a plan relating to personnel matters may be tried in a branch office before extending it to other places. Experimentation as the basis for final decision has the advantage of incorporating intangible factors and also the environmental changes. But it has the limitation of being the most expensive of the techniques and as such is generally recommended for use only when all other bases have been tried.

– *Research as the basis for decision*

Another useful basis for decision is the application of scientific method to planning and decision-making. Application of research techniques helps the manager to visualise the problem and casual relationships between different variables in mathematical terms. In the recent past, extensive research has been carried out in the field of management with a view to develop a sound theory and practices of decision-making. A number of research approaches and techniques have been developed in economics, accounting, mathematics and other disciplines which have greatly contributed to this trend. Break-even analysis, marginal contribution analysis, forecasting, capital budgeting, standard costing, sensitivity analysis, operations research and the like, provide examples of research techniques currently in use in the field of decision-making.

(v) ***Communication of Decision and its Acceptance by the Organisation:*** Once decision is made it needs to be implemented. This calls for laying down derivative plans and their communication to all those responsible for initiating actions on them. It will be better if the manager takes into account beliefs, attitudes and prejudices of people in the organisation and is also aware of his own contribution to the implementation of the decision. It is further required that subordinates are encouraged to participate in decision-making process so that they feel committed and morally bound to support the decision. At the same time management should establish effective control so that major deviation can be observed, analysed and incorporated in future decisions.

Hierarchy of Decisions

All decisions taken at all times are generally not of equal importance. The manager should, therefore, determine the importance of each decision in terms of its commitment and scope and the risk involved therein. In essence, then the manager would be able to pass on less important decisions to be made at lower echelons of management in the organisation, and this will help him to determine what kind of analysis and research is needed in arriving at a conclusion, keeping in view its importance. Thus, less important decisions can be based on simple analysis, whereas important decisions must be made after a thorough analysis of all the pertinent factors.

Decision-Making by Groups

Decision-making by groups is not a rare thing observed in business operations. Board meetings, committees, staff-meetings and conferences provide examples of decisions-making by groups. Thus, directors at the top of an organisation make decisions in their board meetings. Similarly, departmental managers or executives solve a number of problems jointly.

In what type of problems, at what level, and how, decision-making by group may be used in the organisation is a policy matter and rests with higher ups. But wherever it is resorted to, the appointing authority should lay down in explicit terms the scope and exact functions expected of the group. If properly handled, decision-making by groups or committees offers the following advantages:

(i) It improves quality of the decision since different viewpoints and opinions are reflected in it.

(ii) Coordination of departmental activities through meetings of their respective heads become easier.

(iii) Group decision-making provides opportunity for participation by individuals representing different interests

and thus it boosts their morale and motivates them for a whole-hearted cooperation in carrying out the decisions.

(iv) It provides opportunity for the training of employees and their development as future decision-makers.

Of course, group decision-making is not free from limitations. Its sailient weaknesses may be enumerated as follows:

(i) It is costly as well as a time-consuming affair and, as such, cannot be recommended particularly in situations where decisions must be made promptly.

(ii) More often differences in opinion and compromises lead to indecision.

(iii) It is also observed that group decisions help members evade their individual responsibilities.

(iv) If an individual member of the group is able to dominate discussion in the meetings, a decision so made does not represent synthesis of viewpoints of different interests.

Evaluating Decision's Importance

How important a decision is to an organization can be assessed on the basis of the appraisal of the following factors:

(i) ***Size or Length of Commitment:*** If a decision commits the enterprise to heavy expenditure of funds, or to an important personnel programme, or if the commitment can be fulfilled only over a long period, it should be subjected to suitable attention at an upper level of management.

(ii) ***Flexibility of Plans:*** Decisions involving inflexible courses of action must carry a priority over those easily changed.

(iii) ***Certainty of Goals and Premises:*** If goals and premises are fairly certain, a decision resting on them tends to be less difficult than where they are highly uncertain.

(iv) ***Quantifiability of Variables:*** Where the goals inputs, parameters and variables can be accurately quantified, the importance of the decision, other things remaining the same, tends to be less than where the inputs are difficult to quantify.

LESSON ROUND UP

- Planning is forecasting and deciding in advance of a course of action to be followed or activities to be pursued in future. It is the function of every manager.
- Predictions and assumptions about the future are known as Planning Premises.
- Forecasting is defined as an analysis and interpretation of the future conditions in relation to operations of the enterprise.
- Decision-making signifies actual selection of a course of action from among a number of alternatives.
- Decision-making by groups takes place in board meetings, committees, staff-meetings, conferences, etc. The appointing authority should lay down explicit terms regarding the scope and exact functions expected of the decision-making groups.

GLOSSARY

Pervasive	Spread throughout or widespread.
Pre-disposition	The fact or condition of being predisposed (make susceptible).

Intermesh	Caught as if in a mesh.
Contingency	A chance, accident, or possibility conditional on something uncertain.
Outmoded	Not acceptable by present standards or no longer usable.
Unified	To make or become a single unit or unite.
Mandays	A unit of measurement, especially in accountancy; based on a standard number of man-hours in a day of work.
Clairvoyance	Intuitive knowledge of things and people.
Hunch	To shove; push or jostle.

SELF TEST QUESTIONS

1. Define planning. State the chief characteristics of planning.
2. Discuss the various steps involved in decision-making.
3. How is forecasting related to planning? Briefly discuss the different steps involved in forecasting.
4. "Procedures are guides to action". Comment.
5. "Decision-making involves choosing from among alternative solutions". Comment.
6. Write notes on the following:
   (a) Policies.
   (b) Budgets.
   (c) Programme.

Suggested Readings

(1) Principles of Management — *George R. Terry*
(2) Essentials of Management — *Joseph L. Massie*
(3) A Concepts of Organisation — *Paul E. Togerson*
(4) Principles of Management — *Peter F. Drucker*
(5) Management: A Functional Approach — *Joseph M. Putti.*

Lesson 3
Organisation

LESSON OUTLINE

- Concept of Organisation
- Importance of Organisation
- Process of Organisation
- Types of Organisational Structure
  - Formal Organisational Structure
    - Line Organisation
    - Functional Organisation
    - Line and Staff Organisation
    - Project Management Organisation
    - Matrix Organisation
  - Informal Organisation Structure
- Review Questions
- Structure of Organisation
- Growth in Organisation
- Authority and Responsibility
  - Authority
  - Responsibility
  - Accountability
  - Delegation of Authority
- Centralisation and Decentralization
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Organisation pervades all aspects of our life, society, economy, as well as our personal lives. Organisations are the chief form of institutions in our society.

Let us take an example to understand it better.

When you go to take admission in a school, you have to deal with different systems and procedures. There are different departments for different things. For providing the admission form there is a different person, for fees deposit someone else is assigned, buying books would be from a different counter, etc. From a broader perspective, you can see that a school is a big organisation which works as a systematic structure wherein different people at different levels are assigned different roles which results in the performance of overall school functioning.

Therefore, organisation, a very important function of management, can be studied as a structure and also a process. It refers to the structure or framework of any work environment created collectively by the people who are engaged in pursuing a specified set of objectives. It defines the interpersonal relationships that should exist between the individuals and work on various jurisdictional levels.

Thus, the objective of this study unit is to enable the students to understand that the organisation process is much more complex than it has been traditionally assumed.

Organization structure is the pattern of relationships among the component parts of the organization.

Kast and Rosenzweig

CONCEPT OF ORGANISATION

Organisation in a formal sense refers to a collective group of persons engaged in pursuing specified objectives. The behavioural scientists and the sociologists view Organisation as comprising human relationships in group activity. It is referred to as the social system encompassing all formal relations. Another way of looking at Organisation is to consider it as an essential function of management. In operational sense, Organisation can be considered as consisting of divisions of work among people and coordination of their activities towards some common objectives.

The important steps in organising are:

(i) Identification and classification of activities of the enterprise consistent with its objectives.

(ii) Grouping those activities into workable units or departments.

(iii) Delegation of authority and placing of responsibility on the executives of the departments for carrying out the assigned activities.

(iv) Establishing superior-subordinate relationship within the departments.

(v) Making provision for effective coordination between them and establishment of definite lines of supervision.

The following are the main features of organising:

(i) It is a sub process of management

(ii) It is goal oriented. It is designed on the basis of objectives and it aims at achieving them.

(iii) It deals with group efforts.

(iv) It is based on the principle of division of work.

(v) It establishes authority-responsibility relationship among the organisational members.

IMPORTANCE OF ORGANISATION

Organisations are established to attain different goals related to different interest groups. These goals are attained through the mutual contribution of all related stakeholders. The effectiveness and efficiency of organisation helps in providing the continuity and success to the business firms. The importance of organisation can be realized in many ways, among which some are discussed as follows:

(i) ***Facilitates Administration:*** An efficient and sound organisation makes it easy for the management to relate to the flow of resource continually to the overall objectives. A sound organisation helps in providing appropriate platform where management can perform the functions of planning, direction, coordination, motivation and control.

(ii) ***Facilitates Growth and Diversification:*** A sound organisation helps in the growth and diversification of activities. The growth is facilitated by clear division of work, proper delegation of authority, etc. In short, it helps in the organisational elaboration. In case of reasonable expansion of the organisation, the functional types get replaced by a more flexible decentralized organisation.

(iii) ***Permits Optimum Use of Resources:*** The optimum use of technical and human resources gets facilitated with sound and efficient organisation. The organisation can have the facilities of latest technological developments and improvements. It also facilitates optimum use of human resources through specialization. The people in the organisation get appropriately trained and get promotion opportunities. A sound organisation provides all the desired potential and strength to the company to meet the future challenges.

(iv) ***Stimulates Creativity:*** Specialization in the organisation helps individuals in getting well-defined duties, and clear lines of authority and responsibility. It encourages the creativity of the people. The sound organisational

structure enables managers to concentrate on important issues where their talent can be exploited to the maximum.

(v) ***Encourages Synergy Effect:*** When one 'efficient' team member is able to persuade and motivate all other average team-members to work more efficiently, resulting in greater performance of the group than what it was before the motivation of all other employees, the effect is known as 'synergy effect'

A sound organisation helps in adopting efficient methods of selection, training, remuneration and promotion for employees. It makes people work in a team with synergy. Organisation helps in providing factors, like job rotation, job enlargement and enrichment to its employees. A sound organisation provides higher job satisfaction to its employees through proper delegation and decentralization, favorable working environment and democratic and participative leadership. It enhances the mode of communication and interaction among different levels of the management.

(vi) ***Transfer and Adaptation of Technology:*** Any organisation involved in the ongoing process of research enhances its level of services. In this course, it adapts the latest technologies available in the market and indirectly it also imparts these technologies to the society through its members.

PROCESS OF ORGANISATION

The steps involved in the process of an organisation are:

(i) ***Determination of Objectives:*** Organisation is usually associated with defining objectives. Therefore, it is necessary for the management to identify the objectives before begining any activity. It will assist the management in the selection of men and materials and with their help it can attain its objectives. Objectives also act as the strategy for the management and the workers. They give unity of direction in the organisation.

(ii) ***Identification and Grouping of Activities:*** When the members of the groups are to unite their efforts effectively there must be an appropriate division of the main activities. Each job should be properly classified and grouped. This will facilitate the group to know what is expected of them as members of the group and will help in avoiding any duplication of efforts. For example, the total activities of an individual industrial organisation can be separated into major functions, like production, purchasing, marketing and financing, and each such function is further subdivided into various jobs. The job assigned may be classified and grouped to ensure the useful achievement of the additional steps.

(iii) ***Allotment of Duties:*** Once the activities are categorised and grouped into various jobs categorizing and grouping the activities into various jobs, they should be allocated to the employees so that they can carry them out effectively. Each individual should be given a particular job to do according to his ability and made responsible for that. He should also be given sufficient authority to do the job assigned to him.

(iv) ***Developing Relationships:*** Since various individuals work in the same organisation it is the duty of the management to lay down the structure of relationships in the organisation. Everybody should clearly know to whom he is accountable. This will facilitate the smooth functioning of the enterprise by facilitating delegation of responsibility and authority.

(v) ***Integration of Activities:*** Integration can be accomplished in the entire activities in following ways:

(a) Through authority relationships – horizontally, vertically, and laterally.

(b) Through organized information or communication systems and with the help of effective coordination integration can be accomplished. This will enable the enterprise to achieve unity of objectives, team work and team spirit by the integration of different activities.

TYPES OF ORGANISATION STRUCTURE

There are two types of Organisation Structures:

- Formal Organisation Structure
- Informal Organisation Structure

They are discussed herein under:

Formal Organisation Structure

The formal organisation refers to the structure of jobs and positions with defined functions and relationships. This type of organisation is built by the management to realize the objectives of an enterprise.

The types of organisation employed by companies vary considerably. However, on the basis of the nature of authority and its flow, the fundamental organisation structures may be classified as follows:

(1) Line Organisation

(2) Functional Organisation

(3) Line and Staff Organisation

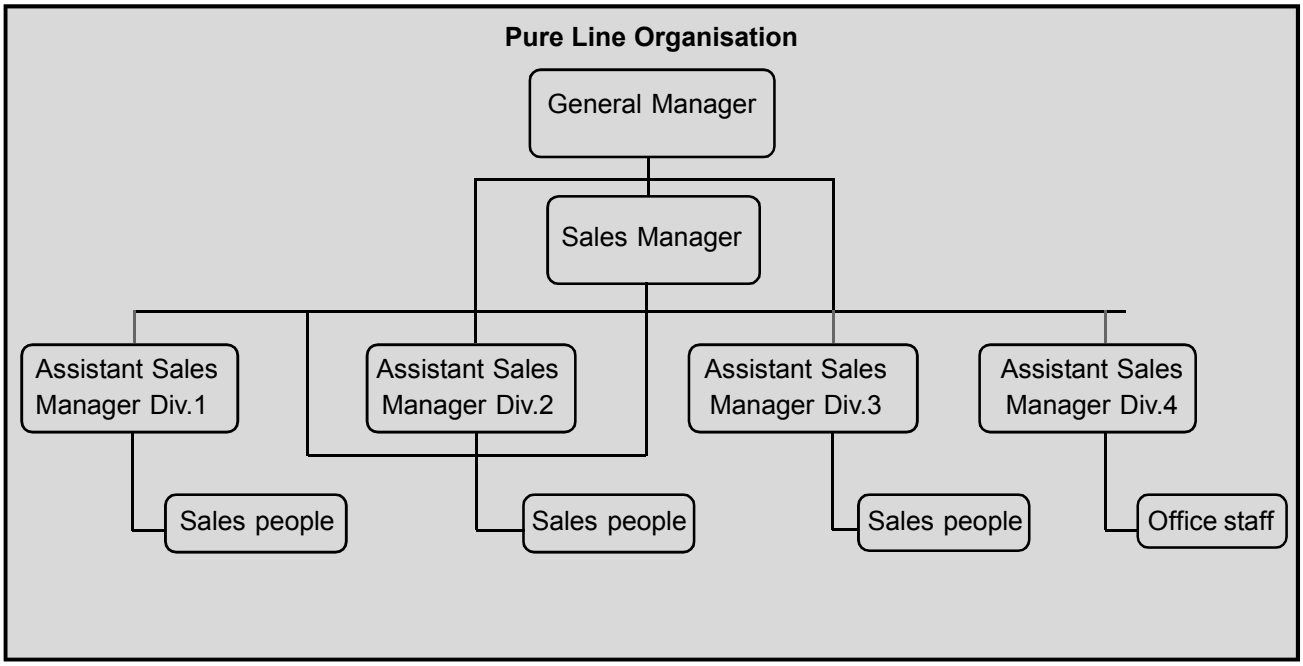
(4) Project Management Organisation

(5) Matrix Organisation.

1. Line Organisation

Historically, line type of structure is the oldest pattern of organisation. The oldest and simplest form of organisation is line origination. Line functions refer to those employees who have direct responsibility for accomplishing the objective of the enterprise. In this form of organisation, a supervisor exercises direct supervision over a subordinate, under the organisation, authority flows from the person at the top to the person at the lowest ring of the organisation. Here the chief executive leads the organisation. This form of organisation is otherwise called military organisation or scalar type of organisation.

The line organisation is Illustrated by a Figure given herein:



Benefits of Line Organisation:

(i) It is simple to work.

(ii) It is economical and effective. It permits rapid decisions and effective coordination.

(iii) It promotes unity of command and conforms to the scalar principle of organisation.

(iv) It fixes responsibility for the performance of tasks in a definite manner upon definite individuals.

(v) With a unified control and undivided loyalty, line organisation ensures excellent discipline.

(vi) It is less expensive due to non-involvement of staff personnel.

(vii) It is stable.

Weaknesses of Line Organisation:

(i) It suffers from lack of specialisation. Each department manager looks after activities of his own department only.

(ii) There is a possibility of keymen being loaded to the breaking point. Since there is no staff aid, the organisation can be seized by a strong man and run on an arbitrary basis. Such a dictatorial or arbitrary power can lead to a considerable damage to the organisation.

(iii) Such enterprises suffer from lack of expert staff to give them advice. There are occasions when the line manager is not competent enough to make decisions.

(iv) Line organisation is rigid and inflexible. Discipline is maintained to the extent that organisation is rarely allowed to change.

(v) It is based upon an autocratic system of management.

(vi) The work may be divided according to the whims of the manager rather than according to any scientific plan.

(vii) It cramps progress and prevents effective working of the unit.

(viii) It is likely to encourage nepotism *(favoritism shown on the basis of family relationship, in business and politics)*.

The Line Organisation system can be successfully utilised:

(i) Where the scale of business is small, and the number of subordinates and operative employees are not many;

(ii) In continuous process industries;

(iii) Where the work is largely of routine nature;

(iv) Where the machinery is nearly automatic and does not call for the intelligence of the foreman;

(v) Where labour-management problems are not difficult to solve.

REVIEW QUESTIONS

State True or False:

1. Line organisation is flexible and changeable.

2. Functional organisation is characterized by total absence of staff specialists.

3. In case of matrix organisation, the manufacturing department constitutes the horizontal chains of command.

4. A manager in an organisation is judged by the work he performs on his own. Hence, delegation of authority is not essential for him.

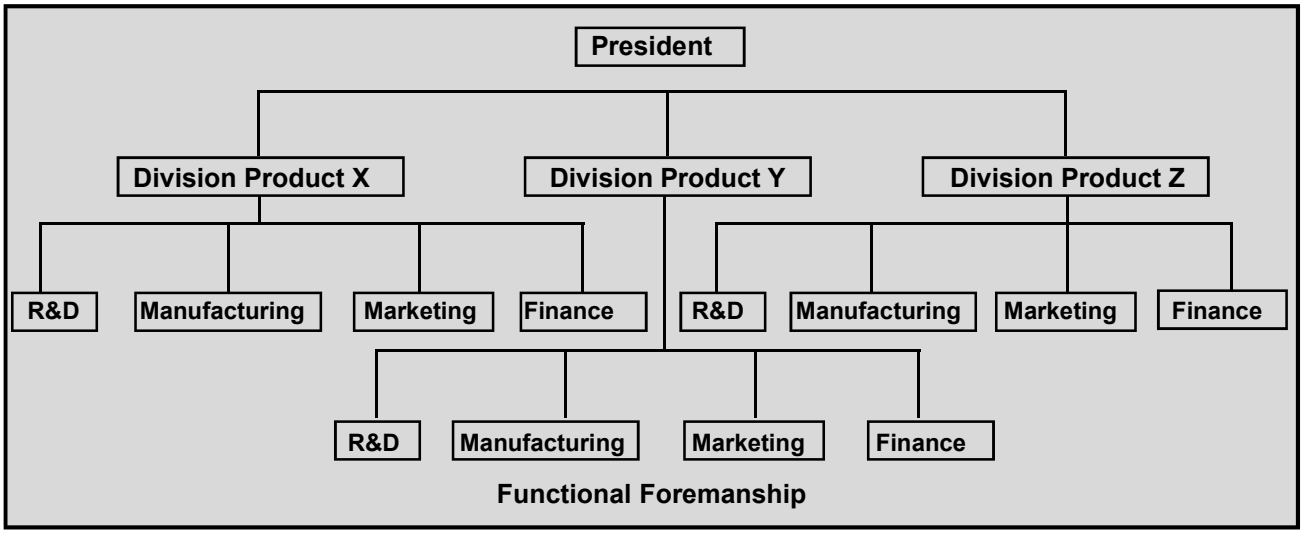
5. In decentralization, management exercises maximum control.

Answers: 1. False 2. False 3. False 4. False 5. False

2. Functional Organisation

Under this system, the whole task of management and direction of subordinates is divided according to the type of work involved. At the higher levels, the functional organisation refers to the structure that is formed by grouping all the work into major functional departments. Related and similar work is done in one department under one executive. For example, the purchaser is responsible for all purchases of the company. The scope of the work is limited but the area of authority is unlimited.

The chief advantage of functional system is that it ensures division of labour and specialisation based on individual proficiency and specialised knowledge. This makes for better utilisation of employees and development of their skills. The disadvantage of one-man control under line organisation is largely alleviated here.



Drawbacks of Functional Organisation:

(i) Because of high degree of specialisation, functional organisation is difficult to establish.

(ii) Changes in personnel often lead to instability since performance also shifts with these changes.

(iii) Specialists often operate with considerable independence so that the organisation seldom functions as a total system. As a result, control and coordination becomes difficult to achieve.

(iv) Authority and responsibility often overlap and a great deal of friction results; locating and fixing up responsibility becomes extremely difficult.

(v) Specialists usually ignore the big picture so that the deficiency of leadership is almost perennially *(everlasting)* felt.

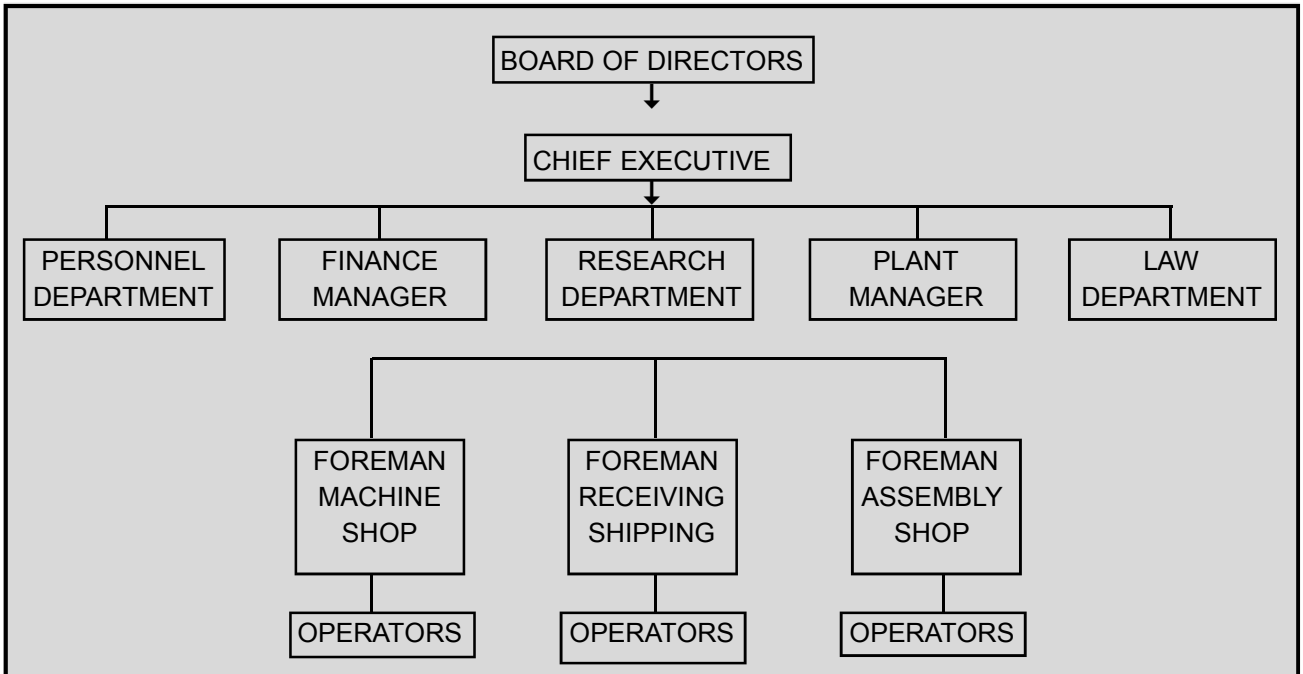
3. Line and Staff Organisation

Both the line and functional plans prove inadequate in operation. The line system concentrates on authority too much. But purely functional plan also divides it too much. The line and staff system strikes a happy balance between the two.

Under this organisation "line" is supplemented by "staff". The staff refers to officers who are not line managers but are more or less permanently detailed to special services or to the study of some phases of operations. Staff personnel thus act as an advisory group adjacent to the line.

This pattern of organisation came into being as a result of the departmental managers having to investigate, think and plan and, at the same time, perform the ordinary tasks of production and selling. Consequently, the work of investigation, research, recording, standardisation and advising, i.e., the work of experts, was wholly distinguished and separated from the routine process of manufacturing and selling. Thus, there arose a clear demarcation between 'thinking' and 'doing'; the staff being the 'thinkers' and the line being the 'doers'.

Line and staff organisation is illustrated by a Figure given below:



Simple Line and Staff Organisation

The merits of line and staff organisation are:

(i) It adds functional specialists to the pure line organisation and thus aims at combining the merits of the two.

(ii) The stability and discipline of the line organisation are preserved; only the specialist is added.

(iii) It brings expert knowledge to bear upon management. Functional specialists provide advice to the management on wide-ranging matters.

(iv) It provides for better placement and utilisation of personnel and leads to more concerted skill development.

The drawbacks are:

(i) The line and staff relationships often lead to numerous frictions and jealousies.

(ii) Line managers may depend too much on staff experts and thus lose much of their judgement and initiative.

(iii) On the contrary, the staff experts remain ineffective because they do not get the authority to implement their recommendation.

The Problem of Choice:

The problem of choosing from among the three types of organisation discussed above is not that of selecting one of them; rather it is concerned with determining the right balance among the three.

- The line structure is part of every organisation, no matter how small or simple it is. The line structure is characterised by total absence of staff specialists.
- At the other extreme is functional organisation with too much of specialisation.
- In between these two lies the line and staff organisation.

A typical organisation is generally characterised by line and staff positions in structure. It has some staff specialists vested with a degree of functional authority relating to their respective areas of specialisation over lower line managers. Some of the staff managers generally succeed in acquiring a degree of functional authority whether permitted or not. It would be judicious, therefore, to strike a balance between the line and functional authority.

4. Project Management Organisation

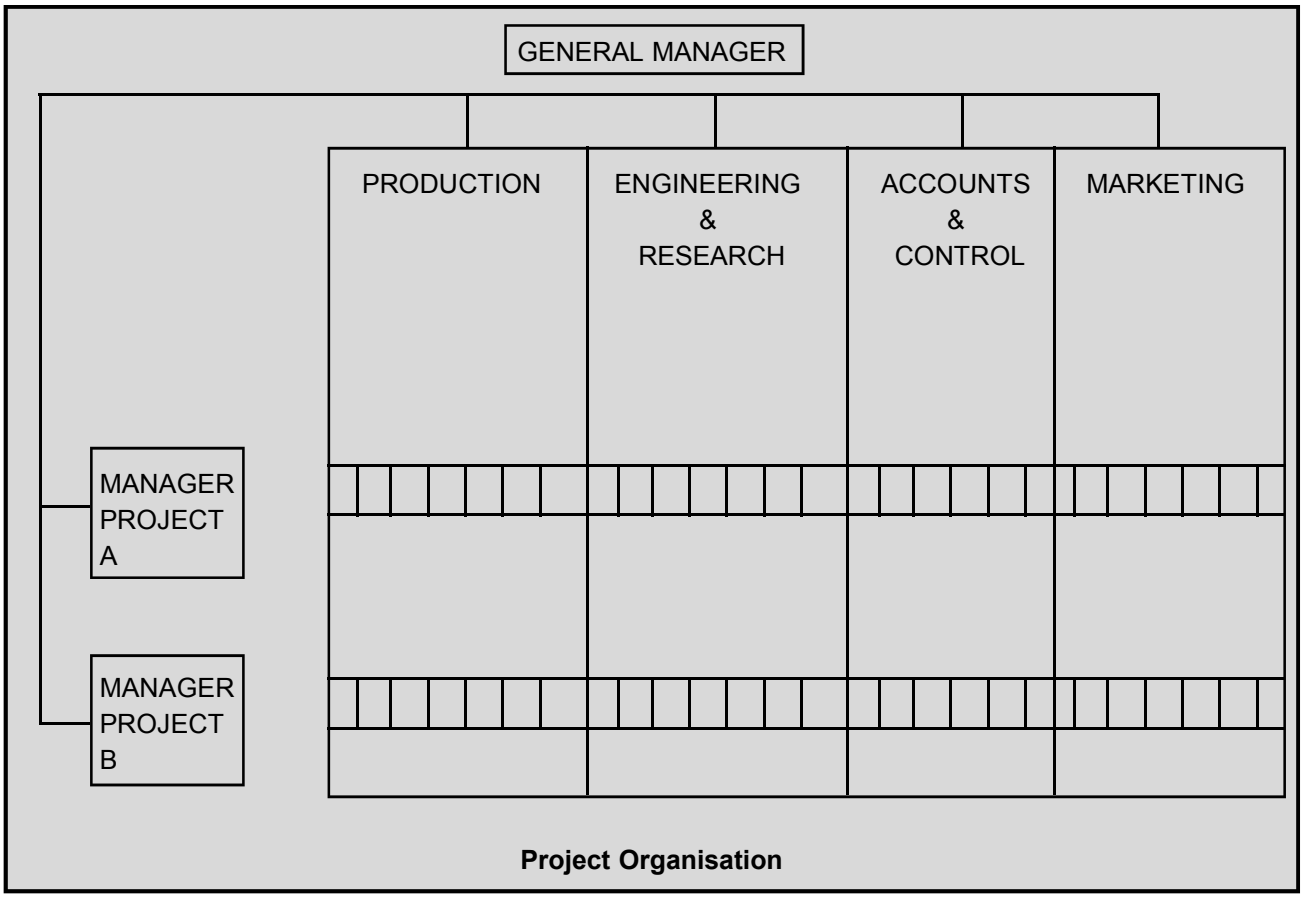
Project organisation is not a separate kind of organisation, like the line, line and staff and functional organisations; it is rather set up within an existing organisation for the purpose of completing a project or accomplishing assigned objectives in time, and within cost and profit goals as laid down by the management in this connection. Project organisation is directed by the project manager responsible for project goals.

Project management organisation may involve development and introduction of a new product, complete redesigning of an existing product line, installing a new plant, and the like. For example, 'software development' for a client.

Project organisation involves appointment of the project manager usually drawn from the middle management ranks. He is responsible for detailed planning, coordination, control and achievement of the objectives within the time schedule. Project manager operates with a team of qualified personnel drawn from different functional departments involved in the project. Moreover, project manager's authority is functional within the limits of the project. Another important characteristic of project organisation is that it is dissolved after the project work is completed.

Resulting Organisation Structure*:* The essence of project management organisation is its independent status which cuts horizontally the normal organisation structure. Since project management is usually required to take prompt decisions and actions from a number of functional areas, flow of information is largely lateral and not vertical. Thus project organisation is characterised by exceptionally strong horizontal working relationships. For instance, major product development calls for close working between the engineering, production and marketing

departments; and with employers who are at the same level in organisation hierarchy. However, frequent product changes and decisions affecting costs require communication with the superiors. Project organisation, as such does not completely rule out the possibility of vertical communication though horizontal working relationships are stronger. To be more effective, the project manager should occupy the same status in organisational hierarchy as is occupied by managers of the functional departments. This may be illustrated in the project organisation chart produced below:



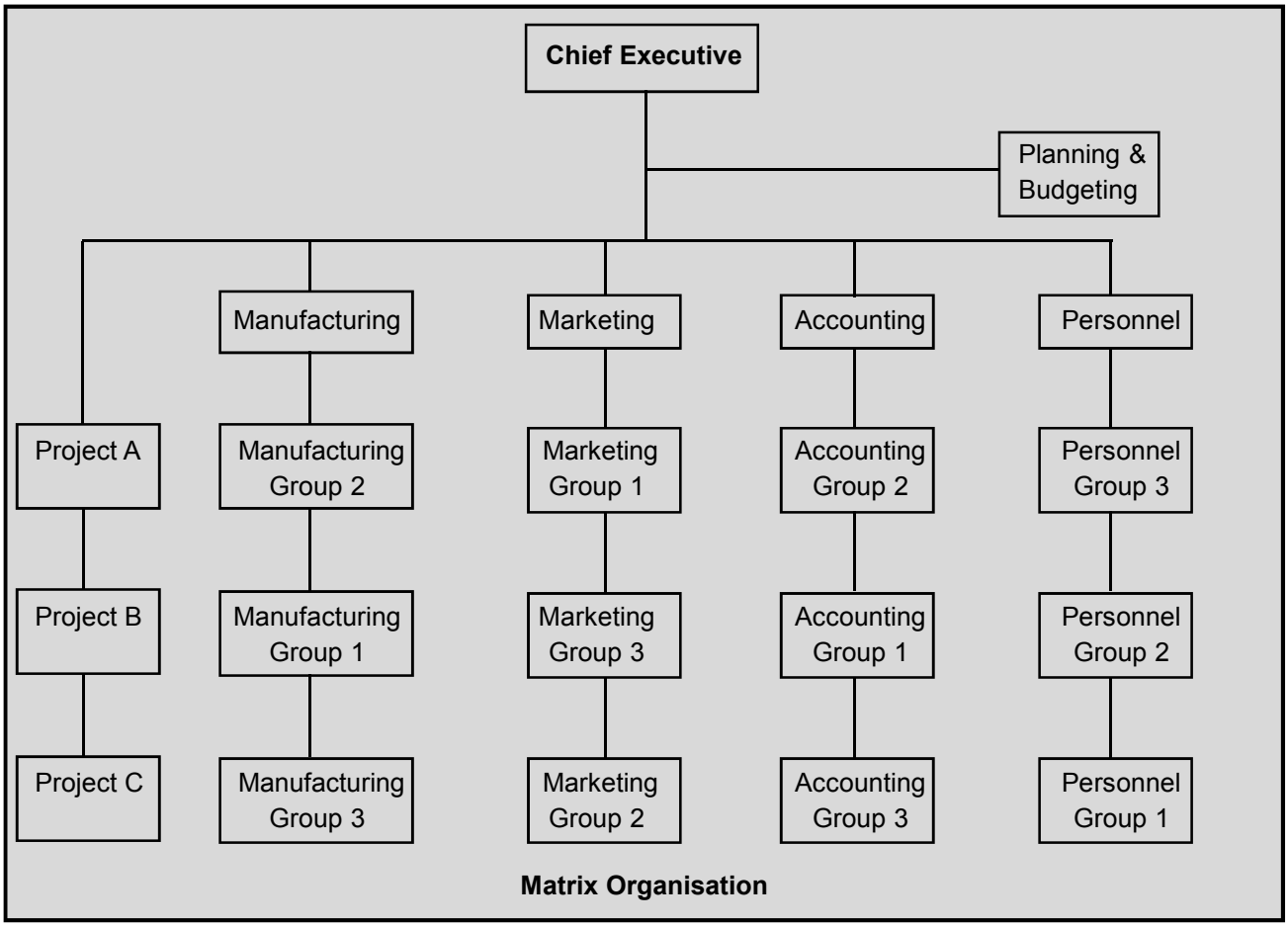
Project Organisation

5. Matrix Organisation

A newly evolving organisation structure which has received considerable attention in the West is the Matrix Organisation. It combines functional departmentation with product or project organisation.

In a matrix organisation, the functional departments, like manufacturing, marketing, accounting and personnel constitute the vertical chains of command, while the project organisation or product divisions form the horizontal chains of command. The vertical lines of authority are cut horizontally across by project or product line divisions.

The matrix or task force consists of a group of individuals, drawn from the various functional departments, who are assigned to particular projects or product divisions, and are considered best qualified for the work. The project manager or divisional manager usually reports to the Chief Executive in a line capacity. (See the given Figure of Matrix Organisation).



Matrix Organisation

Advantages and Limitations of Matrix Organisation

The matrix organisation structure is designed to derive the benefits of both the functional structure and the divisional structure. It helps to promote specialisation as well as lateral coordination and highlights the achievement of business results in each of the divisions and the organisation as a whole.

However, it suffers from several limitations. The multiplicity of vertical and horizontal relationships impair organisational efficiency. The secondment of specialists from functional departments to a number of projects makes it difficult for functional heads to appraise employee performance. Disagreement between project teams and functional departments results in the form of considerable stress on the personnel.

Informal Organisation

Informal organisation refers to the relationship between people that is not based on procedures but on personal attitudes, prejudices, likes and dislikes. There always exists an informal organisation in a formal organisation and every management has to recognise this fact.

Barnard viewed informal organisation as joint personal activity without being conscious of the joint purpose, even though possibly contributing to joint results.

Keith Davis regards informal organisation as the network of personal and social relationships which is not established or required by formal organisation. Thus informal organisation comprises of the whole set of customs, social norms and ideas by which people are influenced.

Features of Informal Organisation

Informal organisation is characterised by the following features:

(i) It develops spontaneously and is not established by formal managers.

(ii) It is based on informal authority attached to the person and not the position. Informal authority is earned and not delegated. This authority under informal organisation largely flows either upwards or horizontally.

(iii) Informal organisation represents human tendency to cut across formal channels communication informally with other parts of the enterprise.

(iv) It is all-pervasive and exists in every enterprise.

(v) Informal organisation is not always destructive, though, at times, it can make the job of management more difficult. Because of its powerful influence on productivity and job satisfaction, formal management would do well to derive benefit from the study of informal organisation.

(vi) Informal organisation cannot altogether be abolished. It is not created at the will of the formal managers. Moreover, the formal managers can not do without the conventions, customers and culture the informal organisation is strongly bound with.

Functions of Informal Groups

(i) These groups maintain and continue the cultural values and life style of the group.

(ii) They provide social satisfactions.

(iii) The group develops system of communication in order to meet wants and to keep its members informed about what affects them.

(iv) They exercise social controls by which the behaviour of others is influenced and regulated.

Problems Associated with Informal Organisation

(i) *Resistance to Change:* There is a tendency that the group may become overly protective of its life style and stand like a rock in the face of change. They are strongly bound by conventions, customs and culture.

(ii) *Role Conflict:* The quest for social satisfactions may lead members away from organisational objectives. What is good for the employee is not always good for the organisation. This would results in a role conflict. Workers want to meet the requirements of both, their group as well as of their employer, but frequently these requirements are conflicting each other.

(iii) *Rumour:* Communication in informal organisation leads to the problem of rumour.

(iv) *Conformity:* Social control of informal groups exerts strong pressures for conformity. The closer they are attached to it, the stronger its influence becomes.

Benefits of Informal Organisation

Informal systems bring a number of benefits for the employers. Informal system:

(i) Makes the total system more effective.

(ii) Lightens the work load of the management.

(iii) Helps get work done.

(iv) Tends to encourage cooperation.

(v) Fills in the gaps in a manager's abilities.

(vi) Gives satisfaction and stability to work groups.

(vii) Provides a useful channel of communication.

(viii) Provides a safety valve for employees' emotions.

(x) Encourages managers plan and act more carefully.

Control of Informal Organisation

The benefits of informal organisation will accrue only when it is properly controlled and its potential power properly channelised. The significant aspects of manager's duty in this connection are:

(i) He should recognise and reconcile himself to the existence of informal organisation.

(ii) He should influence the informal organisation so that its role is more positive and its negative aspect is minimised.

(iii) He should integrate informal organisation with the formal organisation in such a way that the former also contributes to the accomplishment of enterprise objectives.

(iv) He should make informal organisation secondary to formal organisation, and not vice versa.

STRUCTURE OF ORGANISATION

The idea of structures in an organisation is also a fundamental one. It is characterised by activity-authority relationship in an enterprise. Organisation as a structure is a consciously conceived and created pattern of tasks, roles and relationships among individual members of a group towards the accomplishment of its objectives. This pattern or network may be exhibited by way of organisation chart.

The organisation structure is not an end in itself, it is rather a means to an end. It is created to achieve certain goals, and organising in turn is done to accomplish those objectives. *Peter F. Drucker* also views organisation as a means to the end of business performance and results.

Purpose and Cause of Organising

It needs to be emphasized that structure is a means, not an end in itself. As such not only should it facilitate achievement of enterprise objectives through orderly organised group effort but it should also do the same with the least cost in terms of time, money, effort and pain. Thus, strictly speaking, the structure does not have objectives of its own, rather it is a manifestation of enterprise objectives in terms of those attributable to the specific tasks, roles and relationships.

The basic cause of organisation structure lies in the limitations of span of management. If there were no such limitations, one could have an organized enterprise with only one manager. The number of subordinates a manager can effectively manage may be a few or many depending upon one's ability, the requirements of job to be done, and the basic factors that influence time demands.

Dynamic Organisation Structure

Organisation structure should not be static. An enterprise operates under a highly dynamic environment where technological, social, political and economic setting in which it operates and the people managing the organisation are continually in a flux. This calls for adapting the organisation structure to changing conditions so that it can survive and grow. A change in economic function generally calls for redesigning the organisation structure. Intense competition may require profit decentralisation and provision of better service to the people. Economic considerations may favour vertical disintegration of particular process. Such changes in economic functions influence the organisation structure largely through interchanging the jobs. Accommodating these changes in the organisation require that the structure should be partly modified.

Developing an Organisation Structure

Designing a new organisation structure or reorganising an existing one calls for careful consideration of current practices and principles of organisation. There are, however, no such rules the application of which will lead to the best organisation structure in every situation. But the following steps can be of great help in designing a suitable structure which will help in achieving enterprise objectives:

(i) *Clear Definition of Objectives:* The first step in developing an organisation structure is to lay down its objectives in very clear terms. This will help determine the type, stability and basic characteristics of the organisation. In fact, organisation activities are detailed in terms of objectives to be achieved.

(ii) *Identifying the Activities and Grouping them into Convenient Classes:* The next important step in developing an organisation structure is an enumeration of activities necessary to achieve the objectives, their grouping in a systematic manner, assignment of such groups of activities to personnel and providing for their coordination. Wherever possible, similar functions should be combined into one position.

(iii) *Determine the Structure:* The first two steps outlined above set the stage for actual determination of the organisation structure. More specifically, the organiser has to decide about the span of supervision, types of organisation, basis of departmentation and the pattern of authority structure.

(iv) *Revise the Structure on the Basis of Assessment of Personnel and Other Resources:* The last step in developing a suitable organisation structure is to assess the capacities and abilities of the people available to man the different positions in the organisation along with other resources at the disposal of the enterprise. The ideal organisation should then be adapted to fit the reality of the situation.

Principles of organisation and steps in developing the organisation structure outlined above provide only the general guidelines that can be followed. However, each enterprise should be viewed as a separate entity and developed accordingly. It is unwise to follow a particular structural form simply because that proved more effective in one instance. Local conditions, business objectives and policies, scale of operation, nature of work, and above all character and abilities of personnel available are important factors to be considered while developing an organisation structure.

GROWTH IN ORGANISATION

Organisational growth, unlike the growth of organisms which is a natural and evolutionary process, can be planned, expedited, stabilised, controlled and even retarded keeping in view the strategic plans of action. However, taking the given growth as an objective of an organisation, it would be a worthwhile exercise to study the process of growth in organisations.

Larry E. Greiner has provided a sound theoretical framework to analyse the process of organisational growth. He argues that growing organisations move through *five relatively calm periods of evolution, each* of which *ends with a period of crisis and revolution.* According to him, “Each evolutionary period is characterised by the dominant management style used to achieve growth, while each revolutionary period is characterised by the dominant management problem that must be solved before growth will continue”.

As organisation grows from small to large size*(evolution)*, initially there is growth through the creativity of the founders who are usually technically- or entrepreneurially-oriented, but soon management problems occur that cannot be handled through the mere dedication of the founders and through informal channels of communication. A *crisis of leadership* develops.To meet this, a strong manager is appointed.*(revolution)*

This new manager takes most of the responsibility for initiating direction, while lower level supervisors get tasks carried out without enjoying any decision-making authority. As the organisation grows further *(evolution)* these lower level officers demand more autonomy. Hence, the *crisis of autonomy* occurs. To handle this situation, authority is delegated to lower level managers.*(revolution)*

But soon these levels internalise subunit goals (*evolution*) and it becomes difficult for the top manager to control and integrate their activities. So growth through delegation leads to a *crisis of control.* The need for coordination is felt.(*revolution)*

There is need for the coordination of delegates' activities as centralization at this stage is now no longer possible. So elaborate rules and regulations are developed*(evolution)* to obtain proper coordination, but this itself creates the *crisis of red-tape*

It is hoped, perhaps, that this crisis can be overcome through collaboration *(revolution).* Hence, there is growth through collaboration in which people work as teams, and social control and self-discipline take the place of formal control.

Thus, as the enterprise grows, the structure undergoes a change. The movement, in general, appears to be towards greater autonomy, flexibility and informality and is conducive to adaptiveness and innovativeness that are key to organisational effectiveness and success.

AUTHORITY AND RESPONSIBILITY

Nature of Authority

Authority may be described as the right of a manager to command subordinates, issue them orders and instructions and exact obedience from them. Authority is also the right of the manager to make decisions, and to act or not to act depends upon how he deems fit to accomplish certain objectives of the organisation.

Fayol defined authority as "the right to give orders and exact obedience", and viewed this as official authority. He also recognised that official authority vested in the job was often ineffective. Authority is greatly enhanced by personal authority comprising of intelligence, experience, moral values, leadership quality, etc. But as the key to management job, authority is conveniently described as the power to command others, to act or not to act in a manner for the purpose of achieving some objectives. An individual without authority cannot occupy the position of a manager. It is authority that makes the managerial position real and vests in him the power to order his subordinates and secure necessary compliance. In an organisation with a chain of superior-subordinate relations authority acts as the binding force and provides the basis for responsibility. Mooney[1] described authority as "the supreme coordinating power". Delegation of authority is one of the important means of securing coordination in the organisation. Without authority there would be no superior-subordinate relations and there would be chaos and anarchy in the organisation.

Authority to command obedience is also known as the official authority or authority of position which a manager enjoys by virtue of his position in the organisation. But a person may have the ability to influence the behaviour of other people in the organisation. This is known as personal authority of the manager. Official authority of a manager becomes more effective when it is supported by his personal authority. Very often managers are found avoiding the term authority because of the impression of power associated with it and speak of having responsibility delegated to them, though it is authority which is delegated and not the responsibility. Similarly, authority should not be confused with unlimited power. It should thus be clear that authority consists of certain permissions or rights to act for the enterprise in some specified area.

Responsibility

Very often we hear statements, like 'delegating responsibility', 'carrying out a responsibility', 'discharging a responsibility', 'possessing responsibility'. Such statements are a pointer to the fact that responsibility is a term clogged with variety of meanings in the field of management. It is frequently described as an obligation on the part of manager to perform a task himself. Those who accept the task should be held responsible for their performance

1. The Principles of Organisations by J.D. Mooney.

as well. The basic essence of responsibility is obligation. However, in the context of hierarchical relations in the organisation, responsibility may well be described as the obligation of a subordinate to perform the duty or tasks assigned to him. Responsibility should then be construed in relation to a person and no other object. Implied in this is also the assumption that responsibility is founded on and emanates from superior-subordinate relations established in the organisation. Thus a manager has the right to get the assigned duty performed properly by his subordinate. Moreover, he should ensure that the authority delegated to the subordinate gets properly discharged. From the above, it follows that authority flows downwards, whereas responsibility is exacted upwards.

Emergence of informal leadership sometimes creates problems in clearly defining responsibility of the subordinates. Thus, where the assistant sales manager is influenced by the production manager and looks forward to him for guidance, the basic structure is altered, though formally sales manager's responsibility to Chief Executive does not change and assistant sales manager remains equally responsible to the sales manager.

Accountability

Accountability denotes answerability for the accomplishment of the task assigned by the superior to his subordinate.

It is to be noted that the process of delegation is not at all complete with just assigning the duty and delegating appropriate authority for the accomplishment of the task. The process of delegation becomes complete only by making the delegatee answerable to the superior for his functioning.

Thus, if the publicity manager of a company is assigned the task of formulating and implementing a mass publicity plan for a new product, he is answerable for its effectivity. Similarly, production managers are answerable about the production, sales managers about sales and purchase managers about the purchase of raw materials. It may be mentioned that in all cases, managers delegate their authority to the subordinates creating a particular responsibility and keeping them answerable to them for the accomplishment of the job. In this way, authority goes downwards in the line making everyone accountable for the duty assigned.

Authority – Power Continuum

The limits to formal authority are sometimes explained by making a distinction between authority and power. It is suggested that authority may be regarded in the official hierarchical sense as the right to command and power may be regarded as the capacity to influence the behaviour of others. In reality, managers having authority may be found also to have power to secure obedience in different proportions. At one extreme, right and capacity may be combined in equal proportions, while at another extreme right and capacity may be completely separable. For instance, the head of a division of the Army usually combines authority and power more completely. On the other hand, the foreman of a printing press may have authority over skilled subordinates but may not be able to wield power equally over them in view of the subordinates' superiority of skill. Hence, one should consider authority and power constituting a continuum.

Balance of Authority, Power, Responsibility and Accountability

Ideally, authority, power, responsibility and accountability should be equal to one another in every position in the firm. When any one is out of balance with the other, problems can arise. When authority in a position exceeds power, the person holding the job can't be effective. He will be unable to use rewards and punishments to enforce authority. Even where authority and power are equal, they must be matched by responsibility and accountability. Otherwise, the position holder may pass the buck to someone else, when his actions cause problems.

Delegation of Authority

Delegation is an administrative process of getting things done by others by giving them responsibility. Authority

is the degree of discretion conferred on people to make it possible for them to use their judgment. As the organisation grows there is a need to delegate authority to more and more people to cope with the volume of work. Delegation of authority entails the division of work load and the sharing of responsibility.

A single individual cannot manage and control every activity of the business enterprise owing to his limitations, both physical and mental. There is a limit upto which a person can supervise the subordinates. When the number of subordinates increases beyond a limit, he will have to delegate powers to those who will perform supervision for him. A manager is not judged by the work he performs on his own but by the work he gets done through others. He assigns duties and authority to his subordinates and ensures that the organisational goals are achieved. Degree of delegation really depends upon manager's degree of management capabilities.

Various advantages of delegation of authority make a manager delegate some of his authority. A clearly defined authority-responsibility relationship helps the manager in maintaining healthy relationship with the subordinates. It enables the manager to get the benefit of specialised knowledge and paves the way for efficient functioning of the organisation. Delegation is a basic administrative technique essential for management of business enterprises. No organisation can ever function if authority is not delegated. While delegating authority, the manager does not delegate responsibility.

Process of Delegation

Irrespective of the level at which authority is passed on to subordinates, the delegation of authority can be conceived as a four-step process. The steps are listed below:

(i) ***Allocation of Duties:*** Duties are the tasks and activities that a superior desires someone else to do. So, before authority can be delegated, the duties over which the authority relates must be allocated to subordinate.

(ii) ***Delegation of Authority:*** The essence of the delegation process is empowering another person to act on behalf of the manager. This denotes passing on the formal rights to act on behalf of another.

(iii) ***Assignment of Responsibility:*** When authority is delegated, one must assign responsibility along with it. That is, when one is given "rights", one must also be assigned a corresponding "obligation" to perform. Here it is important to recognise the importance of equating authority with responsibility. To allocate authority without responsibility creates opportunities for abuse, but no one should be held responsible for what one has no authority over.

Now a question may arise as to when responsibility cannot be delegated, how can its parity with authority be ensured? Actually, one has to recognise two forms of responsibility: operating responsibility and ultimate responsibility. While the former can be delegated the latter is absolute.

(iv) ***Creation of Accountability:*** To complete the delegation process, the manager must create accountability; that is, subordinates must be held answerable for the discharge of the duties assigned to them and the judicious use of authority delegated.

Thus, duties, authority and obligation constitute three important ingredients of delegation. All the three aspects of delegation are interrelated. Hence, a change in one will call for an adjustment with others.

Barriers to Delegation

- Fear of loss of Power
- Certain personal attitudes
- Lack of ability to direct well

Principles of Delegation

Delegation does not always work as smoothly as the manager might expect it to. To overcome weak delegation

and to make delegation more effective, certain guides, rules or principles are enunciated and followed. Some of the important principles are discussed below:

(i) ***Clarity of Delegation:*** Whether specific or general, written or unwritten, delegation of authority must be very clear in terms of its contents, functional relations, scope and assignments. The delegatee should also be given a clear idea about the tasks assigned, what is expected of the recipient in his own job and how his obligation fits into the general plan. Ambiguity in delegation often leads to poor results and tends to make the delegation less effective.

Principle of clarity of delegation also implies defining in clear terms the horizontal and vertical relationships of the position of each subordinate to the other positions in the organisation. That is, every subordinate must know what position in the organisation structure exists at his own level and how his position fits in the overall management hierarchy. Thus, every manager must know who are working under him and who are occupying positions higher than him in the organisation. This helps him to seek guidance and also to provide guidance in terms of scalar chain established in the organisation.

Specific written delegations help both the manager as well as the recipient of authority. It helps to minimise conflicts and overlaps. But as one goes up the echelons of organisational structure, such specific delegations become more and more difficult.

Principle of clarity of delegation should not be taken to mean that authority relations between the subordinates and the seniors once established become immutable. As a matter of fact, with change in the work itself, authority delegations should be adequately modified.

(ii) ***Delegation to be Consistent with Results Expected:*** A manager before proceeding with actual delegation of authority to the subordinate should know the jobs and results expected of such delegation. He should thereafter delegate only that much authority which is just sufficient to accomplish the results. It is an important guiding principle of delegation and rests on the assumption that goals are set and plans made in advance, and that jobs are set-up to accomplish or implement them. This principle also helps to minimise the dangers of delegating too much or inadequate authority.

(iii) ***Responsibility cannot be Delegated:*** Obligation to accomplish the assigned task is absolute and can not be partitioned when authority is delegated to the subordinate. Thus, when the chief executive of a company appoints a sales manager to look after sales, the former does not absolve himself of his responsibility for the same by delegating part of his authority to the latter. The chief executive even after delegation still remains accountable to the Board of Directors for management and supervision of the whole of the enterprise. If this principle is violated, three important consequences will follow:

- If the manager is able to pass on obligation along with delegation of authority to the subordinates, the rule of single chain of command will be violated.
- Management at the top shall have great responsibility and yet not be accountable for the results.
- When manager is allowed to delegate even his own obligation, there shall be no way of knowing who is accountable for what.

Thus, when authority is delegated, obligations are not passed down the organisation; rather new responsibilities are created at each level.

(iv) ***Parity of Authority and Responsibility:*** Whenever authority is delegated, responsibility steps in and is co-extensive with authority. A subordinate can be held accountable for the tasks assigned to him and to the extent authority delegated for their accomplishment. Accordingly, sales manager cannot be held responsible for production failures for which he was given no authority. Since both authority and responsibility relate to the same assignment, it is logical that the two should be co-extensive. But this parity is not a mathematical one.

There are writers who have challenged the merit of equating responsibility with authority. While accepting the element of truth in this principle, they have raised certain difficulties inherent in the parity. Firstly, duties are concerned with objectives and activities, obligations with attitudes, and authority is related to rights. All the three things are related but lay down different orders. Indeed, it is difficult for the manager to express them through some common denominator and measure their equality. Moreover, authorities and rights which are passed on to the subordinates are subject to substantial restrictions both from within and also from outside the enterprise. These restrictions make it difficult for the executive to measure equality of authority and responsibility. Besides, some managers are prompted to develop a tendency to cover up their failure under the pretext of lack of desired authority. Thus, the principle of parity of authority and responsibility, though by and large correct is unfortunately an over simplification and "is likely to bring more mischief than good".

(v) ***Exception Principle:*** A manager can delegates authority to the subordinate to relieve himself of the overload which he thinks can be passed on, in order to push down the process of decision-making as near the source of information and action as possible. In such a case, it is expected that the recipient of authority shall make proper use of it and make all the decisions falling within the scope of his authority. Only in exceptional cases when he fails to make the decision at his level, he should refer the matter to higher-ups for consideration and decision.

By delegating a part of his authority to the subordinate, the manager does not absolve himself of his responsibility. It is, therefore, essential that the manager should device suitable techniques of control so as to ensure that the authority is properly used and results are achieved as expected. Controls should not interfere with the authority; rather report the deviations promptly. In the same way, managers should reward those subordinates who use their authority successfully.

Authority once delegated can always be recovered by the delegator. Change in the company policy and programme and objectives, or in the organisation structure are some of the factors that may create the need for recovery of delegated authority.

In an organisation such problems also arise which require pooling the authority of two or more managers together before final decisions can be taken. Thus, on a number of occasions the production department has to seek concurrence of the sales department before effecting any major change in the product design. This pooling together of the authority of two or more managers to solve a problem or take a decision is described as splintered authority.

(vi) ***Principle of Functional Definition:*** To develop departmentation, activities must be grouped to facilitate the accomplishment of goals, and the manager of each sub-division must have authority to coordinate its activities with the organisation as a whole. Principle of functional definition also says that the more a position or a department has clear definition of results expected, activities to be undertaken, organisation authority delegated, and authority and informational relationships with other positions understood, the more adequately the individual responsible can contribute towards accomplishing enterprise objectives.

(vii) ***Scalar Principle:*** It says that the more clear the line of authority from the top manager in an enterprise to every subordinate position, the more effective will be the responsible decision-making and organisation communication. Subordinates must know who delegates authority to them and to whom matters beyond their own authority must be referred.

(viii) ***Principle of Unity to Command:*** According to this principle, the more completely an individual has a reporting relationship with to a single superior, the lesser will be the problem of conflict in instructions and the greater the feeling of personal responsibility for results. Therefore, in case of delegation, except for the inevitable instances of splintered authority, the right of discretion over a particular activity will flow from a single superior to a subordinate. Thus, delegation will be more effective when the subordinate receives orders and instructions directly from one senior. This avoids the problem of confusion, preferences and divided loyalty.

CENTRALISATION AND DECENTRALISATION

Centralisation refers to the tendency to withhold a larger part of formal authority at higher echelons of management hierarchy. Thus, larger number of decisions more important to them are made by those occupying higher positions in the organisation. On the other hand, larger part of the authority is delegated down the levels of management so that decisions are made as near the source of information and action as possible, such a tendency and characteristic in the organisation is described as decentralisation. Place of decision-making authority in the management hierarchy and degree of the decision-making power at lower echelons of the organisation are the two important tests used to determine whether mode of working is centralised or decentralised in the organisation. The greater the number of decisions made and the more the functions affected by decisions at lower levels, the greater will be the degree of decentralisation.

Decentralisation should not be confused with delegation of authority. Decentralisation is basically concerned with attitude and philosophy of the organisation and management. It is not merely a process involving the handing over a part of the authority to the subordinates. Delegation is a process and decentralisation is the situation produced by larger delegation of authority down the levels of organisation. Moreover, a company cannot do without delegation, i.e., delegation of authority is essential in as much as no organisation is possible without delegation. Decentralisation is not of that much compulsion to the process of organisation. Thus, there may be delegation without there being decentralisation.

Advantages of Decentralisation

Advantages of decentralisation become the limitations of centralisation:

(i) Decentralisation makes for quick decision and improves quality of the decisions by pushing decision-making closest to the situation.

(ii) Decentralisation helps improve effectivity of managers. Development of self-reliant managers is encouraged. Every manager knows what he is expected to do. Good managers are tested and can be encouraged, whereas weak managers can be counselled and reprimanded.

(iii) Democratisation of management is yet another advantage of decentralisation. Those who are governed can assert their voice and have a share in that governance.

(iv) Decentralisation provides actual work experience to a large number of middle and lower managers and thus creates a reservoir of promotable managerial manpower.

(v) Improved morale of personnel is another great advantage of decentralisation. Managers at different levels and semi- autonomous divisions are able to see by themselves the results of their own actions and ascertain their role and success.

Advantages of Centralisation

Advantages of centralisation are largely absent in a decentralised organisation and they become limitations of decentralisation.

(i) Uniformity of policy and procedure can strictly be enforced since decisions and controls are largely centralised.

(ii) Centralisation helps to eliminate overlapping or duplicate activities and thus effects sufficient cost savings.

(iii) Centralisation helps in fuller utilisation of talents of outstanding executives for enterprise as a whole.

(iv) Centralisation ensures consistency in operating and uniformity in decision and consequently, helps to retain substantial control over activities of the enterprise.

Decentralisation is not an easy process. Both centralisation and decentralisation have their relative merits and limitations. Evidently, it is necessary to consider each in balance with the other. Even in a decentralised company, certain functions are invariably centralised. Moreover, some tasks cannot be decentralised. Thus, compulsions of trade unions, corporate laws or financial considerations may well force a company to centralise such activities.

Factors Determining the Degree of Decentralisation

To which extent authority can be delegated largely depends on the attitude and temperament of individual managers, yet many other factors also affect it. Some such factors of overwhelming preponderance may be explained as follows:

(i) ***Importance and Significance of the Decision:*** One of the important factors determining the degree of decentralisation of authority is *costliness of the decision*. Normally, decisions which are costly in terms of money value involved or in terms of factors like goodwill and image of the establishment, employee morale or motivation tend to be centralised at the upper levels of management. In other words, it is very rare that authority for crucial decisions is delegated. Of course, the practice is not based on the assumption that people at the higher level in the managerial hierarchy do not make mistakes. It is believed, however, that higher level executives commit better fewer mistakes since they are trained and more experience, and in possession of adequate information necessary to arrive at a decision. In fact, it is observed from the mode of managerial behaviour that the determining factor in the centralisation of authority with regard to specific area or areas is the weight of responsibility since authority delegation does not implicate responsibility delegation.

(ii) ***Size of the Enterprise:*** Another pertinent factor determining of decentralisation is largely the *size of the organisation*. The larger the firm, the more decisions are to be taken. Hence a number of departments and many lelvels are included. There is no denying the fact that it becomes too difficult to coordinate all of them. Moreover, a number of executives and specialists need to be consulted in such big establishments. In essence, decisions are often delayed, though delayed decisions cost more.

Diseconomies of large size may be greatly reduced by organising the enterprise into a number of decentralised units resulting in greater economy and efficiency. Of course, exactness of the size, till now, is a controversial matter. Nothing in particular or categorically can be prescribed. But it is to be appreciated in all circumstances that the size of each individual unit should be so determined that departments or units are easily manageable with authority considerably decentralised.

(iii) ***Management Attitude and Philosophy:*** Decentralisation largely depends upon the character of top executives and their attitude. It may be noted that outlook and attitude of top management is, undoubtedly, a significant determinant of the extent and mode of authority dispersal. It is certain that an executive with traditional rigid outlook hardly contemplates delegating substantial authority. On the other hand, people with rational managerial temperament believe and want to rely upon participative approach of doing the work and are anxious to take maximum opportunity of individual initiative in the organisation, opt for decentralisation.

(iv) ***Control Techniques:*** Another related factor determining the degree of decentralisation is the magnitude of the desire to obtain a uniform policy with regard to such vital factors as the price of a product, service, delivery, credit, etc., which can best be practised by centralised authority. And there is no denying the fact that such a standing belief deters them from delegating authority to others - even to the executives of regional offices.

Of course, the internal advantage of uniform policy cannot be undermined altogether. But, in the same event, costs involved to centralise decisions must also be taken into account. It is further to be appreciated that centralisation is likely to arrest individual initiative and dampen the future growth of managerial personnel from within the organisation.

(v) ***Availability of Capable Executives:*** Nevertheless, availability of capable executives substantially determines the nature and extent of dispersal of authority. It is not uncommon that top executives willing to delegate authority find themselves handicapped for want of capable and qualified subordinates. Obviously, the key to safe

decentralisation is adequate training of subordinates by making them able to shoulder higher responsibility effectively. And perhaps it would be interesting to note that decentralisation provides possible opportunities to impart the training required.

(vi) ***Environment Influences:*** So far the determinants of the extent of decentralisation that have been analysed belong to the interior of the firm. But certain external forces are also significant in determining the mode of decentralising authority. There should not be any controversy over the fact that forces, like government control, national unions, fiscal policy of the government and government purchases, also, to a considerable length, determine and mould the extent and nature of decentralisation of any organisation.

In fact, these forces on many occasions deter the management of an enterprise to delegate authority down the echelon since many aspects of the functioning are virtually controlled by such external forces. Say, for example, when raw material is subject to government allocation, the extent of authority that can be given to purchase and factory managers is really a point of argument. Likewise, if pricing of any product is subject to regulation, hardly any authority could be given to sales manager to exercise and assert.

Delegation and Decentralisation

Even though both delegation and decentralisation involve dispersal of authority following are the points of distinction between the two:

Points	***Delegation***	***Decentralisation***
1. Nature	Delegation is individual. It usually involves two persons. The supervisor and the subordinate.	Decentralisation is totalistic in nature. It involves delegation from top management to the department or division of sectional level.
2. Control	Control rests with the delegator or the supervisor.	In decentralisation, management exercises minimal control. All powers are given to concerned departments or divisions or sections.
3. Need	Delegation is essential to get things done by others. Unless authority is delegated it will be difficult to assign responsibility.	Decentralization is optional because it depends upon the philosophy of management. Top management may or may not dispense with the authority.
4. Responsibility	In delegation, responsibility remains with the delegator. He can delegate authority but not all responsibility. Eventually it is the delegator who is answerable for the job.	In decentralisation, head of each department is responsible for all activities being performed under him. He is required to show better performance of the whole department. So responsibility is fixed at each department level.
5. Relationship	Delegation creates superior-subordinate relationships	Decentralization is a step towards formation of semi-autonomous units.

It can be seen from the above chart that decentralization is a fundamental phase of delegation. It is an extension of the concept of delegation. According to Allen, decentralization is the systematic effort to delegate to the lower levels all authority except that which can be exercised at central point.

LESSON ROUND UP

- In a formal sense, organisation refers to a collectivity of persons engaged in pursuing specified objectives. The behavioural scientists and the sociologists view organisation as comprising human relationships in group activity.
- A formal organisation refers to the structure of jobs and positions with defined functions and relationship. On the basis of the nature of authority and its flow, the fundamental organisation structure may be classified as Line Organisation, Functional Organisation, Line and Staff Organisation, Project Management Organisation and Matrix Organisation.
- Informal Organisation refers to the relationship between people based not on procedures but on personal attitudes, prejudices and also the likes and dislikes of people.
- Organisational growth, unlike growth of organisms which is a natural evolutionary process, can be planned, expedited, stabilized, controlled, and even retarded, keeping in view the strategic plans of action.
- Authority is a term packed with variety of meanings by theorists and management practitioners. In everyday life, authority is commonly understood as rightful power or right to command.
- Responsibility is described as an obligation to perform a task.
- Accountability denotes answerability for the accomplishment of the task assigned by the superior to his subordinate.
- According to L.A. Allen, "Delegation is the process a manager follows in dividing the work assigned o him so that he performs that part which only he, because of his unique organisational placement, can perform effectively and so that he can get others to help him with what remains".
- Centralization refers to the tendency to withhold a larger part of formal authority at higher echelons of management hierarchy.
- Larger part of authority is delegated down the levels of management, so that decisions are made as near the source of information and action as possible, such a tendency and characteristic in the organisation is described as decentralization.

GLOSSARY

Whims	An odd or capricious notion or desire or a sudden or freakish fancy.
Perennially	Lasting for an indefinitely long time.
Judicious	Using or showing judgment as to action or practical expediency; discreet or prudent.
Lateral	Of or pertaining to the side; situated at, proceeding from, or directed to a side.
Manifestation	Outward or perceptible indication or materialization.
Echelons	A level of worthiness, achivement or reputation.

SELF-TEST QUESTIONS

1. Discuss the process of organisation.
2. Compare Line, Functional, and Line and Staff Organisation. Which of these is suitable for a big manufacturing enterprise?
3. Define Project Organisation. Mention the resulting organisation structure under project management.

4. What are the advantages of Matrix Organisation structure?
5. What is delegation of authority? Explain briefly the principles of delegation.
7. What is decentralisation? Discuss the main factors affecting the degree of decentralisation in an organisation.
8. "Delegation is a must for decentralisation". Explain this statement.

Suggested Readings

(1) Management: Analysis, Concepts and Cases – *Hayness and Massie*

(2) Principles of Management – *George R. Terry*

(3) Formal Organisation: A System Approach – *Carzo and Yanou*

(4) Management – *Stoner, Freeman, Gibert Jr.*

(5) Management Theory and Practice – *J.S. Chandan*

(6) Management Principles and Practices – *Parag Diwan, L.N. Aggarwal.*

Lesson 4
Human Resource Management

LESSON OUTLINE

- Concept of Human Resource Management (HRM)
- Difference between Personnel Management and HRM
- Features of HRM
- Importance of HRM
- Limitations of HRM
- Role of Personnel Manager in an Organisation
- Qualities of HR Manager
- Functions of HR Manager
  - Managerial Functions
  - Operative Functions
  - Advisory Functions
- Concept of Recruitment
  - Sources of Recruitment
    - Internal Sources
    - External Sources
- Concept of Selection
- Training and Development
- Concept of Performance Appraisal
- Methods of Performance Appraisal
  - Traditional Methods
  - Modern Methods
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

HRM is a broad term which encompasses recruitment, selection, training and development, and performance appraisal. Let us take an example to understand the concept of HR better.

Mahesh and Rakesh both were recruited through campus interview by XZY Ltd after completing their B.Tech. They were both offered a salary of Rs. 15,000 each and designated as management trainees. Their work was to head two production units having standard process, and each manager was responsible for a certain amount of daily output.

After a few months, Mahesh got bored and quit the job, while Rakesh was very happy with the existing job and continued. Note the difference in both the cases.

Here is where the role of HRM comes into the picture. The meaning of HRM is that it is that part of management which is concerned with people at work and with their relationship with the enterprise they are working for.

Therefore, the objective of the study lesson is to enable the students to understand what HRM is and through this understand the role of a personnel manager, recruitment process, selection process, the advantages of training and career development in a professional set up, etc.

Human Resource Management encompasses those activities designed to provide for and coordinate the human resources of an organization.

Byars and Rue

CONCEPT OF HUMAN RESOURCE MANAGEMENT

Management's basic job is the effective utilization of human resources for the achievement of organizational objectives, viz., profitable operations and growth through the satisfaction of certain needs of the customers and society. It is through the combined efforts of human resources or personnel that technological, financial, physical and all other resources are utilized. Therefore, motivation of human resources is of utmost importance everywhere. The effectiveness with which various kinds of human resources are coordinated and utilised is responsible for the success or failure in achieving organizational objectives.

All the activities of any enterprise are initiated and determined by the persons who make up that institution. Plants, offices, computers, automated equipment, and everything else that a modern firm uses may be rendered unproductive except for human effort and direction. Of the tasks of management, managing the human component is the most important task, because everything else depends on how well the employees are working. The technological and material factors do frequently play a large part in the operations of a firm, yet in the ultimate analysis, it is on the quality of its people, the opportunities they get to develop and utilise their skills and the manner in which they are managed and supervised in their work that the performance of the organization depends.

The following definitions will make the concept clearer:

> "Human Resource Management is that part of management which is concerned with people at work and with their relationship with an enterprise. Its aim is to bring together and develop into effective organization the men and women who make up an enterprise and having regard for the well-bring of the individual and of working groups, to enable them to make their best contribution to its success".

"Thus, Human Resource Management is that part of the process of management specifically concerned with the people employed in an organization. Its purpose is to establish and maintain sound relations at all levels of the organization and to secure the effective use of personnel by ensuring such conditions of employment as well as to attain for these personnel social satisfaction which they tend naturally to seek within their working environment".

The word 'personnel' refers to 'the human resource' of an organization, i.e., the employees. Thus Human Resource Management is often referred to as Personnel Management *(though there are conceptual differences between the two)*. To define it, "Personnel management is concerned with all aspects of managing the human resources of an organization. More specifically, personnel management involves determining the organization's need of human resources, recruiting and selecting the best available employees, developing, counselling and rewarding employees, acting as a liaison with unions and government organizations and handling other matters related to the well being of employees." Each of these functions is necessary to some degree irrespective of nature and size of the organization. That is why, in most of the organizations, a separate department known as Personnel/ Human Resources Department is created for the effective performance of these functions.

Human Resource Management is also concerned with the human and social implications of change in internal organization and methods of working and of economic and social changes in the community".

Management must have the support of all employees. In an informative society, human resources are at the cutting edge. And it means that human resource professionals are becoming much more important in their organization.

Currently, many companies recognize the growing importance of their human resources, but a large number are conceptualizing them in strategic terms-in ways to gain a competitive advantage. But, many companies forego the opportunity to seize competitive advantage through human resource practice initiatives.

What are Human Resources?

The term human resources may be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. It is the sum total or aggregate of inherent abilities, acquired knowledge and skills represented by the talent and aptitudes of the persons employed in an organization.

Several terms have been used by various management thinkers to represent human resources. These include 'personnel', 'people at work', 'manpower, 'staff' and 'employees'. Whatever may be the term used, the human resources of an organization include all individuals engaged in various organizational activities at different levels. According to Leon C. ***Megginson,*** *"From the national point of view, human resources may be defined as knowledge, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the viewpoint of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees."*

Jucius Michael calls these resources, 'human factors', which refer to "*a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components."* Thus, human resources are multi-dimensional in nature. People working in the organization have different needs at different times. These needs may be physiological (water, food, ventilation, etc), social (sense of affiliation, belongingness etc.) and psychological (motivation, counselling, guidance, supervision, etc).

Definition of Personnel/Human Resources Management

Personnel management has come to be recognized as an inherent part of management, which is concerned with the human resources of an organization. Its objective is to maintain of better human relations in the organization by the development, application and evaluation of policies, procedures and programmes relating to human resources to optimize their contribution towards the realisation of organizational objectives. In other words, personnel management is concerned with getting better results with the collaboration of people.

French Wendell, defines *"Personnel Management is the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization".*

To quote ***Edwin B. Flippo***, *"Personnel Management is the planning, organizing, directing, and controlling of the procurement, development, resources to the end that individual and societal objectives are accomplished".* This definition reveals that personnel or human resource (HR) management is that aspect of management, which deals with the planning, organizing, directing and controlling the personnel functions of the enterprise. This definition is a comprehensive one and covers both the management functions and the operative functions. The purpose of all these functions is to assist in the achievement of basic organizational, individual and societal goals.

DIFFERENCE BETWEEN PERSONNEL MANAGEMENT AND HRM

As in any other discipline, there is a problem of semantics with HRM too. First, we have two terms, namely personnel management (PM) and HRM. Between these two terms there is a basic difference, and it is important to understand what it is.

HRM differs from PM both in scope and orientation.

- Personnel management is more administrative in nature, dealing with payroll, complying with employment law, and handling related tasks. Personnel management typically seeks to motivate employees with such things as compensation, bonuses, rewards, and the simplification of work responsibilities.
- PM is more specific in nature as it focuses on operational activities.

On the other hand,

- HRM considers workforce as one of the primary resources that contributes to the success of an organization and society. Thus it is responsible for managing the workforce by formulating policies and procedure that promote mutuality-mutual goals, mutual respect, mutual rewards and mutual responsibilities.
- HRM is more general in nature as it focuses on the developmental activities.

Similarities between PM and HRM

1. Both models emphasize the importance of integrating personnel/HRM.
2. Both models emphasize the importance of individuals fully developing their abilities for their own personal satisfaction to make their best contribution to organizational success.
3. Both models identify placing the right people into the right jobs as an important means of integrating personnel/HRM practice with organizational goals.

FEATURES OF HUMAN RESOURCE MANAGEMENT

The nature of the personnel management has been highlighted in its following features:

(i) *Inherent Part of Management:* Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organization rather than by the personnel department alone. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him. He must also take interest in training and motivating the employees and in appraising their performance for improving their quality.

(ii) *Pervasive Function:* Personnel management is a pervasive function of management. It is performed by all managers at various levels across all departments in the organization. In other words, every manager from managing director to the foreman is required to perform the personnel function on a continuous basis.

(iii) *People Centered:* Personnel management is people centered and is relevant in all types of organizations. It is concerned with all categories of personnel from top to the bottom of the organization. The broad classification of personnel in an industrial enterprise may be as follows:

- Blue-collar workers (i.e. those working on machines and engaged in loading, unloading, etc.) and white-collar workers (i.e. clerical employees).
- Managerial and non-managerial personnel.
- Professionals (such as Company Secretary, Lawyer, etc.) and non-professional personnel.

(iv) *Personnel Activities or Functions:* Personnel management involves several functions concerned with the management of people at work. It includes manpower, planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organizations.

(v) *Continuous Process:* Personnel management is not a 'one shot' function. It must be performed continuously if the organizational objectives are to be achieved smoothly. To quote G.R. Terry. "*The personnel function cannot be turned on and off like water from a faucet; it cannot be practiced only one hour each day or one day a week. Personnel management requires a constant alertness and awareness of human relations and their importance in everyday operations".*

(vi) *Based on Human Relations*: Personnel management is concerned with the motivation of human resources in the organization. The human beings can't be dealt with like the physical factors of production. Every

person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training, performance, appraisal, transfer, and promotion of subordinates. If the personnel function is performed properly, the human relations in the organization will be cordial.

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

According to ***Dirks*** "*The objectives of personnel administration include the utilization of human resources effectively, establishment and maintenance of productive and self-respecting working relationships among the participants and attainment of maximum individual development of the members in the organization.*"

According to the ***Indian Institute of Personnel Management***, *"Personnel management aims to achieve both efficiency and justice, neither of which can be pursued successfully without the other. It seeks to bring together and develop into an effective organization the men and women who make up an enterprise, enabling each to make his or her own best contribution to its success both as an individual and as a member of a working group. It seeks to provide fair terms and conditions of employment and satisfying work for those employed."*

The basic objective of human resource management is to contribute to the realisation of the organizational goals. However, the specific objectives of personnel management may be outlined as follows:

(i) To ensure effective utilisation of human resources. All other organizational resources will be efficiently utilised by the human resources.

(ii) To establish and maintain an adequate organizational structure of relationship among all the members of an organization by dividing the organization tasks into functions, positions, and jobs, and by defining clearly the responsibility, accountability, authority for each job and its relation with other jobs in the organization.

(iii) To generate maximum development of human resources within the organization by offering opportunities for advancement to employees through training and education.

(iv) To ensure respect for human beings by providing various services and welfare facilities to the personnel.

(v) To ensure reconciliation of individual/group goals with those of the organization in such a manner that the personnel feel a sense of commitment and loyalty towards it.

(vi) To identify and satisfy the needs of individuals by offering various monetary and non-monetary rewards.

In order to achieve the above objectives, human resource management undertakes the following activities:

(i) Human Resource or Manpower Planning, i.e., determining the number and kinds of personnel required to fill various positions in the organization.

(ii) Recruitment, selection and placement of personnel, i.e., employment function.

(iii) Training and development of employees for their efficient performance and growth.

(iv) Appraisal of performance of employees and taking corrective steps such as the transfer of the employees from one job to another.

(v) Motivation of workforce by providing financial incentives and avenues for promotion.

(vi) Remuneration of employees. The employees must be given sufficient wages and fringe benefits to achieve higher standard of living as this would motivate them to show higher productivity.

(vii) Social security and welfare of employees.

LIMITATIONS OF HUMAN RESOURCE MANAGEMENT

The following are the limitations of HRM:

(i) *Uncertain Future:* The future of an enterprise in any country is uncertain, i.e., political, cultural, technological changes takes place every day. This affects the employment situation. Accordingly the company may have to appoint or remove people. Therefore, HRM can only be a guiding factor. One cannot totally rely on it and perform every action according to it.

(ii) *Conservative Attitude of Top Management:* Much top management adopts a conservative attitude and is not ready to make changes. The process of HRM involves either appointing or laying off the staff. Therefore, it becomes very difficult to implement HRM in organization because top management does not support the decisions of other department many times.

(iii) *Problem of Surplus Staff:* HRM gives a clear cut solution for the excess staff, i.e., termination, laying off and VRS. However when certain employees are laid off it affects the psyche of the existing employees, and they start feeling insecure, stressed out and lose faith in the company. This is a limitation of HRM, i.e., it does not provide alternative solutions like re-training so that employees need not be laid off by the company.

(iv) *Time Consuming:* HRM collects information from all departments, regarding demand and supply of personnel. This information is collected in detail and each and every job is considered. Therefore, the activity takes up a lot of time.

(v) *Expensive Process:* The solution provided by the process adopted by the HRM incurs expenses like VRS, overtime, etc. Company has to spend a lot of money in carrying out these procedures. Hence, we can say the process is expensive.

ROLE OF PERSONNEL MANAGER IN AN ORGANIZATION

In most of the big enterprises, personnel department is set up under the leadership of personnel manager who has specialised knowledge and skills. The personnel manager performs managerial as well as operative functions. Since he is a manager, he performs the basic functions of management, like planning, organising, directing and controlling in order to manage his department. He has to also perform certain operative functions of recruitment, selection, training, placement, etc., which the other line managers may entrust him with. He has to play multiple roles in the effective management of human resources and in improving human relations in the organization. Ideally, the personnel manager should concentrate on drawing managerial attention to human problems. Just as finance assesses costs, marketing emphasizes customers, personnel is people-centered. Success of a Personnel Manager depends on the degree of his contribution to solve management problems in dealing with human resources in the organization. Though managing is the job of the every manager in the organization, yet the personnel manager has a special role to play. Some of the important roles of personnel manager in an organization in addition to the managerial and operative functions are discussed below:

(i) *Policy Initiation:* Policy initiation and its formulation is one of the important tasks of a personnel manager. The personnel manager helps the top management in the formulation of policies on wages and salary administration, transfer, appraisal, welfare activities, personnel records and statistics, working environment, etc.

(ii) *Advisory Role:* The advisory role of personnel manager is of crucial importance. Line managers are generally confronted with a variety of problems in their day to day operations. The personnel manager can offer useful advice in all these matters as he is familiar with personnel policies and practices, labour agreements, labour laws, etc.

(iii) *Linking Pin Role:* The personnel manager attempts to achieve and maintain good industrial relations in

the organization. He gives authentic information to the trade union leaders regarding the personnel policies and programmes of the enterprise. He also conveys the views of the trade union leaders to the higher management. Thus, he acts as a link between the management and the workers.

(iv) *Representative Role:* The personnel manager generally acts as a spokesman of the top management or representative of the company and communicates management policies and decisions that affect people in the organization. He can do this because he has a better understanding and can visualise an overall picture of the company's operations.

(v) *Decision-Making Role:* The personnel manager also plays an effective role in decision-making on issues related to human resources. He formulates and designs objectives, policies and programmes of human resource management.

(vi) *Mediator Role:* The personnel manger often acts as a mediator in the event of conflict between employees, or groups of employees, superior and subordinate, and even between management and employees. Thus, he attempts to maintain industrial peace and harmony in the organization.

(vii) *Leadership Role:* The personnel manager provides leadership and guidance to the workers and their groups. He ensures effective communication in the organization and influences the workers for extending their cooperation in achieving organizational objectives. He also acts as a counseller by providing advice to workers on their work and personal problems.

(viii) *Welfare Role:* The personnel manager acts as a welfare officer in the organization. As welfare officer, he is responsible for providing canteen, crèches, transport and hospital facilities, and other welfare services for the benefit of workers and their family members.

(ix) *Research Role:* The personnel manager maintains the records of the employees working in the enterprise. On the basis of records, he undertakes research in various personnel areas such as absenteeism, labour turnover, alcoholism, etc., and suggests suitable measures for their eradication to the top management.

The role of personnel management in industry is underlined by the complex and dynamic nature of environment under which the modern large-scale industries function. The task has also been facilitated by the greater recognition of the value of human resources in industry and application of human resource development (HRD) techniques by the enlightened managers in modem organizations.

QUALITIES OF A HUMAN RESOURCE MANAGER

Fayol has put the qualities required by the human resource managers into the following categories:

(i) Physical-health, vigour, address;

(ii) Mental-ability to understand and learn; judgment, mental vigour and adaptability;

(iii) Moral-energy, firmness, willingness to accept, responsibility, initiative, loyalty, tact, dignity;

(iv) Educational-general acquaintance with matters not belonging exclusively to the function performed;

(v) Technical-peculiar to the function; and

(vi) Experience-arising from the work.

The personnel manager should possess all the qualities required of a manager for the effective functioning. However, the personnel manager should possess human relations skills in greater degrees as he is to deal more with the human relations matters. To be specific, the qualities required of an effective personnel or human resource manager are listed below:

(i) The personnel manager should have human approach to human problems. His attitude towards the operative workforce should be sympathetic in dealing with their problems.

(ii) He should be alert mentally and at no time he should be caught unaware.

(iii) He should be competent to take quick decisions.

(iv) He should be honest in dealing with the employees so as to leave no scope for any kind of doubt in the minds of the employees about his integrity.

(v) He should have patience and should not lose temper easily.

(vi) He should not depend upon his formal authority too much.

(vii) He should be a good leader so as to guide the subordinates towards achieving organizational goals.

(viii) He should have a sense of social responsibility so as to help his employees to discharge their social obligations to the various segments of society.

(ix) He should be a good communicator and should be courteous in dealing with workers, trade union leaders and members of the press.

FUNCTIONS OF A HUMAN RESOURCE MANAGER

Following are the functions of a Human Resource Manager

A. Managerial Functions

The Human Resource Manager is a member of the management. So he must perform the basic managerial functions of planning, organising, directing and controlling in relation to his department. These functions are briefly discussed below:

(i) *Planning:* To get things done by his subordinates, a manager must plan ahead. Planning is necessary to give the organization its goals as well as directions to establish best procedures to reach those goals. Effective managers recognise that a substantial part of their time should be devoted to planning. For a personnel manager, planning means the determination in advance of personnel programmes that will contribute to the goals established by the enterprise, i.e., anticipating vacancies, planning job requirements, job descriptions and determination of the sources of recruitment.

(ii) *Organising:* Once the personnel manager has established the objectives and developed the plans and programmes to achieve them, he must design and develop organization structure to carry out the various operations. The organization structure basically includes the following:

- Grouping of personnel activity logically into functions or positions;
- Assignment of different groups of activities to different individuals;
- Delegation of authority according to the tasks assigned and responsibilities involved;
- Coordination of activities of different individuals.

(iii) *Direction:* The plans are to be put into effect by people. But how smoothly the plans are implemented depends on the motivation of people. The direction function of the personnel manager involves encouraging people to work willingly and effectively for achieving the goals of the enterprise. In other words, the direction function is meant to guide and motivate the people to accomplish the personnel programmes. The personnel manager can motivate the employees in an organization through career planning and salary administration by boosting employees' morale, developing cordial relationships, providing safety requirements and looking after the welfare of employees. The personnel manager must have the ability to identify the needs of the employees and the means and methods to satisfy those needs. Motivation is a continuous process as new needs and expectations emerge among employees when old ones are satisfied.

(iv) *Controlling:* Controlling is concerned with the regulation of activities "A" in accordance with the plans, which in turn have been formulated on the basis of the objectives of the organization. Thus, controlling completes the cycle as it leads back to planning. It is the observation and comparison of results with the standards and correction of deviations that may occur. Controlling helps the personnel manager to evaluate and control the performance of the personnel department in terms of various operative functions. It involves performance appraisal, critical examination of personnel records and statistics and personnel audit.

B. Operative Functions

The operative functions are those tasks or duties which are specifically entrusted to the personnel department under the general supervision of personnel manager. These are concerned with employment, development, compensation, integration and maintenance of personnel of the organization. The personnel department performs the following operative functions:

(i) *Employment*: The first operative function of personnel department is to employ the right kind and number of persons necessary to achieve the objectives of the organization. This involves recruitment, selection, placement, etc. of the personnel. Before these processes are performed, it is better to determine the manpower requirement, both in terms of number and quality, of the personnel and assess the existing strength to understand the gap and plan accordingly. Recruitment and selection depend on the sources of supply of labour and the devices designed to select the right type of people for various jobs. Induction and placement of personnel for their better performance also come under the employment or procurement function.

(ii) *Development*: Training and development of personnel is a follow up of the employment function. It is a duty of management to train each employee properly to develop his technical skills for the job for which he has been employed, and also to groom him for the higher jobs in the organization. Proper development of the personnel is necessary to increase their skills in performing their jobs and in satisfying their growth need. A good training programme should include a mixture of both types of methods. It is important to point out that personnel department arranges for training not only of new employees but also of the old employees to update their knowledge in the use of latest advancements.

(iii) *Compensation*: This function is concerned with the determination of adequate and equitable remuneration of the employees in the organization for their contribution to the organizational goals. The personnel can be compensated both in terms of money as well as by receiving non-monetary rewards. Factors which must be borne in mind while fixing the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organization to pay, wage levels afforded by competitors, etc. For fixing the wage levels, the personnel department can make use of certain techniques, like job evaluation and performance appraisal.

(iv) *Maintenance*: Merely appointment and training of people is not sufficient; they must be provided with good working conditions so that they like their work and the work-place, and thus maintain their efficiency give their best to the enterprise. Working conditions certainly influence the motivation and morale of the employees. These include measures taken for health, safety, and comfort of the workforce. The personnel department also provides for various welfare services which relate to the physical and social well-being of the employees. These may include provision of cafeteria, rest rooms, counselling, group insurance, education for the children of employees, recreational facilities, etc.

(v) *Motivation*: Employees work in the organization for the satisfaction of their needs. In many of the cases, it is found that they do not contribute towards the organizational goals as much as they can. This happens because employees are not adequately motivated. The personnel manager helps the various departmental managers to design a system of financial and non-financial rewards to motivate the employees.

(vi) *Personnel Records*: Personnel department maintains the records of the employees working in the enterprise. It keeps full records of their training, achievements, transfer, promotion, etc. It also preserves many other records relating to the behaviour of personnel, like absenteeism and labour turnover, and the personnel programmes and policies of the organization.

(vii) *Industrial Relations*: These days, the responsibility of maintaining good industrial relations is mainly discharged by the personnel managers. The personnel managers can help in collective bargaining, joint consultation and settlement of disputes, if they arise. This is because personnel manager is in possession of full information relating to personnel and has the working knowledge of various labour enactments. The personnel manager can do a great deal in maintaining industrial peace in the organization as he is deeply associated with various committees on discipline, labour welfare, safety, grievance, etc. He helps in laying down the grievance procedure to redress the grievances of the employees.

(viii) *Separation*: Since the first function of personnel management is to procure the employees, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organization is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned person is in as good shape as possible. The personnel manager has to ensure the release of retirement benefits to the retiring personnel in time.

C. Advisory Functions

Personnel/Human resource manager has specialised education and training in managing human relations. He is an expert in his area and so he can give advise on matters relating to human resources of the organization. He offers his advise to:

(i) *Top Management:* Personnel manager advises the top management in formulation and evaluation of personnel programmes, policies and procedures. He also gives advice for achieving and maintaining good human relations and high employee morale.

(ii) *Departmental Heads*: Personnel manager offers advice to the heads of various departments on matters, such as manpower planning, job analysis and design, recruitment and selection, placement, training, performance and appraisal.

RECRUITMENT

Recruitment is the process of searching for prospective employees and encouraging them to apply for the jobs in an organization. It aims at securing as many qualified applicants for jobs as possible so as to decrease the hiring ratio.

After having determined the number and kinds of personnel required, the HR or Personnel Manager proceeds by identifying the sources of recruitment and by finding suitable candidates for employment. Both Internal and external sources of manpower are used depending upon the types of personnel needed.

Meaning of Recruitment

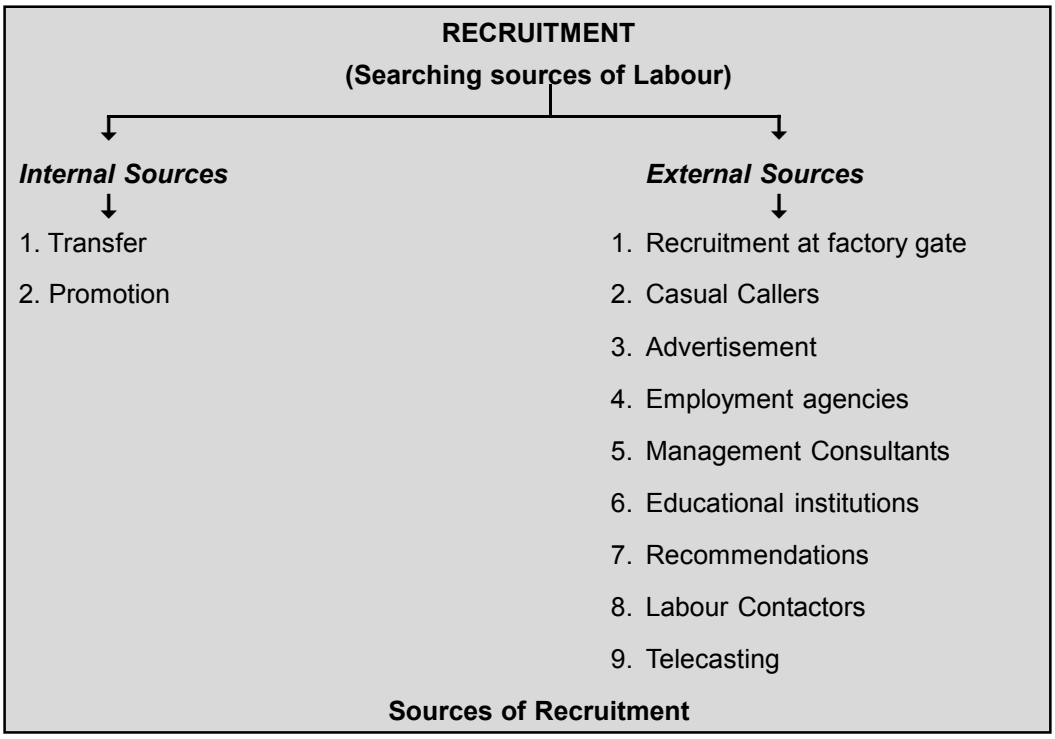
The process of identification of different sources of personnel is known as recruitment. According to ***Edwin B. Flippo***, “Recruitment is the process of searching the candidates (or employment and stimulating them to apply for jobs in the organization”. It is a linking activity that brings together those offering jobs and those seeking jobs. ***Dale S. Beach*** observed, “Recruitment is the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organization can draw when it needs additional employees.”

Recruitment is a positive function as it results in collection/pool of applicants in response to the vacancy advertised.

Sources of Recruitment

As shown below, the various sources of recruitment may be grouped into the following two categories:

- Internal sources (recruitment from within the enterprise)
- External sources (recruitment from outside)



Sources of Recruitment

Internal Sources

The internal sources of recruitment include personnel already on the pay-roll of an organization. It also includes personnel who were once on the pay-roll and wish to return, or whom the company may like to re-hire, like those who left their jobs voluntarily or were laid off. Recruitment from internal sources so as to fill up vacancies by transfer, promotion, or re-hiring previous employees, offers several advantages:

- Selection and placement of existing employees are simple and economical.
- The employer is in a better position to appraise the skill and capability of present employees accurately.
- It improves employee morale as internal promotions provide opportunities for advancement.
- It promotes loyalty among the employees.
- Persons already employed can be more easily inducted and trained for new jobs.

However, recruitment from within the organization often leads to in-breeding and prevents the 'infusion of new blood' into the organization. As promotion is based on seniority, internal recruitment involves the danger that unsuitable employees may get promoted and the really capable persons may be left behind. In any case, it narrows down the area of selection and does not provide equal opportunity to all qualified persons to be considered for the jobs. Besides, recruitment at lower levels have to be made from outside the organization.

External Sources

These sources lie outside the organization, and usually include:

- Persons introduced and recommended by present and former employees or trade unions;
- Employment Exchanges and private employment agencies;
- Open advertisements;
- Educational, technical and professional institutions;
- Contractors and jobbers;
- Gate hiring of unskilled workers;
- Casual applicants; and
- Temporary or badli workers.

Encouraging present employees to recommend candidates for employment helps management both in finding suitable candidates and in maintaining goodwill among employees. But this may also encourage family cliques and inner circles of close friends. In general, external recruitment through open advertisement provides a wider scope for selection from among a large number of candidates with requisite skill and competence. It proves to be most useful for filling up managerial positions requiring technical and professional qualifications.

Difference between Internal Sources and External Sources

INTERNAL SOURCES	*EXTERNAL SOURCES*
1. Internal recruitment is a quick process. It involves the search of candidates from within the organization	1. External recruitment is a lengthy process. It involves finding the candidates from outside the organization.
2. This process is cheaper.	2. This process is costly as vacancies have to be notified in newspapers, etc.
3. The existing staff is motivated to improve their performance.	3. The existing workers feel dissatisfied if external sources are used.
4. Choice of candidates is limited. The scope of fresh talent is diminished.	4. The business can hope for talented candidates from outside. This means infusion of new blood and new ideas into the enterprise.

SELECTION

The selection procedure starts with the screening of applications for various jobs from the interested candidates. Totally unsuitable candidates are rejected at this stage. The personnel department administers various kinds of tests to the candidates to determine if they would be able to do their jobs efficiently. Those passing this stage are called for employment interview. Candidates found suitable for employment are required to go through medical examination and reference checking. The employment process is completed when appointment letters are issued to the candidates clearing all the stages in the selection procedure.

Selection and Recruitment

Recruitment is the process of identifying sources for prospective candidates who may be stimulated to apply for job in an organization. The main objective of recruitment is developing and maintaining adequate manpower resources with the required skills upon which organization can depend when it needs additional personnel. It helps management to search for competent personnel from among the eligible qualified candidates.

As against recruitment, selection is the process of logically choosing individuals who possess the necessary skills and ability to successfully fill specific jobs in the organization.

Selection is more of a negative function because it results in the elimination of unsuitable candidates.

Basis	***Recruitment***	***Selection***
1. Meaning	It is the process of searching candidates for vacant positions and making them apply for the same.	It is the process of selection of right type of candidates and offering them jobs.
2. Nature	It is a positive process.	It is a negative process.
3. Aim	Its aim is to attract more and more candidates for vacant positions.	Its aim is to reject unsuitable candidates and pick up the most suitable people for vacant positions.
4. Procedure	The firm notifies the vacancies through various sources and distributes application forms to the candidates.	The firm makes the candidates pass through a number of stages, such as filling of form, employment tests, interview, medical exam., etc.
5. Contract of Service	No contractual relation is created. Recruitment only implies communication of vacancies.	Selection follows recruitment and it leads to a contract of service between the employer and the employee.

Significance of Selection

Selection is a critical process these days because it requires a heavy investment of money to get the right type of people. Induction and training costs are also high. If the right type of persons are not chosen, it would lead to a huge loss to the employer in terms of time, effort and money. Therefore, it is essential to devise a suitable selection procedure. Each step in the selection procedure should help in getting more and more information about the applicants to facilitate decision-making in the area of selection.

Absenteeism and employee turnover are two important problems which are generally faced by most of the organizations. The magnitude of these problems can be reduced if in future all selections are made carefully so that there are ‘round pegs in the round holes’. Whenever unsuitable employees are appointed, the efficiency of the organization goes down. Such employees shirk work and absent themselves from the work more often. They may also be compelled to leave their jobs. If this happens, all the expenses incurred on the selection and training of such employees will go waste.

Scientific selection and placement of personnel goes a long way towards building up a stable workforce. It will keep the rates of absenteeism and labour turnover low and will increase the morale of the employees. If the employees are suitable according to the requirements of the jobs, they will show higher efficiency and productivity. This will also enable the organization to achieve its objectives effectively.

The benefits of selecting right kinds of people for various jobs are as follows:

(i) Proper selection and placement of personnel go a long way towards building up a suitable workforce. It will keep the rates of absenteeism and labour turnover low.

(ii) Competent employees will show higher efficiency and enable the organization to achieve its objective effectively.

(iii) The rate of industrial accidents will be considerably low if suitable employees are placed against various vacancies.

(iv) When people get jobs of their taste and choice, they get higher job satisfaction. This will build up a contended workforce for the organization.

(v) The morale of the employees who are satisfied with their jobs is often high.

Selection Procedure

The procedure of selection varies from organization to organization and even from department to department within the same organization depending upon the kind of the jobs to be filled. The number of steps in the procedure and the sequence of steps also vary. For instance, some organizations do not hold preliminary interview, test or screening, whereas in some organizations, such as commercial banks preliminary tests are given to eliminate a large numbers of applicants. Similarly, in some cases, medical examination is given before final selection and in someothers, medical check up follows the final selection. Thus, every organization designs a selection procedure that suits its requirements. However, the main steps that could be incorporated in the selection procedure are as under:

(i) Preliminary interview

(ii) Receiving applications

(iii) Screening of applications

(iv) Employment test

(v) Employment interview

(vi) Physical examination

(vii) Checking references

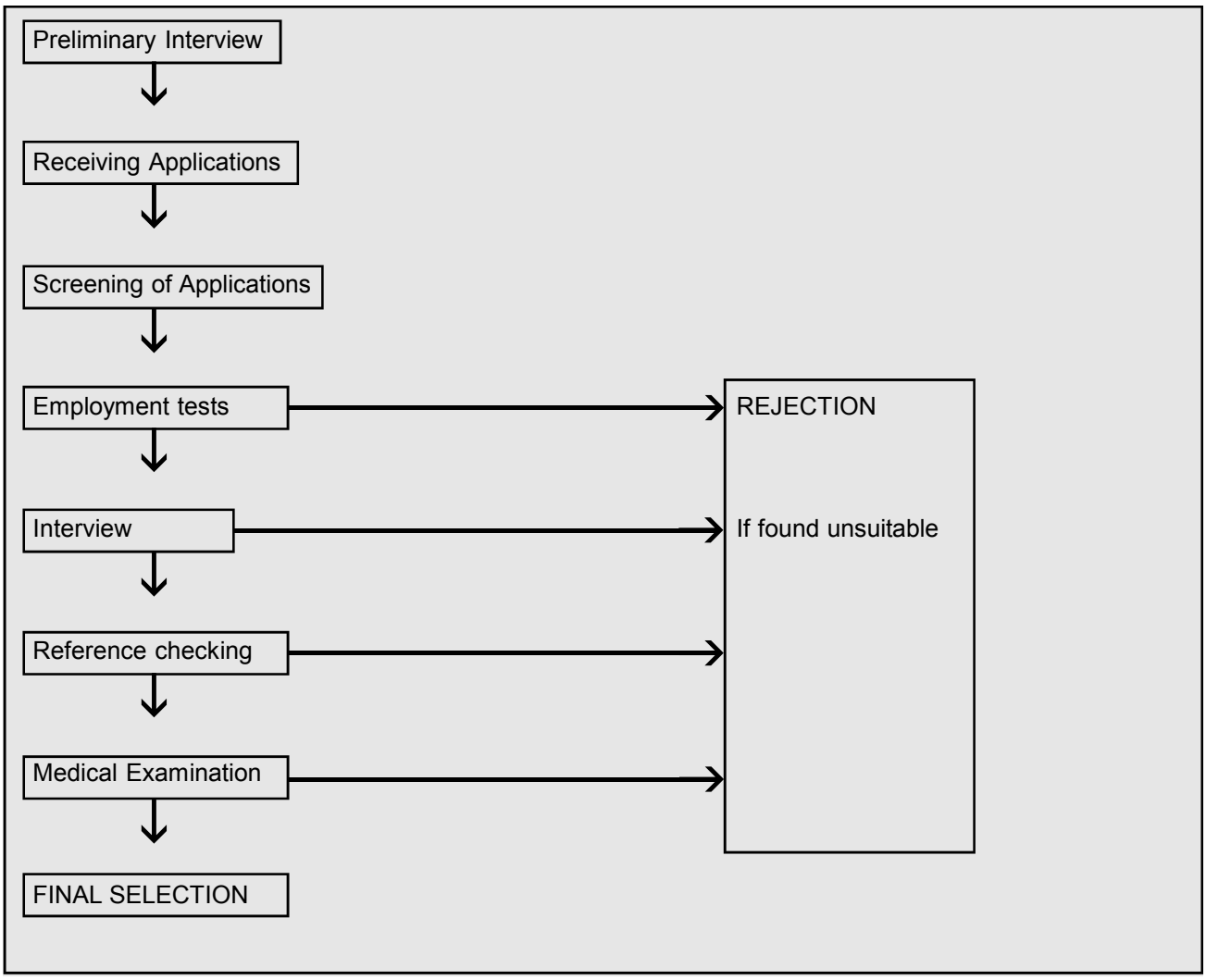
(viii) Final selection.

As shown in the figure, every candidate for a job has to clear a number of hurdles before getting selected for it. If he is not found suitable at any stage, he is not considered for the further stages. Thus, he is rejected. The successive stages in the selection process are discussed below:

(i) *Preliminary Interview*

In most of the organizations, the selection programme begins with preliminary interview or screening. The preliminary interview is generally brief and does the job of eliminating the totally unsuitable candidates. The preliminary interview offers advantages not only to the organization, but also to the applicants. If an applicant is eliminated at this stage, the organization will be saved from the expenses of processing him through the remaining steps of the selection procedure and the unsuitable candidate will be saved from the trouble of passing through the long procedure. Preliminary interview may take place across the counter in the organization's employment office. It may consist of a short exchange of information with respect to organization's interest in hiring and the candidate's enquiry. Candidates who pass this screening are usually asked to fill in the application form.

SELECTION PROCEDURE



(ii) ***Receiving Applications***

Whenever there is a vacancy, it is advertised or enquiries are made from the suitable sources, and applications are received from the candidates. Standard application forms may be drawn up for different jobs and supplied to the candidates on request. The application form is useful for several reasons. It gives a preliminary idea of the candidate to the interviewer and helps him in formulating questions to get more information about him.

The written information about age, qualifications, experience, etc. may prove to be of greater value to the interviewers. It makes the processing of applications very easy since there is uniformity in filling the data in the application form.

(iii) ***Screening of Applications***

After the applications are received, they are screened by a screening committee and a list is prepared of the candidates to be interviewed. Applicants may be called for interview on some specific criteria, like sex, desired age group, experience and qualifications. The number of candidates to be called for interview is normally five to seven times the number of the posts to be filled up. The screened applications are then reviewed by the Personnel Manager and interview letters are dispatched by registered post or under certificate of post.

(iv) ***Employment Tests***

Individuals differ in almost all aspects one can think of. They differ with respect to their physical characteristics,

capacity to work, level of mental ability and their likes and dislikes and also with respect to their personality traits. The pattern of physical, mental and personal variables gives rise to thousand and one combinations and the particular pattern makes the individual suitable for several classes of activities, jobs or fields of work. Matching of individual's physical, mental and temperamental pattern with the requirements of job or field of training is a difficult task. But where this matching takes place, the result is happiness for the individual and prosperity for the organization and the society. But instances of round pegs in square holes and *vice versa* are not rare. So before deciding upon the job or jobs suitable for a particular individual, one should find out the level of his ability, his knowledge in the field he is required to work, his interests and aptitudes in detail. This will require the use of employment tests which are listed below:

- Intelligence tests.
- Aptitude tests.
- Trade or proficiency tests.
- Interest tests.
- Personality tests.

Employment tests are widely used for judging the applicant's suitability for the job. They bring out the strengths and weaknesses of the individuals which could be analysed before jobs are offered to them. The tests must be designed properly. If the tests are biased, they will not be good indicators of one's knowledge and skills. Selections based on such tests will be faulty. That is why, tests should not be relied upon totally.

(v) *Employment Interview*

Although applications and employment tests provide a lot of valuable information about the candidate, they do not provide complete information required of the applicant. Interview may be used to get more information about the candidate. The main purpose of an employment interview are:

- To find out the suitability of the candidate;
- To seek more information about the candidate; and
- To give him an accurate picture of the job with details of the terms and conditions implied, and some idea about the organization's policies.

For the selection of right type of people, employment interview is very important. The communication skill of the candidate can be judged in such interview. His way of thinking can also be understood. Interview is very important where the candidate has to go through employment tests. The information contained in the application blank can be verified during the interview. This occasion is also utilised for testing the capability and personality of the applicant. Thus, interview affords an opportunity to develop a clear picture of the candidate. It is customary to have an interview in several stages especially for senior positions. There may be a preliminary interview by the head of the department. The final interview is taken by the Interview or Selection Committee consisting of the chairman of the organization, head of department, personnel manager and outside experts. During the interview, the members of the selection committee appraise each candidate according to the merit. At the end of interview of each candidate, the chairman consults the members and after a brief discussion finalises the grading of the candidate. After all the candidates have been interviewed, a panel is prepared. The number of persons in the panel is generally about two to three times the number of vacancies to be filled up.

A proper physical arrangement for the interview is of great importance. It enhances the reputation of the organization in the eyes of the candidates. The interview should be conducted in a room free from any disturbance, noise or interruption, so that it can be held confidentially and in a quiet environment. Another important condition for successful interviewing is that the interviewers should look ready for the meeting and the room should look

ready for a private discussion. Privacy and comfort are recognised as aids to free talk. People generally speak more freely and frankly when they are at ease and do not feel threatened.

(vi) *Checking References*

A referee is potentially an important source of information about a candidate's ability and personality if he holds a responsible position in some organization or has been the boss or employer of the candidate. Prior to final selection, the prospective employer normally makes an investigation on the references supplied by the applicant and undertakes more or less a thorough search into the candidate's past employment, education, personal reputation, financial condition, police record, etc. However, it is often difficult to persuade a referee to give his opinion frankly. The organization may persuade him to do so by giving an assurance that all information provided by him will be treated as strictly confidential.

(vii) *Medical Examination*

The pre-employment physical examination or medical test of a candidate is an important step in the selection procedure. Though in the suggested selection procedure, medical test is located near the end, but this sequence need not be rigid. The organizations may place the medical examination relatively early in process so as to avoid time and expenditure to be incurred on the selection of medically unfit persons. Some organizations either place the examination relatively early in the selection procedure or they advise the candidates to get themselves examined by a medical expert so as to avoid disappointment at the end. The physical examination should disclose the physical capabilities of the individual that are significant from the standpoint of his efficient performance in the job he is assigned to or of those jobs to which he may reasonably be expected to be transferred or promoted to. A proper medical examination will ensure higher standard of health and physical fitness of the employees and will reduce the rates of accident, labour turnover, and absenteeism.

The advantages of physical examination are:

- it serves to ascertain the applicant's physical capability to meet the job requirements;
- it serves to protect the organization against the unwarranted claims under workers' compensation laws or against law suits for damages; and
- it helps to prevent communicable diseases entering the organization.

(viii) *Final Selection and Appointment Letter*

After a candidate has cleared all the hurdles in the selection procedure, he is formally appointed by issuing him an appointment letter or by concluding with him a service agreement. Generally, the candidates are not appointed on permanent basis because it is considered better to try them for a few months on the job itself. This is because no procedure of selection is complete in itself to find out the whole picture of the personality and qualities of a candidate. It is only by observing a person at work that one can find out how he does his work and behaves with his fellow employees and supervisors. If during the probation period, an employee is found unsuitable, the management may transfer him to some other job to which he may be expected to do justice. But if the organization cannot offer him a job which he can do well, the management may either sack him or give him time and training to improve himself.

TRAINING AND DEVELOPMENT

Employee training and development are integral parts of the HR function of management. Training implies a systematic procedure whereby employees are imparted technical knowledge and skill for specific jobs. It emphasises improvements of the abilities of employees to handle specific jobs and operations more effectively. Development, on the other hand, implies an educational process aimed at the growth and maturity of managerial personnel in terms of insight, attitudes, adaptability, leadership and human relations, on the basis of conceptual and theoretical knowledge.

Training and development programmes are generally designed in accordance with the nature of the job, personnel concerned (operatives, supervisors, managers) and the purpose in view. The programmes can be broadly divided into two categories: *On-the-Job Programmes;* and *Off-the-Job Programmes.*

Training of operatives and skilled workers are mostly organised by way of: (i) Training on specific jobs; (ii) Vestibule training with separate sets of tools and equipment in a special training centre; (iii) Internship training with the cooperation of vocational training institutions; (iv) Apprenticeship training combining job experience with classroom instruction; and (v) Job rotation involving transfer from job to job on a systematic basis.

Supervisory and managerial training programmes are mostly off-the-job programmes. One or more such programmes commonly used are the following: (i) Classroom lectures; (ii) Conferences; (iii) Group discussions; (iv) Case studies; (v) Role-playing; (vi) T-group training; and (vii) Programmed instruction.

Management development programmes may consist of (i) In-basket programme for identifying executive potentials and developing decision-making abilities; (ii) Management games to develop capabilities of decision-making in a competitive situation of a realistic nature; (iii) Sensitivity training aimed at developing awareness of and sensitivity to behavioural patterns of oneself and others; (iv) Committee assignments or membership of junior boards; (v) Simulation and role-playing, and (vi) Transactional analysis for improving communication abilities, human relations and managerial interaction with subordinates.

Benefits of Training

The investments made in training benefit an organization in many ways more than one:

(i) Training helps to improve the quantity and quality of workforce. It increases the knowledge and skills of employees and improves their performance.

(ii) It helps to reduce the time and cost required to reach the acceptable level of performance. It prevents employees' obsolescence. Accidents are also reduced.

(iii) It enables the organization to fill manpower needs. Promising employees can be spotted and trained for higher level jobs.

(iv) Trained employees make better and economic use of materials and equipment. Maintenance cost is reduced and the life of machines and equipment is increased.

(v) It helps to reduce the need for constant and close supervision of workers. It facilitates "management by exception".

(vi) It helps to give more job satisfaction and boosts the morale of the employees which results in the enhancement of their earnings, provides job security and better career prospects.

(vii) It facilitates delegation and decentralisation of authority. Trained employees are willing to accept new and challenging assignments.

Benefits of Development

Similarly, the investment made in management development benefits the organization in the following ways:

(i) It prevents managerial obsolescence by exposing executives to latest concepts and techniques in their respective fields of specialisation.

(ii) It ensures that the company is staffed with a sufficient number of managers who have requisite knowledge and skills.

(iii) It ensures long-term survival and growth of the organization.

(iv) It replaces old executives with younger ones, i.e., it develops a second line of competent officers for future replacement.

(v) It creates group cohesiveness and encourages teamwork.

(vi) It ensures that managerial resources of the organization are properly and fully used.

PERFORMANCE APPRAISAL

People differ in their abilities and aptitudes. Therefore, it is necessary for management to know these differences so that the employees having better abilities may be rewarded and the wrong placements of employees may be rectified through transfers. The individual employee may also like to know the level of his performance in comparison to his fellow employees so that he may improve upon it. Thus, there is a great need to have suitable performance appraisal system to measure the relative merit of each employee.

The basic purpose of performance appraisal is to facilitate orderly determination of an employee's worth to the organization of which he is a part. However, a fair determination of the worth of an employee can take place only by appraising numerous factors, some of which are highly objective, as for instance, attendance; while others are highly subjective; as for instance, attitude and personality. The objective factors can be assessed accurately on the basis of records maintained by the Human Resource or Personnel Department, but there are no device to measure the subjective factors precisely. Notwithstanding this, appraisal of these factors must be done to achieve the full appreciation of every employee's merit.

Performance appraisal goes by various names, such as performance evaluation, progress rating, merit rating, merit evaluation.

Performance appraisal means systematic evaluation of the personality and performance of each employee by his supervisor or some other person trained in the techniques of merit rating. It implies employing of various rating techniques for comparing individual employees in a work group in terms of their personal strengths and weakness with respect to the requirements of their respective jobs. *To quote Dale Yoder, "Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees".* The comparison of performance with job requirements helps in finding out the merit of the individual employee in a work group. Rating may be done by a supervisor or an independent appraiser.

Advantages and Disadvantages of Performance Appraisal

The benefits which justify the existence of a system of performance appraisal in an enterprise are as under:

(i) A good system of performance appraisal helps the supervisor to evaluate the performance of his employees systematically and periodically. It also helps him to assign that work to individuals for which they are best suited.

(ii) Performance rating helps in guiding and improving the performance of employees. The supervisor may use the results of rating for the purpose of constructively guiding employees for the efficient performance of the work.

(iii) The ability of the staff members is recognised and can be adequately rewarded by giving them special increments.

(iv) Performance appraisal can be used as a basis of sound personnel policy in relation to transfers and promotions. If the performance of an employee is better than others, he can be recommended for promotion, but if a person is not doing well on a job, he may be transferred to some other job.

(v) Ratings can be used to evaluate the effectiveness of training programmes. Weaknesses of employees are revealed by merit rating; hence the training programmes can be modified accordingly.

(vi) Performance appraisal provides an incentive to the employees to enhance their performance in a bid to improve their rating over others.

(vii) Systematic appraisals prevent grievances and develop confidence amongst the employees if they are convinced of the impartial basis of evaluation. The records of merit rating are stored in permanent form to protect the management against subsequent charges of discrimination which might be levelled by the trade union leaders.

Performance appraisal has a beneficial effect on both the persons doing the appraisal as well as those who are being appraised. The appraisal brings prominently to the attention of supervisors or executives the importance of knowing their subordinates as human resources. The necessity of performance appraisal leads the appraiser to a thoughtful analysis of the people rated and tends to make him more alive to the opportunities and responsibilities in developing the calibre of his subordinates.

It is the general tendency to know what others feel about us, but we seldom like criticism. The objective of appraisal is to derive the point to the appraisee without inviting his resentment or his drawing back into the shell or taking a defensive attitude. Idea is to give him an insight, and that too in a way, that he takes suitable steps to improve upon his performance through constructive motivation. Thus, appraisee is helped. He then feels himself as a part of the organization and tries to put in his best. This insight helps him in changing his attitude and in moving on to the path of self-improvement.

Limitations of Performance Appraisal

Performance appraisal may sometimes not yield the desired results because of the following shortcomings:

(i) If the factors included in the assessment are irrelevant, the result of merit rating will not be accurate.

(ii) Different qualities to be rated may not be given proper weightage in certain cases.

(iii) Some of the factors are highly subjective, like the personality of the employees and the initiative taken by them. Hence, the actual rating may not be on scientific lines.

(iv) Supervisors often do not have critical ability for assessing the staff. Sometimes, they are guided by their personal likes and dislikes. In such cases ratings are likely to be biased.

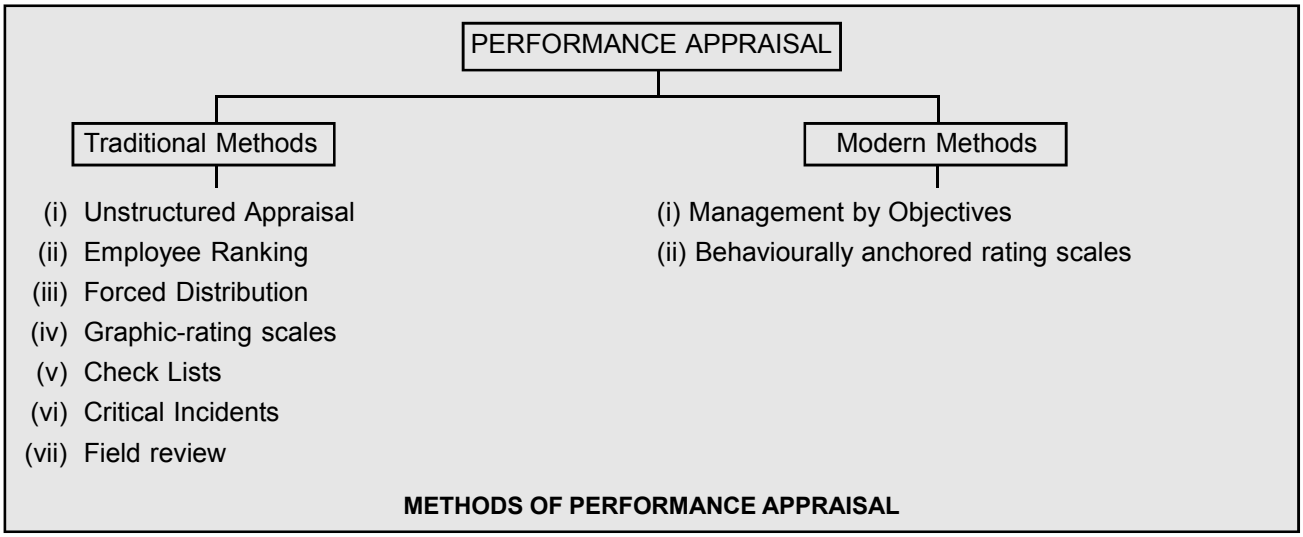
Methods of Appraisal

There are various methods of merit rating which may be classified into:

– Traditional Methods

– Modern Methods

These are shown as hereunder:



METHODS OF PERFORMANCE APPRAISAL

Traditional Methods

Traditional methods are very old techniques of performance appraisal. They are discussed below.

(i) ***Unstructured Appraisal:*** Under this, the appraiser is required to write down his impression about the person being appraised in an unstructured way. However, in some organizations, comments are required to be grouped under specific headings, such as quality of job performance, reasons for specific job behaviour, personality traits, and development needs. This system is highly subjective and has got its merit in its simplicity and is still in use, especially in the small firms.

(ii) ***Ranking Method:*** This is the simplest of all methods. The appraisal consists of ranking employees as more or less efficient by interpersonal comparison of overall qualities. This method may be conveniently adopted if the number of employees is small and work performance is measurable. The ranking thus made involves subjective appraisal of employees without any common standards.

A variant of the ranking method is the paired-comparison method, in which employees are compared and ranked in pairs. Each employee is compared with the other employees in a group, one at a time. The results of these paired comparisons are tabulated and a rank is assigned to each employee.

(iii) ***Forced Distribution Method:*** The basic assumption made for using this method is that employees are distinguishable as outstanding, above average, average, below average or poor; and their number conforms to a normal frequency distribution, e.g., 10% each in the highest and lowest categories, 20% each in the above average and below average categories, and 40% in the average category. The rater is required to distribute the employees in the five categories on the basis of their overall performance and attributes.

(iv) ***Graphic Rating Scales:*** This method is similar to the Rating- scale Method, except that the degrees of qualities or attributes on which employees are to be appraised are indicated on a graph or chart. The scale of attributes may be numerical-alphabetical or descriptive-adjective. Thus different degrees of an attribute may be stated as exceptional, above average, below average, or poor and assigned numbers as 5, 4, 3, 2, 1.

(v) ***Check List:*** Employee appraisal under this method involves listing of a number of statements about the performance and behaviour of the employee and the rater checks these statements indicating whether a statement applies or does not apply to the employee or there is a doubt. Afterwards, values (or weights) are assigned to the statements depending upon their respective importance. The final rating of the employee is taken as the average of the scale value of all statements that the rater has checked.

(vi) ***Critical Incident Method:*** This method involves employee appraisal on the basis of events or incidents and the employee's reactions to them reflecting positive or negative aspects of his behaviour. A continuous record of incidents is maintained by the supervisors and numerical scores are assigned according to the nature of employee's reaction to the particular events.

(vii) ***Field Review Method:*** Under this method, the supervisors are interviewed by an expert from the personnel department. The expert questions the supervisors to obtain all the pertinent information on each employee and takes notes in his note book. Thus, there is no rating form with factors or degrees, but overall ratings are obtained. The workers are usually classified into three categories: outstanding, satisfactory and unsatisfactory.

The success of Field Review method depends upon the competence of the interviewer. If he knows his job, he can contribute significantly to accurate appraisals. Field Review method relieves the supervisors of the tedious writing work of filling in appraisal forms. It also ensures a greater likelihood that the supervisors will give adequate attention to the appraisals because the personnel department largely controls the process. Superficial judgement can be eliminated, if the appraiser probes deeply.

Modern Methods

There are two important methods of performance appraisal which are used by the modern organizations. The

first is Management by Objectives which represents result-oriented appraisal. The second is Behaviourally-Anchored Rating Scale which is based behaviour-rating, the behaviour of the subordinates.

(i) *Management by Objectives*

It was ***Peter Drucker*** who proposed goal setting approach to performance appraisal which he called 'Management by Objectives and Self Control'. This approach was further strengthened by ***Douglas Mc.Gregor.*** McGregor was concerned with the fact that most traditional appraisal systems involved ratings of traits and personal qualities that he felt were highly unreliable. Besides, the use of such trait ratings produced two main difficulties: (1) The manager was uncomfortable about using them and resisted making appraisals, and (2) it had a damaging effect on the motivation and development of the subordinate.

Goal setting approach or "Management by Objectives" (MBO) is the same as behavioural-approach to subordinate appraisal, actually called "work planning and review" in case of General Electric Co., U.S.A. Under this approach, an employee is not appraised by his recognisable traits, but by his performance with respect to the agreed goals or objectives. Thus, the essential feature of this approach is mutual establishment of job goals. The application of goal setting approach to performance appraisal involves the following steps:

- The subordinate discusses his job descriptions with his superior and they agree on the contents of his job and the key results areas.
- The subordinate prepares a list of reasonable objectives for the coming period of six to twelve months.
- He sits with his superior to discuss these targets and plans, and a final set is worked out.
- Check-points are established for the evaluation of progress, and the ways of measuring progress are selected.
- The superior and the subordinate meet at the end of the period to discuss the results of the subordinate's efforts to meet the targets mutually established.

The goal setting approach has done away with the judgmental role of the superiors in the appraisal of their subordinates. It has led to greater satisfaction, greater agreement, greater comfort and less tension and hostility between the workers and the management. This approach is considerably superior to the traditional approach of performance appraisal. It emphasizes upon the training and development of individuals. It is problem-solving approach rather than tell and sell approach. This approach has also got a built-in device of self-appraisal by the subordinates because they know their goals and the standards by which their performance will be measured.

The goals setting approach suffers from the following limitations:

(a) This approach can be applied only when the goal setting is possible by the subordinates. It is doubtful if such a procedure can be applied for the blue-collar workers.

(b) This approach is not easy to administer. It involves considerable time, thought and interaction between the superior and the subordinate. If the span of supervision is quite large, it will not be possible for the superior to have discussion with each and every subordinate for setting up mutually agreed goals.

(c) This approach mainly emphasises counselling, training and development. It is argued that critical evaluation and modification to improve are incompatible. But, in practice, it is not possible to forego the critical aspect of performance appraisal.

(d) This approach is appropriate for the appraisal of executives and supervisory personnel who can understand it in a better way.

Operative workers cannot understand this approach and moreover, a vast majority of them do not want to take initiative in setting down their own goals.

(ii) *Behaviourally Anchored Rating Scales*

Behaviourally Anchored Rating Scales (BARS) are designed to identify the critical areas of performance for a job, and to describe the more effective and less effective job behaviour for getting results. Performance is evaluated by asking the rater to record specific observable job behaviour of an employee and then to compare the observations with a "behaviorally anchored rating scale". As a result, the supervisor will be in a position to compare the employee's actual behaviour with the behaviour that has been previously determined to be more or less effective.

Proponents of BARS claim many advantages of this approach. They argue that such a system differentiates among behaviour, performance, and results, and consequently is able to provide a basis for setting developmental goals for the employee. Because it is job-specific and identifies observable and measurable behaviour, it is a more reliable and valid method for performance appraisal.

Empirical studies of behaviourally anchored rating scales (BARS) have provided a fertile ground for study by both theorists and practitioners. The BARS experience has helped to clarify three major controversies of the appraisal process. One was the previously discussed issue of rating content (trait vs. job related). The second controversy involved the multidimensional nature of performance. The administrative uses of appraisal had encouraged rating systems to produce an overall measure of performance, which tended to mark differences in performance in the key result areas ("performance dimension") critical to job results. The third controversy involved the issue of the most effective way to anchor the rating scales (numerical or behavioural). By anchoring the scales behaviourally, the BARS approach was expected to produce more valid and reliable results by reducing measurement errors (leniency, halo effect, central tendency, and so on).

LESSON ROUND UP

- Human Resource Management is the art of acquiring, developing and maintaining a complete work force in such a manner as to accomplish with maximum efficiency and economy the functions and objectives of the organization.
- In most of the big enterprises, personnel department is set up under the leadership of personnel manager who has specialised knowledge and skills. The personnel manager performs managerial as well as operative functions. Since he is a manager, he performs the basic functions of management, like planning, organising, directing and controlling to manage his department and also performs certain operative functions of recruitment, selection, training, placement, etc., which the other line managers may entrust to him.
- Recruitment is the process of searching for prospective employees and encouraging them to apply for the jobs in an organization, whereas selection is the process of logically choosing individuals who possess the necessary skills and ability to successfully fill specific positions in the organization.
- Employee training and development are an integral parts of the HR function of management. Training implies a systematic procedure whereby employees are imparted technical knowledge and skill for specific jobs. Development, on the other hand, implies an educational process aimed at growth and maturity of managerial personnel in terms of insight, attitudes, adaptability, leadership and human relations, on the basis of conceptual and theoretical knowledge.
- Performance appraisal means systematic evaluation of the personality and performance of each employee by his supervisor or some other person trained in the techniques of merit rating.
- Management by Objectives means that an employee is not appraised by his recognisable traits, but by his performance with respect to the agreed goals or objectives.
- Under "behaviorally anchored rating scale", the supervisor is in a position to compare the employee's actual behaviour with the behaviour that has been previously determined to be more or less effective.

GLOSSARY

Exemplified	To show or illustrate by example.
Appraisal	The act of estimating or judging the nature or value of something or someone.
Forego	To go before or precede.
Absenteeism	Frequent or habitual absence from work or school.
Cohesive	Well-integrated or unified.
Resentment	The feeling of displeasure at some work, remark, person, etc, regarded as causing injury or insult.
Pertinent	Pertaining to or relating directly or significantly to the matter in hand.

SELF-TEST QUESTIONS

1. Discuss the difference between Personnel Management and HRM.
2. Explain the role of Personnel Manager in an organsiation.
3. What is the role of HRD in selection process?
4. Briefly describe the advantages of Training and Development.
5. Discuss the advantages and disadvantages of Performance Appraisal.
6. Discuss the steps involved in application of goal-setting approach to performance appraisal.

Suggested Readings

(1) Management (7th Edition) – *Koontz, O'Donnell and Weihrich*

(2) Principles of Management – *Koontz and O'Donnell*

(3) Management – *Stoner, Freeman, Gilbert, Jr.*

(4) Human Resource Management – *George IT Milkovich and Jahri W. Boudreau*, Chicago

(5) Human Resource Management – *Lan Breadwell and Lan Holden*, Macmillan, New Delhi

(6) Personnel Management – *Edwin B. Flippo, McGraw Hill*, New York

(7) Personnel Management and Human Resources – *C.S. Venkataratnam and B. K. Srivastava*, Tata McGraw Hill, New Delhi

(8) Personnel and Human Resource Management – *David A. Decenzo and Stephens P. Robbins*, Prentice Hall of India, New Delhi

(9) Management Training in Organizations – *K. Dayal, Prentice Hall of India*, New Delhi.

Lesson 5
Direction and Co-ordination

LESSON OUTLINE

- Concept of Direction
- Principles of Direction
- Concept of Supervision
- Concept of Motivation
- Theories of Motivation
- Review Questions
- Concept of Leadership
- Theories of Leadership
- Concept of Communication
- Process, Principles and Channels of Communication
- Concept of Grapevine
- Crosswise Communication
- Communication Media
- Communication Barriers
- Overcoming Communication Barriers
- Concept of Coordination
- Types of Coordinations
- Coordination as the Essence of Management
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

The managerial function of directing is like the activities of a teacher in a classroom. In order to teach, a teacher has to guide his students, maintain discipline, inspire them, motivate them and lead them to the desired goal. Directing is a very important function in the management of any enterprise. It helps the managers in ensuring quality performance of jobs by the employees and in the achieving organizational goals. It involves supervision, communication, providing leadership to the subordinates and motivating them to contribute their best to the organisation.

Coordination is the unification, integration, synchronization of the efforts of group members so as to provide unity of action in the pursuit of common goals. It is a hidden force which binds all the other functions of management together. Management seeks to achieve coordination through its basic functions of planning, organizing, staffing, directing and controlling. That is why, coordination is not a separate function of management because it aims at achieving the common goal of the enterprise by harmonizing individual efforts of the employees. This is the key to the success of management. Coordination is the essence of management and this is implicit and inherent in all its functions.

Directing is the guidance, the inspiration, the leadership of those men and women that constitute the real core of the responsibilities of management.

Urwick and Brech

Coordination is the process whereby an executive develops an orderly pattern of group efforts among his subordinates and secures unity of action in the pursuit of a common purpose.

McFarland

CONCEPT OF DIRECTION

In addition to planning, organizing and staffing, every manager must also direct his subordinates. An enterprise may have well knit and coordinated plans; may have properly laid out activity-authority relations; and further more may be manned by judiciously selected and able personnel; yet a manager must initiate organized endeavour so that plans are translated into effective action and enterprise objectives accomplished through group efforts with minimum inputs and unsought consequences. Directing is thus the initiating function of management that actuates plans and the organization. Just as starting the motor of a car does not make it move unless it is put into the gear and the accelerator is pressed, in the same way organized actions are initiated in the enterprise only through the directing function of management.

Directing: An Important Function

Directing is an important function of management which involves communicating with and providing leadership to the subordinates and motivating them to contribute their best for the achievement of organizational objectives.

It starts with issuing orders and instructions to the subordinates and ends with getting things done by satisfying various needs of the subordinates.

Essential elements of the directing function of management are:

(i) Issuing orders and instructions.

(ii) Guiding, counselling and teaching the subordinates the proper way of doing the job.

(iii) Supervising the work of subordinates to ensure that their performance conforms to the plan.

(iv) Motivating the subordinates to direct their behaviour in a desired pattern.

(v) Maintaining discipline and rewarding effective performance.

Further, directing is a continuous function performed by managers at all levels of the organization. Thus, a supervisor or a foreman must direct the workers, just as the chief executive will direct his immediate subordinate managers.

Other Concepts of Direction

Taylor pointed out that effective direction depends upon the “harmony of objectives”.

Henri Fayol emphasized certain other concepts to facilitate direction which he viewed as commanding. These concepts are as follows:

(i) to have a through knowledge of the personnel;

(ii) to eliminate the incompetent;

(iii) to be well versed in the agreements binding the business and its employees;

(iv) to set a good example;

(v) to conduct periodic audit of the organisation and use summarised charts to further this;

(vi) to bring together the chief assistants by means of conferences at which unity of direction and focusing of effort are provided for; and

(viii) to aim at infusing unity, energy, initiative and loyalty among the personnel.

PRINCIPLES OF DIRECTION

In the light of the above and recent developments, the principles of direction may be enumerated as follows:

(i) ***Harmony of Objectives:*** The most significant principle of direction is to harmonise the objectives of the individuals, the groups and the enterprise. Synchronisation of varied objectives is a must with a view to secure maximum prosperity for the employers as well as the employees.

Organisation should devise and introduce effective measures to reconcile the conflicting interests. Fayol emphasized direct communication to achieve this harmony as he held that if orders go through a series of intermediaries, divergent views about the objectives of the enterprise are likely to come up.

(ii) ***Unity of Command:*** This principle requires that an employee should receive orders from one superior only. In other words, it signifies a unified system of directives, instructions and other devices for enforcing command or direction. This principle is based on the premise that a man cannot shoulder dual or multiple command.

(iii) ***Unity of Direction****:* Unity of direction essentially signifies the existence of only one head and one plan for a group of activities which have the same objective. It should be noted, however, that unity of direction and unity of command are not the same thing. Unity of direction results from sound organisation structure, whereas unity of command leads to effective functioning of the subordinates.

"Unity of command cannot exist without unity of direction, but does not flow from it" – **Fayol**

(iv) ***Direct Supervision****:* Any endeavour in directing becomes more effective if it is accompanied by personal touch. Subordinates feel happy and a sense of participation is inculcated in them if the seniors maintain direct contact with their juniors. Such relationship, undoubtedly, motivates them for effective functioning and thus direct supervision may be considered as one of the best ways to get things done by others.

(v) ***Democratic Leadership****:* In order to make any direction effective, the leader should have respect for the opinion and views of his followers. He should ensure their participation in matters related to their job, functioning, working environment and so on. As a result, seniors can secure maximum contribution from their subordinates in the accomplishment of the designated tasks.

(vi) ***Follow-up****:* It is to be remembered in all situations that direction does not mean simply issuing orders and instructions and through them getting the things done within the stipulated time. In order to make direction effective, executives and managers should not only instruct their subordinates but also follow-up their work.

It is the duty of the seniors to oversee the working of subordinates, check their performance, guide them to follow the right course of action, point out their short comings, suggest the ways and means to develop their work methods and change the mode of directing, if circumstances necessitate.

In short, above mentioned are the principles of direction which seniors should follow to achieve effective result from directing.

FEATURES OF DIRECTION

The direction is not merely issuing orders and instructions by a superior to his subordinates, but it also includes the process of guiding and inspiring them. Based on this, following are the chief features or characteristics of direction:

1. Direction is an important managerial function. Through direction management initiates actions in the organization.
2. Direction function is performed at every level of management.
3. Direction is a continuous process and it continues throughout the life of the organization.
4. Direction initiates at the top level in the organization and flows to bottom following the hierarchy.

5. Direction has dual objectives. On one hand, it aims at getting things done by the subordinates and, on the other, it aims at providing the superiors opportunities for some more important work, which their subordinates cannot do.

IMPORTANCE OF DIRECTION

(i) *Direction initiates actions*: Organization is the sub-total of human and non-human resources. These resources should be handled in a certain way to get the desired results. Through direction, management conveys and motivates individuals in the organization to function in the desired way to achieve organizational objectives. Without direction, other managerial activities, like planning, organizing and staffing become ineffective.

(ii) *Direction integrates employees' efforts*: For achieving organizational objectives, individuals need not only to be efficient, but effective also. Their actions are interrelated in such a way that each individual's performance affects the performance of others in the organization. Thus, individuals' efforts need to be integrated so that organization achieves its objectives in the most efficient manner and this is possible through direction only.

(iii) *Direction attempts to get maximum out of individuals*: Every individual in the organization has some potentiality and capability which, in the absence of proper motivation, leadership, communication–all elements of direction–may not be utilized fully. Direction provides the way to utilize these capabilities and it also helps in increasing these capabilities.

(iv) *Direction facilitates changes in the organization*: Organization exists in the society and any change in the society changes organizational process to keep organization ready to face environmental changes. Moreover, there changes occur in organization structure and in individuals as well. To incorporate and implement these changes, management should motivate individuals affected by them, which is an essential function of direction.

(v) *Direction provides stability and balance in the organization*: Effective leadership, communication and motivation provide stability in the organization and maintain the balance in its different parts. Thus, organization exists for a long period and its parts work in a harmonious way.

ELEMENTS OF DIRECTION

In directing the human effort towards organizational objectives, managers soon realise that they should think in terms of the following elements:

- Supervision
- Motivation
- Leadership
- Communication

CONCEPT OF SUPERVISION

Supervision refers to the direct and immediate guidance and control of subordinates in the performance of their work. It involves observing the subordinates at work and ensuring that they work according to the plans and policies of the organization. George R. Terry and Stephen G. Franklin have defined supervision as *"Supervision is guiding and directing efforts of employees and other resources to accomplish stated work outputs."*

Features of Supervision

The following are the salient features of supervision:

(i) *Supervision is done at all levels of management:* Top management supervises the work of middle management which in turn supervises the work of lower management.

(ii) *Supervision is most pronounced at the lowest level of management:* Although managers at all levels are generally engaged in overseeing the work of their subordinates, the lowest-level managers have it as their primary duty to supervise the workers engaged in basic operations. Depending upon the system of designation in an organization, these managers may be called supervisors, foremen, superintendents, overseers or section officers.

(iii) *Supervision aims at guiding subordinates in their work performance:* To guide subordinates in their work performance, the act of supervision involves preparing work schedules, assigning work and work facilities for employees, issuing orders and instructions for maintaining smooth work-flow, inspiring subordinates for better and higher performance by creating team spirit and controlling work output by comparing actual performance with work targets and removing the gap between the two, if any.

Factors of Effective Supervision

Effective supervision is a function which has several factors. Some such factors are given hereunder:

(i) *Skills and Abilities:* Whatever the situation may be, the range of duties to be performed by a supervisor will call for possession of specific skills. Basically, a supervisor will require three types of skills, namely technical, human relations and conceptual.

(ii) *Leadership Position:* Leadership is an influencing process. By influencing the work behaviour of subordinates, a manager directs it towards the attainment of organizational goals. To be effective, supervisors should be given proper place and status in the organization and should be vested with requisite authority so that he is able to exercise leadership over the group and motivate employees to perform better.

(iii) *Nature of Supervision:* Here the supervisor should be intelligent enough to decide whether he has to exercise general or close supervision. Experience of most organizations suggests that general supervision has a favourable impact on the morale and productivity of subordinates.

(iv) *Group Cohesiveness:* Effective supervision relates to group cohesiveness. Group cohesiveness is characterized by the degree of attraction that each member has for the group. Groups with high cohesiveness produce better results because each member of the group works towards the attainment of common goals and is prepared to share responsibility for the group work.

(v) *Improved Relationship with Superiors:* Problems of supervision usually arise from omissions, mistakes and negligence on the part of superior managers. Hence, for any improvement in supervision, supervisor's relations with his superior must be cordial so that he can frankly present his views and suggestions related to his subordinates and their work performance.

CONCEPT OF MOTIVATION

Meaning and Nature

The word motivation is derived from the Latin term *movere*, which means to move. Today, of course, the term means a lot more than this. ***Joe Kelly*** opines that it *"has to do with the forces that maintain and alter the direction, quality and intensity of behaviour".* And ***M.R. Jones*** has defined it as being concerned with *"how behaviour gets started, is energized, is sustained, is directed, is stopped, and what kind of subjective reaction is present in the organization while all of this is going on".*

Motivation is a very complex process for the following reasons:

(i) The exact cause or motive a person has for a particular action cannot be seen; it can only be inferred. Thus, when a salesman is explaining the benefits of his product to a customer, it does not necessarily

mean he is motivated by customer's welfare. In fact, he may simply be trying to influence the customer to buy his product somehow.

(ii) Individuals have lots of needs and expectations which may be in conflict with one another and it may become difficult to say which need is impelling the person to act at a point of time. For example, when an employee does overtime it could be with a sole objective of completing his work or could be with an intention to get into the good books of his boss, or could be to earn some extra money.

(iii) People try to satisfy their needs in different ways. Therefore, it is not necessary what motivates 'X' individual will also motivate 'Y'. Some are satisfied by a handsome increment in the salary, whereas some may be satisfied only when promoted.

(iv) Satisfaction of a particular need may actually lead to an increase in its intensity. It is, therefore, not a sure indicator of a person being really motivated. For example, a highly paid employee may still want more money to work more.

(vi) Lastly, goal-directed behaviour does not always lead to need satisfaction.

Usefulness of Motivation in Management

Since management involves creation and maintenance of a healthy environment where the individuals can perform effectively and efficiently, it necessarily follows that a manager cannot get the best of work out of his subordinates without knowing what motivates them. In fact, a deliberate attempt has to be made to build up a motivational system in the organization which could make the entire managerial process a success.

People join organizations to achieve certain goals as members of a cohesive group. But it is not necessary that they are always willing to work for attaining these goals. Chester Bernard recognized the willingness to work or co-operate as an important element in the success of an organization. And, of course, people's willingness is determined by many factors. It is the responsibility of management of any enterprise to "build into the entire system factors that will induce people to contribute as effectively and efficiently as possible. A manager does this by building into every possible aspect of the organizational climate those things which will cause people to act in desired ways".

Types of Motivation

Motivation can be of the following types:

Psychological Motivation

Dr. Wilder Penfield, a neurosurgeon from McGill University discovered in 1951 that not only the past events are recorded in detail in the brain, but also the feelings that are associated with those events. An event and the feelings which are produced by the event are inextricably locked together in the brain. The memory record continues in fact even after the person's ability to recall it disappears. The brain functions as a high fidelity tape recorder. (So if the record is of a pleasant or happy experience the person will be always motivated with that experience). The recorded experiences and feelings associated with them are available for reply today in as vivid a form as when they happened and provide much of the data which determines the nature of today's transactions. Dr. Eric Berne developed this concept further and devised a scientific method to study human behaviour. He originated Transactional Analysis (T.A.).

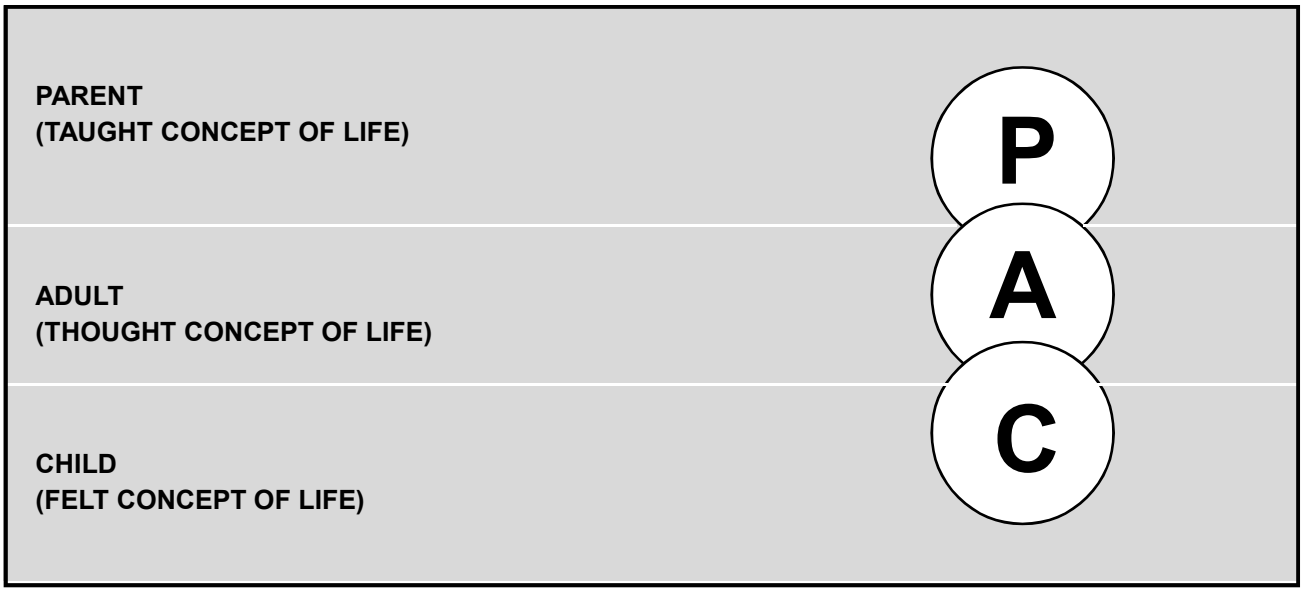
Transactional Analysis

According to Eric Berne, a transaction is the unit of social intercourse. When two or more people encounter one another, sooner or later one, of them will speak or give some indication of acknowledging their presence. This is called *transactional stimulus*. The other person will then say or do something which is in some way related to the stimulus, and that is called *transactional response.* Transactional analysis is the method of examining the social

intercourse of this type. It helps in finding out 'why people do as they do' by determining which part of the multiple natured individuals is being activated in any transaction.

Ego States

The parts of the multiple nature of an individual which are recorded in the brain and are replayed in course of a transaction are described as: parent, child and adult, (PAC) ego states.



Parent: What a child sees his parent doing and what he hears from them are recorded straight in his mind in the first five years. Thus, hostility of parents is recorded with terror and love with pleasure. Thousands of no's and repeated dont's are recorded in this set. It is thus the taught concept of life. The recordings are available for replay throughout the life. These are reflected in such words as 'work hard', 'do not worry,' 'everything will be O.K.', 'done well', 'never do so again' and such actions as outstretching of arms, hugging, foot tapping, blessing and rebuking.

Child: This is the recording of the response of 'little person' to what he sees and hears. It is done simultaneously with the recordings of external and imposed events which we have described as parent. Most of the reactions of the child are 'feelings'. He is small, he is dependent, he is clumsy and so on. When a person is in the grip of feelings, we say that his child has taken over. *It is thus the felt concept of life*. It is reflected in such words as: 'do not leave me', 'I would not do so again', 'I wish', 'I want' and in such actions as tearful eyes, surprise on face, anger, pleasure, pleading for something and being playful.

Adult: When the child is able to move at about 10 years, the recording of adult also starts. The self actualisation is the beginning of the adult. An important function of adult is to examine the data in parent whether or not it is true and to examine the child to see whether or not the feelings are appropriate to the present. It is thus the *thought concept of life*. During early years, adult is fragile and indecisive. It cannot change or erase the recordings in the parent and child.

Adult is reflected in such words as 'why' and 'who', and such actions as 'listening', 'thinking', 'pondering' and 'reflecting'.

Crossed Transactions

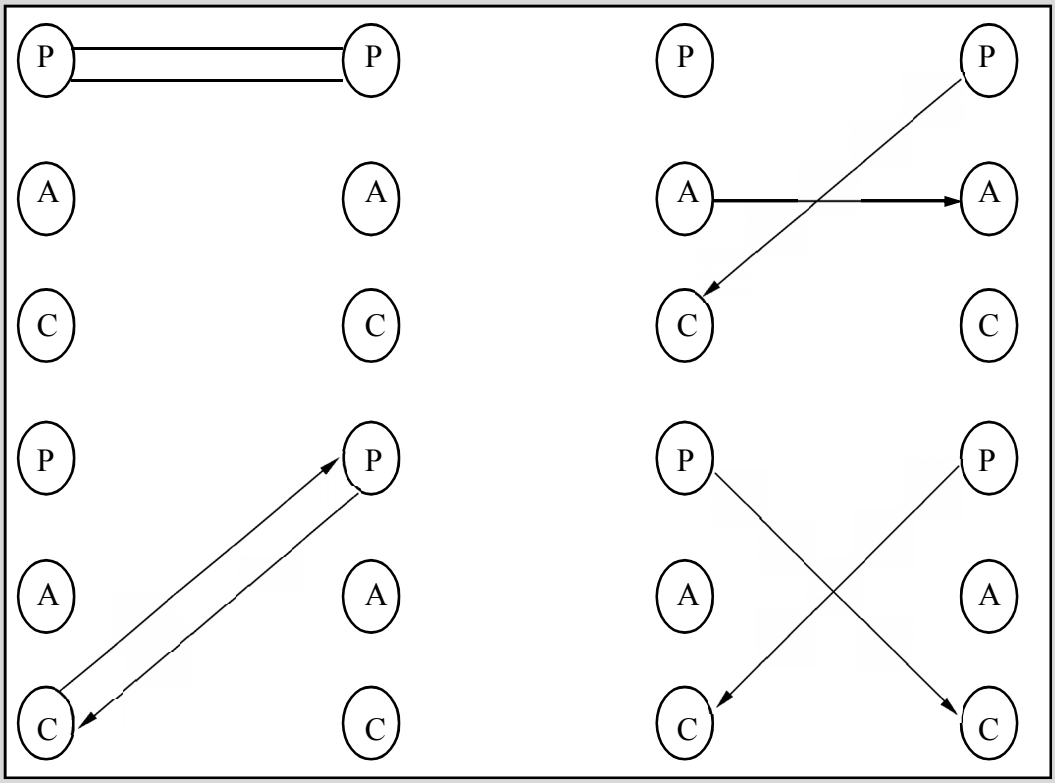
Any social intercourse may be parallel or crossed.

The parent-parent, child-child or adult-adult transactions are parallel. These are complementary and can go on indefinitely (except child-child transactions which are few as the child is a get stroke rather than give stroke creature).

Parent-child, child-parent, parent-adult, adult-parent, etc., are the examples of crossed transactions.

Illustration

1. Stimulus : Support staff is indisciplined.
   Response : It is a sign of the times. (Parent-parent).
2. Stimulus : You have presented a good report.
   Response : Thank you. (Adult-adult).
3. Stimulus : I wish you were better educated.
   Response : I am not so lucky. (Child-child).
4. Stimulus : I have to finish the report tonight as it is due tomorrow.
   Response : You always leave things to the last minutes. (Adult-parent).
5. Stimulus : Your are always late.
   Response : Sorry Sir! (Parent-child).



Parallel and Crossed Transactions

Benefits of Transactional Analysis

Transactional Analysis can give employees fresh insights into their own personalities and it can also help them understand why others sometimes respond as they do. A major benefit of transational analysis is improved interpersonal communication. Employees can sense when crossed communication occurs and they can take steps to restore complementary communication. Transactional Analysis is especially useful in sales and other areas where success depends on customer relations.

THEORIES OF MOTIVATION

How can one truly understand the motivation process? Over the last three decades a number of important

theories have emerged, each in its own way and has tried trying to explain what motivation is all about. Some of these theories are explained as hereunder.

(a) Monistic or Economic Theory of Motivation

Monistic theory of motivation is based upon the notion that man is essentially economic in nature. Individuals are assumed to be highly responsive to money reward. People feel highly motivated when rewarded with more money. This theory seeks a single cause of behaviour - monetary aspect of remuneration or reward. People repeat their behaviour if it leads to reward. The theory postulates that:

(i) motivation is more effective and direct when based upon individual incentives rather than group incentives;

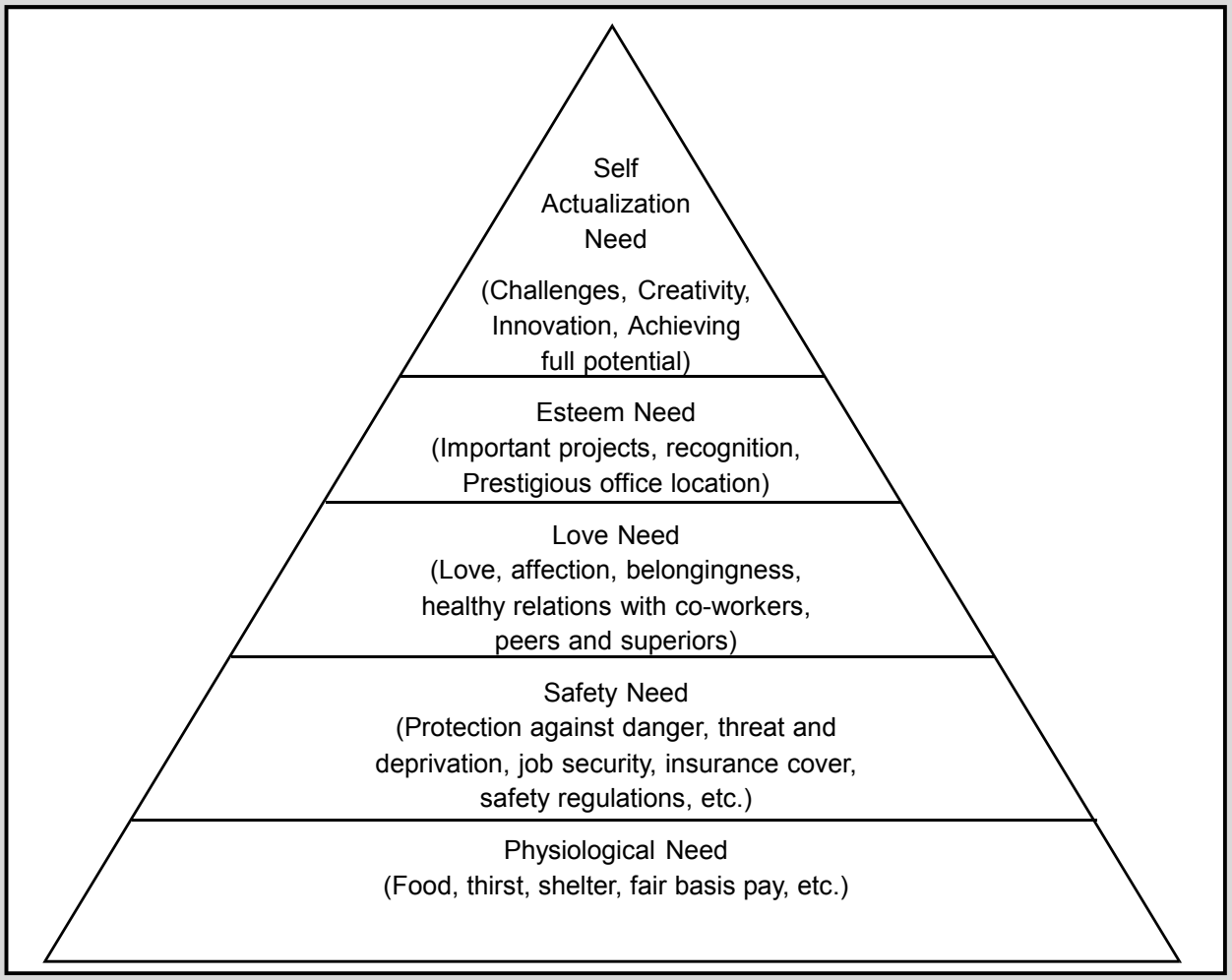
(ii) the incentive is more effective where reward immediately follows the efforts.

(iii) quantum of effort is directly related to the amount of reward.

Taylor's differential piece rates forms a strong overtone of economic motivation.

(b) Hierarchy of Needs Theory

An understanding of human needs and the role played by them in directing and shaping people's behaviour is absolutely essential for securing the desired motivation. Maslow, a psychologist, developed a theory of motivation based on human needs arranged in a particular order from the lower to the higher. The hierarchy of needs of motive suggested by Maslow is shown in the following diagram and analysed in the following manner.



Maslow's Hierarchy of Needs Theory

Maslow's need hierarchy theory of motivation has been criticised on the grounds that it leaves no room for difference between individuals. For one individual, self-actualisation might be the dominant motive guiding a large part of his behaviour and for another individual working under essentially the same circumstances, it may not be so. That is, two individuals whose needs for food, safety and belonging are fairly well satisfied may not necessarily be motivated to the same extent by egoistic or self-actualisation needs.

(c) Theory of Douglas McGregor:

Theory 'X'

The late Douglas McGregor has applied the fundamental content of the theory of Maslow to leadership and management theory. There are certain conventional assumptions relating to the motivation of people in the organisations that are widely accepted as valid, even though these provide only a part of the answer. These assumptions are termed by McGregor as "Theory X".

The important assumptions underlying this theory are as follows:

(i) The average man by nature is indolent and has an inherent dislike for work.

(ii) Dislike for work implies that people need to be directed and controlled.

(iii) It also implies that they must be persuaded, rewarded, punished and threatened with sanctions so that they put in sufficient efforts for accomplishing organisational objectives.

(iv) Man is inherently resistant to change and passive to organisational needs.

(v) He lacks ambition, avoids responsibility, and prefers to be led.

The above assumptions guide management behaviour and thinking to a large extent.

Some managers follow the "hard" approach involving coercion, threat and close supervision which often leads to consequences, like restriction of output, militant unionism, and antagonism. Some managers follow "soft" approach by being permissive, i.e., their approach is relationship-oriented and they believe in satisfying those immediate human needs in want of which an individual becomes indifferent to performance and takes to abdication of work.

A fundamental opposition of Theory X is that it is inadequate to consider the subject of motivation. It is to acknowledge that satisfied need ceases to motivate any individual further. Since there exists hierarchy of needs, man moves from satisfaction of lower needs to the satisfaction of higher needs. Once physiological and safety needs are satisfied, social needs, ego needs and need for self-actualisation, respectively become the most important motivators. Management by direction and control (Theory X), regardless of its hard or soft approach, is ineffective to motivate people whose important needs are social and egoistic. Once lower order needs are satisfied, rewards, promises, incentives, or threats and coercion like devices used by the management under the Theory X cease to motivate people.

Theory Y

Having established the inadequacy of Theory X, McGregor suggested a different theory of managing people based on more adequate assumptions about human nature and motivation. He labelled that attitudinal pattern of managers as "Theory Y". The important assumptions of Theory Y as described by McGregor are:

(i) Man is not inherently passive or resistant to organisational needs.

(ii) Incentive, threat, or external control are not the only means of motivating people to work for organisational objects.

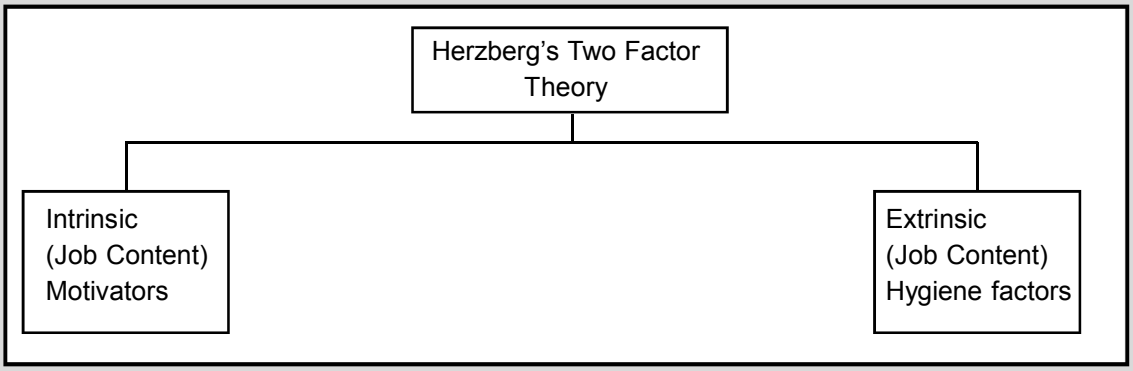
(iii) "The motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behaviour towards organisational objectives are all present in people. Management does not put them there. It is the responsibility of management to make it possible for people to recognise and develop these human characteristics for themselves".

(iv) Under proper organisational conditions and methods of operation man will exercise self-control towards achieving his own goals and those of the organisation.

The fundamental implication of Theory Y is that full advantage of the personal and professional potential of employees can be taken by motivating them to accept organisational objectives, more particularly when their physiological and safety needs are well satisfied.

(d) Herzberg's Motivation-Hygiene Theory

This is also known as the two factor theory and was developed by **Frederick Herzberg**. He conducted a large number of interviews with a view to determin the attitude of people towards their job. Those interviewed were asked to describe ***incidences*** when they *felt good* about their job, and when *they had bad feelings* about their job. It was observed from the study that good feelings were generally related to *intrinsic or job content factors,* such as achievements, recognition of achievement, the work itself, advancement, giving of responsibility, and the potential for growth. Since these factors contribute to good feelings and simulate people for better performance these are also described as the motivators.



Herzberg's Two Factor Theory

It was also found that bad feelings about the job were for the most part related to context factors, such as company policy, administration and supervision, interpersonal relations with peers, interpersonal relations with subordinates, working conditions, pay hikes, status situation, and job security. Context factors are also known as extrinsic or hygiene factors.

The two-factor theory reinforces the belief that motivators are needed to motivate the employees, while hygiene factors need to be managed well so as to save the employees from dissatisfaction.

(e) Equity Theory of Motivation

Equity theory postulates that people are not concerned merely with the reward they get for their contributions; rather they compare their efforts and rewards with those of others. Thus, where an individual finds that he is getting less reward in relation to other people in the organisation for the same contribution and outcome he would surely be tempted to resort to negative behaviour so that the balance is maintained.

REVIEW QUESTIONS

State True or False:

1. The approach towards directing the subordinates will depend upon the situation only.

2. Goals are similar to needs but imply that the object is social, not merely physiological.

3. Transactional Analysis can give employees fresh insight into their own personalities.

4. While decoding the message the sender determines the method of transmission.

5. Formal channels of communication are referred to as "Communication through the chain of command".

6. A confession of mistake may lead to material gains in terms of promotion and pay hike.

Choose your option:

7. Which theory is also known as the "Two Factor Theory"?

(a) Theory of Doughlas Mcgregor

(b) Herzberg's Motivation – Hygiene Theory

Answers: 1. False 2. False 3. True 4. False 5. True 6. False 7. (b)

LEADERSHIP - CONCEPT

Meaning and Nature

Leadership is one of the important aspects of managing. It is an interpersonal process of influencing the behaviour of the individual and the group so that defined objectives are accomplished willingly and enthusiastically. A leader directs and motivates members of the group. He also represents the group in the outside world and introduces the outside world to the group.

Definitions

According to **George R. Terry**, "leadership is the activity of influencing people to strive willingly for group objectives".

Koontz and O'Donnell state that "leadership is influencing people to follow in the achievement of a specialised goal".

Review of these definitions and those of some and other writers reveal that most management writers agree that leadership is the process of providing direction in group activities, and influencing individuals to achieve group objectives in a given situation. The leadership process is a function of the leader, the follower, and other situational variables, i.e., L = f(l, f, s).

Important Elements

Important elements in the process of leading are:

(i) One who leads is a part of the group. Nevertheless he must maintain his separate identity if he is to continue to lead.

(ii) Leadership contemplates interpersonal influence and close man-to-man relationship. It is rooted in feelings and attitudes that grow out of reactions that occur among individual personalities.

(iii) It is a dynamic and ever-evolving process; a manager must lead continuously.

(iv) It involves directing, guiding and influencing the behaviour of individuals and groups so that future actions and behaviour are modified in the right direction.

Formal and Informal Leaders

The organisation structure is characterised by hierarchy of positions which are manned by individuals in the scalar chain. Officially every manager enjoys power to lead and secure sufficient support of his subordinates. Managers are leaders because they have the formal authority to direct, motivate and lead people. This kind of leadership is known as formal or managerial leadership. However, along with formal leaders there always grow informal leaders in every organisation.

Informal leaders are not delegated by any authority to lead; rather they acquire such authority themselves to guide and lead. Informal leadership is spontaneous and is part of informal organisation. If properly handled, informal organisation offers a good support and training ground for formal leaders to develop and test their leadership skills.

LEADERSHIP THEORIES

A few leadership theories are briefly discussed below:

1. Trait Theories

It was observed that those who were commonly recognised as leaders possessed certain personal traits. ***Ordway Tead***, for example, emphasised ten qualities for effective leadership, namely, physical and nervous energy, a sense of purpose and discretion, enthusiasm, integrity, technical mastery, decisiveness, intelligence and faith.

Limitations of Trait Theory

The trait theory of leadership is criticised mainly on account of the following inadequacies:

(i) Skills are sometimes mistaken for traits.

(ii) No two lists agree about the essential characteristics and traits of a leader.

(iii) The theory fails to pinpoint the intensity of and extent to which each of the agreed traits should be present in an individual.

(iv) At different times and under different situations leaders must display different leadership characteristics. Similarly, different functions, like production, sales and finance require somewhat different leadership abilities.

(v) Researches have shown that leadership should be looked beyond personal qualifications and traits of the individuals.

2. Style Theories

Different experts have suggested different sets of leadership style. The assumption behind these theories is that employees will work harder for managers who employ these given styles of leadership rather than for those managers who employ other styles.

(i) **Lewin, Lippitt and White:** Lewin, Lipitt and White conducted leadership studies in 1939 and constructed a leadership model that had three styles - autocratic, democratic, and laissez faire.

– *Autocratic style of leadership*: The autocratic leader is characterised by centralisation of authority and by decision-making himself alone, and very limited participation by subordinates of the group. The autocratic leader accomplishes the results through use of authority, fear of deprivation punishment and other coercive measures.

  Autocratic style is conceived by McGregor as 'hard' approach to management under Theory X.

– *Democratic Style of Leadership:* This is characterised by allowing substantial participation by members of the group in management and in the decision-making process by the leaders. Subordinates are frequently consulted by the manager on wide ranging problems and are allowed sufficient freedom to communicate with the leader and also with their fellow subordinates.

  Democratic style of leadership is based upon positive assumption about human beings. It encourages cooperative spirit and development of subordinates for higher responsibility. This style of leadership substantially contributes to satisfaction on the part of subordinates.

– *Laissez-faire style of Leadership:* Under this style, the leader depends largely 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 of the group. Tasks are assigned in general terms.

– *Laissez-faire approach* is meant for selective application: If the subordinate is intelligent, highly qualified and experienced, and desires self-fulfillment, a manager may follow this approach without much risk

(ii) **Ohio State University:** Certain closely related studies for analysing leadership styles were made at Ohio State University in the mid forties. These studies identified two dimensions of leadership styles: '*consideration*' and '*initiating structure*'. Consideration is the extent to which job relationship are characterised by mutual trust, interpersonal warmth, and consideration for subordinates' ideas and feelings. Initiating structure is the extent to which the leader organises and defines subordinates' activities and relationships. Thus, 'consideration' is closer to democratic style, whereas 'initiating structure' resembles the autocratic style of leadership.

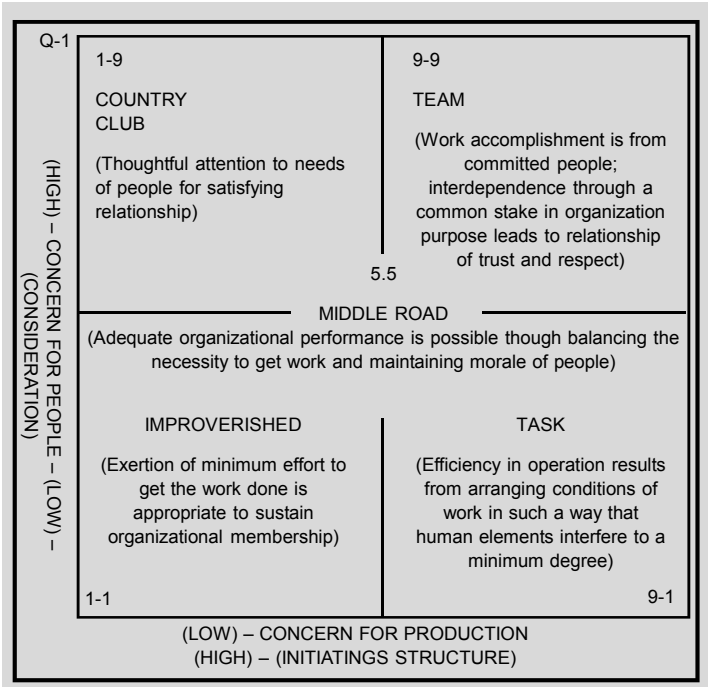
(iii) **University of Michigan:** The studies conducted at this University revealed two kinds of styles, viz., *production centered* and *employee-centered*, which are respectively similar to 'initiating structure' and 'consideration' leadership styles, as researched by Ohio State University Studies.

These studies conclude that the employee-centered leaders were superior to production-centered leaders. Individuals who were concerned with their people first, and the task later, seemed to get greater production and were had employees with higher job satisfaction and morale. Conversely, production-centered leaders got lower production and employees with poorer morale and less job satisfaction.

(iv) **Blake and Mouton:** One of the most widely known approaches to dramatising leadership style is the Managerial Grid, developed during the sixties by *Robert Blake and Jane Mouton*.

In the Managerial Grid five different types of leadership are located in four quadrants. The vertical axis represent a leader's concern for people (described as 'consideration' in Ohio State University studies), and the horizontal axis represents a leader's concern for task (described as 'initiating structure in Ohio State University studies). Each axis is divided into nine units, 1 representing the lowest degree, and 9 standing for the highest degree of

concern on each scale. Theoretically, it is possible to plot 81 points on such a 9 by 9 grid, but Blake and Mouton identified five points on it as symbolizing basic leadership styles. (See the given below Figure).



Managerial Grid

Blake and Jane Mouton suggested that 9 by 9 grid style of leadership is the most effective.

Conclusion

A review of various leadership theories leads one to the conclusion that the ideal case would be when a leader is able to identify all the possible situational variables and their interrelationship for becoming effective. But the real difficulty lies in really applying this ideal to real management situations. However, one would definitely agree that 'leadership effectiveness' is what matters in a leader's life. The leader must study each situation, as deeply as he can, to become effective.

Cultivated Leadership Attitudes

Since leading people involves interpersonal relationships between the leaders and the followers, the leader should always try to improve his attitude towards the led to become effective. This process is more important than mere knowledge of things, because certain behavioural patterns of learned can be used with skill. Some such behavioural patterns are:

(a) *Awareness:* The manager should not do his job of leading unimaginatively, that is without being aware of the factors which account for success or failure. He must know his job, the people involved and the situational considerations clearly to ensure effectiveness.

(b) *Empathy:* It is generally described as the ability of a person to look at things or problems from another person's point of view. Manager should not assume that subordinates will understand the things and problems as he himself perceives them. People differ in their experiences, ability and understanding of things. Thus, in order to understand their feelings and problems, to lead them successfully, manager should put himself in the position of his subordinates.

(c) *Objectivity:* In his task of leading the manager should not be guided by any preconceived notions about

the attitude and behaviour of his subordinates. Problems and their causes should be observed very objectively and unemotionally.

(d) *Self-knowledge:* A manager may think himself to be fair and objective but subordinates may view him otherwise. He should, therefore, know for himself how he appears to others and what is the effect of his attitude and behaviour on the subordinates. This would help him lead in the pattern perceived by those who are being led. Self-knowledge will help the leader to improve and cultivate those habits and attitude that produce favourable response on the part of subordinates. For instance, if self-realization leads him to learn that instructions are not properly understood, the manager can attempt to improve his ability to communicate.

CONCEPT OF COMMUNICATION

Communication is a vital aspect of the managerial process. In fact, superior- subordinate relation cannot thrive without effective and meaningful communication. Effective communication is often defined as the exchange of thoughts, facts, opinions, or information between two or more persons so as to bring about mutual understanding or confidence.

Communication may be through words, symbols, letters, or actions. But so long as people in the organisation share the meaning and understanding with one another, there is communication. To be more specific, communication may be defined as the transfer of information and understanding from one person to another.

There are two indispensable features of communication:

(i) Communication cannot take place until there are at least two persons - the receiver and the sender.

(ii) Communication need not elicit confidence, but the information which is so exchanged must be understood by the receiver. However, understanding does not mean that the receiver must agree to the information. Communication takes place when the information is understood even though there is disagreement.

Effectiveness of Communication

Within the organisation, communication is concerned with effecting changes or influencing actions. Communication helps to bring the people together and work for accomplishment of the common goals. It is through communication that the manager must secure the willingness to serve and also assess the ability to serve. Change is better managed through exchange of information and understanding. The manager must influence subordinates to work with zeal and confidence and build a highly motivated team of subordinates. All this involves communication. Thus, communication is vital to all phases of management and hence deserves the fullest attention of managers.

Communication is the force that leads the people of an organisation. It builds up team work and morale. Communication influences every object of social and group activity.

Communication Process

The communication process consists of a series of steps by which a sender reaches a receiver with a message. It involves six steps:

(i) *Develop an Idea:* It is an idea or thought which the sender wishes to transmit. This is the key step. Unless there is a worthwhile message to communicate all further steps are rendered useless.

(ii) *Encode:* In this, the idea is encoded with suitable words, charts, or symbols for transmission. At this point, the sender determines the method of transmission.

(iii) *Transmit:* The finally developed message is transmitted by the method chosen. Senders also choose certain channels and communicate with careful timing, but they try to keep their communication channels free of barriers.

(iv) *Receive:* Clear reception of message is a condition precedent to its effective interpretation, storage and use. In an interpersonal mode, it would involve attentive listening too.

(v) *Decode:* Step five is to decode the message so that it can be understood. The sender wants the receiver to understand the message exactly as intended. But, due to different perceptions of two different people, the receiver sometimes does not understand exactly what the sender intends. Hence, the sender must before land assess the abilities of the receiver to make the communication happen.

(vi) *Feedback:* Feedback is the receiver's response to the sender's message. Feedback enables the sender to know whether or not his massage has been received and interpretated correctly. The exchange of information through feedback can be very helpful in improving the communication process.

Principles of Communication

The principles of communication laid down by the two management experts Koontz and O'Donnell can be analysed as follows:

(i) *Principle of Clarity:* To make any communication effective, the primary responsibility rests on the shoulders of the transmitter, in the sense that communication should have clarity, which can only be achieved through clear, simple and easily understandable language. Essentially, it is a matter of overwhelming significance how the message is composed to help the receiver understand and attend to it and respond in turn. Paying attention to clarity as such should obviously be considered a prerequisite to effective communication.

(ii) *Principle of Integrity*: Communication is a means and a tool for securing and maintaining necessary co-operation between superiors and subordinates for the accomplishment of the objectives of the enterprise. In view of this, attention needs be directed to the positions of subordinate managers or executives who should be encouraged to use their positions for this purpose. But it is often seen that superiors send messages directly to the employees bypassing the intermediate manager. This attitude cannot be considered reasonable and judicious except under circumstances when simultaneous communication is essential, or where the message is of equal concern to both subordinate managers and other employees of the enterprise.

(iii) *Principle of Strategic use of Informal Organization*: This principle signifies that in order to make communication effective managers and executives should utilize the informal organization to supplement the communication channels of the formal organization. Since such organization grows spontaneously, managers and executives should utilize it to transmit and receive communications to supplement those of formal organization. Indeed, such attempt would foster and ensure coordination of the efforts of the managers.

Channels of Communication

The two distinct channels of communication are as follows:

- The formal official channels of communication.
- The informal channels of communication.

They are discussed as below:

Formal Channels of Communication

Formal channels of communication are established mainly by the organizational structure, and are referred to as "communication through the chain of command". While developing a communication network, the primary attention should be directed towards determining the degree of reliance to be placed upon the formal channels. The reason is that official channel has traditionally been used as the chief avenue for communication.

Formal channels of communication provide:

- Vertical flow of communication, and
- Horizontal flow of communication.

Vertical communication flows downward as well as upward. While directing activities of his subordinates, the manager issues instructions and orders and transmits information down the levels in management hierarchy. Organisation charts exhibit the flow of authority and the channels through which downward communication must flow.

- Downward communication is frequently used to direct subordinates and transmit information relating to company objectives, policies and procedures.
- Upward communication is another aspect of vertical flow of communication. The organisational structure while laying down activity-authority relations not only establishes the channel of command through which the manager transmits directives and information to subordinates but also creates a line of communication for conveying information sent by subordinates to their seniors (which can be suggestions, grievances, etc).

Horizontal Communication means communication between people at the same level in an organization, community or peer group, usually used as a means to coordinate efforts.

Flow of Communication

There is yet another flow of communication commonly described as sideward, horizontal, or lateral communication. This type of flow is concerned primarily with the transmission of information and understanding between different departments or people at the same level of organisation.

Like vertical flow, horizontal flow of communication is also essential for the efficient functioning of an enterprise. It enables executives on the same level of management hierarchy to exchange information and coordinate their activities without referring all matters to superior managers. This is sometimes called as a “gangplank”. Matters when handled on the same level of organisation speed up actions and relieve superiors of a number of unnecessary or less important problems.

An important aspect of communication network is that there should be a rapid flow of information to different people in the organisation which is essential for its smooth working. Management should sort out information of routine and non-routine nature and develop standard procedures for dealing with routine communication. This will help the communication to flow speedily.

Standard procedures should also be developed for transferring information from one part of the organization to another. These standard procedures constitute functions of the formal organization. Standard forms, summary reports and official bulletins also greatly help in developing smooth flow of information throughout the organization. However, it should be remembered that communication network for dealing with major and non-routine issues tend to be more complex.

GRAPEVINE

Sociologists and psychologists point out the inherent tendency of the people in the organization to cut across formal channels and communicate informally. Informal organization emerges spontaneously within every formal organization, and along with it grow the informal channels of communication, commonly referred to as the grapevine.

Any informal communication about company and personal matters outside the official network constitutes grapevine. Thus, the grapevine consists of a complex network of informal communication taking place all day

long in the workplace. It is characterized by the emergence of spontaneous channels through which facts, half truths, and rumours pass.

Positive Aspects of Grapevine

Though grapevine is not the result of a deliberative management design, it offers certain attractions for its better use by managers:

(i) The informal network of communication represents the natural desire of the subordinates in an organization to interact and communicate with one another, and fulfills their desire to know the latest information or course of events.

(ii) The grapevine works with surprising speed and is often faster than the official channels; information gets disseminated very promptly.

(iii) It also offers the managers insight into what the subordinates think and feel.

(iv) The informal network of communication is also useful for disseminating certain information which, in the general interest of the organization, could not be transmitted through the official channels. Thus, cases that lead to sudden resignation of a manager may be communicated through the grapevine without giving members of the organization the impression that he was the victim of some unfair section of the top management.

(v) During periods of insecurity and uncertainty, the grapevine provides the members of the organisation an outlet to express their fears and misgrovings, and attitudes and thoughts freely.

Negative Aspects of Grapevine

There are also certain negative aspects of the grapevine. Management should take care of these while putting the informal network of communication into use:

(i) Often the grapevine carries rumours, and inaccurate and partial information. Because of varied interpretations of each individual the information gets distorted.

(ii) Since it is spontaneous, the grapevine has no stable associates or a definite pattern. Generally, a few persons are usually found active participants in the grapevine. The path and behaviour of the grapevine is also unpredictable.

(iii) The grapevine is based on oral communication where the communicator is not held accountable for the information so transferred by him. The result is that the sender feels free to exercise his imagination and transmit information according to his whims and fancies. He communicates the information as he understands it. Moreover, with a view save source from embarrassment and from the fear of being cut off in the future, the communicator may withhold certain information. In the same way, consideration of the feeling of listeners also tempts him to transmit information which is pleasant to hear.

CROSSWISE COMMUNICATION

Crosswise communication is also known as diagonal communication which signifies the communication between different departments of equal, higher or lower levels. Organisations of the day not only permit but also insist on voluntary crosswise communication to expedite information, transfer and improve understanding since the flow of information through regular chain of command is very much time consuming and quality of understanding also suffers. Crosswise communication may create some confusion and difficulties and it affects the unity of the command. As a matter of fact, certain measures, in all circumstances, must be taken to make any such communication effective.

"The crosswise communication should rest on the understanding that

(i) crosswise relationships will be encouraged wherever they are appropriate,

(ii) subordinates will refrain from making policy commitments beyond their authority, and

(iii) subordinates will keep their superiors informed of their important interdepartmental activities".

– Koontz O'Donnell and Weihrich

COMMUNICATION MEDIA

Words, pictures and actions are the media used for exchanging information and developing understanding between different persons. The important communication media are indicated below:

COMMUNICATION MEDIA

WORDS	PICTURES	ACTIONS
– Oral versus written Communication	– Visual aids	– A handshake
	– Charts	– Purposeful silence
	– Blue prints	– A smile or a frown
	– Models on somebody's face	
	– Posters	

Oral versus Written Communication

Words are the most important symbols used in the communication network of an organisation. Information through words can be transmitted orally or in written form. Oral communication as a means for gathering and disseminating information is generally used more extensively than written communication. A considerable part of the manager's time is consumed in making personal contacts with subordinates and others.

Standardised forms with blank spaces for messages and instructions, lingo, summary reports and official bulletins all are frequently used in organisations for transmitting information and messages.

Written communication lacks the plus points of oral communication as outlined above. However, it possesses certain advantages not available in oral communication. Thus, written communication can be more definite and effectively drafted and formulated than the oral communication. Moreover, written communication can be retained as a legal record and also as a source of reference.

Communication through Pictures

Pictures are a very powerful communication medium. They are visual aids and frequently used for transferring information and understanding to other people. Motion pictures make a tremendous impact upon the audience and furnish a clear proof of its power in exchanging information, ideas and facts. Organisation charts portray the organisation structure with basic relationships, and groups of positions and functions. It is much more easy to communicate activity, authority and scalar relationships through organisational charts than by words or any other communication medium.

Pictures create a lasting impression and afford a very convenient and simple way to acquaint the people with information and ideas required to be communicated. Blue prints, drafts, models and posters are some of the important communication symbols used under this heading.

Communication through Action

Actions offer a third type of communication medium. Purposeful silence, manner and tone of the voice, facial expressions or hand gestures carry and convey a lot of meaning to the people in the organisation. Thus, lack of courtesy or a frown on the supervisor's face can be interpreted by the subordinate as criticism of his work. In the same way, a handshake or a smile after the talks are over is usually taken as a symbol of agreement. Purposeful or unexplained silence on the part of the manager is also taken to mean dissatisfaction by the subordinate.

At times and in some instance certain communication medium seems better than the others. But it is generally a combination of various media that is used to share information and understanding.

COMMUNICATION BARRIERS

Although communication networks have greatly improved in the recent past, yet much remains to be desired. There exist certain barriers to communication that tend to distort the message and directly retard the success of managers' the performances in their tasks. Poorly transmitted messages lead to misunderstandings and frictions and affect employee morale adversely. A large number of managerial problems are the result of faulty communication. Some of the important barriers obstructing clear understanding and causing breakdowns in communication are as follows:

(i) ***Distortion Caused by Superior-Subordinate Relationship:*** One of the fundamental barriers to communication rises from the status relationships in the organization. The superior-subordinate relationship in the formal organization structure inhibits free flow of information and exchange of ideas, suggestions and questions.

Thus, a superior being conscious of his position may offer advice and comment on the subject under discussion before listening fully to what the subordinate has to say. Inability or impatience of the superior to listen to the emotional content of what the subordinate is saying also results in failure to understand the true feelings and emotions of the subordinate concerning a particular problem. This leads to the further repercussion of adversely affecting the subordinate's and morale and encouraging him to curtail useful information in future.

The subordinate, on the other hand, assesses the message flowing down to him in terms of his own background, position and experience, and the personality of the senior. In doing so he may frequently add motives which were never intended. For instance, trade union leaders have a strong tendency to attach unintended meanings and motives to a manager's statement. This kind of mental block influences feelings and prejudices and creates a barrier to proper understanding in the organization.

Barriers to communication arising on account of superior-subordinate relationship are not confined to downward flow of communication alone; obstacles also arise in the upward flow of communication. A confession of mistakes may be good for one's inner satisfaction, but it does not lead to material gains in terms of promotion and pay rise. Accordingly, subordinates slant information relating to their failures, and overemphasise their success. An example of this kind of distortion is provided when the supervisor fails to communicate upward the grievances of his subordinates lest it should reflect unfavourably on his ability to guide and supervise them efficiently. In order not to disturb their personal equilibrium with the news, they like to know the subordinates often tend to communicate to the seniors what the latter likes.

(ii) ***Problem of Semantic Distortion:*** Messages communicated through words may be distorted intentionally. However, there are words that often mean different things to different people and thus cause non-deliberate distortions. The senior selects the words according to his own frame of reference which he thinks appropriate to convey the meaning intended to be communicated. The receiver, on the other hand, reads or listens to the message and interprets it within his own frame of reference.

Since people differ in their orientation, experience and knowledge of the language, there is no wonder if communication transmitted through words is distorted on account of semantic problems. Words such as "efficiency", "profits" and "management prerogatives" have acquired symbolic meanings that are even more powerful than their literal meaning. Thus, efficiency implies different meanings to an expert, a union leader, a worker, or a manager. In the same way, management may refer to 'profit' as the essential means for survival and growth of the enterprise, while to a worker or a union leader the word 'profit' means surplus derived from inadequate salaries. Thus, semantic difficulties come in the way of clear understanding.

(iii) ***Barriers Arising on Account of Premature Evaluation:*** Listening is often described as a good attributes. In order that the complete message may be transmitted and received, it is essential that the communicator should be provided with an environment in which he can state his full position. It is only when proper understanding has been gained that one should attempt to evaluate communication. Premature evaluation and response tend to distort the transfer of information.

(iv) ***Barriers due to Perfunctory Attention:*** Communication in the sense of transfer of information and understanding will fail if the receiver pays little or no attention to the message. In colleges, schools, business enterprises, and other organisations as well, failure to read bulletins, notices, reports and minutes is quite common.

(v) ***Barriers due to Failure to Communicate:*** There are managers who fail to communicate correct information at the right time. This is partly because of the human tendency to procastinate and partly due to the inability of the executive to decide what to communicate. In any case, failure to communicate causes the communication network to break down.

(vi) ***Barriers Arising on Account of Resistance to Change:*** Because of convenience, security and other reasons people generally prefer to adhere to the old pattern and tend to resist change. The result is that people welcome all such information as is consistent with their present belief and attitude. Any communication attempting to introduce change or convey a new idea is thus likely to be overlooked and at times, opposed by the receiver.

(vii) ***Other Distortions of Information:*** Communication is distorted if the message is not properly expressed. Thus, when information is worded in a manner not understandable to the average receiver, it is likely to be misunderstood. In the same way, when communication is not retained, its future transmissions are likely to be less and less accurate. Moreover, if the senior executive is not trusted by his subordinates, communication will be blocked and assigned unintended meanings and motives.

OVERCOMING BARRIERS TO COMMUNICATION[1]

Effectiveness in communication greatly contributes to the success of managerial functioning. Essentially, exchange of information and understanding at all levels in the organization should be improved as far as possible. Various ways to overcome communication barriers are:

(i) ***Orientation of Employees:*** When the subordinate is provided with information relating to company objectives, policies, procedures and authority relations in an orientation programme many possible conflicts and misunderstandings can be avoided.

(ii) ***Developing Proper Interpersonal Relations:*** Business or any other cooperative activity requires joint efforts for accomplishing its goals. The need is, therefore, to develop proper relations between different people working in the organization. A senior executive should respect the dignity and authority of his subordinates and be kind and sympathetic to them. Subordinates should also trust their superior and keep him informed about their dealings with the other departments and the progress of their work. Status differences should be shelved; valid criticisms and suggestions should be appreciated. Superior and subordinate should develop a feeling of mutual trust and confidence.

1. Keith Devis, Human Behaviour at Work (New Delhi, TMH EDITION, 1977 may be referred to for a detailed study, pp. 394-404).

(iii) ***Protective Listening:*** Paying full attention to what is being said, allowing the speaker to state his viewpoint without premature evaluation or judgement are the pre-requisites of effective communication. A manager should evaluate the information only when it has fully been communicated. Without empathetic listening, free and frank response cannot be expected. In protective listening, the listener tries to understand the viewpoint of the communicator without prejudging, approving or disapproving what he says.

(iv) ***Using Proper Language:*** Semantic distortions can be minimized by communicating the message in direct, simple and meaningful language. Use of technical terms should be minimized. Information should be worded so as to match with the level of the readership. Communication is not accepted if it is not properly understood. Such words whose symbolic meanings are more potent than their real meaning should be used with some explanation.

(v) ***Communication through Actions and Deeds:*** When a message is communicated without being acted upon, it tends to distort the current and subsequent communication from the manager. Reason is that action and deeds often speak louder and clearer than words. If acts of the senior differ from what he says, subordinates will gradually become used to 'listening' to what he does and not what he says.

(vi) ***Strategic use of the Grapevine:*** Grapevine is an essential part of the communication network in every organization. Though it suffers from a number of limitations, informal communication cannot be stamped out by the manager. There are occasions when due to personal and other reasons information should not be transmitted through the official channels of communication. Resignation of a top-ranking manager may, e.g., be communicated through the grapevine.

(vii) ***Feedback:*** Feedback is also very important in improving communication. Meaningful communication occurs when it is received as it was intended. A simple way to ensure that communication has resulted in mutual understanding is to observe behaviour of the subordinate and notice how far his actions conform to the requirements of the message. When message is communicated through face-to-face personal contact, the subordinates' facial expression may provide a useful feedback. Performance reports, question clarifications, suggestions, and empathetic listening are also very useful in providing the necessary feedback.

CONCEPT OF COORDINATION

Coordination is the orderly synchronization of group efforts so as to provide unity of action in the pursuit of a common purpose. Differences in understanding, timing, effort, or approach create the need for harmonizing individual efforts towards the accomplishment of group goals. Coordination should rightly be considered as the essence of management, because each of the managerial functions of planning, organizing, staffing, directing and controlling is an exercise in coordination. According to **Tead,** "Coordination is the effort to assure a smooth interplay of the functions and forces of the different component parts of an organization to the end that its purpose will be realized with a minimum of friction and a maximum of collaborative effectiveness."

Features of Coordination

Coordination is an integration or synchronization of group efforts in an organization to achieve its objectives.

In an organization, every individual is related to others, hence his functions affect others. Since all individuals ultimately contribute to the same end result, their contribution will be maximum when there is positive effect of one's efforts over others. If this is not done, the efforts of some will be counter-productive for others. From this point of view, coordination has the following features:

(i) Coordination is relevant for group efforts and not for individual efforts. It involves the orderly pattern of group efforts, because if an individual works in isolation his efforts not affect the functioning of others, and hence the need for coordination does not arises.

(ii) Coordination is a continuous and dynamic process. It is a continuous phenomenon because it is achieved through the performance of functions. In every organization, some sort of coordination does exist; however, management may make special efforts to achieve coordination of a higher degree.

(iii) Coordination emphasizes unity of efforts which central to it. This involves the fixation of time and manner of performance of various functions in the organization and makes the individual efforts integrate with the total process.

(iv) The higher is the degree of integration in the performance of various functions by various persons in the organization, the higher is the degree of coordination and the possibility of achievement of organizational objectives.

(v) Coordination is the responsibility of every manager in the organization because he has to synchronize the efforts of his subordinates with others. However, if this does not work, there is need for special coordinators.

Importance of Coordination

The effective performance of managerial functions require coordination.

(i) *Unity in Diversity:* Effective coordination is the essence of good management. There are a large number of employees and each one has his different ideas, views or opinions, activities and background in a big organization. Thus, there are a diverse activities in a large organization; but these activities would prove ineffective in the absence of coordination. So coordination is the main element of unity in diversity.

(ii) *Termwork or Unity of Direction:* The efforts, energies and skills of various persons should be integrated as group efforts to achieve the objectives of organization. In the absence of coordination, the group efforts may be diversified and thus fail to achieve the common objectives. Besides, coordination eliminates duplication of work which leads to economic and efficient management.

(iii) *Functional Differentiation:* The organizational functions are divided department-wise or section-wise. Each department performs different jobs. They are necessary to achieve the general objectives. Coordination ensures definite achievement of the objectives. If each department tries to perform its function in isolation from the other, it may create a problem. Therefore, coordination is necessary to integrate the functions of the related departments.

(iv) *Specialization:* There is a high degree of specialization in the modern industrial world. Specialists have thorough knowledge of their respective fields. They are able to judge the scope, nature and kind of work they perform. But they fail to know the job of others and the importance of others' performances. This tends to cause dispute among the specialists. Disputes can be solved with the help of coordination.

(v) *Reconciliation of Goals:* Each department or division has its own goals to achieve within the stipulated time period. There are general goals in relation to an organization. Individuals or employees give more importance to their own departmental goals than to the total organizational goals. Therefore, coordination reconciles the employees' goals with both departmental and organizational goals.

(vi) *Congruity of Flows:* Congruity of flows refers to the continuous flow of similar information from one direction to the other directions. Information regarding the utilization of resources, activities, use of authority, and output is made to flow in an organization. Coordination ensures the smooth and continuous flow of information.

(vii) *Differentiation and Integration:* The whole activity of every organization is classified into two units. They are specialized and homogenous units. Authority is delegated to the various levels of organization. This is necessary to achieve group efforts. Coordination facilitates this process.

Limitations of Coordination

Coordination is necessary for the smooth and successful functioning of the management. But in practice co-ordination faces certain problems. Its limitations are listed below:

(i) *Lack of Administrative Talent:* Lack of administrative talent arises due to the selection of inefficient candidates. They do not understand the administrative procedure properly. This results in ineffective coordination.

(ii) *Misunderstanding:* There are a number of personnel employed in an organisation. They should have mutual understanding with one another. But the problem of coordination comes in due to misunderstandings which creeps in among the employees very often.

Types of Coordination

Coordination is of two types. They are explained herein below:

1. Internal Coordination: It is the establishment of relationship with a view to coordinate the activities of all the managers, executives, divisions, subdivisions, branches and other workers.

Internal Coordination is further sub-divided into the following two groups:

(i) *Vertical Coordination:* In vertical coordination a superior authority co-ordinates his work with that of his subordinates and vice versa. Sales manager coordinates his work with the activities of the sales supervisor. Similarly, the sales supervisor is required to have coordination, and cordial relationship with his superiors.

(ii) *Horizontal Coordination:* This refers to the establishment of a relationship between the persons of the same status. For example, coordination between the departmental heads, supervisors, co-workers, etc.

2. External Coordination: External co-ordination is the establishment of a relationship between the employees of the organization and the outsiders of the enterprise. This relationship is established for the benefit of the organization as a whole. An organization has to establish better relationship with the following outsiders :

- Market agencies.
- General public.
- Competitors.
- Customers.
- Union Government, State Government, local self-governments and other government agencies.
- Different institutions rendering auxiliary services.
- Financial Institutions.
- Media.
- Technological Agencies.
- Different commercial organizations.

The work to establish a good and cordial relationship between the employees of the organization and the outsiders is entrusted to a person who is designated as Public Relations Officer (PRO).

COORDINATION – THE ESSENCE OF MANAGEMENT

Coordination is considered as the essence of management for following reasons:

1. Management and its functions are an exercise in coordination. Different functions of management when effectively carried out lead to better coordination.
2. Coordination is involved in every function of management, and hence should not be regarded as only one of its functions.

3. Planning, organizing, staffing, directing and controlling all involve coordination.

Coordination is different from cooperation. Cooperation is a voluntary collective action to serve a common purpose, whereas coordination is an art of synchronization of efforts so that the common goal is attained.

The need for coordination is all-pervasive and ever present in every organization. However, coordination is by no means easily attained. In fact, with every increase in size and specialization, cohesion becomes more and more difficult. The best coordination will occur when individuals know how their actions and jobs contribute to the goals of the enterprise and how their functions are related to other's functions in the organization. *Fayol* has suggested three things for effective internal coordination:

- each department should work in proper harmony with the rest;
- each department or division should be informed of its share in the group task; and
- working schedule of different departments should be constantly attuned to circumstances.

LESSON ROUND UP

- Directing is an important function of management which involves communicating and providing leadership to the subordinates.
- M.R. Jones has defined motivation as being concerned with "how behaviour gets started, is engerized, is sustained, is directed, is stopped, and what kind of subjective reaction is present in the organization while all of this is going on".
- Motivation may also be seen as a chain reaction: beginning with felt needs, resulting in wants or goals sought, which in turn give rise to tensions, then causing action towards achieving goals, and finally satisfying wants.
- Behaviour is motivated by a desire to attain goal. Transactional analysis helps in finding out 'why people do as they do' by determining which characterstic of the individual with multiple facts is being activated in any transaction.
- Leadership is one of the important aspects of managing. A leader directs and motivates members of the group. He also represents the group in the outside world and introduces the outside world to the group.
- The leadership process is a function of the leader, the follower, and the other situational variables i.e. L = f (l, f, s). If managers are also good leaders, they provide direction, drive and a good representation; thus proving that leadership is an essential part of successful management.
- Leadership is a means of directing and represents that part of an executive's activities by which he guides and influences the behaviour of his subordinates and the group towards some specified goals by personally working with them and understanding their feeling and problems.
- Effectiveness in communication greatly contributes to the success of managerial functioning and is a vital aspect of the managerial process.
- Words, pictures and actions are the communication media used for exchanging information and for developing understanding between different persons.
- Coordination is the orderly synchronization of group efforts so as to provide unity of action in the pursuit of a common purpose.

GLOSSARY

Unification	The process of uniting or union.
Implicit	Implied, rather than expressly stated.
Fidelity	Strict observance of promises, duties, etc.
Inextricable	Hopelessly intricate, involved, or perplexing.
Antagonism	An opposing force, principle, or tendency.
Discretion	The power or right to decide or act according to one's own judgment; freedom of judgment or choice.
Elicit	To draw or bring out or forth; educe; evoke.
Gangplank	A flat plank or small, movable, bridgelike structure for use by persons boarding or leaving a ship at a pier.
Repercussion	An effect or result, often indirect or remote, of some event or action.

SELF-TEST QUESTIONS

1. Define "direction". Explain the different approaches to direction.
2. Enumerate the different principles of direction.
3. Define motivation. Also state the concept of "Need-want-satisfaction chain".
4. "Without understanding peoples' motivation, a manager cannot be successful". Comment.
5. What is the relationship between motivation and human behaviour? In what way does the "Transactional Analysis" help in understanding behaviour?
6. Discuss the distinguishing features of various theories of motivation and explain how each theory is useful for managers.
7. "Leadership is situational". Discuss.
8. Define "channels of communication". Discuss the main characteristics of formal and informal channels of communication.
9. Explain the principal barriers to communication and suggest measures for overcoming such barriers.
10. Write short notes on:
    (a) Communication media.
    (b) The role of union in communication.
    (c) Grapevine.
11. "Coordination is the Essence of Management". Discuss.

Suggested Readings

(1) Management (7th Edition) – *Koontz, O'Donnell and Weihrich*
(2) Principles of Management – *Koontz and O'Donnell*
(3) Management – *Stoner, Freeman, Gilbert, Jr.*
(4) Management-Theory and Practice – *J P Mahajan*
(5) Principles and Practice of Management – *L M Prasad*
(6) Principles of Management – *T Ramasamy.*

- Concept of Control
- Characteristics of Control
- Importance of Control
- Control Process
- Essentials of a Good Control System
- Techniques of Control
- Non-Traditional Techniques of Control
  - Budgetary Control
  - Standard Costing
  - Financial Ratio Analysis
  - Internal Audit
  - Break-Even Analysis
  - Statistical Control
- Modern Techniques of Control
  - Zero Base Budgeting
  - Network Analysis
- Management Audit
- Review Questions
- Relationship between Planning and Controlling
- Lesson Round Up
- Glossary
- Self-Test Questions

The word control is very commonly used. You must have come across statements, like control your anger, control your expenses and save money and control your kids.

In common parlance, word control means to check or verify ; to regulate; to curb or restrain, etc.

However, in the context of a business it means a process of controlling the activities of an organisation.

A good definition of control is that it is a process through which managers assure that actual activities conform to planned activities.

Control is directly related to planning. The process of controlling ensures that plans are being implemented properly. In the management cycle functions, i.e., planning, organizing, directing and controlling, planning comes before all other functions and controlling comes the last. This is because control is the final link in the function chain of management activities. It is the only way the managers know whether the organizational goals are being met. If not, why?

Thus, the objective of this lesson is to make the students understand the concept and various techniques of control so as to enable them to get an insight into what kind of control system would work best in a given situation.

The managerial control implies the measurement of accomplishment against the standard and the correction of deviation to assure attainment of objectives according to plans.

Control is a fundamental managerial function that usually follows other functions. But like planning and other functions, control is also a continuing process of management.

By forcing events to conform to plans, control becomes intimately connected with planning and has the same characteristics of unity, continuity, flexibility and pervasiveness as are present in planning.

Controlling as a function of management, therefore, means the measurement and correction of performance of activities of subordinates in order to make sure that enterprise objectives, and the plans devised to attain them are accomplished. Control thus consists in assessing the extent to which actions are in conformity with the plans adopted and instructions issued, so that errors and deviations are promptly reported and analyzed, and suitable corrective actions are taken. Remedial action may result in alteration of plans, change in the organization structure, modification in the staffing process, or change in the process and techniques of direction.

Without plans to set objectives and specify activities, control would serve no useful purpose; without organizations, there would hardly be any guidance about who should make evaluations and who should take corrective action; in the absence of effective direction, corrective action would have little or insignificant impact on actual performance. Thus, different phases of management process need to be effectively linked together.

Control presupposes the existence of goals and plans. Accordingly, no manager can control actions which are not planned. Thus, complete and coordinated plans greatly facilitate the control process.

In view of the authority vested in the managers occupying top positions in the organization and their consequent responsibilities, control is sometimes considered to be the function of top management, and many are under the impression that little control is needed at lower levels. But this is erroneous and misleading. Although the nature of control exercised by the managers varies, it is an essential function of management performed at all levels in the organization.

On the basis of the above given concept of control, we can identify the main characteristics of Controlling as follows :

(i) *Controlling is forward looking:* A manager cannot control the past. A manager can take corrective action only about future operations. By reviewing past events, a manager applies the advantages of previous experience to future corrections. Control is usually preventive as presence of control system tends to minimize wastage, losses and deviations from standards.

(ii) *Controlling exists at every management level:* Controlling is a function of every manager in the organization – right from the Chairman of the Board of Directors down to the first-line supervisor. For example, top management is involved in exercising strategic control, middle management concentrates on tactical control, and operational control is the responsibility of supervisory management.

(iii) *Controlling is a continuous activity:* Control is not a one-step process but a continuous one. It involves constant revision and analysis of standards resulting from the deviations between actual and planned performance.

(iv) *Purpose of controlling is positive:* Controlling serves a positive purpose both at the organizational level as well as the individual level. At the organizational level, the purpose of control is to make things happen– to achieve organizational goals within stated constraints or by means of planned activities. At the individual level, the purpose of control is to make individuals give up a part of their independence so that common goal and objectives may be accomplished.

It is through a well-designed control system that managers regulate the activities of individuals and units so that they are consistent with the goals and standards of the organization. Control is important, because it is the only way managers would know whether organizational goals are being met, and if not, why. The value of the control function can be judged from the following major benefits that accrue from it:

(i) *Helps in Decentralizing Authority:* An efficient system of control encourages top management to go in for decentralization of authority. With controls, managers can foster decision making at lower levels without losing ultimate control.

(ii) *Increases Managerial Ability:* to cope with uncertainty and change: Uncertainty and change are inevitable part of any organization's environment. By developing control systems, managers are better able to monitor specific activities and react quickly to significant changes in the environment. This facilitates organizational viability in the face of environmental uncertainty and change, especially in such areas as customer demand, technology, availability of raw materials and government regulations.

(iii) *Strives to Rationally Structure Human Behaviour:* Since most organizational activities ultimately depend on human behaviour, controlling is largely geared towards highlighting required behaviour and discouraging unwanted behaviour. Thus, controls infuse order, discipline and purposefulness among organizational participants to improve the predictability of their behaviour, to reduce diversity and to bring forth unity of effort in their performance.

(iv) *Ensures Efficient Use of Scarce and Valuable Resources:* Controls are essential to minimize the variability in the use of resources so that the intended goals are achieved with the least cost and a few untoward consequences.

(v) *Facilitates Coordination:* Control and coordination are important processes of management. In the context of predetermined goals, control keeps all activities and efforts within their fixed boundaries and makes them to move towards common goals through coordinated activities. In this sense, control pulls together all the diverse and multiple threads of organized activity and weaves them into a unified system to achieve predetermined goals. Thus, control is a feeder function to ensure and maintain coordination throughout the organization.

(vi) *Fosters Organizational Efficiency and Effectiveness:* An efficient control system helps in achieving organizational efficiency and effectiveness by focusing on crucial areas of performance and control. These areas relate to the internal and external dimensions of an organization and include fixing responsibility for performance, motivating people for better performance, effectively dealing with environmental uncertainties, eliminating wasteful expenditure of scarce and valuable resources, achieving coordination of activities and efforts, and attaining individual and collective goals with minimum friction and inconvenience.

Control consists of assuring that the results of operations conform, as closely as possible, to the established goals and predetermined standards. The essential elements of any control process are:

Standards are the norms against which any performance is measured to find out its results. The first essential element of any control process is to know what should be the result. This requires projecting the future and determining the goals and standards of performance. Standards may be :

- tangible or specific (like production of 200 units per day or sale of 1500 units per day)
- intangible or abstract (to be the most preferred employer)

But these must be so expressed that people concerned understand them, and that accomplishment of assigned duties can be measured against them.

Once the standards are set, the second basic step in control process is the evaluation of performance. This requires measuring the work in terms of control standards, and communicating the appraisal with the persons responsible for taking corrective actions. Measurement of performance must be in units similar to those in which standards are expressed.

Checking on performance is not intended just to determine that a mistake has been made, rather it enables the manager to predict the future problems. Customer inquiries are sometimes used to predict a rise or fall in sales: a machine's vibration may be used to predict a breakdown; or grievances may be used to predict a strike. Through such predictions, corrective actions can be initiated without waiting for the actual event to occur.

Measurement of performance becomes easy if appropriate standards are set and means are available for exact determination of the performance. But in practice there are some activities for which it is extremely difficult to develop sound standards. Likewise, there are many performance areas that are difficult to measure. Industrial relations, finance, and public relations are a few examples.

Thus, setting appropriate standards and developing the means for exact measurement and appraisal of performance is an extremely difficult task. Moreover, as new techniques are being developed to measure the performance with a reasonable degree of objectivity, useful standards at higher as well as lower levels of management are bound to emerge. Management should also apply the exception principle and concentrate mainly on significant deviations, wherever they occur.

When a significant discrepancy occurs between the actual output or performance and the planned or predetermined performance standards, specific action must be taken to correct the situation. Some innovative people and organizations already have built-in corrective actions in their control process, if the deviations are due to controllable factors. Some even go to the extent of identifying the uncontrollable factors and developing alternative courses of action for deviations. When deviations occur and the procedures regarding corrective action are given in advance to the performers of job, actions can be taken without delay. The following are important phases of corrective action.

(i). The Operation Phase

(a) Prompt investigation of the causes of the deviation.

(b) Decisions concerning the required corrective action.

(c) Prompt direction for correcting the situation in accordance with the decision.

(d) Close supervision of the corrective action to ensure that it takes place according to the instructions and is effective.

(ii). The Administrative Phase

(a) Further investigation of recurring difficulties to determine the basic factors, either human or physical, that are responsible.

(b) Disciplinary action, either positive or negative, as the situation requires.

(c) Creative planning to prevent a recurrence of the situation.

(d) Recognition of the situation and introduction of the planned measurement.

Recommending corrective actions for underperformance is not enough in itself. The managers responsibility does not end here. Often the control proves ineffective or fails because the corrective actions recommended are not alloed through. Suppose the performance evaluation of a subordinate indicates weakness in his supervisory practices. The superior of this individual recommends a corrective action and ensures that he undergoes some kind of training in supervisory practices. The responsibility of the superior does not end here. The superior has to follow through his recommendations to ensure that the subordinate participates and makes progress in the training programme. Further, the superior must watch whether the subordinate is applying what he had learnt in the training programme to the actual work situation.

Certain ideas are basic to the development of an effective control system and every manager, irrespective of the level at which he is operating must be guided by these considerations.

Feedback: Feedback is the process of adjusting future actions based upon the information about past performance. It is based upon interdependence of different parts of a system.

A manager responsible for control needs a continuous flow of information relating to the actual performance so that deviations are promptly detected and corrected. Information which flows back to the manager for this purpose is nothing but feedback. Information may be formal or informal feedback. Informal feedback is through personal contact, informal discussions and personal observations. Financial statements, reports, statistical analysis, and other written communications furnish examples of formal feedback. In every organization information is either formal or informal feedback.

However efficient the data of feedback may be, the managerial control cannot be so instantaneous or self-correcting as some of the mechanical or electronic controls are. There are, however, managers who on the pretext of automatic correction of deviations, favour new and sophisticated systems of data collection. These managers overlook the fact that there always exists a time-lag between recording the deviations and initiating the corrective actions. Even when deviations are promptly reported, it takes time to analyse them, chalk out a programme of actions and then implement the same. A major part of the time in correcting deviations is consumed in identifying these activities separately; whereas not much time is spent in recording and reporting these deviations.

Thus, even fastest data collection, such as the “real time” information (i.e. information immediately available at the time events are occurring) will not result in automatic correction of deviations from plans.

Control should be Objective: Evaluation of the performance of a subordinate should not be a matter of subjective determination. That is, control, should be definite and objective. A subordinate will respond favourably to the objective standards and impartial appraisal of his work performance.

Prompt Reporting of Deviations: Control system should be devised so as to detect deviations before they actually occur. The manger should be provided with information as soon as possible so that he can hive off failures.

Forward Looking Control: Ideal control is instantaneous, self-correcting and forward-looking. However, managerial control is not exactly similar to the mechanical or electronic control. There normally exists a time-lag

between recording and reporting the deviations and the corrective actions to become operative. A manager should, therefore, structure his control system in a way so that deviations are predicted well in time and corrective action can be initiated before substantial deviation occurs.

Flexible Control: Control must be flexible in the sense that it should respond favourably to the conditions. In consequence of unforeseen circumstances when plans are changed, control should reflect corresponding changes to remain operative under new conditions. Controls are not an end in themselves. In order to accomplish objectives if it becomes necessary to revise the plans, the control system must have the attribute to adapt itself to new developments. The basic idea is that control should remain workable under dynamic business conditions including the failure of the control system itself. Flexible plans tend to make the control adaptable to new situations.

Organizational Suitability: Control is exercised through managerial positions, and as such they should reflect the organizational pattern. Each managerial position should be provided with adequate authority to exercise selfcontrol and take corrective actions. Flow of control information should be consistent with organization structure employed.

Control should be Economical: A control system should be economical in the sense that the cost of its installation and maintenance should be justified by its benefits. Simply stated, control must be worth its cost. An elaborate control system may sometimes have to be discarded because cost and benefit considerations do not warrant its installation. Thus, a small company can hardly afford the extensive system of control practiced by large companies.

Strategic Point Control: Deviations cannot be eliminated altogether. However, all deviations are not of equal importance and do not require same account of attention. Thus, if postal expenses rise by just 10 per cent, the deviation is insignificant and carries very little meaning for the management. If, on the other hand, labour cost rises by only 5 per cent, this must occupy full attention of management. An attempt to control and attend to all the factors will make the management busy with less important problems and deny management the attention to the strategic areas and deviations. It is thus one of the essential requirements of an effective control system to highlight the critical or limiting points that deserve close management attention for appraisal and adjustments. Thus, efficient control system discriminates between important and unimportant factors, and through it makes the system more effective and less costly.

Control should be Simple to Understand: Those who administer control should understand it. Control specialists very often recommend sophisticated and advanced techniques of control on the pretext of proving their expertise and tend to overlook the question which are understood by the managers in the organization. There are also cases where the personnel lack sufficient motivation to learn the new system. In either case, control loses its effectiveness. Thus, while launching a system of control, management should take into account the present qualifications and abilities of executives and also their potential abilities to be developed soon. Mathematical formulae, complex charts and detailed statistical summaries, though very useful, may fail to prove as effective control devices, if their meaning is not properly communicated to the executives who have to use them.

Control should Suggest Corrective Action: An essential requirement of the effective control system is that it should indicate deviations and suggest corrective actions promptly and in time. Simple recording of deviations and errors and fixing responsibility for their occurrence is not sufficient, if it is not followed by suitable actions to prevent its further occurrence.

Control should be Worker-Focused : Modern control system is worker-focused rather than work or job oriented. Control is affected on people who handle material resources for producing certain work results. If any corrective action is called for, persons accountable for results are to be located for initiating remedial actions. Research studies have proved that modern control system allows greater freedom and therefore people show special interest in it. Moreover, people generally associate worker-focused control with higher productivity.

A variety of tools and techniques have been developed and used for years for the purposes of managerial control. These tools are, in the first instance, planning devices. Some of these techniques are termed as traditional and others as modern. Most of the modern control devices usually reflect the system techniques long used in physical sciences. Operations research and PERT (Programme Evaluation and Review Technique) are important modern control techniques.

Thus, the main traditional control devices are:

- Budgetary Control
- Standard Costing
- Financial Ratio Analysis
- Internal Audit
- Break-Even Analysis
- Statistical Control

Some of the non-traditional (modern) control devices are:

- Zero Base Budgeting
- Network Analysis
  - CPM - Critical Path Method
  - PERT - Programme Evaluation and Review Technique
- Management Audit

Traditional devices focus on non-scientific methods whereas, non-traditional devices are based more on scientific methods and are more accurate.

They are discussed below.

Despite the newer techniques of planning and control, some of the traditional techniques are still very popular because of their special significance and continuing utility. Budgeting is one of the most important of such devices.

Budget as a plan represents a statement of anticipated inflows and expected outflows expressed numerically. Exercising control over day-to-day operations of the enterprise for the purpose of executing budgets is known as budgetary control.

The Institute of Cost and Management Accountants of England and Wales defines a *budget* as “a financial and/or quantitative statement prepared prior to a defined period of time of the policy to be pushed during that period for the purpose of attaining a good objective”.

The Institute of Cost and Management Accountants of England and Wales has defined *budgetary control* as “the establishment of objectives relating to the responsibilities of executives to the requirements of a policy and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy or to provide a basis for its revision”.

Expected results in a budget may be expressed in financial terms, in terms of man hours, units of output, machine hours, or in any other numerically measurable term. A budget may deal with operations, such as the

expense budget; it may relate to capital outlays, like the capital budget; or it may reflect flow of cash, as does the cash budget.

Full benefits of budgeting and budgetary control can be realised if different phases of all the operations of the company are covered by budgets and comprehensive budgeting is used. In such cases, planning is largely confined to budgeting. In a number of enterprises, however, only important activities are planned and controlled by means of budgets, and only partial budgets are prepared. Sales budgets are generally prepared in either case.

Basically, budgetary control involves the following steps:

- Determination of objectives to be achieved, like higher profits, better finance position and better position in the market.
- Noting the steps necessary to achieve the objectives, i.e., laying down the exact and detailed course of action month by month and over the whole period.
- Translating the course of action into quantitative and monetary terms.
- Constant comparison of the actual with the budget (again both physical achievement and the money values involved). Noting deviations and rectifying the same to eliminate the gap between the budget planned and the budget achieved.

Budgeting is used for a variety of purposes. Thus, according to Koontz and O'Donnel, "Budgets correlate planning and allow authority to be delegated without loss of control". Some of the basic general purposes for which budgeting is used are as follows:

To Develop an Organized Procedure for Planning: A budget requires planning and is also in itself an instrument of planning. Budgeting involves anticipating of results and expressing them in numerical terms. The revenue and expense budget, for example, requires compilation of sales budget and a number of different expense budgets. Forecasting or projecting a future course of action implied in budgeting is essentially a planning process. Comprehensive budgeting forces management to develop a network of objectives and policies and plans for all the phases of operations of the enterprise.

Means of Coordination: Budgeting is also used for coordinating the activities of the various divisions of a business. Thus, production must bear a logical relation to sales. While preparing budgets information is certainly required relating to the different divisions and activities in the enterprise. A sales budget, for instance, cannot be prepared without the knowledge of production programme of the enterprise. The very act of preparing budgets, therefore, forces coordination. The process of integrating various budgets into a master budget also highlights the importance of coordination implied in budgeting.

Basis for Control: Control represents the most widely known use of budgeting. Events can be compelled to conform to plans only when there are predetermined objectives and standards. Budgeting forces management to lay down objectives, goals and plans in numerical terms. It thus provides the yardstick for the measurement of performance, so very essential for effective control. Budget reports analyze the deviations and also suggest corrective actions. Thus, budgeting is also used as an aid to managerial control.

Stated above are the general or overall purposes of budgeting and budgetary control.

To Control Cost: Individual budgets for each operation and department help the management to know separately the cost for each of them and thus exercise effective control over cost. The departmental manager

who notices substantial deviations from budgeted costs for operations under his control, feels compelled to curtail extra expenditure and think very seriously about controlling the cost.

To Increase Efficiency in the Field of Production: Very often than not, budgetary control necessitates preparation of separate production budget, and thus helps determine progress and efficiency of the production.

To Determine Capital Requirements: Budgeting is also employed to determine capital requirements of the enterprise. This is possible through computing financial flows at different phases of all the operations of the enterprise as reflected in various budgets.

To Encourage Research and Development: Budgeting also aims at encouraging research and development. Comparison of actual performance with the budgeted goals and plans, and a thorough analysis of deviations particularly in this key factors provide a sound basis for research and development.

To Increase Utility of Cost Records: Budgeting entails considerable use of cost information and records. Thus, budgetary controls add meaning to cost records and increase their utility.

Budgets are drawn on the basis of plans, and since an average enterprise has a large variety of plans, there are many types of budgets currently in use in business organizations. The following are the important types of budgets.

- Sales budgets including selling and distribution costs budgets.
- Production and manufacturing budgets.
- Purchase Budget.
- Capital Expenditure Budget.
- Administration Expenses Budget.
- Research and Development Budget.
- Cash Budget.

A master budget is frequently prepared to combine all other budgets in a summary form. The components of the master budget are the various functional budgets. The summary plan of master budget is generally divided into two parts- a forecast income statement and a forecast balance sheet.

The system of budgeting and budgetary control leads to the following advantages:

(i) Budgeting helps to express many diverse actions and things in terms of a common numerical denominator. It thus provides the management with a means of making comparisons between dissimilar things.

(ii) Maximum efficiency is achieved by avoiding wastage and losses.

(iii) Expenditure beyond what is provided in budgets is not incurred without prior sanction. Thus, expenditure can be scrutinized before it is incurred.

(iv) Budgets serve as a target. Therefore, objective judgement rather than the judgements depending upon personal ideas and whims is possible. The people concerned also know the standard against which their performance is supposed to be judged.

(v) Every one knows what exactly he has to do. This means there will be no over-lapping and that nothing will be left undone.

(vi) Management by exception is possible; comparison of actual and budgeted performance will show up spots where management attention is needed the most.

(vii) If budgets are drawn up on the basis of measured dynamism, the firm would be able to grow at a faster rate.

(viii) Budgeting is also very useful in “profit planning” - setting targets for profits and related matters and then ensuring accomplishment of targets through an analysis of deviations and prompt corrective actions.

Expenses/costs associated with every activity are recorded and classified and then compared with the standard or budgeted costs. The concerned manager takes corrective action if any deviation is found. This technique helps in finding out which activity is profitable and which is not.

All business organizations prepare Profit & Loss a/c and Balance Sheet. When a comparative study of these financial statements are made, trends of changes in profits, assets, liabilities, turnover etc. can be assessed. Further ratio analysis can be done to compute and analyze financial statements. Ratio Analysis is the relation between various elements of financial statements expressed in mathematical terms. It helps to understand profitability, liquidity and solvency of a firm.

It is another effective and widely used tool of managerial control. Internal auditing signifies regular and independent appraisal of the accounting and financial and other operations of a business by a staff of internal auditors.

There is no denying the fact that internal auditors mostly limit themselves to the integrity of accounts and corporate assets. But the horizon of internal auditing can be widened just by bringing under them some more appraisal areas, as policies, procedures, methods and quality of management. But the primary limiting factor in this regard is that no management however broad it may be in outlook and attitude, likes to give internal auditors so much of authority and respond to their queries regarding various aspects of management. Nevertheless, dearth of qualified personnel to carry out such a broad-based audit is also a matter of significance.

Break-Even Analysis is a point of ‘no profit – no loss’. For instance when a firm is able to sell 24,000 bags, it would break-even. It indicates that a sale below this level will cause a loss and any sale above this level will earn profits. It can be used as a control device as it provides a basis for collective actions to be taken to improve future performance.

In order to find out the causes for deviations comparison of various ratios, averages, percentages of statistical data are undertaken. Statistical reports compiled after the analysis are presented in the form of charts or graphs which helps in visualizing the trends and weaknesses in the respective areas of operation, and necessary remedial steps are suggested. Charts and diagrams are used by the production, sales, purchase, and personnel and even more frequently by the executive heads of companies. In recent years statistical data and information have become the most common means to aid planning and as a controlling device.

Following are the modern techniques of control:

Zero base budgeting is a new approach to budgeting, which was first introduced by Peter Pyhrr in 1970 in the United States. It is defined as an operative planning and budgeting process which requires each manager to justify his entire budget in detail from scratch (hence zero base). It shifts the burden of proof on each manager to justify why he should spend any money at all.

The following steps are implied in zero-base budgeting.

First, managers at all levels have to define the objective of each programme of activity that they supervise, and prepare alternative spending plans as 'decision packages'. There should be at least three, if not more, such packages:

- one involving expenditure of (say) 20% below the present level of expenditure or the minimum expenditure which will permit the programme to continue meaningfully;
- another package indicating resources in terms of men, materials and money which will be needed to continue the present levels of performance and objectives;
- and a third package indicating what more could be achieved, if additional funds were available to the extent of (say) 10% or more. The executives at the next higher level have then to consolidate these decision packages and rank them in order of priorities.

ZBB as a technique of budgeting based on continuous evaluation of the current activities. It provides a convenient reference plan that can be used for controlling activities during the budget period. It is an effective managerial tool to ensure sound planning and efficient budgeting. It can be used more meaningfully in those areas where there exists a direct relationship between the expenditure on an activity and its consequent benefit to the enterprise. However, the process of ZBB involves additional time and effort to be devoted during the initial years.

Network analysis is a technique for planning and controlling complex projects and for scheduling the resources required on such products. It achieves this aim by analyzing the component parts of a project and assessing the sequential relationships between each event. The results of this analysis are represented diagrammatically as a network of interrelated activities. Broadly speaking, there are two network techniques.

Critical Path Method, an important network technique for management control, was developed by Walkar of Dupont to reduce time for periodic maintenance. It is used for planning and controlling the most critical activities to accomplish any project. Under this technique a project is broken into different operations or activities and their relationships are determined. These relations are shown with the help of a diagram known as network diagram. The Network diagram or flow plan may be used for optimizing the use of resources and time. CPM technique is based on the assumption that activity times are proportional to the magnitude of resources allocated to them; and by making a change in the level of resources, the activity time and the project completion time can become varied.

The application of CPM leads to the following advantages:

(i) It provides an analytical approach to the achievement of project objectives which are defined clearly.

(ii) It identifies most critical elements and pays more attention to these activities.

(iii) It assists in avoiding waste of time, energy and money on unimportant activities.

(iv) It provides a standard method for communicating project plans, schedule and cost.

PERT is an important technique in the field of project management. It involves basic network technique which includes planning, monitoring and controlling of projects. In addition to its use in schedule planning and control, the network concept in PERT provides framework for treating a wide range of project management problems. Thus, PERT system is directed towards the dynamic management of projects. It specifies techniques and procedures to assist project managers in:

(i) Planning schedules and costs;

(ii) Determining time and cost status;

(iii) Forecasting manpower skill requirements;

(iv) Predicting schedule slippages and cost overruns;

(v) Developing alternate time-cost plans;

(vi) Allocating resources among tasks.

Application of PERT requires that management should know the goals to be achieved, determine the actions necessary to achieve those goals, determine the sequence in which these activities must be performed and carefully establish the time that will elapse at each of the successive stages of actions required to achieve the goals.

PERT uses 'probability' and 'linear programming' for planning and controlling the activities. Probability helps in estimating the timings of various activities in the project and linear programming is used to maximize the achievement of the project objectives. With the help of these tools, PERT can foretell the probability of achieving the project targets leading to project's main objective.

PERT is employed in construction of ships, buildings and highways, in planning and launching of new projects, in publication of books and, in installation and debugging of computer systems. Frequently, PERT systems are used in conjunction with computers. A computer programme is employed that permits calculations to be made without reference to a flow chart or diagram.

Companies get their accounts audited at least once a year. This statutory audit is intended to ensure that the company's records and reports reflect sound accounting principles. Such an audit looks at the past and at the historical records of past performance. However, some of the progressive companies appear to have recognized the importance and utility of management audits. And management audits are becoming increasingly significant in connection with control of overall performance of an enterprise and its management.

Management audit may be defined as the systematic and dispassionate examination, analysis and appraisal of management's overall performance. It is basically a procedure or a form of appraisal of management's total performance by means of an objective and comprehensive examination of the organization structure or its components, such as a department, its plans and policies, methods of operation, controls and its use of physical facilities and human resource. Thus, management audit signifies critical assessment of the management of the enterprise from the broadest possible point of view. Such an audit may be undertaken by the management itself, or it may be carried out with the help of management consultants. In the same way, while a comprehensive management audit may be recommended, companies may even apply it independently to some specific sections of the organization. Thus, production efficiency or investment appraisal may well be the subject matter of management audit. It may even be used to provide guidance on critical assessment of capital budgeting or profit performance.

Management audit should not be confused with accounting or statutory audit. Accounting audit is concerned

with the verification and confirmation of financial data, and is essentially historical in character. But management audit looks at the past, the present and the future. Its basic purpose is to appraise the management performance of the various departments and of the company as a whole. In terms of scope, financial audit is largely concerned with financial records and results of company's operation for the year, while management audit goes further and covers areas of management on asset potential, capacity utilization, executive evaluation, personnel practices, physical facilities, financial procedures, and others not directly covered by the former. Rights and duties of company auditors are well defined in the statute governing them, and are also governed by judicial pronouncements. So far as management audit is concerned, there are no clearly defined rights and duties of such an auditor; nor is there any uniformity in the depth of the audit. Statutory audit is conducted by an independent qualified auditor but management audit may even be undertaken by management itself; the qualifications of those conducting management audit are not prescribed by any law.

Management audit consists of two distinct parts-systematic compilations of relevant data and its analysis with a view to appraise management's overall performance.

The American Institute of Management has identified ten categories of appraisal areas to be used under any comprehensive management audit programme.

Economic Function: This category includes appraising public value of the company in relation to different interests like consumers, shareholders, employees, suppliers and the communities in which that company operates.

Corporate Structure: Under this category is appraised the effectiveness of the corporate structure through which the management seeks to accomplish its objectives.

Health of Earnings It is concerned with determining the income itself and also appraising the extent to which profit potential of the company's asset has been realized.

Service of Shareholders: Here, the management audit team determines the company's service to the shareholders w.r.t. (with reference to) *minimization of risk, reasonable return, capital appreciation over a period of time.*

Research and Development: For giant companies, particularly, evaluation of their research policies is crucial to management audit. Research and development success is evaluated in terms of the part played by them in the company's past progress and also in terms of how successfully research policies are preparing the company for future progress and improvement of its position in the industry.

Directorate Analysis: In this appraisal area three elements usually considered are –

(i) the quality of each director and his contribution to the board.

(ii) the extent to which directors work as a team.

(iii) whether the directors act as trustees for the organization.

Fiscal Policies: The key factors under this category of appraisal are providing, controlling and managing thriftily the use of funds.

Production Efficiency: Production or operating efficiency is equally vital to manufacturing as well as non-manufacturing companies. The first part under this category, which is frequently overemphasized, is the appraisal of machines and materials management.

Sales Vigour: There are significant variations in sales practices and marketing principles followed by different companies even in the same industry. Still, sales vigour can be evaluated if marketing goals are properly determined. The extent to which past sales potential has been realized, the development of sales personnel, and the extent to which present sales policies of the company will enable its management to realize future sales potential are the three important bases that can be used to appraise the sales vigour.

Executive Evaluation: Each of the appraisal categories discussed above to some extent involve evaluation of the concerned executives. However, because of their vital role, the quality of executives and their management philosophy need to be evaluated separately. The American Institute of Management has found three personal qualities as being essential elements for business leaders. These are ability, industry and integrity. Good management demands that executives should work together in harmony, and ensure company's continuity by sound policies, decisions, procedures and programmes relating to different activities of the enterprise.

Control can work irrespective of any plans to set objectives and specify activities.

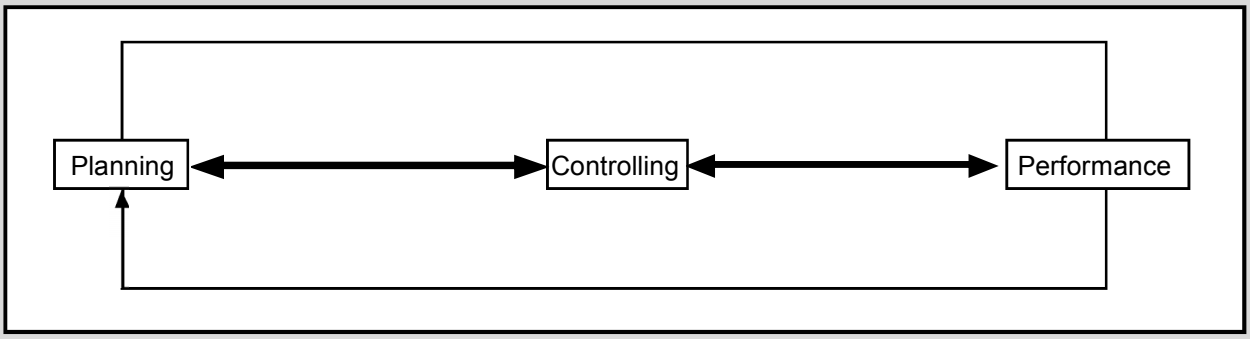
Efficient control system discriminates between important and unimportant factors.

Traditional control devices focus on scientific methods whereas non-traditional devices are based more on non-scientific methods.

Zero Base Budgeting can be used more meaningfully in those areas where a direct relationship exists between the expenditure on an activity and its benefit to the enterprise.

1. False 2. True 3. False 4. True

Planning and controlling are closely linked to each other. They are called the siamese twins of management. Not surprisingly, effective planning facilitates controlling, and controlling facilitates planning. The reciprocal relationship between planning and controlling is depicted in the given Figure. Planning lays out a framework for the future and, in this sense, provides a blueprint for control. A system of control presupposes the existence of certain standards. Planning provides the standards of performance which serve as the basis of control. In this context, Koontz, O'Donnell, and Weihrich rightly remark, "Every objective, every goal of the many planning programmes, every policy, every procedure, and every budget become standards against which actual or expected performance might be measured." Control systems, in turn, regulate the allocation and use of resources and, in doing so facilitate the process of the next phases of planning. Control is meant to keep the plans on the right track and to keep away the forces of disruption and distortion. The lessons of control are feedback to modify and reform future plans. Thus, planning and controlling reinforce each other. Planning based on facts makes control easier, and adequate controlling improves future planning. It is, however, important to remember that in today's complex organizational environment, both functions have become more difficult to implement while though have become more important in every department of the organization.



While explaining the relationship between planning and controlling it is often said, “Planning is looking ahead and controlling is looking back.” The view of planning and controlling expressed in the statement, though true, is incomplete. Planning is, no doubt, a forward-looking activity as it involves deciding in advance the organization’s objectives, strategies, major policies and programmes, and forecasting the future events as also their likely impact on the organization. And, controlling is a backward-looking activity as it involves checking whether the plans are properly implemented, their results achieved, and the deviations corrected. Surely, it is a postmortem of events which have already taken place. Hence, nothing can be done to undo the past.

However, the description of the processes and purposes of planning and controlling, though correct, is certainly not complete. Planning is not merely forward-looking. Plans for the future are often partly the projections of the past and the present. Thus, planning is based on past experiences. The planner has to look back into the organization’s past decisions, policies, programmes and commitments to embark on future course of action. Similarly, controlling is not merely a looking back exercise. By identifying deviations and initiating corrective steps, controlling attempts to improve work performance in future. The whole exercise of looking back is meant to improve work performance in future. Feedforward controls, in particular, enable managers to take advance preventive action against occurrence of deviations and distortions in plans, and thereby help in keeping the organization alert and alive to the future environmental events. Thus, the early warning and rapid response processes are integral to all control systems which make controlling forward looking.

- Control is a fundamental managerial function that usually follows other functions.
- The essential elements of any control process are:
  - Establishment of goals and standards.
  - Measurement of actual performance against standard.
  - Corrective action.
  - Follow through action.
- Some of the basic general purposes for which budgeting is used are as follows:

- To develop an organized procedure for planning
- To provide means of coordination
- To form a basis of control

– The essence of good reporting is the application of the principle of management by exception.

– Network analysis is a technique for planning and controlling complex projects and for scheduling the resources required on such products.

– Zero base budgeting is defined as an operative planning and budgeting process which requires each manager to justify his entire budget in detail from scratch.

– Planning and controlling are closely linked to each other. They are called the siamese twins of management. Not surprisingly, effective planning facilitates controlling, and controlling facilitates planning.

Occurring or appearing again.

Occurring, done, or completed in an instant.

A place swarming with busy occupants.

Something that is put forward to conceal a true purpose or object.

Any standard of measurement or judgement.

To impose as a burden.

Force of healthy growth in any living matter or organism, as a plant or active or effective force, especially legal validity.

Any twins who are born joined together in some manner.

1. Define the concept of control. Discuss its nature.
2. Discuss the requirements of an effective control system.
3. Define budgetary control system. What are the essentials of an effective budgetary system?
4. Define budget. What are the different types of budgets used in business?
5. What are the non-budgetary control techniques? Discuss any one of them in detail.
6. Discuss the advantages and limitations of budgetary control.
7. Define management audit. Discuss the appraisal areas that should occupy the attention of management audit team. How does management audit differ from financial audit?
8. What factors have contributed to the increased awareness of quality in modern business?
9. Write short notes on:
   (i) Zero base budgeting.
   (ii) Management Self Audit.
   (iii) Non-traditional Devices of Control.

(1) Professional Management – *Haimann*

(2) Essentials of Management – *Koontz & O'Donnell*

(3) Business Budgeting and Control – *Heckert (J.B.) and Wilson (J.D.)*

(4) Business Policy – A Management Audit Approach – *William T. Greenwood*

(5) Management Theory and Practice – *J P Mahajan.*

FP-BMEC

Lesson 7
Recent Trends in Management

LESSON OUTLINE

- Concept of Change Management
- Concept of Resistance to Change
- Change through the Management Hierarchy
  - Lewin's Three-Step Model
  - Action Research
- Concept of Crisis Management
- Types of Crisis Management
- Review Questions
- Total Quality Management (TQM)
- Important Principles of TQM
- Concept of Risk Management
- Objectives of Risk Management
- Scope and Applicability of Risk Management
- Risk Management Process
- Responsibilities of Risk Management
- Global Practices
- Features of International Business
- Importance of International Business
- Role of International Manager
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Management trends come and go. They are good or bad depending on many variables, like industry, company culture, education level of employees, existing contracts and laws. Mostly, however, they are good or bad depending on how well they are applied. Some of the recent trends, therefore, are change management, crisis management, Total Quality Management (TQM), risk management, etc.

Change management entails thoughtful planning and sensitive implementation, and above all consultation with, and involvement of the people affected by the changes.

Crisis management entails the identification of threats to an organisation and its stakeholders and the methods used by the organization to deal with these threats.

TQM is an approach that seeks to improve quality and performance which will meet or exceed customer expectations. It is a set of management practices throughout the organisation geared to ensure that the organization consistently meets or exceeds customer requirements.

Risk management refers to the identification of opportunities and avoiding or mitigating losses.

Therefore, the objective of this study unit is to provide students an insight into the recent trends of management.

The world hates change, yet that is the only thing that has brought progress.

Charles Kettering

CONCEPT OF CHANGE MANAGEMENT

In an open-system context it is not difficult to analyze behaviour of people subject to the influence of a variety of forces–both internal as well as external–which may necessitate change at individual, group and organizational levels. While change is a fact of life, so is individual, group and organization are resistance to change. Since organizational success lies in operational adjustment to the forces of change, it becomes imperative that the managers be aware of and apply appropriate techniques of managing change, such as Lewin's Three-step Model, Action Research and organization development are some os such techniques whch can be applied with a view to achieve, with a view to achieving fullest benefits of change, thus avoiding the dysfunctional consequences. Organizational success lies in operational adjustment in the forces of charges as influencing them is not always possible. This makes it completive that the managers should be aware of appropriate techniques of managing changes and should be able to apply them

Meaning of Change and its Causes

Change is a natural phenomenon. Organization is an open system and is influenced by change in its internal as well as external environment. Management decisions regarding matters, like organization structure, corporate objectives, policies and strategies should not be regarded as final for success and survival of the enterprise; it is necessary that management anticipates changes and effectively deals with them.

Change may be defined as a variation in the established way of life to which people are accustomed to in the organization. Change basically results from stimuli both from outside and inside, the enterprise. It can be natural, such as growth of an organism; re-active, such as a forced adjustment to change in technology or practice, introduction of a new employee-benefit scheme with a view to enhance personnel satisfaction and productivity. Particularly, in an organizational context, in view of the inevitability of change, managers have two options: either to wait until the moment when change will be thrust upon the organization, or to voluntarily initiate steps to bring about the necessary change, or to prepare the organization to strengthen its competencies in anticipating, planning and implementing change. In any case, there could be a need to identify the various internal and external forces acting as stimulants to change.

A. External Forces: These lie in the external environment of an organization. They may be classified as:

(i) *Educational and Cultural Forces* – Spread of education, changes in the system of education, patterns of culture and so on.

(ii) *Economic Forces* – Shortage of vital resources, rapid growth of population, market demands, increase of competition, expansion of transport facilities, etc.

(iii) *Technological Forces* – New techniques of production, improvement of an existing resource, discovery of a new machine, etc.

(iv) *Political Forces* – Change of government, change of policies of the existing government, spurt in trade union activity, etc.

(v) *Social Forces* – Changes in the modes of living, habits and customs, urbanization, spread of provincialism and racialism.

B. Internal Forces: These are the pressures arising from within the organization. They include –

(i) Composition and policy of top management;

(ii) Changes of personnel due to retirement, resignation, promotion, transfer and so on;

(iii) Change of physical facilities, like shortage of supplies of raw materials, wearing out of machinery and equipment, demand for more space;

(iv) Changes in employee attitudes, feelings and aspirations;

(v) Changes in work allocation, duty hours, composition of work groups, and so on.

These forces are interlinked and react on each other.

RESISTANCE TO CHANGE

Well documented findings from studies of individual and organizational behaviour have revealed that organization and their members resist change. And this resistance can be overt, implicit, immediate or deferred. For example, while threat to go on strike is an overt expression of resistance to change, increased errors or mistakes is an implicit resistance to change. Likewise, resistance to change may be an immediate response or it may be deferred and stockpiled. While resistance to change is not always dysfunctional, rather at times it can contribute to better decision-making and can be a source of functional conflict, it often obstructs beneficial changes. Hence, management needs to identify the sources of individual and organizational resistance to change.

Why Change is Resisted?

New policies and programmes often meet with resistance and cause a failure, unnecessary delay or distortion in implementation. Conflict between human reaction to change and the increased need for change is the most perplexing problem in the management of change. Following are usually identified as the most important factors responsible for people's resistance to change:

(i) People find it easy to do what they have been doing and find it inconvenient to learn something new.

(ii) Since change almost invariably brings with it a redistribution of power and influence, it tends to be opposed by those individuals and groups who are negatively affected by it.

(iii) Change is also resisted when people in course of doing or learning a new system experience failure.

(iv) Change is also resisted by individuals who are less educated and less intelligent, and who rely heavily on their personal experience and are not inclined to take risks. Those who stand to lose the most by the change tend to oppose it the most. People with traditional temperament know that change will expose their inadequacies and inefficiency; hence, they must oppose change.

Types of Resistance to Change

Resistance to change is of three different types. These types work in combination to produce each employee's total attitude towards a change. These are –

(i) *Logical:* This resistance arises from the time and effort required to adjust to change. These are true costs borne by the employees. It involves rational objections such as: time required to adjust, extra effort to relearn, economic cost, and doubtful technical feasibility of change.

(ii) *Psychological:* It is "logical" in terms of attitudes and feelings of individual employees about change, such as fear of unknown, low tolerance of change, dislike of management, need for security, etc.

(iii) *Sociological:* It is logical in terms of group interests and values. Social values are powerful forces in the environment, so they must be carefully considered.

While individuals do resist change, it is not difficult to visualize that even groups as well as overall organizations too actively resist change. Group resistance and organizational resistance to change may be due to and in spite of individual resistance to change. To illustrate group resistance to change one may cite examples of group norms, values and informal role prescriptions. An individual union member, for instance, may be willing to accept changes in job suggested by management; but if union norms dictate otherwise, he is likely to resist. Indeed, if the proposed change is likely to alter the existing informal group-composition, it would most likely face active resistance.

Sources of organizational resistance to change may lie in factors with sustain as limited focus of change, structural inertia, threat to established resource allocations and power relationships. For example, if the proposed change in one aspect of organizational functioning does not account in its implications in other areas that might be affected, the change is likely to be nullified; or when a stimulus to change is counterbalanced stability as the organizational structure has built-in ways and means of retaining equilibrium or when there is modification in departmental budgets or resource allocation; or when existing power relations are altered by redesignation of functionaries.

Overcoming Resistance to Change

Resistance to change is likely to be minimized if the management helps employees to adjust to contemplated change with a supportive conduct and behaviour. The imperative need is to make the employees feel that their interest in the work situation is being adequately considered and fully protected by the management. It should be impressed upon the employees that in the long run they will gain from change and the management will, by all means, help them to achieve these goals. If the supportive climate exists, the employees are likely to be more receptive to change. However, besides, the following considerations should be kept further in view:

(i) The nature of change should be properly understood with all its ramifications by those who are affected by it.

(ii) Changes should be introduced in stages; further change should be introduced when the earlier change has been fully assimilated.

(iii) Change should not cause security problems to the employees.

(iv) Change is more effective when it is developed with due participation by all concerned.

(v) Change should be properly planned.

(vi) As far as possible, change should not carry individual overtones.

(vii) Display of effective leadership skills and proper motivation of employees will help management minimize resistance to change.

(viii) Introduction of change should be supplemented by systematic training of personnel. Sensitivity training can also be very useful to overcome resistance to change.

(ix) Advice to specialized staff may be sought while introducing change.

(x) Possibility of introducing change through outside management consultant can also be explored.

Concept of Flexibility

Too much flexibility will encourage the subordinates to bypass the existing lines of authority and responsibility and overlook the existing procedures. Too much rigidity on the other hand, makes introduction of change an extremely difficult proposition. The two extremes should, therefore, be avoided. Management should endeavour to strike a proper balance between them. Principle of flexibility and its inevitability needs to be clearly explained and taught to personnel in the organization. If individuals view change as a matter of routine, problems in managing change will be considerably reduced.

Simulating Participation

Planning for change and its implementation is a challenging job. If disclosed abruptly, change may lead to considerable opposition and resistance. If change is introduced gradually and through participation of affected groups, it is likely to promote understanding and commitment of subordinates. A manager can use his leadership quality to dispel any conflict and misunderstanding in the course of participation proceedings for change.

Small conferences and group meetings should be arranged to stimulate participation and enlist cooperation. Managers should explain and discuss the proposed change with people affected by it. The object here is to know what the people think about it and the kind of problems they see in the change. People should be encouraged to ask questions and discuss things logically. Leaders of informal groups should also be taken into confidence while effecting change. Involvement of the people in the proposed change makes them understand and appreciate the need for change. In any case, resistance to change is definitely reduced.

Managers should also use their directional devices of leadership, motivation and communication to encourge acceptance to change. Sensitivity training with its psychological fervour can also be used to overcome resistance to change.

CHANGE THROUGH THE MANAGEMENT HIERARCHY

Minor changes are usually introduced by the executive in charge of the activities. However, major changes are finalized and implemented by top management with the aid of lower levels in the management hierarchy. Subordinates comply with orders and instructions of the senior executive with regard to implementation of change because they view it as his legitimate right.

The hierarchical approach to managing change does not pay sufficient attention to facts, like group dynamics, role prescriptions, value structure, and motives and attitude of people affected by change. For its success, it is thus necessary that top management must feel highly committed to the change and take every possible precaution to ensure its success.

In a number of organizations separate specialized planning units are maintained. The staff unit is also frequently used to recommend change and implement it through the line hierarchy.

Some companies prefer to administer change with the help of outside management consultants. The outside consultant normally commands specialized skill and experience. His recommendations may be dispassionate and objective. It is also observed that people show less resistance to change when it is recommended and managed by an outsider, rather than when it is than that initiated and administered internally.

Lewin's Three-Step Model

Kurt Lewin argued that successful change in organizations should follow three steps. Unfreezing the status quo, movement or changeover to a new state, and refreezing the new change to make it permanent. Successful implementation of change, thus, should first facilitate unlearning by increasing the 'driving forces', which direct behaviour away from the status quo (equilibrium state), and then by decreasing the 'restraining forces', which hinder movement from the existing equilibrium. Once the desired change has been introduced, the same needs to be refrozen so that it can be sustained for times to come. This would require rebalancing of the driving and restraining forces.

Action Research

Action research is a method of scientific inquiry into the circumstances necessitating change and the action that may be taken thereof. It is based on scientific collection and analysis of the data, and then on the selection of the change action indicated by the analysed data. The process of action research consists of five steps: diagnosis, prognosis, feedback, action and evaluation. Essentially, this is a problem-focused approach wherein circumstances necessitating change are carefully studied and acted upon. However, in many cases, and this is the way it should be, the organizational change is solution-focused, i.e. it involves a movement towards better state of affairs, thus making the process of change an ongoing and organization-wide exercise.

CONCEPT OF CRISIS MANAGEMENT

Crisis Management is the management and coordination of an organization's responses to an incident that threatens to harm, or has harmed, that organization's people, its structures, its ability to operate, its valuables and/or reputation. It takes into account its planning and automatic incident response, but it must also dynamically deal with situations as they unfold, often in unpredictable ways.

In simple words,

Crises management is the process of responding to an event that threatens the operations, staff, customers, reputation or the legal and financial status of an organization. Its aim is to minimize the damage.

Crisis management is the process by which an organization deals with a major event that threatens to harm the organization, its stakeholders, or the general public. The study of crisis management originated with the large scale industrial and environmental disasters of the 1980's. Therefore, the defining quality is the need for change. If change is not needed, the event could more accurately be described as a failure or incident.

Crisis Management vs. Risk Management

Crisis management involves dealing with threats after they have occurred, whereas risk management is one which involves assessing potential threats and finding the best ways to avoid those threats. It is a discipline within the broader context of management consisting of skills and techniques required to identify, assess, understand, and cope with a serious situation, especially from the moment it first occurs to the point till the recovery procedures start.

Venette argues, "Crisis is a process of transformation where the old system can no longer be maintained."

TYPES OF CRISIS

Types of Crisis have been categorized thus :

(i) *Natural Disaster:* Natural crises or disasters are the 'Acts of God'. They are environmental phenomena as earthquakes, volcanic eruptions, tornadoes and hurricanes, floods, landslides, tsunamis, storms, and droughts that threaten life, property, and the environment. For example the 2004 Indian Ocean earthquake, i.e., Tsunami was a natural crisis.

(ii) *Technological Crisis:* Technological crisis are caused by human application of science and technology. Technological accidents inevitably occur when technology becomes complex and something goes wrong with the system as a whole. For example, Chernobyl disaster.

(iii) *Confrontation Crises:* It occurs when discontented individuals and/or groups fight with government and other interest groups to win acceptance of their demands and expectations. The common type of confrontation crises are boycotts, sit-ins, ultimatums to those in authority, blockade or occupation of buildings, and resisting or disobeying police.

(iv) *Crises of Organizational Misdeeds:* It occurs when management takes actions without adequate precautions, knowing well that they will harm or place the stakeholders at risk.

(v) *Workplace Violence:* It occurs when an employee or a former employee commits violence against other employees on organizational premises.

(vi) *Rumours:* False information about an organization or its products creates crises thus hurting the organization's reputation, e.g., linking the organization to radical groups or spreading stories that their products are contaminated or such standard.

REVIEW QUESTIONS

State True or False:

1. External forces are the pressures arising from within the organization.
2. Changes should be introduced in stages.
3. Middle management provides motivating climate for employees, directs them in proper procedures and assists in eliminating sources of error.
4. One of the objectives of risk management is to minimise the use of resources.
5. TQM is used to increase the overall customer satisfaction.
6. International management is the practice of managing business operations in one's own country.

Answers: 1. False 2. True 3. False 4. False 5. True 6. False

TOTAL QUALITY MANAGEMENT

Success of any organization depends on offering quality products at competitive prices. All over the world, it is being realized that quality control be ensured through inspection and test alone. Every department and individual has a contribution to make in the achievement of quality.

Quality can be the most significant factor in determining the long-run success or failure of any organization. High quality of products can give a competitive edge to an organization. On the other hand, good quality generates satisfied customers who reward the organization with continued patronage and favourable word of mouth advertising.

TQM owes its genesis to the post-war research of American management consultants, like Drs. Joseph Juran and W. Edwards Dening who introduced statistical control techniques to the Japanese during Japan's rebuilding period. Prior to the Word War II, the Bell Telephone system was the leader in the early modern history of quality control. In the Western Electric Company an inspection department was created to support the Bell Operating companies in the early 1990s. Quality assurance was applied to design manufacturing and installation. During the World War II, the US military began using statistical sampling procedures and imposing strict standards on suppliers. Thus, statistical quality control became widely known and was gradually adopted by other industries.

Growth in consumer quality awareness has put a greater strain on business. Consumer demands and dynamic technological changes have opened up new and highly competitive markets. The quality of goods and services can no longer be taken for granted. The rapid growth of the service sector has also introduced new perceptions of quality management. Institutions, such as the Government, banks and hospitals do not produce tangible goods. The interaction between employees and customers is much more critical in such organizations. As a result, the skills, attitudes and training of service personnel affect the quality of the services delivered. Information processing represents a large component of the work done by service organizations and poses special quality considerations. Errors in computer billing, or airline and hotel reservations are the results of poor quality control of computer software and data input systems.

In view of globalization of markets, Governments have begun to realize that quality is essential to international trade and the national economy. Therefore, public purchasing authorities have been instructed to buy goods that conform to the quality standards. Some time back, the European Economic Community collectively established a common set of quality standards known as ISO 9000. While ISO 9000-ISO 9003 series is a reference for external quality assurance, ISO 9004 is for internal quality management. Taken together these standards aim at achieving TQM.

The lesson is that quality must not be viewed solely from a technical point of view; a significant emphasis must be placed on managerial activities. We view the total quality system as composed of two related systems-the *management system* and the *technical system* (see Figure 1). The management system is concerned with planning, organizing, controlling, and human resources management processes relating to quality assurance programs. Growing out of human resources management are structures for employee involvement and team approaches to decision-making, quality improvement, and problem solving.

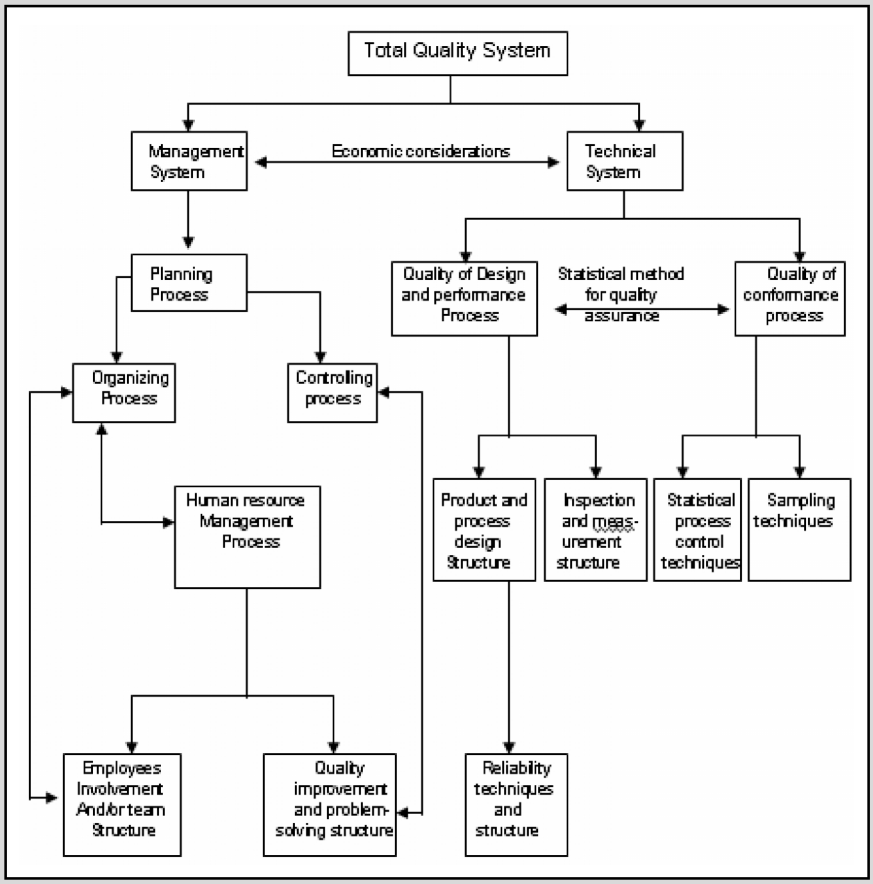
The important terms in this global view of quality are *system, process, structure, and technique.* A system, as we use it here, is the interrelated set of plans, policies, processes, procedures, people, and technology required to meet the objectives of an organization. A process consists of policies, procedures, steps, technology, and personnel needed to carry out a significant segment of operations within an organization. Usually, a process will cross several organizational boundaries within an operating unit and require coordination across those boundaries. A structure is a formal or informal organizational entity that is developed to perform a certain process or set of tasks. A technique is a systematic approach, procedure, and associated technology required to carry out a task.

Management must be aware of customer needs, the capability of the company's production processes, and the financial implications of any decision; in short, management must know how all the components in the organization tie together.

Quality is the responsibility of everyone in the organization, from the operators on the production floor to the chief executive officer. People, such as machine operators, assembly line workers, ticket agents, nurses, and waitresses are the craftspeople who build quality into products and services. First-line supervisors must provide the motivating climate for employees, direct them in proper procedures, work together with them to locate problems, and assist in eliminating sources of error. Middle management must plan, coordinate, execute, and monitor quality policy. Finally, top management must commit the resources and provide the leadership necessary to set the tone and carry out the requirements of an ongoing dynamic quality policy.

The technical system involves the assurance of quality in product design, planning and design of manufacturing or service- producing processes, and in the control of incoming materials, intermediate production and finished goods. These are included in the "Quality of Design and Performance Process" block of given Figure. To ensure conformance to the requirements of the process or service, the "Quality of Conformance Process" must be developed. Statistical process control techniques and sampling techniques are usually employed in each of these areas for the identification of quality problems and for controlling the quality of production processes. Both the design and performance process and the conformance process must be coordinated and must work together. Information transfer between the two systems is necessary for effective problem solving and quality improvement.

Economic considerations and total quality management play a crucial role in tying together the management and technical systems: New technologies, such as on-line process control, automatic gaging, and new analytical tools also present new opportunities to both management and technical personnel for quality assurance.



Total Quality Management

Important Principles of Total Quality Management[1]

Total Quality Management (TQM) is an approach that organizations use to improve their internal processes and increase customer satisfaction. When properly implemented, it can lead to decreased costs related to corrective or preventative maintenance, better overall performance, and an increased number of satisfied and loyal customers.

However, TQM is not something can happen overnight. While there are a number of measures that help organizations to quickly implement a quality management system, there are some underlying philosophies that the company must integrate throughout every department of the company and at every level of management.

Therefore, whatever resources an organization uses, it should remember these seven important principles of Total Quality Management as a foundation for all their activities.

(i) ***Quality can and must be Managed:*** The first step in the TQM process is to realize that there is a problem and that it can be controlled. Many companies believe that their operations are too large to effectively manage the level of quality, which is rendered untrue by TQM.

(ii) ***Processes, not People, are the Problem:*** If a process causes problems then the solution does not lie in hiring new employees or in giving them a lot of training sessions. The solution is that the processes are to be corrected first then the people can be trained on these new procedures.

1. Quin Harris

(iii) ***Don't Treat Symptoms, Look for the Cure:*** To fully reach your potential, a solution for the problem has to be found. For example, if an organization's shipping department is lagging behind, it could be because of the holdups in manufacturing. Therefore, go the rout source to correct the problem.

(iv) ***Every Employee is Responsible for Quality:*** Everyone in the company, from the workers on the line to the upper management, must realize that they have an important part to play in ensuring high levels of quality in their products and services. Everyone has a customer to delight, and they must all step up and take responsibility for that.

(v) ***Quality must be Measurable:*** A quality management system is only effective when you can quantify the results. You need to see how the process is implemented and if it has the desired effect. This will help you set your goals for the future and ensure that every department is working to procedure the same result.

(vi) ***Quality Improvements must be Continuous:*** Total Quality Management is not something that can be done once and then forgotten. It is not a management "phase" that will end after a problem has been corrected. Real improvements must occur frequently and continually in order to increase customer satisfaction and loyalty.

(vii) ***Quality is a Long-term Investment:*** Quality management is not a quick fix. TQM is a long-term investment, and it is designed to help one find long-term success.

Therefore, this kind of management style can be a huge cultural change in a organization. Hence, if one builds on a foundation of quality principles, he will be equipped to make this change and start working towards real long-term success.

CONCEPT OF RISK MANAGEMENT

Risk management has its origins in field of corporate insurance. Presently it is recognized as a distinct and important function of all business organizations. Although the term risk management is a recent phenomenon, yet the actual practice of risk management is as old as civilization itself.

Risk management basically refers to the identification of opportunities and avoiding or mitigating losses. It is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way which enables an organisation to minimise losses and maximise opportunities.

Risk management is also considered as a structured approach in managing uncertainty related to a threat, a sequence of human activities including: risk assessment, strategies development to manage it, and mitigation of risk using managerial resources. The strategies include transferring the risk to another party, avoiding the risk, reducing the negative effect of the risk, and accepting some or all of the consequences of a particular risk. Hence, risk management is a scientific approach to deal with pure risks by anticipating possible accidental losses and designing and implementing procedures which minimize the occurrence of loss or the financial impact of the losses that do occur.

Risk management is also an integral component of good management and decision-making at all levels. All departments manage risk continuously whether they realize it or not, sometimes more rigorously and systematically and sometimes less so. More rigorous risk management occurs most visibly in departments whose core mandate is to protect the environment and public health and safety. Such a risk management process is essentially a part and parcel of the operations and management functions in the business unit. It means that each department and the executives therein are directly or indirectly involved in the risk management function. The effectiveness of the risk management of the industry or business unit, therefore, depends on the efficiency with which the managers/ executives of different departments handle it as part of their roles.

Thus, risk management is the process dealing with uncertainty within a public policy environment. To be precise, risk management is a systematic approach for setting the best course of action under uncertainty by identifying, assessing, understanding, acting on and communicating risk issues.

The major characteristics of risk management are as under :

- It is a systematic discipline for dealing with problem of uncertainty.
- It provides a system of making choices.
- It is a way for better understanding of potential liability.
- It is a guide for responding to undesirable events.

OBJECTIVES OF RISK MANAGEMENT

The guiding principle or fundamental objectives of risk management is to minimize the cost of risk. In case of individual risk management the objective is to minimize firm's cost of risk. As against above, the objective of risk management decision in case of public policy is to minimize society's cost of risk.

Broadly speaking, the objectives of risk management are :

- To provide a structured framework for more effective strategic planning
- To ensure maximising of opportunities and minimizing of losses
- To widen management perspective and encourages initiative and pro-active behaviour
- To contribute to improved organisational efficiency and effectiveness
- To optimise the use of resources
- To promote greater openness in decision-making and improves communication
- To provide senior management with a concise summary of the major risks affecting the organisation and a mechanism to ensure that appropriate resources are directed towards areas of high risk
- To provide a framework for ensuring that unavoidable risks are adequately insured
- To provide an effective and systematic approach which enables management to focus on areas of risk in its operations
- To improve the level of accountability in the organisation
- To identify and prioritise potential risk events
- To help in developing risk management strategies and risk management plans
- To analyse and report identified risk events
- To find ways to identify and evaluate risks
- To develop strategies and plans for lasting risk management strategies.

Thus the objective of risk management is to reduce different risks related to a preselected domain to a level accepted by society. Effective risk management can bring far-reaching benefits for all organizations, whether they are large or small and public or private sector. Effective risk management structure supports better decision-making through a good understanding of risks and their likely impact. Risk management also reduces the dreadful impact of risks on the various organizations also in the internal workings of many corporate and semi-corporate sectors. The persons or the organization entrusted with the task of risk management aim at lessening the risk faced by a person, a group of persons or an organization covering a wide range of areas.

In order to apply risk management effectively, it is vital that a risk management culture be developed. The risk management culture supports the overall vision, mission and objectives of an organization. Limits and boundaries are established and communicated concerning what are these acceptable risk practices and their outcomes.

Since risk management is directed at uncertainty related to future events and outcomes, it is implied that all planning exercises should encompass some form of risk management. There is also a clear implication that risk management is everyone's business, since people at all levels can provide some insight into the nature, likelihood and impacts of risk.

The traditional role of the risk manager is evolving as corporate steward since organizations face an increasingly complex and uncertain future. Today's risk manager is a key member of the senior executive team in an organisation who helps to define business opportunities from a risk-return perspective, presents unique ways of looking at them, has direct input into the configuration of products and services, and ensures the transparency of all the risks. Innovation necessitates new yardsticks for measuring and monitoring the resulting activities.

Risk management is no longer discretionary but essential for managing business entities in this dynamic corporate world environment. It takes commitment from the top, a sound methodology and discipline in its application to obtain the maximum benefit. In short, risk management must become imbibed into the organization's culture.

All companies have expressed or implied objectives which ultimately contribute to the maximization of shareholder value. Risk management actively supports the achievement of those objectives. It is not a process for avoiding risk. Properly implemented risk management can actively allow a company to undertake activities which have a higher level of risk thereby achieving a greater benefit because risks have been identified, understood and well managed. Organizations which do have risk management policies in place shall be rewarded by added premium in the market and shall be better placed to pursue objectives and opportunities with confidence.

Risk management can be seen as a tool for creating opportunities for the businesses as they develop during the risk management process. Moreover, opportunities also arise from the complementary effect of risk management with other business planning process. It is pertinent to note that every activity carries a potential reward as well. Risk management, essentially, is about managing risk against reward.

In other words, risk management in anyway not just about preventing risks, but also about managing them properly. However, managing risks properly does not that mean becoming risk averse, or about ignoring new opportunities thinking them to the too risky. It simply provides a framework that –

- Helps in ensuring that all the foreseeable risks involved are actually understood and accepted before important decisions are taken.
- Monitors new projects, and ongoing operationsand ensures that they would continue to develop satisfactorily, and no problems or new risks will emerge

Properly implemented risk management has many potential advantages for an organization, such as –

- Better informed decision-making in assessing new opportunities;
- Less chance of major problems in new and ongoing activities; and
- Increased likelihood of achieving corporate objectives.

Benefits of Risk Management

A certain amount of risk taking is inevitable if an organization is to achieve its objectives. The organizations that are aware of risks appreciate that an active management of threats and opportunities will provide them with a competitive advantage. Taking and managing risk is the very essence of business survival and growth. Risk management provides a clear and structured approach in identifying risks. Having a clear understanding of all

risks allows an organization to measure and prioritize them and take appropriate actions to reduce losses. Risk management has the following benefits for an organization.

- A risk-based approach can make a company more flexible and responsive to market fluctuations enabling them to satisfy customers' ever-changing needs in a continually evolving business environment.
- Companies can gain an early-mover advantage by adapting to new circumstances faster than their rivals, which again could lead to competitive advantage in the long-run.
- External perceptions of a company are affected by the level of risk that it faces and by the way its risks are managed.
- Companies need to be aware of changing markets, service delivery and morale.
- Effective risk management and internal control can be used to manage change, at all the levels of the company to meet its business objectives, and to improve its credit rating and ability to raise funds in the future, besides steadily raising its share price in the longer run.
- It saves resources – time, assets, income, property and people are all valuable resources.
- Risk Management protects the reputation and public image of the organization.

SCOPE AND APPLICABILITY OF RISK MANAGEMENT

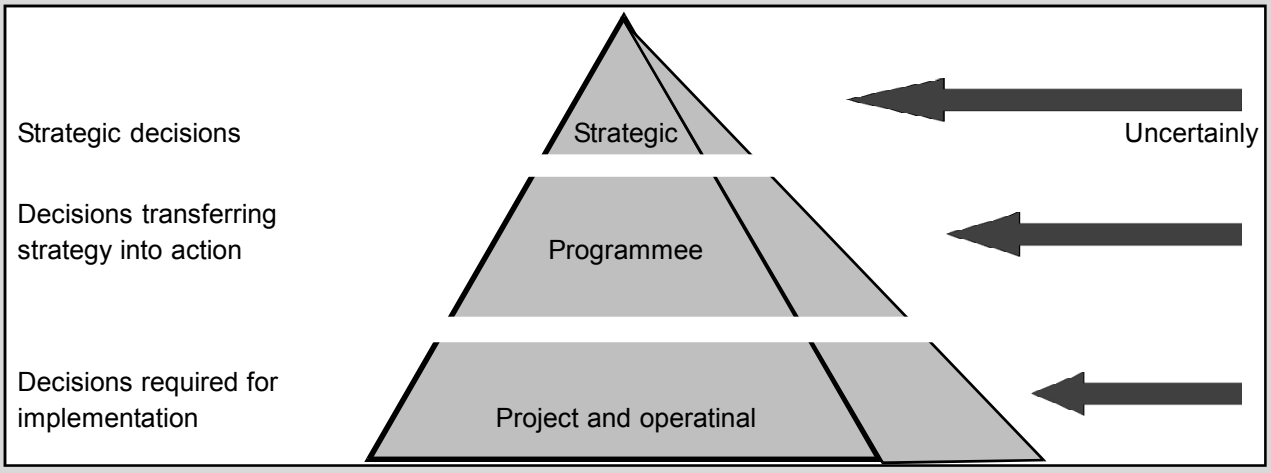
Risk management should be most rigorously applied where critical decisions are being made. Decisions about risk will vary depending on whether the risk relates to long, medium or short term goals.

Broadly speaking the major aspects which are covered in the scope of risk management include the following :

(i) ***Strategic Decisions:*** Strategic decisions are primarily concerned with long-term goals which set the context for decisions at other levels of the organization. The risks associated with strategic decisions may not become apparent until they are put in proper perspective with reference to the future. Thus, it is essential to review these decisions and associated risks on a regular basis.

(ii) ***Program and Project Level:*** Medium-term goals are usually addressed through programs and projects to bring about business change. Decisions relating to medium-term goals are narrower in scope than strategic ones, particularly in terms of time frame and financial responsibilities.

(iii) ***Operational Level:*** The emphasis is on short-term goals to ensure ongoing continuity of business services. However, the decisions about risk at this level must also support the achievement of long and medium term goals.



Scope and Applicability of Risk Management

Risk management should also be applied during decision-making while planning the introduction of change in any of the organizational perspectives. In ideal risk management situation, a prioritization process is followed whereby the risks with the greatest loss and the greatest probability of its occurring are handled first and the risks with lower probability of occurrence and lower loss are handled in descending order. In practice, the process can be very difficult and balancing between risks with a high probability of occurrence but lower loss and a risk with high loss but lower probability of occurrence can often be mishandled.

Intangible risk management identifies a new type of risk - a risk which has a 100% probability of occurring but is ignored by the organization due to the lack of identification ability. For example, when deficient knowledge is applied to a situation, a knowledge risk materialises. Relationship risk appears when ineffective collaboration occurs. Process-engagement risk may be an issue when ineffective operational procedures are applied. These risks directly reduce the productivity of knowledge workers, decrease cost effectiveness, profitability, service, quality, reputation, brand value, and earnings quality. Intangible risk management allows or enables the company to derive immediate value from the identification and reduction of the risks that reduce productivity.

Risk management also faces difficulties in allocating resources. This is the idea of opportunity cost. Resources which are spent on risk management could have been spent on more profitable activities by the organisation. Again, ideal risk management minimizes the spending while maximizing the reduction of the negative effects of risks. The resources which are available for managing risk are finite and so the aim of the organization is to achieve an optimum response to risk, prioritized in accordance with an evaluation of the risks.

Risk is unavoidable, and every organization needs to take action to manage risk in such a way that it can justify it to a it to tolerable level. The management of risk at strategic, program and operational levels needs to be integrated so that the levels of activity support each other. In this way, the risk management strategy of the organization will be led from the top and embedded in the normal routines and activities of the organization. All staff should be aware of the relevance of risk with regard to the achievement of their objectives in respect of and training to support staff in risk management.

Managers at each level, therefore, need to be equipped with appropriate skills which will allow them to manage risk effectively. The organization as a whole needs a mean of being assured that risk management is being implemented in an appropriate way at each level. Every organization should have a risk management strategy, designed to achieve the principles set out. The application of that strategy should be embedded into the organization's business systems, including strategy and policy setting processes, to ensure that risk management is an intrinsic part of the way business is conducted.

An effective risk management practice does not eliminate risks. However, having an effective and operational risk management practice shows that the organization is committed to loss reduction or prevention. Effective risk management helps to improve performance objectives by contributing to:

- Better service
- Reduction in management time
- Increased likelihood of change initiatives being achieved
- More focus internally on doing the right things properly
- Better basis for strategy setting
- Achievement of competitive advantage
- More efficient use of resources
- Reduced waste and fraud, and better value for money
- Improved innovation
- Better management of contingent and maintenance activities.

Many of these benefits are applicable to both the private as well as the public sector. Whereas private sectors focus mainly on shareholder returns and the preservation of shareholder value, the public sector's role is to implement programs cost-effectively, in accordance with government legislation and policies, to achieve value for money.

RISK MANAGEMENT PROCESS

Management of risks starts with identification of risk and its quantification. It consists of a series of individual steps that must be accomplished in managing risks.

The process of risk management broadly consists of the following steps:

(i) ***Risk Identification:*** Risk cannot be managed unless it is first identified. Once the context of the business has been defined, the next step is to utilize the information to identify as many risks as possible. The aim of risk identification step is to identify possible risks which may affect, either negatively or positively, the objectives of the business and the activity under analysis.

This is the phase where threats, vulnerabilities and the associated risks are identified. This process has to be systematic and comprehensive enough to ensure that no risk is unwittingly excluded. It is very important that during this stage all risks are identified and recorded, regardless of the fact that some of them may already had been known and must likely had been controlled by the organization.

The first step is to generate a comprehensive list of sources of threats, risks and events which might have an impact on the achievement of each of the objectives as identified at the time of preset ideas and past events. These events might prevent, degrade, delay or enhance the achievement of those objectives.

(ii) ***Risk Assessment:*** Every organization is continuously exposed to an endless number of new or changing threats and vulnerabilities that may affect its operation or the fulfillment of its objectives. Identification, analysis and evaluation of these threats and vulnerabilities are the only way to understand and measure the impact of the risk involved and hence to decide on the appropriate measures and controls to manage them. It may be noted, that risk assessment is a process that is in many cases not performed, even if risk management is implemented. It is one of the main objectives of risk manager to generate awareness of this fact, but also to facilitate use of risk assessments by providing practical examples.

(iii) ***Risk Measurement and Analysis:*** The next important step is the proper measurement of the losses associated with the risky exposure of the firm. This measurement includes a determination of:

(a) The probability or chance of the losses that will occur,

(b) The impact of the losses upon the financial affairs of the firm, and

(c) The ability to predict the losses during the financial period.

The risk analysis thus assists in determining the risks that will have a greater consequence or impact as compared in the others. This helps to provide a better understanding of the possible impact of risk, or the likelihood of its occurring, in order to make a decision about committing resources to control the risk.

Risk analysis is the phase where the level of the risk and its nature are assessed and understood. This information act as the first input for decision makers by which they decide whether risks need to be treated or not, and what is the most appropriate and cost-effective risk treatment methodology.

(iv) ***Risk Evaluation:*** Thus implies that ranking is given in terms of importance. Ranking suggests measuring some aspect of the factors to be ranked. Risk evaluation involves comparing the level of risk found during the analysis process with previously established risk criteria, and deciding whether these risks require treatment.

The result of a risk evaluation is a prioritized list of risks which require further action. In the case of loss exposure, the following two components should be considered:

(a) The potential severity of loss.

(b) The potential probability of loss.

(v) ***Risk Treatment:*** It is basically concerned with identifying options for treating or controlling risk, in order to either reduce or eliminate negative consequences, or to reduce the likelihood of an adverse occurrence. Risk treatment should also aim at enhancing positive outcomes. It is often neither not possible nor cost-effective to implement all treatment strategies.

A business owner should aim to choose, prioritize and implement the most appropriate combination of risk treatments.

(vi) ***Risk Monitoring and Review:*** Risk monitor and review are essential and integral steps in the risk management process. A business owner must monitor risks and review the effectiveness of the treatment plan; strategies and management system which have been set up to manage the risk effectively.

Risks need to be monitored periodically to ensure that changing circumstances do not alter the risk priorities. Very few risks will remain static, therefore, the risk management process needs to be regularly repeated, so that new risks are captured in the process and effectively managed.

In the end, the risk elements identified and evaluated will be communicated to personnel at different levels in the organization for consultation and initiating suitable measures to mitigate the loss.

RESPONSIBILITIES OF RISK MANAGEMENT

For effective risk management in an organization, it is essential to specify the responsibility at various levels of management. A brief details of responsibility in this regard is summarized as follows:

(i) ***Board of Directors:*** The Board has a major role in defining what it expects regarding integrity and ethical values and can confirm its expectations through overseeing. Similarly, by reserving authority in certain key decisions, the board plays a role in setting strategy, formulating high-level objectives and broad-based resource allocation.

The board of directors provides overseeing in enterprise risk management by:

- Knowing the extent to which management has established effective enterprise risk management in the organization
- Being aware of and concurring with the entity's risk appetite
- Reviewing the entity's portfolio view of risks and considering it against the entity's risk appetite
- Being apprised of the most significant risks and by finding out if management is responding appropriately
- The board is part of the internal environment component and must have the requisite composition and focus for enterprise risk management to be effective.

(ii) ***Chief Executive Officer:*** The chief executive officer is ultimately responsible for the enterprise risk management in the organization. He sets the strategy that affects integrity and ethics and other factors of the internal environment. In a large company, the chief executive fulfills this duty by providing leadership and direction to senior managers and reviewing the way they manage the business. Senior managers, in turn, assign responsibility for establishing more specific risk management policies and procedures to personnel responsible for the functions of individual units.

(iii) ***Risk Officer:*** A risk officer works with other managers in establishing and maintaining effective risk management in their prespectiv areas of responsibility. The risk officer can also have responsibility for monitoring progress and for assisting other managers in reporting relevant risk information up, down and across the organization. He can be a member of an internal risk management committee as well.

(iv) ***Internal Auditors:*** Internal auditors play a vital role in the monitoring of enterprise risk management and the quality of performance as part of their regular duties, or special request from senior management, or subsidiary, or divisional executives. They may assist both management and the board or even audit committee by monitoring, examining, evaluating, reporting and recommending improvements. Thus they can help the management in processing its risk management enterprise adequately and effectively.

(v) ***Other Personnel:*** Enterprise risk management is the responsibility of everyone in an enterprise and, therefore, should be an explicit or implicit part of everyone's job description. Virtually all personnel produce information used in enterprise risk management or take other actions needed to manage risks.

A number of external parties often contribute to the achievement of an entity's objectives. External auditors, bringing in an independent and objective view, contribute directly through the financial statement audit and internal control examinations, and indirectly by providing additional information useful to the management and the Board in carrying out their responsibilities. Others providing information to the organization useful in effecting enterprise risk management are regulators, customers and those transacting business with the enterprise, financial analysts, bond raters and the news media. External parties, however, are not responsible for the entity's enterprise risk management.

GLOBAL PRACTICES/INTERNATIONAL BUSINESS

International management is the practice of managing business operations in more than one country. International management professionals are familiar with the language, culture, economic and political environment, and business practices of countries in which multinational firms actively trade and invest. They also have the conceptual and analytical skills needed to formulate effective management strategies and policies for the benefit of all the constituents of the firm, in today's globally competitive environment.

International business is used to collectively describe all commercial transactions, i.e., private, governmental, sales, investments, etc that take place between two or more regions, countries and nations beyond their political boundary. Usually, private companies undertake such transactions to each profits and government undertakes them to gain profits and for political reasons as well.

Therefore, it refers to all those business activities which involve cross-border transactions of goods, services and resources between two or more countries. Transaction of economic resources include capital, skills, people, etc., for international production of physical goods, and of services include as finance, banking, insurance, construction, etc.

The conduct of international operations depends on companies' objectives and the means with which they carry them out. These international operations affect and are in turn affected by the physical and societal factors and also by the competitive environment.

FEATURES OF INTERNATIONAL BUSINESS

The following are the features of International Business:

(i) ***Large Scale Operations:*** In international business, all the operations are conducted on a very huge scale. Production and marketing activities are also conducted on a large scale. It first sells its goods in the local market and then exports the surplus goods.

(ii) ***Integration of Economies:*** International business integrates (combines) the economies of many countries. This is because it uses finance in one country, get labour from another country, and infrastructure from some other country. It designs the product in one country, produces its parts in many different countries and assembles the product in another country. It sells the product in many countries, i.e. in the international market.

(iii) ***Dominated by Developed Countries and MNCs*****:** It is dominated by developed countries and their

multinational corporations (MNCs). At present, MNCs from USA, Europe and Japan are dominating foreign trade. This is because they have large finances and other resources, the best technology, a highly advanced R & D, highly skilled employees and managers, etc. Therefore, they produce quality goods and give services at low prices. This helps them to capture and dominate the world market.

(iv) ***Benefits to Participating Countries:*** International business gives benefits to all participating countries. However, the developed countries get the maximum benefits and the developing countries get benefits in the form of foreign capital and technology, rapid industrial growth and more employment opportunities. All this results in economic development of the developing countries. Therefore, developing countries open up their economies through liberal economic policies.

(v) ***Rigourous Competition:*** International business has to face rigourous competition in the world market. The competition is between unequal partners, i.e. developed conoutries and developing countries. In this kind of competition, developed countries and their MNCs are in a favourable position because they produce superior quality goods and provides services at a low price. So, developing countries find it very difficult to face competition from developed countries.

(vi) ***Sensitive Nature:*** The international business is very sensitive in nature. Any change in the economic policies, technology, political environment, etc. has a huge impact on it.

IMPORTANCE OF INTERNATIONAL BUSINESS

The following factors make international business very important to an economy:

(i) ***Foreign Exchange Earnings:*** International companies export their goods and give services all over the world. This way they earn valuable foreign exchange with this foreign exchange they import things. This eventually helps them in making huge profits, there by strengthening the economy of either company

(ii) ***Optimum Utilisation of Resources:*** International business makes optimum utilisation of resources. This is because it produces goods on a very large scale for the international market. International business utilises resources from all over the world. It uses the finance and technology of rich countries and the raw materials and labour of the poor countries.

(iii) ***Achieveing Objectives:*** The main objective of an international business is to earn high profits. This objective is achieved easily with the help of the best technology and best employees and managers. Since these companies produce high-quality goods, they are able to sell them all over the world. All this results in high profits for the international business.

(iv) ***Spreading Business Risks:*** International business spreads its business risk by doing business all over the world. So, a loss in one country can be balanced by a profit in another country. The surplus goods in one country can be exported to another country. The surplus resources can also be transferred to other countries. All this helps to minimise the business risks.

(v) ***Improves Organization's Efficiency:*** International business has very high organisation efficiency. This is because without efficiency they will fail to face the competition in the international market. So, they use all the modern management techniques to improve their efficiency.

(vi) ***Gets Benefits from Government:*** International business brings a lot of foreign exchange for the country. Therefore, it gets many benefits, facilities and concessions from the government of their home country. It also gets many financial and tax benefits from the government.

(vii) ***Expands and Diversify:*** International business can expand and diversify its activities. This is because it earns very high profits and also gets financial help from the government.

(viii) ***Increases Competitive Capacity:*** International business produces high-quality goods at low cost as it spends a lot of money on advertising all over the world. It uses superior technology, management techniques, marketing techniques, etc. All this makes it more competitive. So, it can fight competition from foreign companies.

ROLE OF AN INTERNATIONAL MANAGER

Global competition has forced businesses to change thier ways and manner of managing business at home and abroad. Therefore, the new management approach focuses on establishing a new communication system that features a high level of employee involvement. Organizational structures must also be flexible enough to change with changing market conditions. Ongoing staff development programs and design-control procedures, which are understandable and acceptable, are outcomes from this new approach. Management values are changing, and managers must now have a vision and be able to communicate that vision to everyone in the organisation.

Although the international manager performs the same basic functions as the domestic manager does, he has to adjust to more variables and different environments. Therefore, each of the five basic management functions require a change when operating in a foreign market.

Planning

The first stage of international planning is to decide how to do business globally: whether to export, to enter into licensing agreements or joint ventures, or to operate as a multinational corporation with facilities in a foreign country.

To develop forecasts, goals, and plans for international activities, the manager must monitor environments very closely. Key factors include political instability, currency instability, competition from governments, pressures from governments, patent and trademark protection, and intense competition.

Organizing

International businesses must be organized so that they can adapt to cultural and environmental differences. No longer can organizations just put "carbon copies" or clones of themselves in foreign countries. An international firm must be organized so that it can be responsive to foreign customers, employees, and suppliers. An entire firm may even be organized as one giant worldwide company that has several divisions. Above all, the new organization must establish a very open communication system where problems, ideas, and grievances can quickly be heard and addressed to, at all levels of management. Without this, employees will not get involved when their insights and ideas are crucial to the success of the business.

As an organization extends its operations internationally, it needs to adapt its structure. When the organization increases its international focus, it goes through the following three phases of structural change:

(i) *Pre-international Stage:* Companies with a product or service that incorporates the latest technology, are unique, or superior may consider themselves ready for the international arena. The first strategy used to introduce a product to a foreign market is to find a way to export the product. At this phase, the firm adds an export manager as part of the marketing department and finds foreign partners.

(ii) *International Division Stage:* Pressure may mount because of the enforcement of host country's laws, trade restrictions, and competition, placing a company at a cost disadvantage position. When a company decides to defend and expand its foreign market position by establishing marketing or production operations in one or more host countries, it establishes a separate international division. In turn, foreign operations begin, and a vice president, reporting directly to the president or CEO, oversees the operations.

(iii) *Global Structure Stage:* A company is ready to enter an international division phase when it meets the following criteria, i.e., the international market is as important to the company as the domestic market; senior officials in the company possess both foreign and domestic experience; International sales represent 25 to 35 percent of total sales and the technology used in the domestic division has far outstripped that of the international division.

As foreign operations become more important to the bottom line, decision-making becomes more centralized at

corporate headquarters. A functional product group, geographic approach, or a combination of these approaches should be adopted. The firm unifies international activities with worldwide decisions at world headquarters.

Staffing

Because obtaining a good staff is so critical to the success of any business, the hiring and development of employees must be done very carefully. Management must be familiar with the country's national labor laws. Next, it must decide how many managers and personnel it is going to hire from the local labor force, or it would consider transferring home-based personnel.

Directing

Cultural differences make the directing function more difficult for the international manager. Employee attitudes towards work and problem solving differ from country to country. Language barriers also create communication difficulties. To minimize problems arising from cultural differences, organizations are training managers in cross-cultural management. Cross-cultural management trains managers to interact with several cultures and to value diversity.

Controlling

Geographic dispersion and distance, language barriers, and legal restrictions complicate the controlling function. Meetings, reporting, and inspections are typically part of the international control system.

Controlling poses special challenges if a company engages in multinational business because of the far-flung scope of operations and the differing influences of diverse environments. Controlling operations is nonetheless a crucial function for multinational managers. Particularly powerful unions exist in many parts of the world, and their demands restrict managers' freedom to operate.

LESSON ROUND UP

- Change may be defined as a variation in the established way of life to which people are accustomed to in the organization.
- Change is caused by two types of forces: External force, i.e., the forces which lie in the external environment of an organisation, and the other are Internal forces tha are the pressures arising from within the organization.
- Organizations and their members resist change. The resistance can be overt, implicit, immediate or deferred.
- Groups as well as overall organizations actively resist change. Group norms, values and informal role prescriptions are examples of group change.
- Crisis management is the process by which an organization deals with a major event that threatens to harm the organization, its stakeholders, or the general public.
- Total Quality Management (TQM) is an approach that organizations use to improve their internal processes and increase customer satisfaction.
- Risk management is as much about identifying opportunities as avoiding or mitigating losses.
- The objective of risk management is to reduce different risks related to a preselected domain to the level accepted by society.
- Risk management should be most rigorously applied where critical decisions are being made. Decisions about risk will vary depending on whether the risk relates to long, medium or short term goals.

- Profits are created through business activity. Risk and business come together more often.
- A certain amount of risk-taking is inevitable if an organization is to achieve its objectives.
- International management is the practice of managing business operations in more than one country. International management professionals are familiar with the language, culture, economic and political environment, and business practices of the countries in which their multinational firms actively trade and invest.
- Global competition has forced businesses to change the manner they manage at home and abroad. Although the international manager performs the same basic functions as the domestic manager, he must adjust to more variables and environments.

GLOSSARY

Dysfunctional	Behaving or acting outside social norms.
Imperative	Absolutely necessary or required; unavoidable.
Provincialism	Narrowness of mind, ignorance, or the like, considered as resulting from lack of exposure to cultural or intellectual activity.
Temperament	The combination of mental, physical, and emotional traits of a person; natural predisposition; unusual personal attitude or nature as manifested by peculiarities of feeling, temper, action, etc., often with a disinclination to submit to conventional rules or restraints.
Inevitable	That which cannot to be avoided, evaded, or escaped; necessary.
Abruptly	Sudden or unexpected.
Prognosis	A forecast.
Lagging	The act of staying behind; lingering; loitering; slow and dragging.
Pertinent	Relating directly and significantly to the matter at hand; relevant.
Foreseeable	To know in advance; foreknow; to see beforehand.
Descend	To pass from higher to lower in any scale or series; to slope, tend, or go downwards; to be inherited or transmitted, as through succeeding generations of a family.
Intrinsic	Belonging to or lying within a given part.
Vulnerabilities	Open to criticism, moral attack, assault; difficult to defend.
Outstripped	To outdo; surpass.
Unifier	Unite.

SELF-TEST QUESTIONS

1. What are the various levels of change likely to be necessary in an organization? What type of resistance do the managers have to face at each of these levels?
2. Discuss the various forces of change operating within and outside an organization.
3. Given the inevitability of change and so its resistance, how would you overcome people's resistance to change?

4. Define crisis management. Differentiate between crisis management and risk management.
5. Discuss the important principles of Total Quality Management.
6. Explain the process involved in risk management.
7. Discuss the role of an International Manager.

SUGGESTED READINGS

(1) Principles of Management — *George R. Terry*

(2) Essentials of Management — *Joseph L. Massie*

(3) A Concepts of Organisation — *Paul E. Togerson*

(4) Principles of Management — *Peter F. Drucker*

(5) Management: A Functional Approach — *Joseph M. Putti.*

PART B
BUSINESS ETHICS

LESSON

8.	Business Ethics

In this era of globalization and multinational competition, ethical practices in business are assuming great importance. As the relationships among various suppliers and customers are shaped by ethical practices and are based on mutual trust, the ethical decision-making has assumed massive importance in today's corporate world. Corporate success, being a dependent variable has become increasingly controversial and the growing number of researches and studies around the world more on the basic assumption are focusing of corporate ethics and its consequent effects.

The purpose of this study lesson is to clarify boundaries of the debate on corporate success. With globalization and the new international economic order, social expectations from business has undergone a massive change ethical behaviour in business pays off in financial terms as well.

Ethics matters because it promoters good business sense to 'do the right thing'. Additionally, good corporate ethics results in:

- Attracting better talent
- Retaining employees and customers
- Attracting new customers
- Having a positive effect on Return on Investment (ROI) and on corporate reputation.

Lesson 8
Business Ethics

LESSON OUTLINE

- Genesis of Ethics
- Background of Ethics
- History of Business Ethics
- Features of Business Ethics
- What is the Business Ethics
- Importance of Business Ethics
- Characteristics of Business Ethics
- Principles of Business Ethics
- Elements of Business Ethics Management
- Chalanged in Business Ethics
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Business ethics reflects the philosophy of business, one of whose aim is to determine the fundamental purpose of a company. Ethics is related to every aspect of our life. In today's world of scams, frauds, corruptions due to cut-throat competition, it is essential for new entrants to ensure that they adhere to the basic ethical standards.

Business ethics is not only applicable to any particular kind of business but it is applicable to all kind of business.

Business ethics is concerned with the behaviour of a businessman in doing a business.

Business ethics may be defined as a set of moral rules and principles to protect the interest of customers, employers, society, business unit itself and the industry as a whole.

Therefore, the objective of this study lesson is to enable the students to understand the genesis and concept of ethics and also why all business should be done ethically.

Integrity is doing the right thing, even if nobody is watching.

BUSINESS ETHICS

Genesis of Ethics

Ethics is not recent phenomenon. Ethical codes have been prepared along with the development of human civilization. In olden days, people might have found some of their actions was wrong and others right. The question what is right and what is wrong gave birth to ethical and unethical codes.

The word "ethics" is derived from the Greek word ethos (character), and from the Latin word 'mores' (customs). Derived from the Greek word "ethos", which means "way of living", ethics is a branch of philosophy that is concerned with human conduct. It consists in a code of conduct of human beings living in a society. Ethics examines the rational justification for our moral judgments; it studies what is morally right or wrong, just or unjust. Together, they combine to define how individuals choose to interact with one another. In philosophy, ethics defines what is good for the individual and for society and establishes the nature of duties that people owe to themselves and to one another. It aims at individual good as well as social good, the good of mankind as a whole.

Ethics is an attempt to guide human conduct and it is also an attempt to help man in leading good life by applying moral principles. Ethics refers to well based standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Ethics is related to issues of propriety, rightness and wrongness. What is right is ethical and what is wrong is unethical. The words 'proper',' fare' and 'just' are also used in place of right 'and 'ethical'. If it is ethical, it is right, proper, fair and just. Ethics is a matter of practical concern. It tries to determine the good and right thing to do; choices regarding right and wrong, good and evil; questions of obligation and value. Ethics is to consider the practice of doing right actions or what we may call the art of living the good life.

It is also defined as the science of the highest good. Mackenzie defines ethics as "the study of what is right or good in human conduct" or the "science of the ideal involved in human life". So, it is clear that ethics is the study which determines rightness or wrongness of actions.

Applied ethics is the practice of ethics that aims to guide the moral judgment governing the decisions we make in all areas of our lives .Issues of right and wrong are related to one's values. In the context of ethics, values are our standards of right and wrong.

Background to Ethics

Ethics is the area of philosophy concerned with the evaluation of human conduct. Philosophers generally distinguish between four or five major branches of ethics: meta-ethics, ethics and politics (political philosophy), normative ethics, virtue ethics and practical philosophy.

Meta-ethics is concerned with the meaning of philosophical language and moral propositions. This means that the focus is on the grounds used to justify moral judgments rather than on making moral judgments.

Political ethics consists mostly of an examination of the good society and the origins and forms of political power (government).

Normative ethics is the branch of philosophy concerned with developing theories that determine which human actions are right and wrong. It is evaluative and constructive rather than descriptive (like meta-ethics). Deontological ethics, utilitarian ethics and virtue ethics are all normative.

Virtue ethics is often viewed as a separate branch in itself. Although it is certainly normative as well, virtue ethics is distinguished form other forms of normative ethics because it is concerned with possessing moral traits and living a good life generally as opposed to evaluating actions alone.

Rule-based ethics seeks to evaluate moral considerations against a set of rules that constitute a moral theory, which determines what acceptable behaviour is. These rules may be divided into two main categories, namely consequentialism (also known as teleology) – under which it is claimed that actions should be judged according their consequences, and deontology – under which the opposing view is assumed, i.e. that rightness or wrongness is a judgment not dependent on consequences but rather on the intrinsic goodness of the action in and of itself.

Practical (or applied) ethics *applies* ethical principles and theories to practical disciplines - this includes medical ethics, environmental ethics and business ethics. The purpose is to give guidance on a specific issue such as abortion, GM crops, donor consent, protecting client privacy etc.

The History of Business Ethics

Business ethics has only existed as an academic field since the 1970s. During the 1960s, corporations found themselves increasingly under attack over unethical conduct. As a response to this, corporations - most notably in the US - developed social responsibility programmes which usually involved charitable donations and funding local community projects. This practice was mostly ad hoc and unorganised varying from industry to industry and company to company. Business schools in large universities began to incorporate 'social responsibility' courses into their syllabi around this time but it was mostly focused on the law and management strategy.

Social responsibility has been described as being a pyramid with four types of responsibility involved - economic (on the bottom level), then legal, ethical and finally philanthropic. Ethical issues were dealt with in social issues courses however, and were not considered in their own right until the 1970s when philosophers began to write on the subject of business ethics. Previous to this development, only management professionals, theologians and journalists had been highlighting problems of this nature on a regular basis.

When philosophers became involved they brought ethical theory to bear on the relevant ethical issues and business ethics became a more institutionalised, organised and integral part of education in business. Thereafter annual conferences, case books, journals and text books were more regular and established.

This new aspect of business ethics differentiated it from social issues courses in three ways:

1) Business ethics provided an ethical framework for evaluating business and the corporate world.
2) It allowed critical analysis of business and development of new and different methods. (This also made business ethicists unpopular in certain circles.)
3) Business ethics fused personal and social responsibility together and gave it a theoretical foundation. In this way, business ethics had a somewhat broader remit than its predecessor (the social issues course) and was a good deal more systematic and constructive. Business ethics also recognised that the world of business raised new and unprecedented moral problems not covered by personal systems of morality. Common-sense morality is sufficient to govern judgments about stealing from your employer, cheating customers and tax fraud. It could not provide all the necessary tools for evaluating moral justification of affirmative action, the right to strike and whistle-blowing.

What is Business Ethics?

Business ethics is nothing but the application of ethics in business. Business ethics is the application of general ethical ideas to business behavior. Ethical business behavior facilitates and promotes good to society, improves profitability, fosters business relations and employee productivity. The concept of business ethics has come to mean various things to various people, but generally it's coming to know what it right or wrong in the workplace and doing what's right - this is in regard to effects of products/ services and in relationships with stakeholders.

Business ethics is concerned with the behavior of a businessman in doing a business. Unethical practices are creating problems to businessman and business units. The life and growth of a business unit depends upon the

ethics practiced by a businessman. Business ethics are developed by the passage of time and custom. A custom differs from one business to another. If a custom is adopted and accepted by businessman and public, that custom will become an ethic. Business ethics is applicable to every type of business. The social responsibility of a business requires the observing of business ethics. A business man should not ignore the business ethics while assuming social responsibility. Business ethics means the behaviour of a businessman while conducting a business, by observing morality in his business activities.

According to Wheeler Business Ethics is an art and science for maintaining harmonious relationship with society, its various groups and institutions as well as reorganizing the moral responsibility for the rightness and wrongness of business conduct.

According to Rogene. A. Buchholz, Business ethics refers to right or wrong behaviour in business decisions .

Business Ethics or Ethical standards are the principles, practices and philosophies that guide the business people in the day today business decisions. It relates to the behaviour of a businessman in a business situation. They are concerned primarily with the impacts of decisions of the society within and outside the business organizations or other groups who keep interest in the business activities . Business ethics can be said to begin where the law ends. Business ethics is primarily concerned with those issues not covered by the law, or where there is no definite consensus on whether something is right or wrong School of Distance Education

IMPORTANCE OF BUSINESS ETHICS

There may be many reasons why business ethics might be regarded as an increasingly important area of study, whether as students interested in evaluating business activities, or as managers seeking to improve their decision-making skills.

It is generally viewed that good business ethics promote good business.

1. The power and influence of business in society is greater than ever before. Business ethics helps us to understand why this is happening, what its implications might be, and how we might address this situation.
2. Business has the potential to provide a major contribution to our societies, in terms of producing the products and services that we want, providing employment, paying taxes, and acting as an engine for economic development and thereby increases the goodwill.
3. Business malpractices have the potential to inflict enormous harm on individuals, on communities and on the environment. Through helping us to understand more about the causes and consequences of these malpractices, business ethics helps to create mutual trust and confidence in relationship.
4. The demands being placed on business to be ethical by its various stakeholders are constantly becoming more complex and more challenging. Business ethics provides the means to appreciate and understand these challenges more clearly, in order that firms can meet these ethical expectations more effectively.
5. Business ethics can help to improve ethical decision making by providing managers with the appropriate knowledge and tools that allow them to correctly identify, diagnose, analyse, and provide solutions to the ethical problems and dilemmas they are confronted with.
6. A business can prosper on the basis of good ethical standards and it helps to retain the business for long years.
7. Business ethics can provide us with the ability to assess the benefits and problems associated with different ways of managing ethics in organizations.
8. In the age of complexity in business fileds , competition is increasing day by day Good ethical standard helps the business to face the challenges

CHARACTERISTICS OF BUSINESS ETHICS

The following are the important features of business ethics:-

1. Business ethics are the principles, which govern and guide business people to perform business functions and in that sense business ethics is a discipline
2. It is considered both as a science and an art.
3. It continuously test the rules and moral standards and is dynamic in nature School of Distance Education
4. It is based on theological principles such as sincerity, human welfare, service, good behavior etc.
5. It is based on reality and social customs prevailing in business environment.
6. It studies the activities , decisions and behavior which are related to human beings
7. It has universal application because business exists all over the world
8. Many of the ethical principles develop the personal dignity
9. Business ethics keeps harmony between different roles of businessman, with every citizen, customer, owner and investors.

PRINCIPLES OF BUSINESS ETHICS

The Principles of business ethics developed by well known authorities like Cantt, J. S.Mill, Herbert Spencer, Plato, Thomas Garret, Woodrad, Wilson etc are as follows

1. Sacredness of means and ends : The first and most important principles of business ethics emphasize that the means and techniques adopted to serve the business ends must be sacred and pure.It means that a good end cannot be attained with wrong means, even if it is beneficial to the society.

2. Not to do any evil: It is unethical to do a major evil to another or to oneself , whether this evil is a means or an end.

3. Principle of proportionality: This principle suggests that one should make proper judgment before doing anything so that others do not suffer from any loss or risk of evils by the conducts of business.

4. Non co-operation in evils: It clearly points out that a business should not co-operate with any one for doing any evil acts.

5. Co-operation with others: This principles state that business should help others only in that condition when other deserves for help.

6. Publicity: According to W. Wilson, anything that is being done or to be done, should be brought to the knowledge of everyone. If everyone knows, none gets opportunity to do an unethical act.

7. Equivalent price: According to W. Wilson, the people are entitled to get goods equivalent to the value of money that he will pay.

8. Universal value: According to this principle the conduct of business should be done on the basis of universal values.

9. Human dignity: As per this principle , man should not be treated as a factor of production and human dignity should be maintained.

10. Non violence : If businessman hurts the interests and rights of the society and exploits the consumer by overlooking their interests this is equivalent to violence and unethical act. School of Distance Education

ELEMENTS OF BUSINESS ETHICS MANAGEMENT

Everyone who is entrusted to manage ethics in this organization is bound to prepare a sound ethical programme which should include the following components:-

1. Formal code of conduct
2. Ethics committee
3. Ethical communication
4. An Ethic office with Ethical officers
5. Ethics Training Programme
6. A disciplinary system
7. Establishing an ombudsperson.
8. Monitoring

1. Code of conduct

Several organizations that have undertaken to implement ethical behavior at their workplaces have started the process with developing and implementing codes of conduct for their employees. Codes of conduct are statements of organizational values. It comprises of three elements such as a code of ethics, a code of conduct and statement of values. a code of conduct is a written document, inspirational in contents and specifies clearly what is acceptable or unacceptable behavior at workplace and beyond ,when the employees represent their organizations outside. In general the code should reflect the managements desire to incorporate the values and policies of the organization. The statement of values envisages by the management to serve the public and normally addresses the stakeholders groups.

Code of Ethics

Every time a new business is launched anywhere in the world , whether a one man operation or a full blown brick – and- mortar corporate enterprise, the owners must adopt a code of ethics for the business. For small businesses the code is usually unwritten. And sometimes not even discussed and decided upon, but still a code exists. Larger businesses often have written codes of ethics and employees are twined in them and required to adhere to the code. A code of ethics is a buzzword to employees to observe ethical norms and forms the basis for rules of conduct. It is comprehensive enough to cover the entire scheme of organizational ethics expected to be followed by everyone in the company. It usually specifies methods for reporting violations, disciplinary action for violations and a structure of the due process to be followed. School of Distance Education

A code of ethics in business is just as important as a sound marketing plan, a solid financial strategy, and an organized business plan.

A code of ethics must summarize the beliefs and values of the organization. Those beliefs and values should become internalized by all employees and used regularly in all business practices, no matter the type of business. Owners of businesses that routinely engage in unethical practices cannot help but pass those values and principles along to the other people working in the business. Small businesses suffer even more, because unethical behavior and actions are easier for customers to take notice of. Once customers become aware that a business does not have high ethical ideals, they will take their business elsewhere.

Codes of ethics vary among businesses, and also from one country to another,. When business grows large enough to expand its operations into other countries, It is critical to hire talent to assist in training existing personnel with regard to the integrity, understanding, responsibility, and cultural norms of the country where the

new operation is located. All employees must be treated equally, and any issues of inequality must be dealt with quickly, fairly, and in a manner that is satisfactory to all.

Today, more than ever before, consumers pay a great deal of attention to corporate governance and proper behavior of businesses and their owners. Because the marketplace is flooded with numerous variations of the same businesses, promises must be fulfilled and the price and quality of products must be equal to what is advertised, or another business will step into deliver. Therefore a code of ethics where unarticulated or formally documented – is vital to ensuring that a business will succeed.

A code of ethics that is both defines and acted upon is part of the business culture of every successful business, and must become the mantra of every business owner. Growing a flourishing business through the use of sound ethical principles will reap not only the benefits of grown and prosperity, but also the satisfaction of being able to sleep soundly at night.

2. Ethics committee

Ethics committee is formed in many organizations. They are wholly devoted at work places. These committees can rise concerns of ethical nature; prepare or update code of conduct, and resolve ethical dilemma in organizations. they formulate ethical policies and develop ethical standards. The committee evaluates the compliance of the organization with these ethical norms. The members of the ethical committee should be selected from those persons who have knowledge in their industry, their code of ethics and community standards. The committee members are also conscious about the corporate culture and ethical concise of the organization. School of Distance Education

The following committees are to be formed :-

(i) Establishing an ethics committee at the board level

The committee would be charged to oversee development and operation of the ethics management programme.

(ii) Establishing an Ethics Management committee

Ethics Management committee would be charged with implementing and administrating an ethics management programme, including administrating and training about policies and procedures, and resolving ethical dilemmas. The committee should be comprised of senior officers.

3. Ethical communication system

The next step is the establishment of an effective ethical communication system. Ethical communication system place an important role in making an ethics programme successful. It should allow employees to make enquiries, get advice if needed or report wrong doing. Ethical communication system is a necessity to educate employees about the organizations ethical standard and policies. It has the following objectives

(i) To communicate the organizations‘values and standards of ethical conduct or business to employees.

(ii) To provide information to the employees on the company‘s policies and procedure regarding ethical conduct of business.

(iii) To help employees to get guidance and resolve questions regarding compliance with the firms standards of conducts and values.

(iv) To set up the means of enquiry such as telephone hotlines, suggestion boxes and email facilities for employees to contact with and get advice from competent authorities.

Along with these means of communication there are other ways, that can be used to communicate an organization‘s moral standards to its employees. Top management can communicate the ethical standards to

lower level managers and they can communicate it to operational levels. Sometimes the organization publishes newsletters. It can be used to expose company‘s code or ethics. If an organization has briefing and management meeting, these can be used as a means of communicating values. Certain companies use attractive multi colored posters to publicize their codes and ethics, these posters are placed in most visible places of the organization premises.

4. Ethics office and officers

Ethics offices are to be established to communicate and implement ethics policies among employees of the organization. For this purpose an ethics officer is to be appointed. The ethics officer should develop a reputation for credibility, integrity, honesty and responsibility through establishment of such ethics monitoring bodies. School of Distance Education

Functions of the ethics officers

1. Ethics officers are responsible for assessing the needs and risks that an organization-wide ethics programme must address.
2. To develop and distribute a code of conduct or ethics
3. To conduct ethical training programme for employees
4. To establish and maintain a confidential service to answer employees questions about ethical issues.
5. To ensure that the organization is in compliance with governmental regulations
6. To monitor and audit ethical conduct
7. To take action on possible violations of the company‘s code
8. To review and update code in time
5. Ethics Training Programme

To ensure a good ethical behavior in the organization the employees are to be given training. For this purpose a corporate ethical training programme is to be devised. The main objective of an ethical training program is to offer assistance to employees to understand the ethical issues that are likely to arise in their work place. When new employees are to be recruited, the induction training should be arranged for them.

This training will help to familiarize with the company‘s ethical code of behavior. Importance of abiding code should be dealt with at the induction meeting. A well developed and proper training programme will help the employees to understand the organizations policies and expectations, important and relevant rules, bye laws and regulations which are to be complied in the organization by the employees. For the success of the training programmes , the senior executive from every department must involve fully in the training programme.

6. Disciplinary system

Code of conduct or ethical behavior codes should be properly enforced in the organization to achieve the organization‘s objectives. A disciplinary system should be established to deal with ethical violations promptly and severely. If unethical behavior is not properly dealt with, it will threaten the entire social system that supports the ethical behavior of the organization. While enforcing disciplines to ensure ethical conduct, companies should be consistent, i.e., the company should adopt a fair attitude towards every one without any discrimination or bias.

7. Establishing an ombudsperson

The ombudsperson is responsible to help coordinate development of the policies and procedures to institutionalize

moral values in the workplace. This position usually is directly responsible for resolving ethical dilemmas by interpreting policies and procedures. School of Distance Education

8. Monitoring

To become an ethical programme fruitful and successful, an effective monitoring committee is to be formed. It can be monitored through keen observation by ethics officers, internal audits, surveys, investigations and supporting systems.

Advantages of Managing Ethics in Workplace

1. Significant improvement to society

Application of business ethics helps to avoid many evils from the society. It includes child labour, unscrupulous price fixing, harassment of employees, poverty and starvation of employees etc.

2. Cultivate strong team work and productivity

Ethical programme helps to tune employee behavior in accordance with the values preferred by leaders of the organization. It helps to build openness, integrity and a sense of oneness among all. Employees feel strong alignment between their values and those of the organization and they react with strong motivation and performance.

3. Support Employee Growth

Ethics programme help employees to face reality, both good and bad in the organization and themselves. They feel full confidence to admit and deal with whatever comes their way.

4. Insurance policy

Ethical programs help to ensure that policies are legal. Ethical principles are often applied to current, major ethical issues and become legislation. A major intent of well designed personnel policies is to ensure ethical treatment of employees.

5. Avoid Penal action

Ethical programs help to detect issues and violations early so that they can be reported or addressed which helps to avoid subsequent penal actions and lower fines.

6. Helps in Quality Management, Strategic planning and diversity management

CHALLENGES IN BUSINESS ETHICS

Challenges in business ethics commonly include balancing responsibility to shareholders with social responsibility to the community and employees. Decisions that balance corporate profit against compensation to workers might also present challenges related to business ethics, especially during an economic downturn. Other challenges might revolve around philanthropic activities that contribute to the economic good of the community. These challenges might also involve legal compliance with laws and regulations.

Executive pay and the distribution of wealth might prompt discussion about the challenges in business ethics. Some critics say multimillion dollar bonuses and benefit packages for executives should be linked to actual contributions to the company. The ratio of pay between upper-level management, shareholders, and lower-level employees might create challenges for business ethics.

Working conditions and outsourcing represent additional challenges company owners might face. In some firms, executives who successfully increase profits by moving operations overseas might be rewarded, even though it puts people out of work. If employee pay and benefits are cut while executives receive bonuses based

on the savings, it might be classified as an ethical dilemma. Both situations typically bring up challenges in business ethics.

Ethics might also involve attempts to hire employees who share company values regarding the environment and dealing with customers. Challenges in business ethics include identifying and recruiting workers without regard to sex, age, or ethnic background. Once hired, a company operating ethically usually attempts to share power and leadership through training programs. Training might include giving employees tools to solve ethical dilemmas on the job.

In the area of compliance, challenges in business ethics might include going beyond adherence to laws and regulations. For example, a firm might follow environmental law because it is required, but an ethically responsible company might improve the environment because it's the right thing to do as a corporate citizen. The company operating within a strict code of ethics typically makes decisions that improve the community instead of decisions based solely on profits.

Other issues that crop up as ethical concerns might center on conflicts of interest and corruption. News stories about some large corporations cheating investors in high-profile scandals have often brought business ethics to the forefront. Other instances might involve political contributions in an attempt to sway regulators to relax compliance laws.

Ethical problems and phenomena arise across all the functional areas of companies and at all levels within the company. Ethical issued in different fortes of Business are explained below:

General business ethics Issues

• This part of business ethics overlaps with the philosophy of business, one of the aims of which is to determine the fundamental purposes of a company. If a company's main purpose is to maximize the returns to its shareholders, then it could be seen as unethical for a company to consider the interests and rights of anyone else.

• Corporate social responsibility or CSR: an umbrella term under which the ethical rights and duties existing between companies and society is debated.

• Issues regarding the moral rights and duties between a company and its shareholders: fiduciary responsibility, stakeholder concept v. shareholder concept.

• Ethical issues concerning relations between different companies: e.g. hostile take-over, industrial espionage.

• Leadership issues: corporate governance.

• Political contributions made by corporations.

• Law reform, such as the ethical debate over introducing a crime of corporate manslaughter.

• The misuse of corporate ethics policies as marketing instruments.

Ethics in Compliance

Compliance is about obeying and adhering to rules and authority. The motivation for being compliant could be to do the right thing out of the fear of being caught rather than a desire to be abiding by the law. An ethical climate in an organization ensures that compliance with law is fuelled by a desire to abide by the laws. Organizations that value high ethics comply with the laws not only in letter but go beyond what is stipulated or expected of them.

Ethics in Finance

The ethical issues in finance that companies and employees are confronted with include:

• In accounting – window dressing, misleading financial analysis.

• Related party transactions not at arm's length

• Insider trading, securities fraud leading to manipulation of the financial markets.

• Executive compensation.

• Bribery, kickbacks, over billing of expenses, facilitation payments.

• Fake reimbursements

Ethics in Human Resources

Human resource management (HRM) plays a decisive role in introducing and implementing ethics. Ethics should be a pivotal issue for HR specialists. The ethics of human resource management (HRM) covers those ethical issues arising around the employer-employee relationship, such as the rights and duties owed between employer and employee.

The issues of ethics faced by HRM include:

- Discrimination issues i.e. discrimination on the bases of age, gender, race, religion, disabilities, weight etc.
- Sexual harassment.
- Affirmative Action.
- Issues surrounding the representation of employees and the democratization of the workplace, trade ization.
- Issues affecting the privacy of the employee: workplace surveillance, drug testing.
- Issues affecting the privacy of the employer: whistle-blowing.
- Issues relating to the fairness of the employment contract and the balance of power between employer and employee.
- Occupational safety and health.

Companies tend to shift economic risks onto the shoulders of their employees. The boom of performance-related pay systems and flexible employment contracts are indicators of these newly established forms of shifting risk.

Ethics in Marketing

Marketing ethics is the area of applied ethics which deals with the moral principles behind the operation and regulation of marketing. The ethical issues confronted in this area include:

- Pricing: price fixing, price discrimination, price skimming.
- Anti-competitive practices like manipulation of supply, exclusive dealing arrangements, tying arrangements etc.
- Misleading advertisements
- Content of advertisements.
- Children and marketing.
- Black markets, grey markets.

Ethics of Production

This area of business ethics deals with the duties of a company to ensure that products and production processes do not cause harm. Some of the more acute dilemmas in this area arise out of the fact that there is usually a degree of danger in any product or production process and it is difficult to define a degree of permissibility, or the degree of permissibility may depend on the changing state of preventative technologies or changing social perceptions of acceptable risk.

- Defective, addictive and inherently dangerous products and
- Ethical relations between the company and the environment include pollution, environmental ethics, and carbon emissions trading.
- Ethical problems arising out of new technologies for eg. Genetically modified food
- Product testing ethics.

The most systematic approach to fostering ethical behaviour is to build corporate cultures that link ethical standards and business practices.

Ethical Dilemma

An ethical dilemma is a situation where one is in conflict between moral imperatives. Often rejecting either solution has major consequences. It is also known as ethical paradox or moral dilemma. Ethical dilemma is any situation in which guiding moral principles cannot determine which course of action is right or wrong. To obey one action, would result in transgressing another.

Characteristics of Ethical Dilemmas

1. Choice between equally undesirable alternatives
2. Different courses of action possible
3. Involves value judgments about actions or consequences
4. Data will not help resolve issue
5. Different sources (psychology, theology) offer resolutions
6. Unfavorable outcomes will result
7. Choices have far-reaching effects on persons, relationships and society
8. Resources which must be allocated are finite or limited
9. Can be resolved, not solved
10. There is no “right” and “wrong”

Business ethos principles practiced by Indian Companies:-

Indian companies are guided by certain rules of conduct in the form of ethical and moral standards. Some of the business ethos principles, practiced by Indian companies are listed below:

1. Principle of ‘sacrifice’

An individual is trained by the principle of ‘sacrifice’ through the process of ‘give and take’ policy. A person, who is willing to sacrifice part of his bread or effort, commands a superior place in the organization.

2. Principle of 'harmony'

An individual is trained in such a way that to avoid conflicts and friction one should be guided by certain set of moral conducts and principles.

3. Principle of 'non-violence'

This principle protects an organization from strikes and lockouts and unnecessary avoidable conflicts.

4. Principle of 'reward'

The one who performs well are encouraged to do so. This implies that the activities of individuals need to be monitored and encouragement in the form of 'rewards' may cultivate the spirit of higher productivity among groups.

5. Principle of 'justice'

The one who works hard is 'rewarded' and the one who fails to do so is 'punished'. This is essence the principle of Justice.

6. Principle of 'taxation'

The one who is taxed more is encouraged to stay fit for a longer period by proper appreciation and encouragement. This principle applies to individuals who are hardworking and productive.

7. Principle of 'Integrity'

An integrated mind is more productive. Groups are encouraged to stay united in order to reap the benefits of division of labour.

8. Principle of 'Polygamy'

This is nothing but the wedding of two different cultures by absorption or takeover.

LESSON ROUND UP

- The term "ethics" is derived from the Greek word "ethos" which refers to character or customs or accepted behaviour.
- 'Code of conduct' is a set of principles and expectations that are considered binding on any person who is a member of a particular group.
- The alternative names for code of conduct are 'code of ethics' or 'code of practice'.
- Advantages of business ethics - attracting and retaining talent, investor loyalty, customer satisfaction.
- Scope of Ethics in Business is in the areas, like compliance, finance, HR, marketing and production.
- Measures to improve ethical behaviour of business are framed at three levels: at institutional level; government level and societal level.

GLOSSARY

Buzzword	Trendy word or phrase.
Stature	Degree of development attained; level of achievement.
Legitimate	According to law; lawful; in accordance with established rules, principles, or standards.
Infringing	To commit a breach; violate.

Articulated	Made clear or distinct.
Veteran	A person who has had long service or experience in an occupation or the like.
Aberration	The act of departing or deviating from the right, normal, or usual course or deviation from truth or moral rectitude.
Dilemmas	A situation requiring a choice between equally undesirable alternatives; any difficult or perplexing situation or problem.
Pivotal	Of vital or critical importance.
Whistle blowing	The process where a person informs about another misdoings or makes a public disclosure of corruption or wrongdoing.
Percolate	Grow or spread gradually.
Errant	Pretense of having virtues, beliefs, principles, etc., that one does not actually possess; One who assumes a false appearance
Manifest	Evident; obvious; apparent; plain.
Endeavour	To attempt; try.

SELF-TEST QUESTIONS

1. State five ethical practices.
2. Write short notes on Ethics in HR and Ethics in Compliance.
3. State any five measures undertaken at institutional level to ensure ethical standards.
4. Discuss in brief the scope of ethics in business.
5. What are the general reasons for unethical business practices in India?
6. Discuss the various measures for improving the ethical behaviour of business houses in India.

SUGGESTED READINGS

(1) The Ground of Professional Ethics – Daryl Koehn

(2) Business Ethics – Revised Edition – Corporate Values and Society- Robert Almeder, James Humber

(3) Companion to Business Ethics – *Edited* by Robert E Federick

(4) Business Ethics and Business Communications – Ashok K. Nadhani

(5) Ethics, Indian Ethos and Management – S. Balachandran, Raja, Nair

(6) Business Ethics Decision Making and Cases – *O.C. Farell, John Paul Fraedrich & Linda Ferrell*

(7) Business Ethics Concepts and Cases – *Manuel G Velasquez.*

PART C
BUSINESS COMMUNICATION

LESSONS

9.	Business Communication
10.	Essentials of Good English
11.	Business Correspondence- I
12.	Business Correspondence- II
13.	Administration
14.	Inter-department Communication
15.	Preparation of Press Releases
16.	E-Correspondence

Thousands years ago, people communicated orally. Greeks used a phonetic alphabet written from left to right. After that many books appeared on written communication principles. As a result of this, Greeks started their very first library.

When communism was ruling China, communication had become the biggest challenge within the vast government agencies as well as between the government and people. First in China and then in Rome postal service was launched. After that paper and printing press was invented in China that made communication easier.

Hence, today's principles of communication are founded on a mixture of ancient oral and written traditions.

Business communication is a broad-based concept that describes any kind of communication whose goal is to improve the value of a business. This could be internal communication, such as rules, guidelines and motivational material, or it could be external communication, including advertisements and press releases. Either way, the underlying principle is the same: adding value through information dispersal. Communication is the lifeblood of an organization.

Lesson 9
Business Communication

LESSON OUTLINE

- Concept of Communication
- Characteristics of Communication
- Importance of Communication
- Means and Modes of Communication
  - Verbal Communication
  - Non Verbal Communication
- Choice of Means and Mode of Communication
- Process of Communication
- Principles and Essential of Effective Communication
- Review Questions
- Types of Communication
- Communication Flows
- Barriers to Communication
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

The word communicate comes from the Latin verb 'communicare' which means to impart, to share or to make common. It is also the source of the English word 'common' which means that whatever is common is shared by all.

What is Communication? In layman's language, when a mother smiles at her child, when a teacher stares at her students, when two friends shake their hands communication takes place. Communication is a general phenomenon. It occurs in the universe, wherever life exists. We cannot survive without communicating. The only choice we can make about communication is to communicate effectively.

Communication means an exchange of facts, ideas, opinions or emotions between two or more persons. Now when the message is finally received and understood completely in the sense that the sender wanted it to convey, that is called effective communication.

Communication is the essence of management. The basic function of management (planning, organising, staffing, directing and controlling) cannot be performed well without effective communication.

Thus, Business communication is nothing but communication between the people in an organisation for the purpose of carrying out business activities. It may be oral, written or verbal, etc.

The two words 'information' and 'communication' are often used interchangeably, but they signify quite different things. Information is giving out; communication is getting through.

Sydney J. Harris

CONCEPT OF COMMUNICATION

The word 'communicate' has been derived from the Latin word 'communicare', which means to 'share' and 'participate'. Communication is a process by which information is exchanged between individuals through a common system of symbols, signs or behaviour. It is the expression of facts, opinions, ideas or feelings. It is an essential condition of our existence and the most important activity of human beings. Communication is a two way process. There must be at least two persons to allow the completion of the process. One takes up the role of a sender the other that of the receiver. Webster's dictionary states that "communication is the act of exchanging information and understanding from on person to another". For communication to be successful, the exchange of ideas and information must result in imparting and understanding its intended meaning. Its purpose is to effect desired changes in the behaviour of the receiver of the message. Thus communication is the transfer of information from one person to another person. Its goal is to have the receiver understand the message as it was intended.

Whether we communicate through writing or speaking, language continues to play an important role. The increasing use of telephone, mobile, recording devices, such as dictaphone, answering machines, live broadcasting and telecasting, and video conferencing have nowadays, shifted the focus from writing to speaking.

Business communication

When one communicates to transact some commercial activity, that is, providing goods or services, with the intention of generating profits, it is termed as business communication. According to Scott, "administrative communication is a process which involves the transmission and accurate replication of ideas ensured by feedback for the purpose of eliciting action which will accomplish organization goals". The importance of communication to an organization, all the more so to a business organization, cannot be over emphasized. It links not only the various components of the organization but also its internal world with the external world. In order be proficient in business communication, it becomes imperative to acquire skills of effective writing and speaking. Therefore, curriculums of most business schools the world over cover the subject of business communication extensively. It is also common for the prestigious companies to insist upon excellent communication skills as a requirement at the time of recruitment.

Need for improving English Language Skills

To carry out business of any kind we have to interact with a large number of people. Unless we learn to communicate effectively, we cannot achieve the goals of business. Nayantara Sehgal, a noted novelist once said in the course of a T.V. interview, "English has become the global language of business and finance". Hence, the importance of English language. It has emerged as the link language among different countries of the world. Moreover, English also works as a connecting language among the different states of India.

What kind of English should we try to learn?

Plain Language Commission* insisted that the USP (Unique Selling Proposition) of Business English should be:

– Simplicity, and

– Clarity.

Business English should reveal complete meaning, without ambiguity, in the first attempt itself by using short sentences and familiar words. The use of ornamental language hinders understanding and delays response. On the other hand, clear and functional vocabulary ensures speedy reading and stimulates action.

* *Words at Work*, 1994.

CHARACTERISTICS OF COMMUNICATION

(i) Communication is essentially a two-way process. Information is not only sent but it has to be received and understood as well. This process is incomplete until the response or reaction based on proper understanding is available. Ultimately the receiver reacts or responds to the information sent by the sender. The response could be based on clear interpretation of the symbols sent or it could be based on misunderstanding or misinterpretations of the of the symbols sent. Whatever the response of a receiver to a sender is, it is called feedback. Some feedback is nonverbal –smiles, sighs, nods and so on. Sometimes it is oral. Feedback can also be written. In many cases, no message can also be a feedback. Failure to answer a letter or to return a phone call can suggest how the non-communicative person feels about the sender. The success or the failure of communication is decided by the feedback we get. Hence, feedback is essential to communication.

(ii) Communication is an ongoing process. In this absence of communication human activities cease to exist.

(iii) Communication is essential in all kinds of organizations and at all levels of management.

No manager can be effective in his role unless he is able to communicate. Professional and result-oriented organizations are always looking for managers who can communicate persuasively and competently. It is said the that communication is the simple most essential skills.

(iv) The basic purpose of communication is to create mutual understanding by giving/seeking information, persuading/influencing others and eliciting actions.

(v) Communication consists not only of facts but ideas and emotions too. Communication is much more than words. The tone and facial expressions often carry a greater meaning than words. We can communicate a lot through signs, symbols and gestures. For example, a victory sign made by two fingers communicates better than words.

(vi) Organizational communication consists of a flow of messages through several networks. There are networks for problem solving, workflow, information sharing and socializing.

(vii) It takes two to complete communication. There should be a sender and a receiver. If a person shouts in a forest where no one is present, there is no communication. Communication is a dynamic process. It incorporates the changing shape of the participants and the environment.

(viii) Communication is a goal-oriented process. Communication can be effective if both the sender and the receiver are aware of the goal of communication and there is congruence of their goals.

(ix) Communication is an inter-disciplinary science. Knowledge derived from several sciences is used in communication. Anthropology (study of body language), Psychology (study of persuasion, perception and attitudes), Sociology and Political science (study of voting behaviour) have provided insights to make communication effective.

IMPORTANCE OF COMMUNICATION

Effective communication has always been essential for success in business. In recent times, communication has become all the more essential due to the following reasons:

(i) ***Increase in Size*****:** Business firms have grown tremendously in scale of operations. A large business firm today employs thousands of people and has operations in different parts of the world. An efficient system of communication is required to carryout its activities across successfully.

(ii) ***Growing Specialization:*** Narrow division of work results in different activities being handled by different departments. Sound communication is essential for ensuring mutual cooperation and understanding among

different departments without which no organization can function smoothly. If, for example, there is no communication between production and sales departments, the sales department might book such orders that the production department fails to supply.

(iii) ***Cut-throat Competition:*** Liberalization and globalization have resulted in severe competition among public sector, private sector and foreign banks. Persuasive communication in the form of advertisements, personal contacts and publicity becomes essential to survive in the race of competition.

(iv) ***Trade Union Movement:*** In organisations, employee's unions are very strong and powerful. Management must consult union leaders on several matters. Regular exchange of information and ideas between managers and union officials helps them to maintain healthy relations with one another.

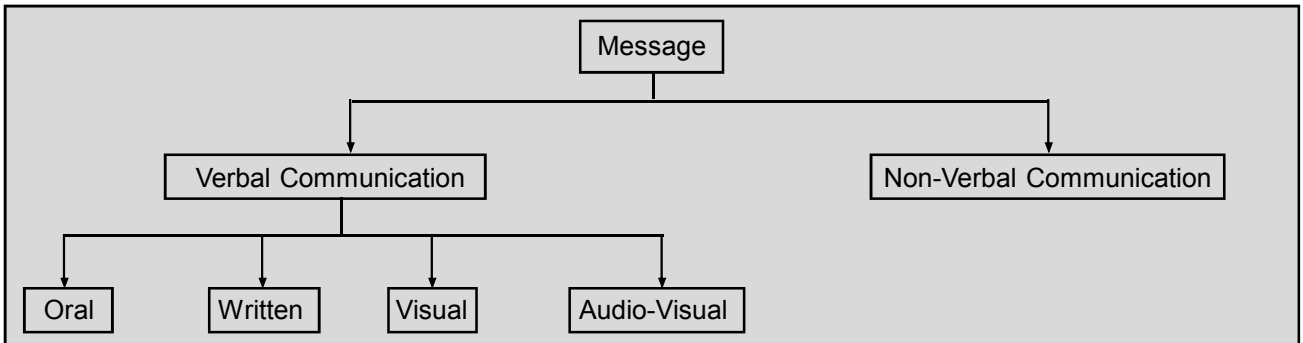
(v) ***Human Relations:*** Effective communication between management and employees is necessary to develop mutual trust and confidence. Participation of employees in the decision-making process and other activities helps to develop among them a sense of belonging and loyalty to the organization.

(vi) ***Public Relations:*** Society expects a sense of responsibility from managers. Business has to keep the Government, distributors, suppliers, investors and other sections of society well-informed about its contribution to society. Public relations help business to improve its image in society, and big enterprises employee professional experts for this purpose.

(vii) ***Personal Asset:*** Communication skill is essential for success in every job. Managers are required to deliver speeches, write documents and conduct interviews. Teachers, advocates, journalists, receptionists need high degree of communication skill. The ability to communicate effectively is equally essential for promotion in career.

MEANS OF COMMUNICATION

Business communication is generally interpersonal since business functions are discharged through interaction.



Means of Communication

The means or methods of communication, as is evident from the given Figure, are broadly classified into:

(i) Verbal communication which entails use of words to convey messages either in the form of speech or writing; and

(ii) Non-verbal communication where messages are communicated through body language, facial expressions and gestures.

Verbal Communication

The word 'verbal' means 'connected with words or use of words'. Words are the most accurate and powerful set of symbols involved in communication. Hence, verbal communication involves a written or spoken message in

which words are used to exchange ideas/information. Words are selected in phrases, sentences and paragraphs depending upon the results the verbal communication is trying to achieve.

The means of verbal communication are:

- Written communication
- Oral communication
- Visual communication
- Audio-visual communication

Non-verbal Communication

Non-verbal communication includes:

- Facial expressions
- Gestures
- Movements
- Eye contact
- Nodding of the head
- Physical appearances.

It is an unspoken or unwritten message that uses body language. It may be used by itself, e.g., just frowning or smiling at someone or gesticulating along with oral communication. In a situation involving the use of oral communication, non-verbal signs play an equally important role. While listening to someone, one may also be looking at the person. Their facial expressions such as a smile or a frown often strengthen the verbal message. The entire body language, from big gestures to proximity with the listener, may help to emphasise the contents of the message.

Alternatively, if the non-verbal communication is absent, it sometimes leaves the recipient guessing. The "British stiff upper lip" which looks down upon any display of emotions in public is a good example of this. Similarly, in the case of verbal and non-verbal incongruence, the result may be confusion and even a communication failure. It is important to note that in simple situations, non-verbal communication works itself well.

For example, it is perfectly in order to smile at a guest and escort him in without speaking a word. Secondly, this form of communication has a strong cultural content. The Arabs and Latin Americans are prone to move closer to the listener as well as maintain more eye-contact than the Europeans do. Similarly, physical contact is considered a powerful tool of communication. But touching an acquaintance, while shaking hands, is almost taboo among the British, insignificant among the Americans and common among Latin Americans.

Verbal Communication

(1) Written Communication

A famous English writer Francis Bacon has said, "Reading maketh a full man, writing an exact man, conference a ready man". In order to make himself exact, i.e., to say effectively what he wants to say, the writer has to make a considerable effort.

The written form requires drafting of letters and circulars, proposals, memos and business reports of varying kinds and includes:

- Memo
- Report

- Office order
- Circulars
- Graphs/Charts
- Staff Newsletter
- E-mail
- Fax
- Form/Questionnaire
- Letter
- Notice, Agenda, Notes on Agenda
- Minutes of Meetings
- Advertisement
- Customer Newsletter
- Press Release
- Invitation
- Leaflet/Brochure/Handbills
- Manuals
- Telegram

Advantages and Disadvantages of Written Communication

Written communication has several advantages, although the disadvantages of written communication are equally serious.

Advantages

(i) It allows us sufficient time to plan the document we propose to create taking into account the purpose for which it is being written.

(ii) It also enables us to revise and modify the contents if we find them unsuitable for the recipient from the point of view of clarity or interest.

(iii) To display what we have written, we have a variety of recent and traditional trends to choose from. There is also a scope to use tastefully designed stationery for the purpose.

(iv) The use of headings and bullets enable us to highlights the material for better understanding.

(v) Information in the written form can be filed or retrieved at our convenience. Its permanence facilitates prolonged correspondence.

(vi) It provides us records, references, etc., on which important decisions rest.

Disadvantages

(i) It takes much more time to compose a message in writing. Therefore it is expensive.

(ii) It also tends to suffer from the limitations of the sender, like his assumptions or prejudices, and the delayed feedback makes it worse.

(iii) The inadequacies of the first message may only be revealed when the reply arrives.

(iv) Communication in writing suffers from lack of congruence with non-verbal communication.

However, written communication is indispensable.

Requirements of Effective Written Communication

It may be mentioned that hereunto organizations have to depend mostly on written communication either to maintain a link with the different entities within the organization or with the outside world. It has been observed that executives of the organizations spend much of their working hours on communication and that too on written communication to maintain inter-departmental and intra-departmental links as well as links with the external bodies. In this matter they obviously depend upon letters, circulars, notes and explanations, memorandums, reports, etc. Incidentally, they have to keep in mind that the receivers belong to different sections of people, working class and expertise too. Obviously, in such a case the transmitter of written communication has to pay adequate attention to certain important factors, such as:

(i) choice of appropriate words;

(ii) clarity of ideas;

(iii) use of inoffensive language;

(iv) lucid style;

(v) coherent presentation.

Now let us understand the above factors in greater detail.

(i) Choice of Appropriate Words

'Pen is mightier than the sword'-goes a well known saying. Words may bring you appreciation or alternatively rebukes and misunderstandings. Much depends upon how and when you have used the words. For instance, you write a letter to your superior as under:

"Kindly get this matter done at the earliest."

Revised Example

"Will you please take necessary action as you may deem necessary in the matter."

Feedback:

In the first example, the superior may not appreciate your choice of words as it smacks an order on you. Instead the sentence in the revised example presents a polite way of expression.

There is a lot of difference between the two sentences. Similarly, when assessing your subordinate's performance you should use appropriate words.

One may not sound incorrect if the words 'he is dull, docile and sluggish' are used in an assesment, but it is better to say *'he is lethargic'.*

Therefore, use simple and familiar words. Award technical jargon as it is understood by a limited group. Moreover, avoid all ambiguities and words having double meaning.

(ii) Clarity of Ideas

Clarity of ideas is a precursor to effective communication in all business correspondence. Read the following passage:

Example:

"It appears from the seemingly honest disposition of..... Company Ltd. that they would be in a position to pay the amount by August end. However, their present commitments indicate that their financial

position may not be bright until October unless, a turn of events for the better occurs. Indications are that they would like to pay us at the earliest possible. It cannot, however, be said that they can be taken at face value."

Revised Example

"I visited..... Company Ltd. They promised to pay the amount by August end by which time they are sure to be in a much better position financially. They are honest, however, in trying to honour their commitment."

Tips:

Use of words like 'may' and 'seem' always suggest uncertainty and should be used only where warranted by facts and circumstances.

Good communication never 'happens'. It results from advance thinking and careful planning. The principles of clarity implies both clarity of thought and clarity of expression. Once the idea is clear in the sender's mind, it must be expressed in clear and simple language. Clarity of expression requires proper encoding of the message and choice of appropriate words.

(iii) Inoffensive Language

Inoffensive language is a sure way to build goodwill and reputation. Especially while writing business letters or communicating within the organization one should try to be as inoffensive as possible. Offensive language begets hatred, enmity and ill-feeling. Whereas, politeness begets politeness and encourages participative communication. Read the following 'note' from one department to another.

"We have for reference your note dated..... drawing our attention to the Service Rules regarding entertainment expenditure. Probably you are unaware of an amendment made to Rule No. 121(c) on 4th May, 2000. It is unfortunate that the circular amending the Rule was signed by you. It is ironical that you are raising a question of propriety of the amount spent on entertainment when the expense stands covered clearly by the amendment circulated on 4th May, 2000. Would you ensure in future that the queries raised by you are correct so that we are not put in an unfortunate position of replying to your notes where there is no warrant?"

Consider the language. Granting for a while that the objection to entertainment expenditure has been raised erroneously, don't you think that the language needs to be a little more refined, less pungent, and in offensive. It would be better for you to write as follows:

"With reference to your note on entertainment expenditure incurred by the department, we feel that the expense is well within the Rule 121(c) as amended on 4th May, 2000. We are, however, not aware of any other amendment later than this date. We hope you would find our claim to accord with the Rule. Please let us have your views."

Again, instead of writing to a customer, "You have not cared to remit the amount in payment of our bill. We fail to see any reason for your obstinacy in not replying to our earlier letter. It is therefore, clear that you do not intend to be honest", you could write as follows:

"We are constrained to note that payment against our Bill No..... is yet to be received by us. Would you please let us know what is holding up the payment? Our experience with you in the past has been. Kindly let us know the factual position. We may be able to assist you in some way by suggesting. Some alternative modes of payment."

In the first draft, you are bent upon losing an old customer for the reason of a single instance of non-payment. A business cannot afford it.

It is always good to be courteous. Always thank generously for a factor and apologize for an omission. It is always good to avoid irritating expressions.

(iv) Lucid Style

'Style' is personal to each individual. There are executives who cultivate a style of writing from which they rarely depart. But style has to be uniform and lucid. Read the following:

> "I am impressed with your performance for this quarter. As against the target sale of 150 tonnes it is heartening to note that you have achieved a total sale of 220 tonnes, far ahead of the target. I wish to inform that I am extremely happy over your sustained efforts to improve the sales. Will you accept my appreciation on this occasion?"

The style of writing, in the example is not lucid, nor is it uniform though there is apparently nothing incorrect. The same matter can be written as follows:

> "I am impressed with your performance. You have exceeded the target sale by 70 tonnes for this quarter. I am happy over your sustained efforts to improve sales. My sincere appreciation."

Consider the voice and length of sentences in the following passage. Don't you feel that a lucid style is perceptible :

> "The target sale of 100 tonnes for the month of August, it is felt, is a little ambitious. The off-season for air coolers really begins in early July when the monsoon sets in. Reference to the targets and actual sales in the previous two years would suggest that in the month of August sales slacken. This year due to a lukewarm summer, the off take has been very low even in April, May and June, which are the best months for sale. Therefore, the forecast for the quarter ending 30th September should have been recast on the basis of the weather conditions prevailing in the summer months ending 30th June."

In the above passage, direct speech has been employed throughout and the style is lucid.

(v) Coherent Presentation

Coherent presentation is a virtue. Where the evidence tendered by a witness before a judge is true but incoherent, the judge would not be inclined to rely on it. Incoherence happens due to confused thinking, branching off from the mainstream of thought and lack of poise. In business, it is a virtue to be coherent while writing (or even while talking). Coherent writing facilitates easy understanding. Read the following passage:

> "We have for reference your letter asking for information as to the credit and standing of M/s Sundar Electricals. M/s Sundar Electricals, though known to us for over a decade, has not had any significant dealing with us. The managing partner of Sundar Electricals, however, is known to be a very honest gentleman. This we came to know from one of our customers who has dealings with them for the past three years. Sundar Electricals are in the 'Electrical Goods' trade for a long time now and are very popular. We purchase our requirements from a reliable party at Delhi, whose address and particulars, if you are very particular, we would be glad to furnish. Coming back to the subject, we do not want to say anything adverse about Sundar Electricals. After all we are also in business. However, do not take it as a representation from our side about the credit worthiness of Sundar Electricals. Should you require our Delhi Suppliers' address referred to earlier, we will furnish the same to you. Please ascertain the factual position of Sundar Electricals from other sources. Meanwhile, send us a catalogue of your products. We deal with electrical wires and pipings".

The above example is muddled and mixed. While writing, it is vital to ensure that there exists a proper link between the sentences and paragraphs. One sentence should lead to another. All sentences should be in a logical sequence.

In fact brevity is the soul of good communication. We should use only relevant details in our messages. More words do not lead to clarity, they rather obscure the meaning. Brevity odds to coherence.

(2) Oral Communication

Research studies have shown that 80% of communication by executives of a company is done in the oral form.

The modes of Oral Communication include:

- Telephone/Mobile phone
- Messages
- Intercom
- Face-to-face discussion
- Meetings/Conferences
- Presentations
- Dictaphone/Dictation
- Conversation
- Radio
- Tape-recorder
- Teleconferencing/Videoconferencing
- Speeches
- Brainstorming sessions
- Grapevine
- Interviews

History of Speech in Business Communication

Speech is one of the earliest as well as the most widely used medium of communication. We can retrace our memory to the days of Socrates, Demosthenes and others who were great and renowned greek orators. In fact, talking has given birth to several great institutions. The world-renowned insurance company Lloyds is the brain child of some merchants and shipowners who used to meet and discuss the matters of mutual interest at a coffee house on the banks of the river Thames. The Bank of England, the oldest in the U.K. was born out of the deliberations the goldsmiths had amidst themselves. There were and there are great personalities who hold the audience spell-bound.

Business conversation

Every now and then in business we make conversation – superiors with subordinates superiors, among themselves, subordinates among themselves, customers with suppliers, and suppliers with clients and so on and so forth. Hence, we cannot ignore the importance of speech in business.

Factors affecting Oral Communication

Effective oral communication is a passport to success in business. No fixed norms can be set for effective oral communication. Factors like the audience, size of audience, the degree of significance attached to the information to be spoken, fear of the boss, fear of status, fear of one's own self-advancement, all affect oral communication.

Effective Oral Communication

Often the Chief of a Corporation appearing on television or radio or at a meeting picks his words as if he is a tight-rope walker. He knows that a single word wrongly uttered may shatter his image or that of the corporation which he heads. It is true that all business managers should be adept at communication since they have to communicate with various people at various places about various facts and figures – financial or non-financial – implication of which may have significant impact upon the management of the business. Business communication itself is a difficult subject. It is also very difficult to separate it from everyday activities of business people as it has

acquired special significance in their lives. It is imperative for a manager to have good speaking skills to make his assignments successful.

In the early days, much time was spent in generating data of all kinds. However, not much attention was given to the quality of transmission of information. It depends upon the presentation of information by using appropriate words and medium which upgrades the value of the information by the receiver.

As stated earlier, oral communication is the most frequently used means of transmitting messages in business. It is resorted to more often than any other type of communication. The reasons for the popularity of oral communication are its advantages. They are as follows :

(i) *Oral Communication Saves Time:* It is said time is money. Wherever and whenever action needs to be taken instantly or immediately, the best way to expedite action is to transmit necessary messages orally. Oral communication helps busy people to reassign their workload quickly by giving necessary instructions, guidance and providing information to subordinates. Thus, it saves time and quickens the action.

(ii) *Oral Communication Provides the Opportunity for Feedback and Clarification:* This process of communication helps the sender of the message to clarify each and every point instantly. The receiver, at the same time, can also express his opinion, views or emotions on the spot. He can ask for clarifications wherever required and get himself satisfied. Thus, clarity is better ensured and makes the communication more effective and purposeful.

(iii) *Oral Communication Helps to Convey the Message more Appropriately with Suitable Tone, Voice and Use of Words:* It can instantly make the receiver of the message understand the content of communication and significance thereof assigned to any particular matter of communication.

(iv) *Oral Communication is an Effective Tool of Persuasion in Management:* It gives a personal touch to the communication. For this reason, supervisors and executives in all sorts of business enterprises prefer to communicate their views, ideas and opinion orally.

(v) *Oral Communication is very Effective in Communicating with Groups:* It helps the speaker to establish personal contact with a group of people and make them understand his opinion and views at a single point of time. The speaker can also hear about the group's reaction subsequently.

(vi) *Oral Communication is Economical also:* It saves manhours to be spent in preparing notes, explanation, circulars, etc. It also saves the stationery of the organisation.

(vii) *Withdrawal of Oral Communication is Comparatively an Easy Task:* There are at times situations in business when oral communication is preferred to written communication for the latter becomes an official record which can be used as evidence against the person on any legal matters arising later in point of time.

Disadvantages of oral communication

Oral communication is not effective in all situations. Some of its disadvantage are as follows :

(i) *Oral communication depends on the mental make up of sender/receiver* : Its success or failure depends on the mental make up of the sender/receiver at the time of communication.

(ii) *Communication is not a one-sided activity* : It has to the kept in mind that communication is a two-way process. The communicater has to use appropriate words to convey the message and the receiver has to have the ability to react to the message spontaneously to give the feedback. The use of right words specially in oral communication make the communication more effecitve. Saying the right word at the right time to the right person will receive best possible response from the receiver. It is not what you say but how you say it that matters most in oral communication. Thus, only the right word will get the right response.

(iii) *Bad/partial Listening Affects Message:* Oral communication is totally dependent on listening. Therefore,

bad or partial listening may affect the comprehension of the message. People especially in business should develop a habit to listen to the whole message with meanings, ideas, feelings, intentions and facts conveyed, including things that are unpleasant and unwelcome. Moreover, since the feedback is instant the process sometimes becomes extremely lengthy. Some meetings go on endlessly without producing proportionate results.

(iv) *There is No Record or Legal Liability:* Oral communication generally has no record or legal liability. Therefore, it is strongly recommended to confirm important oral messages in writing.

(v) *Its Economy is Control Specific:* The economy of oral communication is dependent on control. Telephone calls, unless kept brief, may also cost a lot of money. Unfamiliar accents and pronunciation caused by regional variations and mother-tongue interference often lead to temporary difficulties for the recipients. In short, it is important to exercise control in order to derive the benefits of oral communication.

Dictation

In this age of e-mails many managers prefer to send their own replies in certain situations, like replying to routine queries. instead drafting long replies/representations the manager can dictate a reply in order to not only save time but also to ensure that his efforts and energy are not wasted on mundane and routine matters and are utilised only on important issues. Resorting to dictation would also depend on the organisational structure, manager's position and the policy of the organisation. Following suggestions may be kept in mind regarding dictation:

(i) Sort all your incoming mail yourself or leave it to be done by your secretary.

(ii) Take personal action only on those papers that you feel are important and require your attention. Mark routine replies to your secretary and delegate other matters to relevant staff in your section.

(iii) Set aside regular time slot(s) for dictation. Whether you schedule it for the morning or afternoon would depend on when you receive your mail and on your personal preference. Be flexible to include emergency dictation when the need arises.

(iv) Organise your thoughts, plan the reply for a letter and if need be jot down all the points you want to cover before you commence your dictation.

(v) Be clear in pronunciation. Use simple words and short sentences.

(vi) Do not repeat words or sentences unless requested.

(vii) Use your natural voice and normal volume. Halt during any interruptions, like the ring of the telephone or knock on the door.

(viii) Do not dictate while chewing something or pipe, with something in your mouth, like your cigar, as the words may sound muffled or not come out clear. Moreover, etiquettes don't demand it.

(ix) Spell out complicated or technical words.

(x) Pause after you complete a sentence and indicate paragraphs.

(xi) Listen carefully when the dictation is being read back to you.

(xii) Give all the letters and supporting papers to your secretary to link the replies, the moment you finish dictating a letter.

Talking on Telephone

It is essential that you use your voice effectively to create a good impression while communicating on telephone. This is because your voice is the sole means of communicating on telephone. It is quite true that the first image/ impression of the organisation is reflected by the etiquettes of the telephone operator. But, it is also essential for

the entire personnel to adopt good telephone manners. The following are some suggestions and cues that can help you do just that.

(i) Do not let your telephone ring for too long. Pick it up in the first three or four rings, if possible. This reflects your promptness. It may help if you place the telephone within easy reach and preferably to your left, unless you are left handed.

(ii) Always state the name of the company if speaking on a direct line. If your company has a private branch exchange or a direct line in your section, then always state the name of your department and your name, as well. You could use various styles, for example,

- Secretarial Department
- Finance Cell, Bharat Speaking
- Mr. Shyam's office

(iii) Be clear and audible and do not shout into the mouthpiece. Infer that you have to increase of the volume of your voice if you hear "pardon", "excuse me" or some such words from the other end.

(iv) Always be polite, no matter what your mood is or how the person on the other end is talking.

(v) Be formal and do not use words, like 'yeah!' and 'yep!'

(vi) Be careful of your facial expressions and/or body language while talking as they affect the way you sound. If you slouch/slump then you tend to sound tired. If you frown you tend to sound annoyed. So always smile when you speak on the phone as this keeps your voice bright and warm.

(vii) Do not answer the phone in a rush or sound hurried. Be calm and composed. This will help you in sounding relaxed and in being clear.

(viii) Use the name of the person if you recognise him both at the beginning and also before ending the call.

(ix) In case a conflict develops during the course of the conversation, hear the other person out patiently before stating your point. This is basic courtesy.

(x) If you know someone will keep on rambling and will not finish the conversation soon and you are busy and hard pressed for time, make it clear right at the beginning of the call that you can spare only so many minutes to take the call and also add that you are busy. If the situation requires you to carry on with the conversation either suggest that the other person may call you back or you offer to call him back, when you are free.

(xi) Do not eat, chew or drink anything while talking on the phone.

(xii) If someone who is unavailable in the office gets a call politely inform. The caller that the receiver intended is not available. If you are aware with the person's whereabouts you may inform the caller as to when he would be available to receive his call. State your name and offer to take a message. If you do take a message then inform the other person when he gets back or leave a written note on his desk.

(xiii) When leaving messages on an answering machine, be clear and brief. Leave your name, telephone number, purpose of call and what you want the other person to do like call back. Visualising that you are actually talking to the person may help you in overcoming any uneasiness you may feel in talking to a machine.

(xiv) While recording a message on your own answering machine be polite, sound warm and welcoming. Do not be abrupt, tell the callers what details you would like them to leave after the beep. Listening to your own recorded message can help you record a clear sounding message.

(xv) Last but very important-never bang the phone, always replace the receiver gently on the cradle.

(3) Visual Communication

Visual communication could be with words or pictures or a combination of both. It includes the following :

- Graphs
- Tables/charts
- Maps
- Models
- Demonstrations
- Slides
- Flipcharts
- Neon Hoardings
- Printed/Painted Pictures, Posters, etc.
- Internet without use of multimedia
- Pagers

Advantages and Disadvantages of Visual Communication

Visual communication is useful for conveying information in a manner that makes the data and any relationship between variables clearer and easier for the receiver to follow. Visuals can be used independently. But maximum benefit can be gained from them if they are used as a complement to the main message because then they are more capable of attracting and retaining the attention of the receiver than speech or written words. The main advantage of using visual communication is that the message conveyed using these modes is easily remembered by the receiver and it remains in his memory for a longer period too. However, using this mode is also expensive which is its major disadvantage.

(4) Audio-Visual Communication

The rapid advancements taking place in the field of information technology have brought about unprecedented changes in the communication systems the world over. In this scenario the modes of audio-visual communication assume more importance.

The means of audio-visual communication include:

- Television/video/cable
- Cinema
- Internet with multimedia
- Video conferencing
- Presentation using visual aids or electronic presentation

The greatest advantage of this mode is that it aims at stimulating the senses of both sight and hearing simultaneously and thus enhances the effectiveness of the message. The other advantages are its wider reach and the fact that the message is remembered for a much longer time, than it would be, if it had been conveyed by any other mode of communication. Here again the high cost factor involved is becomes greatest disadvantage.

Choice of Means and Mode of Communication

Choosing of the right means and mode of communication plays a vital role in the effectiveness of the message being communicated. Such choice depends on various factors such as:

(i) ***Organisational Size and Policy:*** If the organisation is small probably more communication will be oral, than in the larger organisations where it may be more in writing. The policy for communication will also play a major part in influencing one's choice of mode of communication.

(ii) ***Cost Factor:*** The main point to be considered here would be to evaluate whether the cost involved in sending the message would commensurate with the results expected.

(iii) ***Nature of Message:*** Whether the message is confidential in nature, urgent or important whether a matter would require hand-delivery or could be sent by registered post, etc. also influence the choice of mode and means of communication.

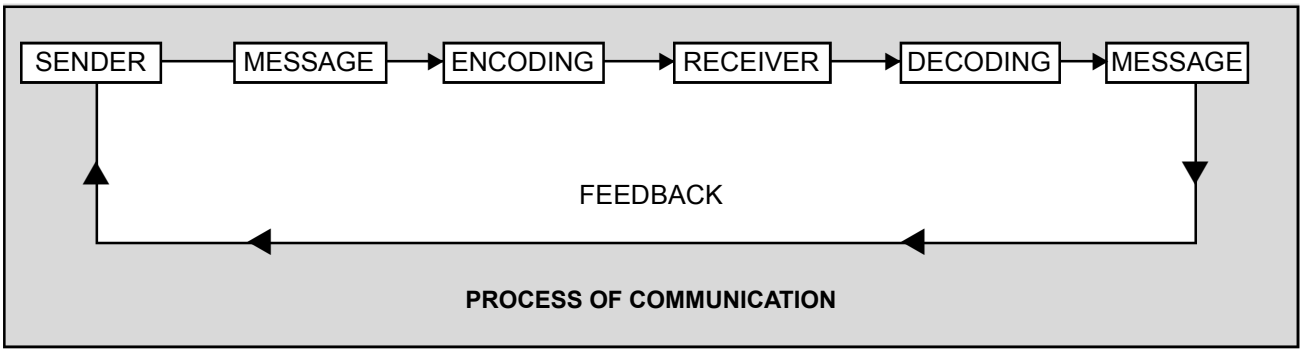
(iv) ***Distance Involved:*** Where the message is to be sent is also another vital factor which could influence the choice of means and modes of communication. For example, if a letter is to be sent to a partner in a joint venture in Japan and is urgent, still you would not think of sending someone to personally deliver it.

(v) ***Resources:*** The resources available to both the sender and receiver would also influence your choice. You can send a fax only if the other person/organisation has a fax machine.

Therefore, we can see that the choice of a particular mode and means of communication various with situations involved and is influenced by various factors.

PROCESS OF COMMUNICATION

Having gone though various means and factors influencing the choice of the communication, let us now discuss the process of communication. Let us now discuss the process of communication. The process of interpersonal communication may be divided into the following parts:



PROCESS OF COMMUNICATION

Sender

The first step is at the level of the sender. An idea or an argument is initially formed in the mind of the sender. Once the person feels the need to share it with someone, say a business associate, he has to convert it into a message.

Message

The idea or message, which the sender wants to convey, at this stage may be quite vague. It has to be given a concrete shape by encoding it in suitable words or symbols.

Medium

Once the communicators is satisfied that he has found the right words to express his message and that it is likely to be understood accurately by the receiver, he looks for an effective medium or mode. This medium may be in the form of a letter or report, fax or telegram, telephone or email.

Receiver

When the message reaches the other person, i.e., the receiver, the functions are discharged in reverse. The receiver has to decode the message in order to determine its meaning. The contents of the message provoke a reaction or a response in his mind. This is the germination of an idea or an argument similar in nature to what happened in the sender's mind sometime earlier.

Feedback

From this stage, the receiver takes on the sender's functions. His reaction or response has to be similarly encoded or expressed in words or symbols. He also needs a medium to send this response across to the other person. His message is in the form of feedback, which completes one cycle of interpersonal communication.

The process of interpersonal communication appears to be quite simple and it looks like it would not pose a problem in communicating with anyone. But real life experiences are different. In real life situations a lot of misunderstanding happen in our personal and professional lives hindering the success of communication. Every time someone utters the word "Pardon", a communication failure has taken place. Requests for repetition or seeking of clarifications also imply that communication has not been effective.

Noise

Most of the time communication failure is caused by noise. Noise is distracting and interferes with the communication process. If the channel medium we are relying upon is faulty the message may be at times encoded wrongly. Sometimes distortion in sound or a speech defect also hampers the process of effective communication. Besides noise, sometimes sender's attitudes, personal prejudices, certain assumptions, frame of mind or use of wrong tone interfere with the communication process. Similarly, on the other end the receiver's background, prejudices, his ability to understand the message as intended, influence the effective communication. Apart from these factors speech defects, distracting body language, illegible hardwiring, etc. bring about the failure of communication.

PRINCIPALS AND ESSENTIALS OF COMMUNICATION

The key to success business partly lies in being able to communication effectively; one should make a conscious effort to master it. Effective communication depends on three things: "Understandable messages, credibility of the sender, and how the message affects the receiver".

A thorough knowledge of the communication process is a prerequisite to learning effective communication. The employees in an organization should be aware of various barriers that exist in their way and hamper effective communication. Therefore, they should take conscious and relevant steps to overcome these hindrances and focus on the main objective of communication, i.e., who the communication is meant for and under what circumstances it is being made.

Seven C's of Effective Communication

- Clarity of expression,
- Completeness of information,
- Conciseness of message,
- Concreteness in presentation,
- Courtesy towards recipient,
- Correctness of facts, and

1. David W. Johnson, "Reaching Out", Prentice Hall.

– Consideration for the receiver.

The following guidelines ensure effective communication:

(i) ***Choose the Right Means and Mode:*** It is most important to choose the right means and mode of communication. This would depend on the organisation, its size, its policy, cost involved, urgency, distance, resources available, confidentiality, safety, security, necessity for official record of the communication, the recipient and the resources available.

(ii) ***Own your Messages:*** It is important to take responsibility for what we say. It is common to come across instances where the sender chooses vague or general terms to denote the sender. When you state that many shareholders are unhappy with the proposed merger of the company, you may or may not be speaking the truth. You do not specify who those shareholders are. Therefore, the officials of the company may not accept your statement at face value. Your message may be taken seriously if you are willing to own it. So use personal pronouns to lend credibility to your messages. Long business reports, commercial terms and conditions or legal provisions are an exception since they may be drafted using passive verbs and employing a formal tone.

(iii) ***Offer Complete and Relevant Information*****:** Messages must offer complete and relevant information in order to become effective. Incomplete information makes it necessary to begin another cycle of communication to issue clarifications.

For example: It is not enough to just say that the register will remain closed from 28th to 30th March. It does not become clear to the receiver which register we are talking about and why it will be closed. Our message must state clearly that the register of shareholders will remain closed in order to determine the names of the shareholders entitled to receive the dividend.

(iv) ***Obtain Feedback:*** Feedback is the culmination of the communication process. It confirms that the receiver has correctly understood our message. We may get a feedback through an appropriate closing. The closing line of a business letter often invites such a response. When sending out a cheque, we often ask the receiver to acknowledge its receipt. Similarly we ask the other party to confirm that the appointment is suitable to then for a proposed important business meeting.

(v) ***Think of the Recipient:*** Effective messages are invariably “you-centered”. We do not address the President of our company in the same manner as we speak to a fellow manager. The rank of the former demands careful thought and respect. Familiarity with the latter may make them and us feel more at ease.

For example: A doctor may discuss a case with a specialist in medical terms but switches over to a layman’s language when talking to the patient. A lawyer does not use the legal jargon with a client; he reserves it for the courtroom. Therefore, we must take into account the attributes of the receiver before drafting the message.

(vi) ***Verbal and Non-verbal Congruence:*** As explained earlier, meanings are often communicated in more than one way. For example, our words as well as gestures simultaneously send out signals. A message of welcome should ideally be uttered with a smile. Angry words are spoken with a frown. To put it in another way, our words and facial expressions must send out similar messages.A reprimand administered with a smile would send out wrong and conflicting signals. It will leave the receiver guessing whether the sender is actually annoyed or is just pretending to be so.

(vii) ***Repeat if Necessary:*** Repetition is generally avoided in order to save time and space. However, in exceptional circumstances, repetition ensures that the crucial part of the message is not ignored or overlooked. Telegraphic messages, which by nature are brief, often use repetition for good effect.

Example of a telegraphic message:

DO NOT REPEAT DO NOT DESPATCH GOODS TILL FURTHER NOTICE.

In ordinary communication, we may state the same fact using different words to get the benefits of redundancy and ensure comprehension. Use of different channels of communication also ensures successful communication. For example, a telephonic message may also be sent in writing later just to confirm the same.

(viii) ***Do not Judge:*** Unfavourable judgments provoke reactions and are better avoided. If a subordinate has not finished the work allotted to him on time, the boss has two options. He may either point out this fact in a plain and matter of fact tone or may reprimand him for being lazy, good-for-nothing guy who should be fired immediately. The first option is clearly preferable and strengthens the credibility and trustworthiness of the sender.

(ix) ***Rely on Facts:*** Facts lend credibility to our communication since it is not possible to refute them. If a candidate claims that he has a typing speed of fifty words per minute, it is possible to verify this claim. Opinions on the other hand are subjective. A claim that one is a good typist is at best vague. It depends on what the claimant expects a good typist to be like. While it is not possible to exclude opinions from our messages, we can make them acceptable by quoting facts in their support. However, reliance on selective facts will only affect our trustworthiness.

REVIEW QUESTIONS

State True or False:

1. There must be at least three persons to allow the completion of the process in interpersonal communication.

2. Oral communication consumes more time compared to written communication.

3. Lack of planning acts as a communication barrier.

Answers: 1. False 2. False 3. True

TYPES OF COMMUNICATION

Communication may be divided into two types: Internal and External.

Internal Communication

When people within the organisation communicate with one another, it is said to be an internal communication. Employees of an organisation do so to work as a team and realise their common goals. Internal communication could be official or unofficial. It could be individual to individual, individual to group, group to individuals, department to department, etc. Most of the internal communication is in the oral form and the tone is generally informal.

People also communicate within the organisation at a personal level. This is known as informal communication. A good example is that of grapevine, which is present in some measure everywhere. If the atmosphere is secretive, it encourages the spread of rumors and half truths. Intelligent managers use this human weakness to their advantage by sharing favourable information with the employees.

Of the various modes of visual communication the most likely ones to be used in internal communication are slides, internet without use of multimedia and pager.

All modes of non-verbal communication may be used in internal communication.

Some of the modes of written communication are Memo, Report, Office order, Circulars, Staff Newsletter, E-mail, Fax, Notice, Agenda, Notes on Agenda, Minutes of Meetings, Manuals, etc.

Other than the Radio, all other modes of oral communication stated earlier, could be used in internal communication.

Internet with multimedia, video conferencing and presentations either electronic or with visual aids are the likely modes of audio-visual communication that can be used in internal communication.

External Communication

When the people in an organisation communicate with anyone outside the organisation it is called external communication. These people may be clients or customers, dealers or distributors, media, government agencies, general public, regulatory bodies, authorities, etc. Letters and circulars, Price-lists, Manuals, Purchase Orders, Customised reports, Brochures and service calls, Tender documents, Advertisements, Customer' feedback material are all external communication methods. Modern business houses spend considerable time, money and effort on improving their public image since they realise that they are dependent on external support. External communication has been mainly formal and largely documented, but there is an increasing trend to make it informal.

Some of the modes of written communication that may be used are Circulars, Graphs/Charts, E-mail, Fax, Form/Questionnaire, Letter, Advertisement, Customer Newsletter, Press Release, Invitation, Leaflet/Brochure/ Handbills, Manuals, Telegram, etc.

Other than intercom, dictation, teleconferencing, brainstorming sessions and grapevine, all other modes of oral communication stated earlier can be used in external communication.

All modes of visual and audio-visual communication stated earlier too may be used in external communication.

All modes of Non-verbal communication may also be used in external communication depending on the circumstances and means of communication chosen for the purpose.

Communication Flows

The flow of communication in an organisation depends on its size, structure and philosophy. Smaller organizations, with fewer levels of hierarchy and people may be having fewer communication problems. In larger organisation with many hierarchical levels, the process is more complicated. However, a comprehensive organisational chart will help in clearly marking out the lines or channels of communication. The flow or pattern of communication may be downward, upward, diagonal or horizontal.

Downward Flow

Traditional organisations have a vertical structure. All the important decisions are taken at the top. These are communicated through different levels of hierarchy to the workers. The disadvantages of such a chain of command are many. Firstly, it creates an authoritarian atmosphere in the workplace. Secondly, the message is often distorted as it comes down through different levels. Thirdly, it also consumes a lot of time and leads to avoidable delays.

Upward Flow

With the passage of time, management styles have also undergone a change. The role of workers in the progress of industry has begun to be appreciated. Workers' empowerment and their participation in management are the buzz-words. It is natural for the workers to feel involved in their organisations once they realise that their interest coincides with that of the management. The result has been an increase in the flow of upward communication.

Diagonal Flow

Often there arise situations where tasks to be completed involve more than one department in the organisation and there is more often no obvious line of authority. In such circumstances the insistence on the use of proper channels in communication may affect the efficiency of management and may cause undue delays in the completion of the task.

Sometimes, it is just not possible to give or seek crucial information only through the right channel. It has also

been found that information is suitably distorted or filtered by superiors before it is allowed to reach the decision-makers. Therefore one has to enable people to talk to lower or higher ranks freely rather than wait indefinitely. Diagonal communication is based on cooperation, goodwill and respect between the parties concerned.

Horizontal Flow

This type of communication flow usually takes place between people of the same status/level of hierarchy in the organization. However, as flatter organizational structures have now become the order of the day, people of different ranks now manage to converse with less reserve and formality. There are many advantages of such openness. Policy decisions are no longer shrouded in mystery. Workers are encouraged to ask questions and understand the compulsions of hard decisions. There is better understanding and coordination. However, it is important to continue to respect the authority, use appropriate language and show good behavior.

BARRIERS TO COMMUNICATION

There are certain barriers that cause communication failures. Communication failures may have serious effects. They affect personal or professional relationship to the extent of causing a rupture. At the personal level, such failures may cause low self-esteem. As the confidence level falls, the productivity graph also plunges lower and lower.

Failure to communicate effectively within the organisation, may cause disruption or delays in achieving targets. From the point of view of finances, a communication failure may mean higher project cost and thus affect profitability. In business, the role of communication is even more important. A failure to communicate effectively may result in financial loss. For example, a failure to explain the terms clearly may lead to the cancellation of an order. There may even be loss of goodwill if an aggrieved customer is not handled tactfully.

Communication failures may be caused due to many reasons. A few of them are as follows:

(i) ***Lack of Planning:*** Every message is conveyed with a specific purpose in mind. One needs to know one's own abilities to express the message well. Simultaneously, the personality and attributes of the recipient and the limitations of the medium also have to be considered. If a message is communicated without adequate planning, the desired result would not be obtained.

For example, an invitation to potential investors to deposit money in a mutual fund may not offer all the relevant details, such as entry and exit points and all the risks involved. This would lead to a loss of interest of the investors in the scheme. While drafting a message, one has the option of revising it. In oral communication, the words are comparable to arrows, once released, they do not return. Therefore, one must choose one's words with care.

(ii) ***False Assumptions:*** In many communication situations, the sender starts with several assumptions, which may not be true. The receiver may also wish to be understood in a certain way and encourage false assumptions by the sender. Therefore, the result will be anything but along the expected lines.

For example, a Quality Control Manager should first check whether the workers are familiar with the Six Sigma Standards before pulling them up for non-adherence. Their silence during the verbal onslaught may only mean that they do not want to admit their ignorance.

One more example:

India's premier intelligence agency, Research & Analysis Wing invited IT experts from abroad to train its agents in cyber crime. After a grueling three-day session, those conducting the programme invited questions. A member of the audience raised his hand and asked without any expression on his face, "What is the difference between a phone and a modem?" – News report

(iii) ***Ambiguity:*** We must remember that our intentions are strictly private. They are only known to us. Therefore, the receiver may not accurately understand the meaning intended by us. A wrong inference is often drawn when the message yields more than one meaning.

For example, the instruction that relevant details must be submitted for preparation of order by Saturday is ambiguous. It does not clarify whether the details are required by Saturday or that the order must be prepared by that day.

(iv) ***Distortions:*** Many communications do not register because the receiver is busy or preoccupied with other things. While the sender believes that he has delivered the message correctly and the desired action will follow.,Truth is that the receiver has not understood it at all; or he may have done so in part only. It is also common for a receiver to distort the meaning to suit his expectations.

'Productivity linked bonus will be paid on the 7th of next month subject to realisation of outstanding payments' has a conditional clause. The workers could conveniently forget this when they storm the office to claim the money on the 7th.

(v) ***Passing Judgments*****:** Many communication failures are caused because the message tends to pass a judgment against the receiver. Therefore, it is not received at its face value. Giving precedence to expression of opinion over the facts and use of offensive or annoying expressions ensure that the receiver becomes guarded and defensive.

For example, a supervisor was aghast when he found a worker using a welding torch close to where the inflammable material was stored. He showered abuses at the worker, pushed him away and accused him of trying to destroy the factory. When he returned after ordering the removal of the material, the workers had proceeded on a spontaneous strike. It took half a day to assuage the feelings of the striking workers and to restore normalcy. Had the supervisor only stated the facts and explained the risks, the communication failure and the repercussions could have been avoided.

(vi) ***Implied Meanings:*** Messages may not always convey a meaning in a straightforward manner. If the background of the sender and the receiver is not similar. In such a case it is possible for the latter not to uncover the implied meaning. For example, a reference to weather is often indicative of a desire to change the topic of discussion. Lack of familiarity with slang or colloquial expressions often causes communication failures.

(vii) ***Lack of Trust:*** The relationship between the sender and the receiver plays an important role in a effective communication. If the two of them do not share trust and understanding, there is a strong possibility of a communication failure. The information shared by them will be minimal. Both of them will also tend to treat the information received with suspicion.

For example, even a compliment paid by a hostile boss is likely to be received by a subordinate with caution. He may wonder what the actual intention of the boss is.

Good to Know!!!

As a result of globalisation of commercial activities in recent years, there has been an increased use of American spellings in day-to-day correspondence in respect of international trade. The word 'favour' is spelled as 'favor', 'labour' as 'labor', 'centre' as 'center', etc. Even the rules of grammar are getting relaxed. Both the conventional as well as the simplified American spellings are in vogue, but care must be taken to be consistent with whichever spelling you are following/using.

LESSON ROUND UP

- Communication is a process by which information is exchanged between individuals through a common system of symbols, signs or behaviour. It is the expression and exchange of facts, opinions, ideas or feelings.
- When one communicates to transact some commercial activity, i.e., providing goods or services, with the intention of generating profits, it is termed as Business Communication.

- The means or methods of communication are broadly classified into verbal and non-verbal communication.
- Choosing the right means and mode of communication plays a vital role in the effectiveness of the message being communicated.
- Effective communication depends upon three things: understandable messages, credibility of the sender and how the message is affecting the receiver.
- Communication may be divided into two types: Internal and External.
- The flow or pattern of communication may be downward, upward, diagonal or horizontal.
- There are certain barriers that cause communication failures. Failure to communicate effectively in organisation may cause disruption or delays in achieving targets.

GLOSSARY

Intrapersonal	Occurring within the individual's mind or self.
Prominent	Leading; important or well known.
Frown	To look displeased; have an angry look.
Acquaintance	A person known to one, but usually not a close friend.
Lethargic	Drowsy; sluggish; lazy.
Pungent	Sharply affecting the organs of taste or smell, as if by a penetrating power; biting; acrid; acutely distressing to the feelings or mind; poignant.
Perceptible	Capable of being perceived; recognizable; appreciable.
Abrupt	Sudden or unexpected.
Prejudices	An unfavorable opinion or feeling formed beforehand or without knowledge, thought, or reason.
Vague	Not clearly or explicitly stated or expressed.

SELF-TEST QUESTIONS

1. Explain the meaning of business communication?
2. Outline the difference between communication and business communication.
3. What are the means and modes of communication?
4. Differentiate between verbal and non-verbal communication.
5. State the different types of non-verbal communication.
6. Explain the advantage of oral communication.
7. Illustrate the communication process with the help of a diagram.
8. What is meant by communication failure? Explain various communication barriers and suggest ways to overcome them.
9. What are the two different types of communication?

10. Explain the different types of communication flow. State what factors govern the flow of communication in an organisation.

SUGGESTED READINGS

(1) Business Communication – *K.K. Sinha*

(2) Communication for Business – *Shirley Taylor*

(3) Business Communication–Process & Product – *Mary Ellen Guffey.*

Lesson 10
Essentials of Good English

LESSON OUTLINE

- Introduction-Enriching Vocabulary
  - Choice of Words
  - Homonyms
  - Synonyms
  - Antonyms
  - Single Word for Group of Words (One word substitution)
- Grammar and its Usage:
  - Parts of Speech
  - Articles
  - Sentence Construction
  - Spellings and Pronunciation
  - Stress and Rhythm
  - Prefixes and Suffixes
  - Combination Words
  - Punctuations
  - Abbreviations
- Idioms and Phrases
- Proverbs
- Review Questions
- Foreign Words and Phrases
- Abbreviated Form of Latin, French and Roman words
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Communication is the process by which we exchange meanings, facts, ideas, opinions or emotions with other people. It is the first and foremost social activity. To carry out business of any kind, we have to interact with a large number of people. Unless we learn to communicate effectively, we cannot achieve the goals of business. In the modern global context, since technology has adopted English in a big way, English has emerged as the most commonly used medium of communication. Hence, it has become almost necessary to attain proficiency in English language.

The USP, i.e., the Unique Selling Proposition of any language is its simplicity. The other requirement is its clarity. Thus, the language used should be such that it is understood clearly in the first attempt without any ambiguity. It is correctly said that ornamental language hinders understanding and delays response, whereas clear and functional vocabulary ensures speedy understanding, thus stimulating action.

Grammer is the most essential aspect of English language. We all use grammar whenever we speak or write. Grammar is the system by which a language works. When we want to describe the way a language works, we talk about its grammer. Hence, there is the need to learn English Grammer.

Business English is English which is simple, straightforward and courteous. The objective of this study lesson is to enable the students to enrich their vocabulary and understand the usage of grammar.

The English language is nobody's special property. It is the property of the imagination: it is the property of the language itself.

Derek Walcott

INTRODUCTION -ENRICHING VOCABULARY

Communication is an essential condition of our existence and the most important activity of ours. The word 'communicate' has been derived from the Latin word 'communicare' that means to 'share' or 'participate'. Everbody knows that most of the time, through speech or writing or any other means, like exchange of a common set of symbols, we are sharing information with other human beings.

To gain proficiency in English language, we need to the focus on building our vocabulary.

Everyone has an active vocabulary, which means words that one knows well and uses frequently. However, business communication is different altogether. Failure to communicate effectively may result in loss of business. If one fails to convey the message clearly, it will adversely affect the image and profitability of business. Therefore, one should not only increase one's active vocabulary by adding new words to it but also learn their exact meaning and more importantly their right usage. For example, 'strategies' in marketing are legitimate and serious tactics adopted in order to sell more, but 'gimmicks' on the other hand suggest trickery, an attempt to fool the customer. Therefore, to equate the two words would be a mistake.

Good to know !!!!

We should know the exact meaning of the words we propose to use. Many words, which are listed as synonyms or words with the same meaning have subtle differences. Consulting a good dictionary regularly helps us build a good repertoire of vocabulary. It is equally important to learn in what context a particular word can be used and what is its exact meaning, e.g., **"erudite" means "having or showing knowledge or learning".** You can say Mr. Nehru was an erudite speaker, but you cannot say that Mr. Nehru's speeches were erudite.

To enrich one's vocabulary following topics are discussed in details below:

– Choice of words

– Homonyms

– Synonyms

– Antonyms

– Single Word for Group of Words (One word substitution)

1. CHOICE OF WORDS

The words you would choose to communicate with someone depend on the following factors:

– The range or repertoire of your vocabulary.

  Unless you know a word you would not be able to use it.

– Your audience or person you are communicating with.

  Firstly, you must assess the literacy level of the audience or person. Then try to find out what kind of situation you are in – whether the audience or person is senior or junior to you; whether you are formal or informal with them, etc., these considerations will help you greatly in the choice of words.

  You could hardly use a slang or a code word in describing a colleague in an official memo, Can you?

– Type of communication.

  Whether it is formal or informal, oral or written, these factors will also influence your choice of words.

– The message you intend to convey.

  The urgency, disappointment, the level of accuracy required, etc. can also be conveyed through the apt words. Therefore, these too will influence your choice of words.

– Context and usage.

  Certain words can only be used in a particular context, and if they are used otherwise, they would convey the wrong sense; hence influencing the choice of words.

– Regional or national differences in language or connotation also influence your choice of words.

  'Liberal' in Britain has a positive meaning. It means generous and open minded, whereas in America it is used as a term of political abuse.

Tips for choosing the right words

However, some general points one could keep in mind while choosing the right and apt words in communication are:

– *Simple language:* Simple language produces the best and the quickest response from everyone. But one must try not to sacrifice precision or dignity. There are occasions when easy comprehension must take a back seat. At times long and unusual words have to be used because they are more precise. For example, legal language is far from simple. Hence the legal draftsman has to keep the complexity of situation in mind. He may end up using a complex language.

Using familiar words does not mean using colloquial English. Colloquial English is perfectly polite and acceptable in informal conversation, but it should not be used in formal writing. For example, haven't, won't and can't have no place in prose, unless you have reproduced the text of a conversation.

Apart from colloquialism, there is no set rule for using familiar words. The important thing is to avoid a show of pedantry (*an ostentatious and inappropriate display of learning*) and undesirable complexity.

– *Jargon:* Jargon means a language that is unique to a particular field of knowledge, e.g., science, technology, art, trade or a profession. There is for instance legal jargon, military jargon, and political jargon.

Should we avoid all jargons in our writing? The question is not easy to answer. All true jargons have two parts: One is the private language that only the persons in that particular field can understand. Over a period of time this private language gains wider currency and becomes incorporated in the general language used by the public. There cannot be any objection if this kind of jargon is used in writing.

– *Avoid using superfluous words/Verbosity:* Verbosity (an expressive style that uses excessive or superfluous words) or using more words than necessary is a common weakness. Many public speakers, especially politicians go on speaking in the hope of ultimately saying something sensible. This tendency is quite apparent in writing also. It has been well defined as an extension of Parkinson's Law-words increase in number to fill the quantity of paper available. More words do not necessarily lead to greater clarity. Nor do difficult and high sounding words lend weight to the argument. They tire the reader out and obscure the meaning.

2. HOMONYMS (Pairs and Groups of Words)

There are several pairs or groups of words that have similar sound. But they are different in spelling and meaning. They may be as simple as *two-too, there-their, in-inn, ring-wring* or more difficult, like *principal-principle, stationary-stationery, except-accept.* These are called homonyms. These words have to be cautiously used while writing. Hereunder we present a few groups of words indicating their usage.

(i) **Access-Excess**

Access: The workers could access the manager freely. (approach)

Excess: The production is far in *excess* to the target. (more than)

(ii) **Accident-Incident**

Accident: She met with a serious *accident.* (mishap)

An *accidental* meeting is a meeting by chance.

They met accidently in the theater (by chance).

Incident: The Chairman narrated an interesting *incident*. (event)

An *incidental* expenditure is an expenditure occurring by chance in connection with something else.

(iii) **Advice-Advise-**

Advice: *Advice* is a noun and the end-sound is-s.

Anyone can offer *advice*.

Advise: *Advise* is a verb and the end sound is-z.

My father *advised* me to work hard.

(iv) **Affect-Effect**

Affect: Poverty has not *affected* his honesty. (influenced)

He *affected* indifference to his beloved in the presence of his father. (pretended)

Effect: Education has had no *effect* on his behaviour. (result)

The Director *effected* some changes in the company. (brought about)

(v) **Bare-Bear**

Bare: His feet were *bare* and they were bleeding. (uncovered)

The *bare* walls of the room had nothing on them. (naked)

Bear: Who will *bear* this loss? (endure, suffer)

Please *bear* with us till the site is under construction.

(vi) **Beneficial-Beneficent**

Beneficial: Progressive measures are *beneficial* to the whole society.

Beneficent: *Beneficent* people are worthy of respect. (one who does good to others)

(vii) **Berth-Birth-**

Berth: I could not get the lower *berth* in the compartment. (a fixed narrow shelf-like bed in a railway carriage, ship, etc.)

Birth: The *birth* of a child is rejoiced by the parents. (coming into life, begin to exist)

(viii) **Casual-Causal**

Casual: His *casual* remark offended his brother. (acting or speaking without much care or thought)

He takes *casual* interest in the school activities. (occasional, irregular)

He was dressed *casually*. (informaly)

Causal: There is a *causal* relationship between exercise and health. (relating to, or acting as a cause)

(ix) **Check-Cheque**

Check: Who can *check* the work of an officer? (verify)

Cheque: He gave me a blank *cheque.* (a negotiable instrument used in trade)

(x) **Cite-Site-Sight-**

Cite: He *cited* an example in support of his argument. (quoted)

Site: This is the new *site* for the college building. (place)

Sight: What a beautiful *sight* ! (a view, a glimpse)

(xi) **Decease-Disease**

Decease: Let us pray for the soul of the *deceased*. (dead)

Disease: Cancer is a terrible *disease*.

(xii) **Dependent-Dependant (relying on someone**)

Dependent: Bangladesh is *dependent* upon friendly countries for help. (used as an adjective)

Dependant: The Prince had a number of *dependants*. (as a noun)

(xiii) **Device-Devise**

Device: He invented a new *device* to save labour. (used as a noun)

Devise: They *devised* a new plan to outwit him. (as a verb)

(xiv) **Elicit-Illicit**

Elicit: A polite letter will always *elicit* a reply. (draw out)

Illicit: There were many *illicit* distilleries in the village. (unlawful)

(xv) **Exhausting-Exhaustive**

Exhausting: Football is an *exhausting* game. (tiring)

Exhaustive: The book deals with this problem *exhaustively*. (considering all aspects in detail)

(xvi) **Emigrant-Immigrant**

Emigrant: Haldane was an *emigrant* from England. (one who leaves his country to settle permanently in another)

Immigrant: There are many Indian *immigrants* in Britain. (one who goes to live permanently in a foreign country)

(xvii) **Ghastly-Ghostly**

Ghastly: The sight of the wounded at the accident site was *ghastly.* (horrible)

Ghostly: He saw a *ghostly* figure in the room. (ghost-like, eerie)

(xviii) **Historic-Historical**

Historic: India won a *historic* victory over Pakistan. (famous in history, memorable)

Historical: This *historical* fact can easily be verified. (relating to history)

(xix) **Human-Humane**

Human: It is *human* to err. (characteristic of mankind)

Human beings can think. This makes them different from other species.

Humane: India accorded a *humane* treatment to Pakistani Prisoners of War. (compassionate or benevolent)

(xx) **Lose-Loose**

Lose: You have more to gain than to *lose* by listening to your elders. (be deprived of)

Loose: *Loose* clothes are again in fashion these days. (not fitting tightly)

(xxi) **Momentary-Momentous-Memento**

Momentary: A *momentary* pleasure may be a curse for a lifetime. (lasting only for a few moments)

Momentous: The split in the party was quite *momentous*. (of great importance)

Memento: This pen was given to me as a *memento* by my uncle. (something that serves to remind one of a person or event)

(xxii) **Negligent-Negligible**

Negligent: Negligent driving can risk your life. (careless)

Negligible: There is a *negligible* difference in the rates quoted by both the companies. (insignificant)

(xxiii) **Observance-Observation**

Observance: Strict *observance* of rules is a mark of a good sportsman. (practice of observing rules)

Observation: Science makes progress through *observation*. (the process of observing or monitoring)

(xxiv) **Persecute-Prosecute**

Persecute: In some countries, people are *persecuted* for their religious beliefs. (persistently harassed)

Prosecute: He was *prosecuted* for rash driving. (to start legal proceedings against)

The accused was *prosecuted* for committing murder.

He had no resources to *prosecute* his studies. (pursue/continue with a view to complete)

(xxv) **Plain-Plane**

Plain: *Plain,* blunt men are never popular. (frank, out spoken)

Plane: His superstition places him on the same *plane* as the tribals. (level)

(xxvi) **Popular-Populous**

Popular: Gaurav is very *popular* among girls. (liked or admired)

Populous: Delhi is the most *populous* city in India. (having a large population, thickly crowded)

(xxvii) **Practice-Practise**

Practice: Constant *practice* will make you perfect. (used as a noun)

Practise: He *practises* law in Delhi High Court. (used as a verb)

(xxviii) **Refuge-Refuse**

Refuge: He sought *refuge* in my home. (place of shelter from danger)

Refuse: He *refused* to accept any gift. (not to accept, decline)

Indian streets are littered with *refuse*. (dirt)

(xxix) **Root-Route-Rout**

Root: Let us get to the *root* of the matter. (basics, core)

Route: We shall take the shortest *route*. (way)

Rout: The enemy army was *routed.* (completely defeated/forced to flee)

(xxx) **Social-Sociable**

Social: Dowry is a *social* evil. (relating to society)

Sociable: A *sociable* man is welcome in any company. (a friendly person)

(xxxi) **Stationary-Stationery**

Stationary: The truck hit a *stationary* car. (standing still) (used as an adjective)

Stationery: He sells *stationery*. (noun) (pen, paper, pencil, etc.)

(xxxii) **Union-Unity**

Union: *Union* is strength. (being united)

Unity: Mahatma Gandhi worked ceaselessly to bring about Hindu-Muslim *unity*. (The state of being united)

3. SYNONYMS

Synonyms are words that have very nearly the same meaning, for example:

(i) easy, simple, light, effortless, facile, smooth.

(ii) effort, exertion, pains, trouble,

(iii) elastic, flexible, supple, springy, resilient.

It is extremely difficult, if not impossible, to find two words in English which have exactly the same meaning and usage. Words which at first sight seem to be identical on a closer examination can be distinguished by some shade of meaning or some manner of usage. *Begin, commence, start* and *initiate*, are all synonyms which mean 'to set something going or in progress'. *Begin* is the most common word, *commence* is used on formal occasions, for court proceedings, religious and other ceremonies and military operations; *start* suggests a setting out from a particular point on a journey, course, etc., often but not necessarily after an action or waiting; *initiate* implies taking of the first step or steps as in a process. You can say:

They *started from their home. The ship* or *set out* on its voyage.

If you use anyother synonym in the place of set out it will not give you the exact meaning.

Two words may look alike and yet there may be a slight shade of difference in their meaning. Therefore, most of the time they cannot be interchanged. Finding and knowing synonyms is helpful in the sense that it enhances your vocabulary by increasing your stock of words. Moreover, it helps you to pick and choose the appropriate word which alone can convey the proper meaning.

Important Synonyms

The following list should be carefully studied with the aid of a dictionary and the best way to learn the words, of course, is by practising their usage.

Word	Synonym
Abandon	leave, forsake
Abhor	detest, hate, loathe
Abnormal	unusual, unnatural
Able	competent, capable
Abstain	refrain, withhold
Abridge	shorten, curtail
Absolute	unrestricted, unalterable
Absurd	silly, ridiculous
Abundant	plentiful, ample, copious
Accessory	additional, auxiliary
Achieve	accomplish, execute, gain
Accumulate	collect, store
Adept	proficient, skilled
Adequate	sufficient, satisfactory
Adherent	follower, disciple
Admiration	praise, approbation
Affliction	distress, sorrow
Audacious	bold, daring
Awkward	clumsy, embarrassing
Brisk	lively, agile
Callous	hard, unsympathetic
Candid	sincere, frank
Cold	frigid, indifferent
Confusion	disorder, chaos
Cordial	gracious, congenial
Captious	censorious, hypercritical
Cogent	valid, convincing
Deficient	lacking, inadequate
Deteriorate	degenerate, decline
Dexterity	skill, deftness
Definitive	conclusive, explicit
Didactic	moralising, preach
Effete	exhausted, worn-out

Ephemeral	transient, short-lived
Extravagant	excessive, wasteful
Fabricate	concoct, contrive
Fatal	deadly, disastrous
Fastidious	messy, fussy
Forbid	prohibit, ban
Gaiety	festivity, merriment
Gigantic	colossal, huge
Hazardous	dangerous, risky
Inadvertent	careless, unplanned, unintentional
Inexorable	relentless, uncompromising
Insidious	astute, cunning
Joy	delight, enjoyment
Judicious	sensible, prudent, wise
Malice	ill will, spite
Morbid	morose, sickly
Negligent	careless, lax
Obtuse	dull, stupid, blunt
Onerous	burdensome, oppressive
Panegyric	eulogy, encomium
Penury	want, poverty
Rare	scarce, extraordinary,
Relevant	pertinent, germane
Reticent	silent, reserved
Ruinous	destructive, wreckful
Scandal	slander, malign
Sterile	barren, infertile
Tedious	wearisome, drudging
Thrive	prosper, flourish
Urbane	cosmopolitan, sauve, cultured
Violation	breach, transgression, desecration
Wholesome	healthy, sound, healing
Yearn	crave, pine
Zenith	summit, culmination

4. ANTONYMS

Antonym is a word opposite or contrary in meaning to another word.

As has already been noted that there are no true synonyms, that is, no two words mean exactly the same thing. There is often some shade of difference in the meaning. In most cases exact meaning or appropriateness of a word depends upon the context in which it is used. It being so, a word may have more than one antonym.

Example: The antonym of *soft* that comes at once to mind is *hard*. But there are many other possibilities.

Soft drinks against *hot* drinks

Soft colour against *bright* colour

Soft tones against *weird* tones

Soft texture against *rough* texture

Soft light against *glaring* lights

Similarly the opposite of

a *slender* cane would be a *thick* cane

a *slender* man would be a *fat* man

a *slender* chance would be a *bright* chance.

Important Antonyms

A List of Words with Antonyms is given below:

Word	**Antonym**
Ability	Inability
Able	Unable
Abnormal	Normal
Above	Below
Absent	Present
Absolute	Limited
Abundance	Insufficiency
Accept	Reject
Accord	Discord
Action	Inaction
Active	Inactive
Accurate	Inaccurate
Agree	Disagree
Arrogant	Humble
Bad	Good
Bankrupt	Solvent
Beautiful	Ugly

Beginning	Ending
Big	Small
Bold	Timid
Bright	Dull
Care	Neglect
Cold	Hot
Criminal	Lawful
Cheap	Expensive
Clean	Dirty
Caustic	Suave
Curiosity	Indifference
Danger	Security/Safety
Decrease	Increase
Deep	Shallow
Difficult	Easy
Diligent	Dilatory/lazy
Distance	Near
Dry	Wet
Early	Late
Economical	Extravagant
Emigrant	Immigrant
Encourage	Discourage
Explicit	Implicit
Exit	Entrance/Enter
Fact	Fiction
Failure	Success
Fair	Foul/Dark
Fashionable	Unfashionable
Fast	Slow
Female	Male
Flattery	Criticism
Flexible	Rigid
Foolish	Wise
Fresh	Stale

Gain	Loss
Gentle	Rough
Genuine	Spurious
Godly	Impious/ungodly
Growth	Decline/Stagnation
Guilty	Innocent
Hard	Soft
Haste	Slowness
Heaven	Hell
Heavy	Light
High	Low
Hope	Despair
Host	Guest
Humble	Proud
Idle	Busy
Import	Export
Inferior	Superior
Incomplete	Complete
Input	Output
Junior	Senior
Justice	Injustice
Lengthy	Short
Long	Short
Loose	Tight
Loud	Quiet/Soft
Mad	Sane/Calm
Major	Minor
Many	Few
Meager	Plentiful
Merit	Demerit
Minimum	Maximum
Narrow	Broad
Native	Foreign
Natural	Artificial

Neat	Untidy
New	Old
Normal	Abnormal
Omission	Addition/Inclusion
Oral	Written
Original	Duplicate
Outward	Inward
Peace	War
Permanent	Temporary
Positive	Negative
Possible	Impossible
Pleasure	Pain
Quick	Slow
Quiet	Noisy
Real	False
Rear	Front
Receive	Give
Remember	Forget
Rich	Poor
Safe	Risky/Vulnerable
Sane	Insane
Simple	Complex
Smart	Dull/Stupid
Strong	Weak
Tense	Relax
Thick	Thin
Vertical	Horizontal
Virtue	Vice
Visible	Invisible
Warm	Cool
Wealth	Poverty/Deprivation
Wrong	Right
Yield	Resist
Zeal	Indifference/Apathy
Zenith	Nadir

5. SINGLE WORD FOR GROUP OF WORDS

1.	A shortened form of a word or phrase	abbreviation
2.	Renounce a throne, high office of dignity	abdicate
3.	To formally put an end to	abolish
4.	Often lost in thought and unaware of one's surroundings	absent-minded
5.	To move faster	accelerate
6.	Free from error	accurate
7.	Science of production, transmission, reception and effect of sound	acoustics
8.	One who performs gymnastic feats	acrobat
9.	One who calculates insurance and annuity premium, etc.	actuary
10.	The period of life from puberty to maturity	adolescence
11.	Make impure by adding inferior substance	adulterate
12.	The action of attacking with provocation	aggression
13.	One who believes that we neither know nor can know anything about the nature or existence of God	agnostic
14.	General pardon especially for political offence	amnesty
15.	Living both on land and in water	amphibious
16.	The place where public records are kept	archive
17.	One who does not believe in the existence of God	atheist
18.	One who gives friendly help; one who makes a gift to a charity	benefactor
19.	Persons working jointly on an activity or project	collaborator
20.	An expert judge in matters of taste	connoisseur
21.	One who is at home in every country, one who is free from national prejudices	cosmopolitan
22.	Position that leaves only a choice between equally unwelcome possibilites	dilemma
23.	Putting to death painlessly especially to end suffering	euthanasia
24.	The day or evening before a festival, the time just before an event	eve
25.	To magnify beyond the limits of truth	exaggerate
26.	A passage taken from a book, film, piece of music or text	extract, excerpt
27.	An exact copy, especially of written or printed material	fascimile
28.	Plants and vegetation peculiar to certain regions	flora
29.	A person who sells and does flower arrangements	florist
30.	Deliberate killing of whole community or race	genocide
31.	The place where an aeroplane is housed	hangar
32.	A person who is dissatisfied and is inclined to rebel	malcontent
33.	To pretend to be sick in order to avoid work	malinger
34.	One of a race or tribe who has no fixed location and wanders from place to place	nomad
35.	The study or collection of coins, bank notes and medals	numismatics

36. Coming at the right time	opportune
37. The scientific study of birds	ornithology
38. A remedy for all diseases or difficulties	panacea
39. The study and collection of postage stamps	philately
40. A person who seeks to promote the welfare of others, especially by donating money for good causes	philanthropist
41. One who is hostile or indifferent to culture and fine arts	philistine
42. A traitor who takes office in a government formed by an enemy occupying his country	quisling
43. To search thoroughly	ransack
44. To restore consciousness	revive
45. To write or draw carelessly or hurriedly	scribble
46. To transform into a purer or idealised form	sublimate
47. A person who deliberately damages private or public property	vandal
48. To sway to and fro, to show indecision	vacillate
49. A blood feud started by murder-seeking vengence	vendetta

GRAMMAR AND ITS USAGE

English language follows a set of rules like all other languages. Broadly speaking, the part of Grammar concerned with changes in the form of words by internal modification or by affixation is known as *accidence* and the manner in which these words are arranged in the form of a sentence is called *syntax*. For example, the root word 'contradiction' is a noun. It can be changed into different parts of speech. If you say 'contradict, it becomes a verb and if you say 'contradictory' it becomes an adjective.

Good dictionaries give all the changes that a root word can undergo.

Good to Know!!!

Some words may be used as different parts of speech without any change in their form.

For example, the word beat remains unchanged in the following sentences; though it is a different part of speech in each sentence :

- The angry mob was beating the thief mercilessly. (verb).
- The beat of the drum sent people into frenzy (noun)
- The beat generation (young people with unconventional dress and behaviour as expression of social philosophy) has its own ethics. (Adjective)

Sometimes it is possible to use the same word, with a slight modification, as a different part of speech:

For example, the root word *confirm* is used here as a noun in the first, as a verb in the second and as an adjective in the third sentence.

- We received confirmation of the order in writing yesterday. (Noun)
- The party confirmed the receipt of the consignment. (Verb)
- He is a confirmed defaulter. (Adjective)

PARTS OF SPEECH IN ENGLISH

Words are divided into eight classes according to the work they do in a sentence. They are as follows :

- Noun
- Pronoun
- Adjectives
- Verbs
- Adverbs
- Prepositions
- Conjunctions
- Interjections

These word classes are called Part of Speech.

They are to explained below:

NOUNS

A noun is “naming word”. It names somebody or something.

Rahul took the dog to park.

The car makes a lot of noise.

Look at the example above. A noun is the name of a person (Rahul), animal (dog), place (park), thing (car) or idea (noise).

KINDS OF NOUNS

Nouns may be divided into (a) common nouns and (b) proper nouns.

Common nouns are the names given in common to all persons, places or things of the same class. For example, bank, shop, market, etc.

Proper nouns are the names of particular persons, places or things. For example, India, Larsen and Tubro, Delhi, January, etc.

Collective Noun : Common nouns include another class known as collective nouns. A collective noun names a group of people, animals or things regarded as a whole., e.g., batch, company, university, crowd, flock, etc.

PRONOUNS

Pronouns are used in place of nouns. They may be :

Personal Pronouns : To represent person or things., e.g., I, we, you, she, he, it him, us, them, etc.

Relative Pronouns : The most common relative pronouns are whom, which and that.

A relative pronoun acts as a pronoun and as a conjunction at the same time.

This is the boy who save my life.

Possessive Pronouns : These show possession, e.g., mine, ours, yours their, its and hers.

ADJECTIVES

A word used to describe or point out, a person, animal, place or thing which the noun names, or to tell the number and quantity, is called an Adjective.

Rani is a *clever* girl (Girl of what kind?)

He gave me *six* books (How many book?)

Two or more words can be joined with a hyphen to form a compound Adjective, e.g., *government-financed project.*

VERBS

A verb is a word that tells or asserts something about a person or thing. Verb comes from Latin Verbum, meaning a word. It is so called because it is the most important word in the sentence.

A verb may tell us :

1. What a person or thing does; as

   Rohit *runs.*

   The bell rings.
2. What is done to a person or thing; as

   Ram is *beaten*.

   The door is *broken.*
3. What a person or thing is, as

   The boy is *hurt*.

   The chair is *broken*

   I feel *sad*.

Hence, a verb is a word used to tell or assert something about some person or thing.

ADVERB

While **Adjectives qualify** or add to the meaning of nouns, **adverbs modify** the meaning not only of verbs, but also of adjectives, prepositions, conjunctions, etc.

The following sentences illustrate the varied use of adverbs:

Small investors find it *very* difficult to invest *wisely.*

(The first adverb *very* modifies the adjective *difficult*, and the second adverb *wisely* modifies the verb *invest*).

The CEO is an *exceptionally* sharp manager.

(The adverb *exceptionally* modifies the adjective sharp).

The cash counter is *right* behind you.

(The adverb *right* modifies the prepositions behind).

We have given this book to you *only* because you are a good reviewer. (The adverb *only* modifies the conjunction *because*).

PROPOSITION

A Preposition, by definition is placed before a noun or its equivalent in order to show its relationship in terms of time, place, etc.:

The space *above* the room houses the conference facility.

(The preposition *above* explains the relationship between the room and the conference facility).

There are hardly any rules governing the use of prepositions, some people feel that it is inelegant to put them at the end of a sentence since they are basically used as link-words. However, as Fowler points out, “Almost all our great writers have allowed themselves to end a sentence or a clause with a preposition.” *The thumb-rule is that the sentence should read well.*

It is largely the usage that determines the choice of a preposition. Americans tend to drop them but it is largely colloquial. A wrong preposition certainly changes the intended meaning. Therefore, we have to learn the use of prepositions carefully. All standard dictionaries list the root word along with different prepositions or adverbial phrases and also show the difference in meaning.

For example:

The root word **Get** conveys italicised meanings when used with:

…about, *move or spread*

…across, *be understood*

…ahead, *make progress*

…along, *manage*

…at, *gain access to*

…away, *escape*

…over, *forget*

…round, *persuade*

CONJUNCTION

Conjunctions join words or even sentences conveying related ideas. Two commonly used conjunctions are

- *and*
- *but.*

We received your letter and telegram *but* regret our inability to attend the meeting.

Conjunctions may also be used in pairs, e.g. *neither-nor, either-or, not only-but also, both-and, whether-or* etc. Such conjunctions are known as **Correlative Conjunctions**.

INTERJECTION

Interjections are words which are used in a sentence to express strong emotion or feeling. They may not form a part of its grammatical structure. Some of the common interjections are: *Hi !, Alas !, Oh !,* etc.

TYPES OF VOICES

As a general rule, we should use **Active Voice** in our sentences. Such sentences are shorter, direct and emphatic.

For example;

Please place the order within sixty days of the receipt of the quotation.

An exception is however made when sending out negative messages or fixing responsibility.

For example, out of the two responses given below, the latter is likely to be received better:

You have failed to place the order in time.

Unfortunately the order has been delayed.

Passive Voice is also found more suitable while drafting legal formulations as no identifiable subject can be mentioned.

For example:

Follow the traffic rules, while driving. (Active Voice)

The traffic rules should be followed while driving. (Passive Voice)

ARTICLES

The words *a* or *an* and the are called *Articles*. They come before nouns. *A* or *an* is called the *Indefinite Article*, because it usually leaves *indefinite* the person or thing spoken of; as,

A doctor; that is, *any* doctor.

The is called the *Definite Article* because it normally points out some particular person or thing; as,

He saw *the* doctor; meaning some particular doctor.

The indefinite article is used before singular countable nouns, e.g.,

A car, *an apple, a table.*

The definite article is used before singular countable nouns, plural countable nouns and uncountable nouns, e.g., *The* pen, *the* pens, *the* milk, *the* idea.

The article 'an' is used when the noun to which it is attached begins with a vowel sound (a, e, i, o and u). It is the vowel sound and not the vowels that determines the use of 'a' or 'an'. Vowels with consonant sound take 'a' and not 'an'. For example,

Bring me *an* apple.

He walks like *an* Egyptian.

She has planted *a* eucalyptus tree.

He is *an* honest man.

He has joined *a* union.

I have lost a one-rupee note.

USAGE

Usage implies the manner in which the native speakers of a language use it. The "body of conventions governing the use of a language especially those aspects not governed by grammatical rules", "habitual or customary use" often lays down new standards of acceptance.

For example, 'It is me' is generally accepted on grounds of usage even though 'It is I' is considered grammatically correct.

Usage may be learnt by reading standard texts and listening to educated speakers of a language.

TENSES

"**In Grammar** – a set of forms taken by a verb to indicate the time (and sometimes the continuance or completeness) of the action in relation to the time of the utterance"; is the meaning that the Concise Oxford Dictionary assigns to the word 'Tense'. The word *tense* comes from Latin word tempus, meaning time.

Read the following sentences.

1. I *write* this letter to my mother
2. I *wrote* the letter yesterday.
3. I *shall write* another letter tomorrow.

In sentence I, the verb write refers to present time. Hence a verb that refers to present time is said to be in the **Present Tense.**

In sentence 2, the **verb** wrote refers to past time. Hence it is said to be in **Past Tense.**

In sentence 3, the verb **shall write** refers to future time. Therefore, it is said to be in the **Future Tense**.

Tense

Read these sentences :

1. I read a book. (simple present)
2. I am reading a book. (Present continuous)
3. I have read a book. (Present Perfect)
4. I have been reading a book. (Present Perfect Continuous)

The verbs in all of these sentences refer to the present time, and are therefore said to be in the present tense.

In sentence I, however, the verb shows that the action is mentioned simply, without anything being said about the completeness or incompleteness of the action.

In sentence 2, the verb shows that the action is mentioned as incomplete or continous, that is, as still going on.

In sentence 3, the verb shows that the action is mentioned as finished, complete or perfect, at the time of speaking.

The tense of the verb in sentence 4 is said to be Present Perfect Continuous, because the verb shows that the action is going on continuously, and not completed at this present moment.

Thus we see that the tense of a verb shows not only the time of an action or event, but also the state of an action referred to .

Just as Present Tense has four forms, the Past Tense also has the following four forms :

1. I *jumped* from the window. (Simple Past)
2. I *was jumping* from the window. (Past Continuous)
3. I *had jumped* from the window. (Past Perfect)
4. I *had been jumping* from the window. (Past Perfect continuous)

Similarly, the Future Tense has the following four forms :

1. I *shall/will* jump (Simple Future)
2. I *shall/will* be jumping. (Future Continuous)
3. I *shall/will* have jumped. (Future Perfect)
4. I *shall/will have been jumping*. (Future Perfect Continuous)

Hence, we may define Tense as that form of a verb which shows the time and the state of an action or event.

SENTENCE CONSTRUCTION

Various Purposes of a Sentence

A group of words, which makes complete sense, is called a sentence.

Grammar also lays down rules for arranging words in a certain order to form meaningful sentences. Sentences may be formed to:

- Make a statement: *The government has decided to disinvest its stake in Air-India.*
- Pose a question: Would this step enable them to turn this PSU around?
- Give a command: *Bring about a change of ownership.*
- Make an exclamation: What a way to bridge the fiscal deficit!

A **sentence** consists of two parts:

Subject: The part which names the person or thing we are speaking about is called the subject of the sentence.

Predicate: The part which tells something about the subject is called predicate.

A **Phrase** is a group of words, which neither has a finite verb nor makes any sense by itself. Depending on its place in the sentence, it may be a

- **Noun**
- **Adjectival** or
- **Adverbial Phrase.**

Examine the following pair of sentences.

(i) Raj is a *wealth* man.

(ii) Raj is a man *of great wealth*.

In the first sentence the word wealthy described the noun Raj.

In the second sentence *of great wealth* also tells us what sort of man Raj is. It qualifies the noun just as an Adjective does. Hence, it is called an *Adjective Phrase*.

Adverb Phrases

Just as the work of an Adjective is often done by a group of words called an Adjective Phrase, so the work of an Adverb is often done by a group of words. Examine the following pair of sentences.

(i) He answered rudely. (How?)

(ii) He answered in a very rude manner. (How?)

Since the phrase *very rude manner* does the work of an Adverb, it is called an *Adverb Trial Phrase*.

Noun Phrase

A *Noun Phrase* is a group of words that does the work of a Noun. For example,

(i) *My demat account* has been closed.

(ii) *To win a prize* is my ambition.

In the above sentences italicized phrases are noun phrases because they are doing the work of a noun.

Types of Sentences

The basic knowledge of grammar helps us understand different sentence structures or patterns so that we can communicate in a clear, concise and correct manner.

A group of words that form a part of a sentence, and has a subject and a predicate of its own, is called a *clause*. The clause that makes good sense by itself, and hence could stand by itself, as a separate sentence is called a *Principal* or *Main Clause*.

A clause which cannot stand by itself and makes good sense but not complete sense are called a *Dependent* or *Subordinate Clause*.

A sentence which has only one finite verb and one independent clause is called Simple sentence. For example,

This courage won him honour.

A *compound sentence* is made up of two or more *Principal* or *Main Clauses*. For example, Night come on and rain fell heavily and we al got very wet.

A complex sentence, Consists of one Main Clause and one or more Subordinate Clauses. For example,

They serve good well who serve this exactness.

Sentence Construction

Sentences can be constructed using different structures or patterns. The simplest sentence may have:

- a noun or a pronoun in the beginning,
- a verb in the middle,
- another noun or its equivalent in the end.

For example:

The budget affects the stock market.

This sentence structure may also be shown as:

Subject + verb + object

The structure of an imperative sentence is different. Here the subject is understood.

For example,

Mail this letter, is the shorter form of *(You) mail this letter.*

It is important to use varying sentences structures in your writing so that the interest of the reader is not lost.

Sentence Construction is based on the kind of writing in question.

Sentences are also constructed on the basis of complexity of writing.

Loose sentences are suited to simple style of letter writing and are closer to the spoken form. They begin with the main statement and develop it to its logical conclusion.

For example:

The Reserve Bank of India intervened in the forex market as there were strong rumours about an intense speculative activity caused by the spurt in imports.

Periodic Sentences are decorous and emphatic but more difficult to write. The order is reversed and the main statement is made at the end.

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[*] *Lesikar's Basic Business Communication,* Irwin, p. 44.

For example:

As there were strong rumours about an intense speculative activity caused by the spurt in imports, the Reserve Bank of India intervened in the forex market.

Sentence Construction on the basis of Length

The length of a sentence is also an important factor in sentence construction.

Shorter Sentences are easier to write as well as understand. But a long sequence of short sentences may not make a very pleasant reading:

Thank you for the order. The goods will be sent soon. The duplicate copy of bill is enclosed. The payment must be made early.

Longer Sentences are prone to grammatical errors and need careful thought and planning. A U.S. Government regulation is claimed to run into 308 words. Such efforts at constructing marathon sentences should be avoided. It may be a good idea to mix the shorter and longer sentences to sustain the interest of the reader.

For example:

The conference opens on the tenth of June in Simla. More than two hundred company secretaries will take part. The purpose is to deliberate on the merits of the new Companies Act, 2013 and propose amendments. The discussions are likely to go on for three days.

Paragraph Construction

The construction of a paragraph is equally important. If a good sentence should focus on a single thought, a good paragraph should restrict itself to a single topic or idea. The topic sentence of a paragraph sums up its central idea and develops it further. It is usually in the beginning or the end of the sentence; though, in some cases, it can be written somewhere in the middle too. Shorter paragraphs should be preferred because they enable the reader to follow the writer's plan.

SPELLINGS AND PRONUNCIATION

English is an infamously difficult language to spell and pronounce. Students are often bewildered by the seemingly anarchic sound/spelling system of English. There often seem to be more exceptions than the rules, and the mastery of accurate spelling and pronunciation appears a daunting and demotivating task.

Though there is a relationship between a sound and the way it is expressed in writing, the same sound is often conveyed through different spellings.

For example:

The sound in the middle of words *'steep'* and *'breach'* is the same and phonetically shown as [i] in the dictionary. The letter *'a'* may be pronounced in several different ways. In words like *brag, flap, grab, have,* etc, the sound is phonetically shown as [ae], in *barge, false, half, ask,* etc. as [a:], in words *may, tray, stay, way,* etc. as [ei], and *in call, flaw, raw, talk,* etc. as [o:].

Good dictionaries also have a phonetic chart, which helps to learn the correct pronunciation of different words. Specialized dictionaries of pronunciation are also available for consultation.

Spelling Errors

Adequate care should be taken to spell words correctly in all communications so that you are able to communicate effectively and impressively.

Spelling errors are common when:

(i) certain alphabets/letters are repeated in a word. For example, *tomorrow, occasion, beginning, profession,* etc.

(ii) one has to sometimes choose between *'ei'* and *'ie'.* For example, *receive* and *believe.* It is interesting to note that we always use *'ei'* after *'c' (conceive, deceive, perceive, etc.)* and *'ie'* in the rest *(achieve, chief, convenience, etc.)*

(iii) *'e'* can be either dropped or retained when changing the root word. For example, true changes into *truly* but sincere changes into sincerely.

(iv) an extra letter at times alters the meaning of the word. For example, *lose* and *loose.*

(v) when noun and verb forms of the same word have different spellings. For example, *advice/advise* or *practice/practise.*

(vi) words have the same pronunciation but different spellings. For example, *whether/weather, brake/break, there/their.*

(vii) when a choice has to be made between *ise* (merchandise, enterprise, franchise, etc.) and *'ize'* (size, prize, etc.). Some words are spelt differently by the Britishers and Americans, the latter prefer *'z'* over *'s',* e.g. *criticise/criticize, realise/realize, recognise/recognize, etc.* Though both the spellings are acceptable, one should stick to either *'s'* or *'z'* for the sake of consistency.

(viii) when a word similarly spelt has two variants with different meanings in past and past participle forms. For example:

Lie-lied-lied

Lie-lay-laid.

STRESS AND RHYTHM

A syllable is the minimum rhythmic sound of a spoken language. A word may have one or more syllables. For example, there is only one syllable in *fame, name, claim, train,* etc., two in *address, confess, redress, transgress,* and three in *credentials, sacrifice, tarpaulin,* etc., four in *retribution, satisfaction, transatlantic* and even five in words like *conglomeration.*

Good to know!!!

Dictionaries generally show the main stress marks by putting the symbol /'/ above and before the stressed syllable e.g. re'port. It is also important to know that the same word when used as a noun, is stressed differently e.g. 're port. Only one syllable in a word carries the main stress; other syllables are unstressed.

In order to achieve good and clear speech, we must learn to recognize the stressed syllable in a word.

PREFIXES AND SUFFIXES

An *affix* "is an addition to the base form or stem of a word in order to modify its meaning or create a new word". (*The Concise Oxford Dictionary,* Tenth Edition).

Prefix

If the affix or addition to the root word comes at the beginning, it is called a prefix.

The word 'prefix' in itself is an apt example of a prefix as it is made up of the root word *'fix'-'to join or fix',* with the affix *'pre'*- meaning *'before'*, added to it.

Groups of Prefixes

Prefixes fall into a number of distinct groups such as:

- Supportive
- Opposing
- Negative
- Reversative
- Deprivative
- Pejorative
- Size
- Time
- Number
- Status
- Class changing
- Miscellaneous

Supportive Prefixes are prefixes that support or are for the root word.

**Pro* is used with the meaning favouring/supporting as the prefix. *Pro*, as a prefix has other meanings too, such as *'in substitute of'* or *'before in time, pace or order'.*

Examples of *Pro* as a supportive prefix are Pro-choice, Pro-market, Pro-life.

Opposing Prefixes are prefixes that are opposed to the action denoted by the root word.

Anti (against) - antibody, antibacterial, antibiotic, anticlockwise, antidote, anti inflammatory, antioxidant, etc.

(Spurious) - antihero, antiChrist, antiself (affected person)

Contra (against) - contraception, contraindicate, contravene, contramundum

(Contrasting) - contraflow, contra-active, contradict, contradistinction

Counter (opposition/retaliation) - counteract, counter-example, counter- attack, counterblast, counterbalance, counterclaim, counterculture, counter-in-surgency, countermeasure, counterproductive, etc.

Negative Prefixes are prefixes that denote the absence of distinguishing features of the root world.

(The prefixes marked with * can convey different meaning besides those specified herein.)

*a (not, without) - amoral, ahistorical, atheist, asymmetric

*an (not, lacking) - anaesthetic, anaemic, anaerobic

*dis (not) - disloyal, disable, disarm, dishonest, distrust, disadvantage

*in (not) - injustice, inactive, inconsiderate, inconsonant, incomprehensible, incomplete, incompetent, inconsecutive

*il (this is another variation of the prefix 'in' and is used before a word beginning with 'l') - illegal, illiterate, illegible, illegitimate

*im (this is a variation of the prefix 'in' which is used before a word beginning with 'b', 'm' or 'p'.) - imbalance, immaterial, immeasurable, immobile, immovable, impassable, impatient, impossible, imperfect

*ir (this too is a variation of the prefix 'in' which is used before a word beginning with 'r') - irreplaceable, irregular, irresistible, irrational, irrecoverable, irreconcilable, irredeemable, irreducible

non (not) - non-aggressive, non-interference, nonconformist, nonentity, nonsense, nontoxic, non-stop (not regarded as) - non-person, non-event

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* These prefixes also have other meanings in which they can be used in, besides those specified herein.

un (not) - unproductive, unacademic, unselfish, unavoidable, unaware, unbearable, unbroken, unburnt

Reversative Prefixes are prefixes that denote the act of undoing the previous act that the root word denotes as being done.

de* (reverses the meaning) - decriminalise, dehumidify, deselect, decontaminate

dis* (reverses the meaning) - disqualify, dishonest, disinvite

un* (reverses the meaning) - untie, unscramble, unlock

Derivative Prefixes are those that denote the meaning of removing something or depriving something or someone.

de (remove something)-debug, defrost

de (depart from) - deplane, detrain, decamp

dis (remove something) - disarm, disillusion, disambiguate

un (remove something) - unleaded, unmark, unhouse, uncap, uncover

Pejorative Prefixes are those that express contempt, disapproval, bad or wrong.

mis (badly/wrongly) - miscalculate, misgovern, misspell, mismanage, misalign, misapply, misbelief

Place Prefixes are prefixes that indicate place or placing of things, situation, etc.

ante (before) - antecedent, antechamber, anteroom

circum (around) - circumvent, circumnavigate, circumlocution, circumbulate, circumlunar

cis (on this side) - cisalpine, cisatlantice, cislunar

extra (outside/beyond) - extracurricular, extrasensory, extraordinary, extraterrestrial

fore (front/before) - forefinger, forecourt, forearm, forebear, forebrain, forecheck, forefront, foregather

in, il, im, ir (in) - indoors, in-patient, inside, indebt

inter (between) - interbreed, interfere, interject, interracial, international, interdisciplinary, internet

intra (inside/within) - intravenous, intramural, intranet

intro (inwards) - introvert, introspect

post (after/behind) - Post meridiem (P.M.) postpone, postgraduate, posthoc, postscript

pre (before)-prearrange, preface, precaution, prefabrication, preamble

out (outside)-outdoor, out-patient, outhouse

(surpass)-outrun, outdistance, outbid, outnumber

over (outer/above)-overthrow, overshadow, overcoat

retro (backwards)-retrograde, retrospection, retrospect

sub (below)-subway, subsoil, subconscious, submerge

(secondary)-sub-inspector, sub-editor, sub-committee, subtitle, sublet

(below the norm)-substandard, subhuman

super (above)-superstructure, superimpose

* These prefixes also have other meanings in which they can be used in, besides those specified herein.

(beyond the norm)-superhuman, superstar, superpower

(excessive)-superconfident, supersensitive, supernatural

supra (above)- suprasegmental, supranational

sur (above)-surcharge, surtitle, surtax

trans (across)-transatlantic, transnational, transcontinental

ultra (beyond/extreme)-ultraviolet, ultra-thin, ultra-modern, ultramarine, ultramicroscopic, ultrasonic, ultra vires.

under (below/too little/subordinate)-underground, undercharge, underpay, undercook, undersecretary, underclass, underrepresent, undersell, undersigned

Size Prefixes denote size. They are-

mega (very large)-megaphone, megastar, megalith, megawatt

midi (medium)-midi-computer, midibus

mini (small)-minibus, miniseries, minicab, minimarket

Time Prefixes denote time. They are-

ante (before)-antenatal, antedate

ex (former)-ex-wife, ex-president, ex-student

fore (before)-forenoon, foresee, foretell, forecast

neo (new, recent)-neo-conservative, neoplasia, neophyte

post (after)-post-war, post-modernism, postdate

pre (before)-prepay, pre-existing, predate, preschool

re (again)-reprint, reapply, replay, renew

Number Prefixes are those that denote number. They are-

mono (one/single)-monorail, monochrome, monopoly

uni (one)-unidirectional, unilateral, unicycle, unity

bi (twice/double)-bicycle, bilateral, bilingual

di (two, twice)-dioxide, dichromatic

duo/du (two)-duologue, duplex

tri (three)-triangle, triplicate, tripartite

quadri/quadr (four)-quadrilateral, quadrangle

tetra/tera (four)-tetrachloride, terameter

penta/pent (five)-pentagon, pentacle

sex (six)-sextant, sextile, sextuple

hexa/hex (six)-hexapod, hexagram

hepta/hept (seven) heptagon, heptameter

octo/oct (eight)-octopus, octuple

deca/dec (ten)-decade, decalogue,

decinial deci (a tenth)-decibel, decimal

demi (a half)-demigod, demitasse

hemi (half)-hemisphere, hemistock

semi (half)-semiconductor, semidetached

hecto/hect (hundred)-hectogram, hectare

kilo (thousand)-kilogram

milli (thousand)-millisecond, millipede

mega (a thousand)-megahertz, megabuck, megabit

poly (many)-polytechnic, polygon

Status prefixes are those that denote a status.

co (joint)-copartner, coauthor, cofounder

pro (deputy)-proconsul, pro-vice chancellor

vice (deputy)-vice president, vice admiral, vice chancellor

Class Changing Prefixes have the effect of changing the word class, like making transitive verbs from nouns, adjectives, intensifying force of the verbs used, etc.

be-besiege, bewitch, besmear, bewail, belittle, befoul, beribboned

en/em-encode, endanger, ensure, enlist, enroll, embark, embitter, enrich

Miscellaneous: Some of the common prefixes that do not fall into the above categories are-

eco (abbreviation of ecology)- eco-friendly, ecosystem

Euro (abbreviation of European)- Eurorail, Eurocurrencies

para (ancillary)- paramilitary, paralegal, paramedic

para (beyond)- paranormal

quasi (like)- quasi-intellectual, quasi-judicial

self- self-motivating, self-denial, self-satisfaction.

Suffix

It is a morpheme (*minimal meaningful language unit*) added at the end of a word to form a derivative. In other words an addition to the end of a word to form a derivative of the root word is a suffix.

Groups of Suffix: Suffixes fall into the following categories:

- Noun Suffixes
- Adjective Suffixes
- Verb Suffixes
- Adverb Suffixes

Noun Suffixes are as follows:

acity (indicates a quality and state of being)-audacity, capacity

ant (denoting attribution of an action or state)-appellant, informant, arrogant, (denoting an agent)-deodorant, oxidant

al (verbal action)-betrayal, dismissal, deferral

age (denoting an action or its result/function/state or condition/set of place or abode/aggregate number of) leverage, spillage, homage, bondage, baggage, postage, vicarage, mileage

ation/ion (denoting an action or its result)-collaboration, exploration, evolution, exaltation, inhalation, communion, oblivion, objection

cle, cule, ule (indicates small size)-miniscule, particle, molecule, capsuleic-lyric, mechanic

ist (denotes a member of a profession, who uses something, etc.)-dentist, flautist, novelist, atheist

ity (quality/condition/degree of)-responsibility, technicality, publicity, humility

ling (smallness or lesser stature)-duckling, seeding, hireling

ment (means or result of an action)-arrangement, embarrassment, curtailment, bewilderment

ness (a state or condition)-usefulness, carelessness, willingness, kindness,wilderness

ship (quality or condition, status, tenure, skill, etc.)-scholarship, companionship,

citizenship, workmanship, membership

tude (indicates condition or state of being)-exactitude, longitude

Verb Suffixes are as follows:

fy/ify (indicates or becoming)-beautify, purify, gratify, electrify, pacify, personify

ise, ize (quality, state or function)-capitalize, modernise, popularise, terrorise, expertise

Adjective Suffixes-Some of them are as follows:

able/ible (inclined to, capable of, causing)-audible, uncountable, readable, reliable, terrible, peaceable, profitable

al/ial (kind of)-tidal, accidental managerial, musical

ed (having, affected by)-cultured, heavy handed, talented

ful (having the qualities of)-sorrowful, powerful, careful, resentful, fretful, forgetful

ic-Arabic, aristocratic, dramatic

less (free from, without)-careless, harmless, restless, flavourless

oid (resemblance)-ovoid, humanoid

some (a tendency)-meddlesome, awesome

y (having quality of/inclined to)-messy, funny, sleepy, choosy

Adverb Suffixes: Some of them are as follows:

ly (forms adverbs from adjectives)-amiably, candidly, surprisingly, greatly

wise (of manner or respect or direction)-clockwise, notewise, taxwise, anticlockwise.

COMBINATION WORDS

These are word elements or combining forms that can be combined with other words that already exist to form new words. These combining forms have a singular form and a clear and consistent meaning, which is probably because they are of fairly recent origin. Many of them are also technical and therefore their meanings are less susceptible to change. Most combining forms are of Greek or Latin origin. Some of them are:

arch (chief)-archbishop, arch-rival

auto (self)-autograph, autopilot

bio (life)-bio-diversity, biology, biography

crypto (concealed)-crypto-farest, cryptogram, cryptocrystalline, cryptonym

mal (improper/inadequate/faulty)-malpractice, malnutrition, malpractice, maladminister, maladjusted, maladaptive, malfunction, maltreat

macro (large)-macro-organism, macroeconomics

micro (small/minute)-micro-organism, micro-computer, microsurgery, microgram, microscope

mid (middle)-midfield, midair, midway, midsection, mid-afternoon, midwinter, midnight

tele (at a distance)-telescope, television, telephone, telephoto, telecommunications.

PUNCTUATIONS

The marks, such as full stop, comma, inverted commas, hypen and brackets are used in writing to separate sentences and their elements and to clarify meaning, are called punctuation marks.

The importance of punctuation in writing can be compared to the importance of pause, intonation and emphasis used in the spoken word.

Therefore, one can state that the chief purpose of using punctuation is to make the meaning of a written passage clear. The punctuation marks remove ambiguities, if any.

Punctuation can also serve other purposes such as:

- introducing delicate effects in style.
- altering the flow of a sentence.
- highlighting certain words.
- bringing about modulations in sentence.

Some aspects of punctuations are rule-governed, i.e., those that you have to follow, but usage of some becomes a matter of choice and judgment.

The various punctuations used in the English language are:

– capital letters	– colon	– underline	– space
– full stop	– dash	– quotation marks	– italics
– hyphens	– stroke	– bold emphasis	– apostrophe
– asterisk	– ellipsis	– question mark	– semicolon
– paragraph	– comma	– abbreviations	– numbers
– brackets	– exclamation mark		

Uses of Punctuation Marks

Let us see how some of these punctuation marks are used.

Space is the most basic form of punctuation which separates words, sentences, paragraphs and chapters.

Usually one alphabet space is used between words and punctuation, and also after sentences, unless it is the last sentence of a paragraph, when the rest of the space on that line is left blank.

Space of one line or more is left between paragraphs to distinguish them and at times a slight indention is also used on the first line to distinguish the begining of a new paragraph.

The amount of spacing used would depend on individual style and taste or a pattern followed in an organisation or the type of writing, e.g., letter, a presentation, a book, etc.

The Full Stop (.) also known as a stop, point or period (in American English) is used to end a declarative sentence, a sentence which is not a question or an exclamation.

Full stops are also used to end a request politely framed as a question such as:

Would you kindly fix an appointment with Mr. Sharma.

A full stop may also be used after initials or after a shortened form of a word to indicate an abbreviation.

For example

Mr.	Prof.	Etc.
B.A.	Fig.	
a.m.	I.K. Gujral	

However, increasingly the full stop after initials of names is being done away with, though both usages are correct.

A full stop is also used at times to denote abbreviated numerals, such as a date or a number, though at times fullstop, slash or hyphen is also used to denote date, such as:

10.11.12, 10-11-12, 10/11/12

However this can be interpreted in two ways as 10th November 2012 by the Britishers and 11th October 2012 by the Americans. Therefore, it is advisable to always write the month and the date in words, e.g.

10th November 2012 or 10 November 2012

Full stop is also used before decimal and between units of money:

10.50 per cent; Rs. 33.50

Omission of Full Stop

In the following cases the full stop is omitted:

- after addresses that head letters and on the envelopes
- after dates
- after name that ends letters
- after title of books, newspaper headlines, chapter headings, sub-headings, page numbers
- after acronyms which are pronounced as one word. For example:

  AIDS (Acquired Immune Deficiency Syndrome)

  VAT (Value Added Tax)
- in between alphabets of the abbreviations that are a series of letters. For example:

  WTO (World Trade Organisation)

  GMT(Greenwich Mean Time)

  BBC(British Broadcasting Corporation)

– in shortening of words where the first and last alphabets of the word are present.

  Mr., Mrs., Dr., Rd., Ltd.

  though it is correct to use a period after these words, the general practice today is to omit the full stop.

– space is used for the initials of personal names instead of a full stop.

  A K Singh, D S RAJAN

– abbreviations for measures, chemicals elements, etc. are used without a full stop.

Kg (Kilogram)	s (Second)	Hz (Hertz)
Sq (Square)	km (Kilometer)	m (minute)
amp (ampere)	o (oxygen)	H (Hydrogen)

– If a sentence ends with an exclamation mark, question mark, or an abbreviation that is followed by a period for the abbreviation the full stop is not used.

Comma (,) is easily the most important punctuation mark within a sentence. Commas separate or enclose subordinate clauses and phrases in sentences. Its most typical use is to separate two main clauses that are linked by a conjunction. Here the comma mark appears just before the conjunction.

The house was almost in ruins, but the tree studded avenue was lovely.

He is not rich yet he is very generous.

Uses of Comma

Some other uses of comma are as follows:

– To separate main clauses even when they are not linked by a conjunction:

  The higher the price, the better the quality of goods.

– Before tags/questions and comments:

  You were late for the meeting, *were'nt you*? (tag)

  I was just joking, *you see*. (comment)

– To denote words left out:

  Romeo loved Juliet; Majnu, Laila.(Here the comma denotes the word loved.)

– Enclose additional thoughts, qualification or information. Here the commas are used in pairs and they separate parenthetical elements in a sentence.

  My son, Ajith, is the head boy of the school.

  The movie was, I believe, well picturised.

– To set off direct speech:

  To quote Confucius, "He who learns but does not think, is lost. He who thinks but does not learn is in great danger".

  "I'm tired", he replied, "However, I will complete the work before leaving". -

– To set off comparative or contrasting statements.

The more he kept repeating that he did not steal the chain, the less the police believed him.

– To separate adjectives, numbers into units, names, and title or honour, or degree, day, month and year in a date, etc:

He is a smart, reliable, sincere and hard working student.

1,25,000.

Angelina Thomas, BA, MA, PhD.

Pranab Mukherjee, the President of India.

Hyphen (-) is used between words to clarify meaning. It also links words to form a compound word.

The use of hyphen varies in different places; therefore there are no complete set of rules that can be applied to the use of hyphen.

Therefore, only some general guidance on use of hyphens is given here. It is advisable to consult a good dictionary when one is in doubt to find out whether the word to be used should be hyphenated or not. A hyphen is usually used in these cases:

– After a few prefixes or other word elements.

ex-partner, half-truth, quasi-judicial, semi-government, self-appointed. (We have already read about prefixes).

– Before a few suffixes where the last alphabet of the first word and the first alphabet of the second word are the same, in order to avoid an unattractive sequence.

Bull-like, get-together, profit-taking, self-financing, water-resistant.

– When the main part of a word begins with a capital letter.

un-American, neo-Darwinism, neo-Nazism, anti-Indian.

– When the prefix is repeated.

Sub-subcommittee.

– When a noun and a verb are combined to form a word.

hand-operated, hand-pick, hand-held.

– When an adjective and a noun are combined to form a word.

blue-pencil, loose-leaf, long-grained open-air, simple-minded, middle-aged, community-oriented, high-fibre.

– When two adjectives are combined to form a word.

old-fashioned, short-sighted, red-blooded.

– When compound words express an ‘and’ relation.

bitter-sweet, deaf-mute, socio-economic, secretary-treasurer.

– When compound numbers between 21-99 are spelt out. This practice is gradually fading.

fifty-five(55), six hundred and thirty-one(631).

– It is also used to link the starting and ending point of a series.

The Delhi-Jaipur Highway.

- When a word has to be broken at the end of a line of print or writing.
- To avoid confusion or ambiguity.

  an Indian-history teacher/an Indian history-teacher.
- To prevent confusion between a new formation and a conventional word with the same prefix.

  re-creation (recreation), re-formed (reformed).

Semi colon (;) is used to separate two or more independant clauses that are placed together and which are of equal importance in the sentence. The use of semicolon emphasises or adds weight to the second clause.

To err is human; to forgive divine.

Semi colons are also used to:

- join words, group of words, sentences.
- separate word groups that already contain commas:

  Those present at the function included Mr. and Mrs. Jain, their children Usha, Amit and Raghu; Paul and Joe Thomas; Raj and Ravi Malhotra; Colonel and Mrs. James, and their children Jyotsna, Julie and James Junior; etc.
- To provide pauses before certain adverbs such as none the less, however, etc.

  He worked very hard; however, he did not succeed in his endeavour.
- To emphasise contrasts:

  It is a superb car; however, it is very expensive to maintain.

Colon (:) is a punctuation mark that has three major functions:

- to introduce some kind of explanation.

  They did not sleep last night: they must be tired.
- To introduce examples.

  Today they face another threat to their survival: starvation.
- To introduce quotations or direct speech.

Functions of Colon

Some of the other functions of the colon are:

- To point the reader's attention forward.

  This function can be best explained through the words of the grammarian Henry Fowler. He says that the function of a colon is "that of delivering the goods that have been invoiced in the preceding words". What he meant by goods here might be a conclusion, summary, a list or a contracting statement.
- To introduce a number of items listed separately.

  The conference hall facility has everything: furniture, mikes, amplifier, projector, screen, generator back-up, catering, dining hall and even a huge parking lot.
- To present a conclusion.

  After sixty years in the business, Mr. Rajan realised that there was only one certainty in life: the inevitability of change.

– To introduce a question.

They all agreed that the essential issue was simply this: Will making an investment in Sweatland Limited be a mistake or not?

– To link contrasting statements.

Man proposes: God disposes.

– To substitute a conjunction.

Another Monday morning: and it is pouring.

– After headings in correspondence.

Subject:

Reference:

– To introduce subtitles.

Credit cards: Power of Plastic; Past Promises: Failure to deliver.

– In bibliographical references, colon can be used after the place of publication.

(Delhi: 2010).

An Apostrophe (') is used

(i) to denote possession and other kinds of relationship.

This is Walter's book.

(ii) contractions of words.

It was the court's order.

Isn't (is not) it a great day?

Can't (cannot) you come today?

O'er (over) the hills.

Possession and other kinds of relationship:

When apostrophe is used to denote possession and other relationships, the basic rules to remember are:

– The apostrophe comes before the 's' if the noun is singular.

The girl's dresses (dresses belonging to one girl).

– The apostrophe comes after the 's' if the noun is plural.

Girls' dresses (dresses belonging to many girls).

However, possessive personal pronouns ending in 's', e.g. its, ones, theirs, etc. do not take on an apostrophe.

– Indefinite pronouns, except for 'each' take on an apostrophe, *anyone's, either's, one's, someone's nobody's,* etc., when denoting possession or some relationship.

– In contractions of words, the use of apostrophe is required. Though words are generally contracted in informal writing and speech, it should be avoided in formal writing.

– The apostrophe takes the place of the missing letter or letters.

is not-isn't (o is the missing letter)

The apostrophe is also found in the contraction of some single words.

– 'of' is sometimes contracted especially in certain phrases:

will-o'-the-wisp, seven o'clock

– certain words that are in common use:

ma'am (madam)

– The apostrophe is at times used to denote omission of part of some number:

the swinging '60s(1960s).

Generally nowadays the use of apostrophe in these cases is omitted.

– To denote certain names especially of Celtic origin:

O' Connor, O' Sullivan.

It comes from the Irish O'-which means a grandson or descendant.

Mc' Donald.

Here again Mc is the contraction of Mac which means 'son of.'

It is important to remeber that 'its' and 'it's' are differently used.

'Its' is a personal pronoun and does not need an apostrophe. Whereas 'it's' is a contraction of either 'it is' or 'it has' and therefore it takes an apostrophe.

The child wants its (personal pronouns) toy.

It's (it has) been a wonderful day.

Quotation Marks (" "/' '**)** also known as quotes or inverted commas are used to enclose material that is introduced into a text from outside it, such as quotations or words used by other people.

For example:

The motto of the market was "Let the buyer beware"; now it is "Customer is king."

There are two types of quotation marks single and double.

One can use either single or double quotation marks in enclosing introduced material. However, if you begin the quotation using double quotation marks, you have to close it also with the same and vice versa.

Both quotation marks are used in a single sentence when another quotation is inserted in the main quotation.

For example:

She asked, "Did he say 'diseased' or'deceased'?"

Some of the other functions of quotation marks are:

– to enclose cited words or expressions:

What is the difference between an "order" and a "decree"?

– to enclose expressions that the author does not take responsibility for:

In 'good old days' the women in this village walked several kilometers to fetch drinking water.

Brackets also known as parentheses are of two kinds:-

- Crescent shaped ( )
- Square shaped [ ].

Brackets are used to enclose certain contents, which the writer sets out apart so that the flow of the sentence is not interrupted.

The contents set apart may be in the form of added information, like an explanation, an afterthought, a clarification, a comment, an illustration, or an expression of doubt, etc. For all these only round or crescent shaped brackets are used.

A number of *(unsuitable)* candidates had sent in their applications.

On the basis of their usage, brackets have been divided into three types. They are:

• **Crescent brackets**

Crescent brackets are used in the following:

– to enclose an abbreviation that is be subsequently used in the text, e.g.

  The Department of Company Affairs (DCA) issued a circular on the matter.

– to enclose a translation or equivalent expression, e.g.

  The agreement was void ab initio (from the beginning).

– to enclose references from other topics in a text, e.g.

  For a detailed discussion on 'Recent Trends in Management' refer to Chapter 7 (p.140).

Example:

  As depicted in (Fig. 1.1) it is obvious that the process of communication is quite complex.

– To enclose bibliograpahical references (square brackets can also be sometimes used in such cases).

• **Square Brackets** are used to enclose words that are not usually intended to be the part of a sentence, but only as an editorial or authorial interjection. They are also used at times to enclose parentheses within another parentheses.

For example:

I appreciate it [the honour], but I must refuse.

We have not received [Sic] your letter (editorial interjection).

Sarah and Tanisha [Sarah's sister (as mentioned earlier)], went for a movie.

• **Other Brackets:** The other types of brackets are:

***Brace brackets** { } Example: Select your animal {goat, sheep, cow, horse} and come to the market.

***Angle brackets** < > Example: I found it on Games.com <http://www.games.com./>.

These brackets are used only in specialised texts, mathematics and technical works.

Abbreviations

Abbreviations are the shortened form of a word, phrase or text.

Usually one uses abbreviations of words or names in private letters, while taking notes in between lectures or noting down some important points, thoughts, etc., as a means of saving time and also to be able to understand text at a later time.

However, in formal writing it is best to use only well-known abbreviations that are understood by all and are in frequent practice.

For example:

Etc. is the widely used abbreviation for 'etcetera', whereas someone may be in the habit of using 'eta' as an abbreviation for the same word, which only that person would understand to mean 'etcetera'. Hence, such practice in formal writing should be avoided.

Types of Abbreviation

– the first letters of two/three words or names are used to form an abbreviation. For example:

M.A. (Master of Arts)

P.M. (Post Meridiem)

BBC (British Broadcasting Corporation)

In the examples given above abbreviations can be used without the full stop also, according to the emerging trend.

So, both MA and PM are acceptable in business communication.

– The initials of a person's name are used as follows:

G.B.Shaw (George Bernard Shaw)

According to the emerging trend G.B. Shaw can be written as GB Shaw too. However, abbreviations that are not the first letters of two/three words, but abbreviations of a single word, do not take full stops in between:

TV (Television)

Ms (Manuscript)

However, a shortening of a word can be used with a full stop at the end Prof., Capt., Maj., Gen.

– Acronyms are words formed from the initial letters of other words.

UNICEF (United Nations International Children Emergency Fund)

FICCI (Federation of Indian Chambers of Commerce and Industry)

ASSOCHAM (Associated Chamber of Commerce and Industry)

IGNOU (Indira Gandhi National Open University)

Note that these acronyms do not take on full stops in between and are frequently pronounced as a word.

Some abbreviations can be used with or without a full stop at the end, e.g.

– the first and last letters of a single word.

Mr./Mr (Mister)

Dr./Dr (Doctor)

– Scientific terms

Weights and measures are used both in full form as well as in abbreviated form.

Kg, lb, m, amp, ft, yd, mph.

– Chemical symbols

Abbreviated words are also used as chemical symbols, such as:

Ca (Calcium) H (Hydrogen), NaCL (Sodium Chloride) H2O (Water).

Plural in Abbreviations

– The general rule to make an abbreviation plural is to repeat the same alphabet, such as:

P-page, pp-pages

– It can be made plural by adding an 's' if the abbreviation is of more than one alphabet, such as:

MAs, MPs, Capts

However, there are some exceptions to these rules, e.g.:

– 'Mr.' which is 'Messers' in plural and cannot obviously become Mrs.

– Abbreviations of scientific terms denote both singular and plural in the same form, for example:

1Kg. 4Kg., etc.

– To introduce a possessive relationship in an abbreviation apostrophe 's' is added to the abbreviation. For example:

M.P.'s or MP's-These should not be mistaken as the plural of MP.

Numerals

Numerals or numbers are something we have to use profusely.

Some of the general rules for using numbers are given below, along with other acceptable uses. One should however keep in mind that individual preference or the preference of an organisation, etc. should be followed in such matters. But, whatever the rule followed, it is best that the usage remains consistent throughout the whole text so as to avoid confusion. The choice of presenting the number in figure or in words is influenced largely on the effect one wants to achieve.

Rules for Numerals

Rules for using numbers are categorized as follows:

- On the basis of spelling them out in words, e.g.

  Three persons attended the seminar from my department.

  However, if the same numbers are used with higher numbers then for the sake of uniformity they could be used in figure form.

- By using figures, e.g.:

We need about 7 to 15 days to complete the project in hand.

– Numbers may be spelt out in formal, literary or non-technical writing, where not many numbers are used and where using of figures does not flow smoothly along with the rest of the text.

In this case it is best to–

– spell out the numbers from one to hundred.

– spell out higher numbers that are written in one or two words. (Note that hyphenated compounds like twenty-one are taken as one word).

– Spell out numbers in the beginning of a sentence, otherwise it would be better to reconstruct the sentence.

– Spell out indefinite numbers.

Hundreds of children; tens of thousands, etc.

– Spell out fractions that are straight forward, such as one-half, one-fourth, i.e., those numbers that do not have a whole number preceding them.

– Spell out numbers while quoting direct speech.

(ii) **Using figures:** Figures should be used:

– In informal writing while using any number above ten.

– In writing large numbers that require more than two words when spelt out.

1,20,000 or 50,25,000

However, a combination of words and figures can also be used.

10.8 million

– In depicting dates.

2nd October, 2012

– In depicting time.

10' clock, 12 noon, 7 a.m., etc.

– When depicting monetary numbers

$10, ₹ 125.75/-

– In technical contexts

8.6 per cent

50-50 partnership

Even fractions having technical value are given in numbers.

3/4 inch pipe

– When stating age

2 years old baby; 1 year old project

The other general rules to be observed while using numbers are:

(i) Use of commas:

– While using figures, commas may be used for numbers that have more than four digits.

1,26,000

– Never use commas while writing page numbers or years.

Page 1345; 2012 (year)

(ii) Use of zero:

– The use of zero should be avoided when stating whole units of currency and time, unless the units of time and currency have fractions, e.g.

Rs. 20 (not Rs. 20.00)	7 a.m. (not 7.00 a.m.)
Rs. 10.50	9.45 p.m.
Rs. 13.10	11.20 p.m

– Zero is used before a decimal point to clearly state that no whole number is involved, e.g.:

0.5, 0.75

(iii) Use of hyphens:

– All compound numbers between 21 and 99, whether they are used alone or as part of a larger number are always hyphenated, e.g.

Thirty-one, ninety-nine million

– In sequencing consecutive numbers the hyphen may be used instead of the word “to”.

during the year 2011-2012...

on pages 234-267

However, when the sequence begins with “between” or “from”, the hyphen cannot be used. It will be as follows:

Between 2011 and 2012

From page 234 to page 267

From 10th October to 15th October, 2012

(iv) For clarity:

Certain numbers are spelt out for the sake of clarity

Ten 100-page catalogues

Six 5-room flats

Here the rule is to spell the first number unless the second number makes a much shorter word.

3000 six-page brochures

88 four-room apartments

IDIOMS AND PHRASES

A simple word like go is a part of a child's vocabulary, so much so that the primitive bushman had an equivalent for it in his language. But look at the following sentences:

(i) Ever got a Mumbai number at *first go*?

(ii) He is always *on the go*.

'Go' is no longer a simple word from a child's vocabulary.

Take *'fall'*-the sparrow's *fall,* and the Roman Empire's *fall*, and so on. Now combine *'go'* with another simple word *'down'*. Look at 'the boxer *going down* on the first count. In the company of *'down', 'go'* has changed beyond recognition. There is more to it. Think of Churchill who will go down in history as the man who saved England from total collapse. This time the meaning has changed without 'go' forming a new alliance.

A literal translation of this two-word combination *'go down'* will not help. And this happens very often with many words in English. *'Go down'* has to be understood in its own right and in its particular context. This is an 'idiom' which the dictionary defines 'as the form of expression peculiar to a language'.

As such idioms are not peculiar to English language alone, they are found in other languages as well. But, as already said, they cannot be transliterated [*to change (letter, words, etc.)] into corresponding characters of another alphabet or language*] from one language to another. All such combinations of words used in a *peculiar fashion* are called idiomatic expressions.

A Phrase is a group of words, a part of sentence which does not make a complete sentence, but has an independent meaning and makes some sense: *on the hill, about town, under the tree,* etc.

A phrase is quite often equivalent to an adjective, adverb or noun. We would here, however, confine ourselves to phrases which are used *idiomatically.*

Idiomatic expressions are a nightmare to anyone going in for the study of a language alien to him. What is more, in any dynamic language, new idioms are continually coined by writers and journalists to replace the worn out ones, and to interpret the changing times. In the language itself, therefore, idioms are the source of sparkle and polish. Very often an idiomatic expression has no exact equivalent in the language itself. Take for example, *'bring up'*. We know by long usage what it means. And yet the dictionary meaning *'rear'* is at best a poor substitute for it.

The list below is by no means exhaustive. Even so it is fairly long. But do not be discouraged. A good number of these expressions, you may already be familiar with. A glance at them will brush up your memory. There will be others which you seem to know but whose exact usage seems to elude you. Get hold of them now. And there may be a good many you have no idea about. Well, they are just the ones which you ought to know now. You would come across these expressions, and need them yourself, quite often in your career. Use of idiomatic expressions in writing enriches your language.

Some Verbal Idioms

We shall begin with idioms, each consisting of a verb and a preposition. A single verb can give us a number of idiomatic expressions by attaching different prepositions to itself. For example, *turn out* (to expel), *turn up* (to appear at some place), *turn down* (to reject some request or appeal), etc. You may have become familiar with the usage of most of the verbal idioms. To refresh your memory here are just a few:

1. *Beat back* (compelled to retreat) The firemen were *beaten back* by the flames and the building was reduced to ashes.

2. *Boil down to* (to amount to) His entire argument *boiled down to* the fact that he would not join the movement unless he saw some monetary gain in it.

3. *Cast aside* (to reject, to throw aside) People normally *cast aside* truth and honesty for immediate gains.

4. *Come down* (to lose respect) The moment a minister loses an election he *comes down* in people's estimation.

5. *Cry down* (to deprecate) Some of the Western powers did their best to *cry down* India's economic success.

6. *Cut off with a shilling* (to give someone a mere trifle in the will) The father was so angry with the son over his marriage that he *cut him off with a shilling*.

7. *Egg on* (to urge on) Who *egged you on* to fight a professional boxer and get your teeth knocked off?

8. *Gloss over* (to ignore) Even if you are an important person your faults cannot be *glossed over.*

9. *Labour under* (to suffer from some disadvantage or distress) Let us not *labour under* the delusion that our friends will come to our aid in times of difficulty.

10. *Laugh up one's sleeves* (to be secretly amused) While he was solemnly reading his research paper to the audience, my friends were *laughing up their sleeves* for they knew its real worth.

11. *Play off against* (to set one party against another for one's own advantage). It best serves the interests of the super powers to *play off* one poor nation against another.

12. *Pull one through* (to recover, to help one recover) Armed with the latest medicines, the doctor will *pull him through.*

Idiomatic expressions in which the principal word is the verb

1. *Cast a slur upon* (by word or act cast a slight reproach on someone) Many a men *cast a slur on* their own good name by some mean act.

2. *Catch somebody's eye* (to arrest someone's notice) Members in Parliament try to *catch the speaker's eye* with various antics.

3. *To catch a Tartar* (to encounter a strong adversary) When Hitler marched on to Russia he hardly knew that he would *catch a Tartar* in the tough people of that country.

4. *To come off with flying colours* (to come out of a conflict with brilliant success) In the 1971 election the Congress *came off with flying colours.*

5. *To get the worst of it* (to be defeated in every contest) Be it an election or a tambola, I have always *got the worst of it.*

6. *To cut the Gordian knot* (to remove a difficulty by bold or unusual measures) The Indian Parliament threw out the Bill for Abolition of Privy Purses. The Government *cut the Gordian knot* by abolishing the purses through a Presidential Ordinance.

7. *To fall to someone's lot* (to become someone's responsibility) It has *fallen to the lot* of the eldest brother to pay off the debts of the father.

8. *To get the upper hand or to get the better of* (to prevail over) Hari *got the better* of Suresh in the Degree Examination.

9. *To get into hot water* (to get into difficulty) The businessman *got into hot water* with the Income-tax authorities for concealing his real income from ancestral property.

10. *To give someone the slip* (to dodge someone who is looking for you) The police had nearly arrested the dacoits when the latter *gave them the slip* and hid himself in the Chambal ravines.

11. *A give and take policy* (a policy of mutual concessions) *A give and take policy* alone can restore peace between India and Pakistan.

12. *To go on a fool's errand* (to go on an expedition which leads to a foolish end) Many people had earlier believed that going to the moon was like *going on a fool's errand*.

13. *To go to the wall* (to get destroyed through weakness or inability to adapt) In the struggle of life, the weak go to the wall.

14. *To go to rack and ruin* (reach a state of despair through neglect) If a big war comes, our economy will *go to rack and ruin.*

15. *To have one's hands full* (to be very busy) Pakistan could hardly expect active help from the U.S.A., whose *hands were already full* with Vietnam, Laos and West Asia.

16. *To have a bone to pick with* (to have a difference with a person that has not yet been fully expressed) The extreme leftists *have a bone to pick with* the police and if ever they come to power.

17. *To have the whip hand* (to have a position of power or control) Even after the split in the party he *has the whip hand* in the party.

18. *To have too many irons in the fire* (to have so much work in hand that some part of it is either left undone or done very badly) His performance is poor because he *has too many irons in the fire.*

19. *To have the right ring* (to be genuine) The Americans' pronouncements of world peace do not usually *have the right ring.*

20. *To have two strings to one's bow* (to have an alternative means of achieving one's purpose) Children always *have two strings to their bow.* If coaxing fails to achieve the desired end, tears succeed.

21. *To have an axe to grind* (have personal interests to serve) Bigger nations supply arms to the smaller ones primarily because the former *have their own axe to grind.*

22. *To keep a thing to oneself, to keep one's own counsel* (to be silent about one's intentions) A great leader must ultimately *keep his own counsel.*

23. *To keep the wolf from the door* (to keep away extreme poverty and hunger) Lakhs of people in India still have to fight daily to *keep the wolf from the door.*

24. *To lay waste* (to make waste) Ghenghis Khan *laid waste* every town and city his army passed through.

25. *To make short work of* (to bring to sudden end) The locusts *made short work of* the standing ripe corn.

26. *To make amends* (to compensate or make up for a wrong doing) By being polite today, he has *made amends for* his past insolence.

27. *To make common cause* (to unite in order to achieve a shared aim) During the elections the princes *made a common cause with* the rightist parties. Both went down.

28. *To make a virtue of necessity* (Pretend or believe that something which one is obliged to do or accept is good for one's character, moral development, etc.) When a Minister knows that he is going to be booted out of the cabinet he *makes a virtue of necessity* and resigns 'on health grounds'.

29. *To make much ado about nothing* (to make a great fuss about a trifle) Crying over the loss of ten rupees is really *making much ado about nothing.*

30. *To make neither head nor tail* (fail to understand) Had he listened to a tape recording of his own speech he would have himself *made neither head nor tail* of it.

31. *To make a cat's paw or a tool of someone* (to use someone as a means of achieving one's goal) The super powers have *made a cat's paw* of the smaller nations of Asia in their game of power politics.

32. *To play into someone's hands* (to act as to be of advantage to another) By raising the slogan 'Indira Hatao' the opposition *played into* Mrs. Gandhi's hands, who won the elections easily.

33. *To play second fiddle* (to play a subordinate part) The vice captain of the team always *plays second fiddle,* unless the captain is indisposed.

34. *To put the cart before the horse* (reverse the proper order or procedure) Preparing the blue print of a project without analysing market potential is like *putting the cart before the horse.*

35. *To put one's shoulder to the wheel* (set to work vigourously) No amount of foreign aid will pull us out of the economic morass; we will have to *put our own shoulders to the wheel.*

36. *To rise to the occasion* (show the daring, imagination etc., which fits a particular occasion) A flood threatened to burst the reservoir but the villagers *rose to the occasion* and did not relax till they had made all secure.

37. *To set store on* (to consider to be of a particular degree of importance) India did *set much store on* the Indo Soviet Treaty of friendship.

38. *To set the Thames on fire* (arouse considerable excitement/achieve a remarkable success) He is a steady worker but he is never likely *to set the Thames on fire.*

39. *To set one's own house in order* (to arrange one's affairs harmoniously) Let Pakistan *set his own house in order* before talking about the welfare of the Kashmiris.

40. *To take into one's head that* (get a foolish idea or mistake a purpose) The manager *took it into his head that* by shutting off electricity for a few hours daily during the day he could save on refrigeration costs, but he forgot that the discomfort caused to the staff would affect the productivity and end up costing more than the amount that he would save on refrigeration costs.

41. *To take the bull by the horns* (deal decisively with a difficult or unpleasant situation) The doctor had to *take the bull by the horns* by deciding to amputate the patient's leg in order to save his life.

42. *To take a leap in the dark* (take a risky action/step in the hope that it is right) You *took a leap in the dark* in going into partnership with that man.

43. *To throw cold water upon* (to discourage someone from doing something) The doctor *threw cold water* upon my plans for a world tour by declaring that I would not he able stand the strain of it.

44. *To throw in the sponge/towel* (to give up a contest/acknowledge defeat) Faced with stiff competition from big companies, many a small companies *throw in the sponge.*

45. *To turn over a new leaf* (to change one's way of life for the better) After a long life of crime, the convict suddenly *turned over a new leaf* and became a peace loving citizen.

46. *To turn tail* (to flee with the fear of defeat) The enemy *turned tail* in the face of heavy onslaught on its army.

47. *To turn the tables* (gain an advantage after having been at a disadvantage) Pakistan started with a blitzkrieg but the superior tactics of our armed forces soon *turned the tables* on them.

Miscellaneous Idiomatic expressions formed with the help of verbs

1. *To cook or doctor an account/a book* (to tamper with or falsify the facts of figures/ accounts) From the balance sheet presented to the shareholders, the company seemed to be flourishing, but later on it turned out that the management had *cooked the accounts*.

2. *To bear the brunt of* (to bear the main force or shock of) The infantry forces have *to bear the brunt of a battle.*

3. *To beard the lion in his den* (to oppose or challenge someone in his stronghold place) The Indian Army broke through strong Pakistan fortifications, and in the Shakargarh area *bearded the lion in his own den.*

4. *To bid fair to* (seem likely to happen/to do something good or bad) It *bids fair to* be a nice day.

5. *To blow one's own trumpet* (to boast about oneself) These days modesty doesn't pay, unless you *blow your own trumpet* you are not appreciated.

6. *To blunt the edge of* (to make something less effective) Time *blunts the edge* of grief.

7. *To build castles in the air* (day-dreaming) It does not pay to *build castles in the air.*

8. *To burn the candle at both ends* (to make too great a demand on one's physical or mental resources by overwork or overindulgence in some activity) In any kind of job, especially academic, you cannot afford *to burn the candle at both ends,* if you want to be productive everyday.

9. *To buy a pig in a poke* (to purchase a thing without previously examining it for its worth or other relevant details) Buying shares of a new company promoted by unknown entrepreneurs is like *buying a pig in a poke.*

10. *To cross the Rubicon* (to take an important action or step that cannot be reversed) The Government will have to think of many things before nationalising the textile industry for once they *cross the Rubicon* there will be no going back.

11. *To cry over spilt/spilled milk* (to complain about things that cannot be changed) We have failed to build up a sizeable total against England's first innings meagre total. It is no use *crying over spilt milk now.*

12. *To curry favour* (to win favour by gifts or flattery/try to flatter) He was trying *to curry favour* with the boss by offering him an expensive gift.

13. *To err on the safe side* (to choose a course which may in fact be inaccurate, but which will keep you safe from risk or harm). By going in for mixed economy rather than complete nationalisation, the Government was *erring on the safe side.*

14. *To flog a dead horse* (waste one's energies on a lost cause) We will be *flogging a dead horse* if we try to make Sanskrit the national language of India.

15. *To feather one's nest* (to provide for oneself through dishonest means) Many bureaucrats *feather their own nest* while they have the opportunity.

16. *To eat one's heart out* (to suffer in silence, grieve bitterly) Don't *eat your heart out* over your failure in this competition. Many other opportunities will come your way.

17. *To eat humble pie* (to have to humiliate oneself) Since no one came to his support he had *to eat humble pie* and give in to their demands.

18. *To eat one's words* (to retract one's assertions under compulsion) It is hard for a haughty man to have *to eat his words.*

19. *To throw down the gauntlet, to take up the gauntlet* (to issue a challenge, to accept a challenge). In order to defend his title the young Brazilian wrestler *threw down the gauntlet*.

20. *To run the gauntlet* (to undergo severe criticism or ill treatment) Most books have *to run the gauntlet* of the literary critics.

21. *To burn one's fingers* (to get oneself into trouble through miscalculation/ foolishness) If you've never played the stock market in the past this is not the time to start, as you are likely *to burn your fingers.*

22. *To force one's hand* (to compel one to do something unwillingly or earlier than when one wished to do it) The Government wanted to do all that it could to meet the workers' demands. But the violence by the strikers *forced their hands* to declare a lockout.

23. *To haul over the coals* (reproach/reprimand someone severely) If your bad habits become known, you will get *hauled over the coals* and you richly deserve it too.

24. *To kill two birds with one stone* (to accomplish two things with one stroke) By going to Rameshwaram we billed two birds with one stone. On one hand we performed a pilgrimage and on the other did not of sight seeing.

25. *To let the grass grow under your feet* (to unnecessarily cause delay in taking action) The authorities should listen to students' grievances. If they *let the grass grow under their feet* the situation would turn from bad to worse.

26. *To put in a nutshell* (to describe something briefly and concisely) The explanation of his conduct can be *put in a nutshell* - he is insane.

27. *To go to the dogs* (had deteriorate badly). The management of this institution is so that it seems it will soon go to the dogs.

28. *To lord it over someone* (to behave in a superior or domineering manner with someone) The intoxication of power is so strong that when a man gains it he begins *to lord it over his fellows.*

29. *To mind one's P's and Q's* (to be punctiliously careful about one's speech or behaviour) The manager suspects his chief clerk of dishonesty, and if the clerk does not *mind his P's and Q's,* he will soon find himself out of job.

30. *To pass muster* (to be accepted as satisfactory) Though my work in college was not as good as it could have been, it *passed muster* and I got good results.

31. *To pay one back in one's own coin* (to give tit for tat; to retaliate) Howsoever revengeful you may be, unless you are strong enough you cannot *pay him back in his own coin.*

32. *To plough a lonely furrow* (to work without help or support) In the organised society of today no individual or nation can *plough a lonely furrow.*

33. *To pride oneself on* (to be especially proud of something) This student *prides himself on* his Oxfordian pronunciation.

34. *To poison the ears or mind* (to prejudice another person) A judge must not allow anyone *to poison his mind* against either plaintiff or defendant.

35. *To rest on one's laurels* (to rest satisfied with one's achievement and make no further efforts) Even if he wins the biggest award, a film star will never *rest on his laurels.* He will try to reach greater heights of stardom.

36. *To rest on one's oars* (to suspend efforts after something has been attained) The agitators who had been protesting vigorously during the winter, seem to be *resting on their oars at present.*

37. *To harp on the same string* (to keep repeating the same things over and over again) This gentleman keeps *harping on the same string* that he is from Oxford and deserves the best.

38. *To rise like a phoenix from its ashes* (the phoenix is a mythical Arabian bird. It had no mate but when it was about to die, it made a funeral pile of wood and aromatic gums and burned itself to ashes on it. From the ashes a young phoenix is believed to have risen; to rise up to former glory after being totally destroyed) Germany was completely decimated in the Second World War. But she has *risen like a phoenix from her ashes.*

39. *To rule the roost* (be the one who directs others in a business, community, household, etc.) In rural areas it is normally the Sarpanch who *rules the roost.*

40. *To run in the same groove* (to move forward on the same path; to advance in harmony) It is clear that the ideas of both reformers *are running in the same groove.*

41. *To run in the blood* (a peculiarity which clings to certain families) Snobbery *runs in the blood* of the Englishmen.

42. *To scatter to the winds* (to waste (i) to scatter) Whatever we had gained by independance we scattered *to the wind*.

43. *To be on the right scent* (to be on the right track) The custom officers have decided to patrol Kerala seas to nab smugglers from Dubai. They are *on the right scent. (Its opposite is to be on the wrong scent or wrong track).*

44. *To see which way the wind blows* (to observe what influence, whether it is favourable or adverse, is likely to affect the existing state of things) In party-politics people sitting on the fence keep on watching *which way the wind is blowing* before deciding whom to support.

45. *To see a thing through coloured spectacles* (to regard something unfavourably because of one's prejudices) Pakistan has for long *looked at India through coloured spectacles* and never trusted even the most genuine of her peace moves.

46. *To show the white feather* (to show signs of cowardice) The agitators shouted and gesticulated but the moment the police appeared on the scene they *showed the white feather.*

47. *To see through something* (to understand the true nature of something beneath deceptive appearances) They *saw through* the game of the enemy.

48. *To speak volumes about* (to have abundant evidence about something) The success of democracy in India *speaks volumes* about the maturity of her people.

49. *To split hair* (quibble or argue on minor points) As the drought played havoc in Bihar, the authorities were busy *splitting hair* trying to decide whether there was 'scarcity conditions' or 'famine'.

50. *To steal a march on* (to do something so as to gain an advantage over another) While we were still debating the desirability of joint ventures with foreign concerns, Singapore and Malaysia *stole a march* over us and opened their gates to foreign investment in a big way.

51. *To steer clear of* (to avoid) India decided to remain an non-aligned country to *steer clear of* the hazards of geeting aligned with one bloc or the other.

52. *To stick at nothing* (behave in an unscrupulous way to get what one wants) An ambitious politician will *stick at nothing* if that serves high ends.

53. *To strain every nerve* (to use one's utmost efforts) We have *to strain every nerve* to get over the poverty line.

54. *To stretch a point* (to extend a regulation/definition to cover something not included in it) Targetting small bakeries as part of the drive to move polluting industries from residential areas to industrial ones is *stretching the point* a little too far.

55. *To strike while the iron is hot* (to take immediate advantage of an opportunity) By going in for general elections immediately after the war, the Congress *struck while the iron was hot*.

56. *To swallow the bait* (to fall into a trap) The candidate apparently promised to provide the people everything on earth, if elected. The people *swallowed the bait* and elected him.

57. *To talk shop* (to discuss matters connected with one's trade or profession) During tea breaks at any seminar you will always find the participants *talking shop.*

58. *To tie somebody's hands* (to restrict somebody's activities) Although the management was aware about the severe financial crises one of their employees was going through, it could not pass the loan for it *hands were* tied by the Company's policy.

59. *To throw mud at* (to talk ill of) Some people specialise in *throwing mud at* others.

60. *At/on the heels of* (to follow closely after) Famine treads *on the heels of* drought.

61. *To fish in troubled waters* (to make personal profit out of a disturbance) The super powers are there in the West Asia *to fish in troubled waters.*

62. *To pour oil on troubled waters* (try to calm a dispute with placatary words or action) The Government *poured oil on troubled waters* by announcing a judicial inquiry into the firing incident.

63. *To win hands down* (win without effort or by a clear lead) His friendly nature, strong character and enormous support from the members helped him *win hands down* the elections for the post of president of the club.

64. *To worship the ground someone walks/treads on (to be devoted;* to be infatuated with someone) When a new filmstar becomes a big hit, his fans start *worshipping the ground he walks on* till another hero comes along.

Idiomatic phrases formed by the combination of a noun and an adjective each, noun phrases and adverbial phrases

1. *Argus-eyed* (jealously watchful) The husband of a pretty wife has got to be *Argus-eyed.*

2. *Augean stables:* To clean *Augean stables* (to correct a great abuse-the myth is that the stables of king Augeas of Greece were not cleaned for thirty years) The law against prostitution has failed to clean *Augean stables.*

3. *Backstairs influence* (influence exerted secretly and in a fashion not legitimate) Moneyed people do exercise *backstairs influence* on the Parliament.

4. *Bad blood* (ill will towards each other, enemity) There has been *bad blood* between India and Pakistan since 1947.

5. *A bone of contention* (subject of dispute) Kashmir continues to be *a bone of contention* between India and Pakistan.

6. *A bosom friend/pal* (A very intimate and trusted friend) *Bosom friends* never betray one another.

7. *Like a bull in a China shop* (someone who is too clumsy, rough, coarse, etc. to suit his/her surroundings and company or to handle a delicate situation) Don't let him handle the labour problem, with his short tempered nature he will only be *like a bull in a China shop* and worsen the situation.

8. *A burning question* (a question whose answer is hotly debated or on which a great deal depends) During the elections in the USA in the year 2000, with all the disputes and recounting of votes and controversies, the *burning question* was who would win: Bush or Gore?

9. *A close shave* (a narrow escape from mishap, danger or embarrassment) The bus had *a close shave* as its driver swerved to the right a split second before the on-coming truck could run into it.

10. *A cold-blooded murder* (without emotion; deliberately cruel) Many burglars *cold-bloodedly murder* any one who tries to foil their bid for burglary.

11. *A cold-comfort* (inadequate consolation) The mere promise of a better future is only *cold comfort* to the frustrated youth of today.

12. *Creature comforts* (material comforts that contribute to physical ease and well-being) A poor labourer is more concerned about *creature comforts* than spiritual development.

13. *Crocodile tears* (pretended sorrow) There are professional mourners whose *crocodile tears* seem to be more genuine than the real and hear-felt tears of others.

14. *A dog in the manger* (a person who prevents others from having things that he does not need himself)) The affluent nations follow *a dog in the manger* policy. They would rather destroy what they can't use themselves than give it to the poor nations of Asia and Africa.

15. *Elbow room* (adequate space to move or work in) Too many rules and red-tapism hardly gives one *elbow room* to try out new methods that might prove more profitable for an organisation.

16. *A fair-weather friend* (a friend who deserts you in difficulties) A *fair-weather friend* disappears the moment your money disappears.

17. *French leave* (absence from work or duty without permission) Don't take too many *French leaves now*, it will mar your chances for a promotion.

18. *A golden opportunity* (a highly favourable opportunity) Attend the function, it will be a *golden opportunity* to meet the Prime Minister.

19. *Good offices* (influence) One can get a good job only through the *good offices* of someone in power.

20. *A good samaritan* (one who helps a stranger in distress or difficulty without thinking of any gain) In this age of fast-paced living people have become so selfish that *good samaritians* are a rare species to be found.

21. *The green-eyed monster* (jealousy) The *green-eyed monster* strikes a woman the moment she sees her husband talking to another pretty woman.

22. *A herculean task* (a job requiring greater effort) Eradication of poverty is a *herculean task* requiring the collective efforts of the entire country.

23. *Lynch law* (Mob law, law administered by private individuals and followed by summary execution) In African countries they often resort to *lynch law* to punish criminals.

24. *A maiden speech* (the first speech of a new member in a public body as in Town Hall or in Parliament) Every MP looks forward to his *maiden speech* because it is an opportunity for him to make a good impression.

25. *A nine day wonder* (a person or event that attracts a lot of notice for a short time but is soon forgotten) The controversy of the match-fixing charges in the cricket match was but a *nine day wonder.*

26. *An open question* (a matter of discussion not yet decided or answered) As far as India is concerned, Kashmir is no longer *an open question.*

28. *The rising generation* (the young people). The rising generation is quite techno-savvy.

29. *Scot free* (without suffering any punishment or injury) Because he had influential connections, the culprit went *scot free.*

30. *A sheet anchor* (a dependable person, or thing relied upon in the last resort) In times of immense strain and problems, one's family and friends are one's *sheet anchor* who keep one from giving in.

31. *Tall talk* (boastful language) If we have no real accomplishments, we indulge in *tall talk* to delude ourselves and others too.

32. *A white elephant* (something expensive to maintain) I had to dispose off the car as it turned out to be *a white elephant.*

33. *A white lie* (a harmless lie told to avoid hurting someone's feelings) His *white lie* that everything was alright with him, helped soothe his agitated mother, who had heard that he had met with an accident.

34. *A wild-goose chase* (a useless search, investigation or enterprise) The hoaxer had sent the police on a wild-goose chase.

35. *An apple of discord* (a subject of dispute/rivalry) Kashmir continues to be the *apple of discord* between India and Pakistan.

36. *Cock and bull story* (absurd and **unbelievable** story, especially one used as an excuse or explanation) He told us some cock and bull story about having lost all the money.

37. *A fish out of water* (a person who is uncomfortable in unfamiliar company or surroundings) An Indian may earn tons of money in the Western countries, but he will always feel *a fish out of water* there.

38. *The gift of the gab* (eloquency, fluency in speech) The *gift of the gab* invariably makes for a successful politician.

39. *The ins and outs* (the full details, intricacies, complications of a thing) We are yet to learn the *ins and outs* of the Mao-Nixon agreement.

40. *The lion's share* (an unfairly large share) The big nations continue to have the *lion's share* of world trade.

41. *A mare's nest* (a discovery that turns out to be false or worthless) There was much fanfare about the fall of the skylab. Later it turned out to be the *mare's nest.*

42. *The three R's* (mastery in reading, writing and arithmetic) The *three R's* have been the main focus of primary education for many decades now.

43. *The milk of human kindness* (kindness, affection and good will towards others) Even with all their poverty, Indians do not lack the *milk of human kindness.*

44. *Penelope's web* (a work which seems to be going on and yet never comes to an end) A housewife's chores are a *Penelope's web.*

45. *The powers that be* (any governmental, legislative, managerial body) Unless you agitate against *powers that be,* they will never do anything for your welfare.

46. *The pros and cons* (various points or arguments for and against someone or something) Before taking a major decision it is always best to weigh its *pros and cons.*

47. *Scylla and Charybdis* (In the straits of Messina between Italy and Sicily there is a rock on one side called Scylla and on the other is a dangerous whirlpool called Charybdis. Both are equally dangerous to a sailor. Hence to be between *Scylla and Charybdis* is to be between two dangers).

A married P.A. is between *Scylla and Charybdis*. If he goes home early the boss gets annoyed. If he obliges the boss, he displeases his wife.

48. *By the skin of one's teeth* (narrowly escape or avoid by a small margin) The storm broke up the ship but the sailors escaped by *the skin of their teeth.*

49. *A snake in the grass* (treacherous or deceitful person) Thinking him to be her friend, Laila confided in him, but he turned out to be *a snake in the grass,* as he cheated her of what little money she had.

50. *A stone's throw away* (very near, at a short distance) The Taj Hotel is *a stone's throw away* from the Gateway of India.

51. *The ups and downs of life* (varying states of prosperity and adversity in life) She has had her *ups and downs* in her career, but with sheer hardwork and determination she has made a success of it.

52. *All moonshine* (foolish talk or ideas) The talk about welfare of the poor is *all moonshine*. All parties are interested in power and power alone.

53. *Behind the scenes* (in private; out of the public eye) What you see is only the pretty picture of a happy family but you do not know what goes on *behind the scenes.*

54. *Part and Parcel of* (integral part of something) Hard work is a *part and parcel of* success.

55. *A storm in a tea cup* (a great fuss over a trifle) The commotion over the bomb explosion turned out to be *a storm in a tea cup*; it was a Diwali cracker burst by an urchin.

56. *Take something with a grain/pinch of salt* (regard something as exaggerated; believe something only partly) Shaw's claim of having remained a celibate even after marriage has to be *taken with a grain of salt.*

57. *Null and void* (invalid, valueless, no longer in force) The court declared the appointment of the managing director by 'X' limited *null and void.*

Prepositional and other Phrases in English used with the verb "to be"

1. *To be worth its weight in gold* (extremely valuable) In the desert a bottle of water is often *worth its weight in gold.*

2. *To be Greek or double Dutch to one* (unintelligible, incomprehensible language) He spoke so fast that all he said was *double Dutch* to the audience.

3. *To be at daggers drawn* (in bitter enmity) With every passing year the hostility between Arabs and Israelis has grown worse that now they are at *daggers drawn.*

4. *To be at sea* (confused, uncertain) I am quite *at sea* as for as economics is concerned.

5. *To be at sixes and sevens* (in a state of confusion or disarray) I haven't had time to arrange everything, so I'm all at sixes and sevens.

6. *To be at one's wits end* (be completely at a loss as to what to do) With the master shouting from the bathroom and the mistress from the kitchen the servant was *at his wits end* as to who to attend first.

7. *To be in the doldrums* (feeling depressed; in low spirits or depression) He has been *in the doldrums* ever since his wife left him.

8. *To be on the wane* (becoming weaker or less vigourous) After the second World War, the British rule was *on the wane.*

9. *To be on the carpet* (being severly reprimanded by someone in authority) The unpunctual clerk was repeatedly *on the carpet.*

10. *To be on one's last legs* (near the end of life, usefulness or existence) With the increasing use of computers in offices, it seems the typewriter is at its *last legs.*

Idiomatic expression belonging to particular subject

(i) Money, debt, business, etc.

1. *Ready money or cash* (money immediately available for use) Earlier it was time consuming to withdraw cash. Today ATMs provide *ready money* in no time.

2. *Bad debts* (debts regarded as irrecoverable) Every year the company compiles a list of *bad debts* and writes them off.

3. *In short supply* (not easily available) Sugar is *in short supply* because of the strike in sugar mills.

4. *To bring a thing under hammer* (to sell something by auction) If a person goes insolvent, his creditors bring everything that he owns *under hammer* to recover their money.

5. *To drive a hard bargain* (insist on the best possible price when nogotiating with somebody) The Sheikh *drove a hard bargain* while selling oil to western countries.

6. *To pay one's way* (earn enough to cover one's expenses) While at college, he *paid his way* by working as a newspaper vendor.

(ii) Warfare

7. *To take something by storm* (to capture a place by sudden and violent attack) The men mounted an all-out attack from air and land and soon took the enemy country *by storm.*

8. *To strike one's flag or colours or to show the white* (to surrender) After the army surrounded their hiding place, the terrorists *showed the white* and were thereafter captured.

(iii) Sea and ships

Many of the expressions belonging to this group are used metaphorically, i.e., in areas other than that to which they belong.

9. *To weather the storm* (to come out of a crisis successfully) In a crisis it is unity which helps a nation *to weather the storm.*

10. *To sail before the wind* (sail in the direction in which the wind is blowing or act in a safe way) An opportunist is one who *sails before the wind* (Its opposite is to sail close to the wind, i.e., behave or operate in a risky way).

11. *To cast anchor* (to settle in a place for the time being) After travelling around the world, he finally *cast anchor* in Paris because he liked the city.

12. *To give a broadside* (a naval phrase meaning to charge at once at an enemy by arranging all the guns along one side of a ship. Metaphorically it means to make a vigorous attack upon an opponent) The Prime Minister bore all criticism with patience and then *gave a broadside* that silenced all criticism.

13. *To be in the same boat* (be in the same difficult circumstances as others) In a nuclear war, the rich and the poor nations will be *in the same boat*. None will be able to protect itself.

14. *To sail under false colours* (to pretend to be what one is not, to try to deceive) In our country, a smuggler *sailing under the false colours* of a socialist will never be exposed.

15. *To take the wind out of one's sails* (upset or disturb an overconfident or pompous person) Before he goes any further, confront him with the evidence of his wrong doings and *take the wind out of his sails.*

(iv) Fire, light, candles

16. *The game is not worth the candle* (the advantage or enjoyment to be gained is not worth the time spent in gaining it) Journey to the moon is an elaborate and costly affair and some people with a pragmatic approach feel *the game is not worth the candle.*

17. *Not hold a candle to* something or someone (be inferior to someone) She writes quite amusing stories but she can't hold a candle to the more serious novelists.

(v) Death

All the phrases given below mean, 'to dies a natural death' as opposed to a violent or sudden death (from murder, in accident or in battle-field, etc.). These phrases also apply to death after a long illness.

To pass away, to go the way of all flesh, to breathe one's last, to be gathered to one's fathers, to join the great majority, to kick the bucket.

PROVERBS

Proverbs contain home truths as well as universal truths. Naturally, therefore, they are translatable-so far as their meaning goes-from one developed language to another. Their appeal is direct. Many of them had their origin in folk literature; hence they are simple and unadorned. They point out the incongruities (*inappropriateness*) of situations in life, throw light on the diversity in human life and character, and contain a grain of advice to the wayward, the forlorn and the common folk. They are everyman's philosophy. Every one of them tells a story in a single sentence. In fact, most of them have some history- legendary or real-behind them. Some of them are gems from the works of great masters, like Shakespeare, Dryden and Aesop, the Greek fable writer. Others go back to antiquity. Many of them come out of the Bible. Their meaning, often enough, is quite clear.

Here are some proverbs with their meanings:

1. Hope springs eternal in the human breast *(one never loses hope).*

2. Better late than never.
3. Fools rush in where angels fear to tread. *(Said of reckless persons).*
4. There is no fool like an old fool. *(An aged lover).*
5. A fool and his money are soon parted.
6. Example is better than precept. *(Precept means moral instruction).*
7. Well begun is half done.
8. He who pays the piper calls the tune. *(One has to act according to the wishes of one's master).*
9. You cannot make a silk purse out of a sow's ear. *(Said of something impossible).*
10. A bird in hand is worth two in the bush.
11. Birds of a feather flock together. *(People of like character come together).*
12. A little knowledge is a dangerous thing.
13. One man's meat is another man's poison. *(What is good for one may be harmful for another person).*
14. Out of the frying pan into the fire. *(From one trouble to another bigger trouble).*
15. It never rains but pours.
16. The last straw breaks the camel's back. *(The smallest addition to an already heavy task or burden makes it intolerable).*
17. Drowning man will catch at straws.
18. Fore-warned fore-armed. *(A prior warning should prepare one for the contingency).*
19. To err is human; to forgive is divine.
20. Out of sight, out of mind. *(Once you lose sight of a thing, you forget it altogether).*
21. Distance lends enchantment to the view. *(Things look nice and beautiful when they are not within reach).*
22. Render unto Caesar what is Caesar's. *(Be revengeful).*
23. Haste makes waste.
24. Look before you leap. *(Do not be reckless and impulsive).*
25. Make hay while the sun shines. *(To make full use of the given opportunity).*
26. Never look a gift horse in the mouth. *(There can be no choice about things given in charity or gift).*
27. Beggars can't be choosers.
28. Nearer the Church, the farther from God. *(The more opportunities you have the less you benefit from them).*
29. Two heads are better than one.
30. None but the brave deserve the fair.
31. All is well that ends well.
32. To rob Peter to pay Paul. *(To harm one person [or side] in order to benefit the other).*
33. Every cock fights best on his own dunghill. *(One is very brave and confident in one's own place).*
34. A rolling stone gathers no moss.

35. Rome was not built in a day. *(Things take time to complete and to mature).*
36. A burnt child dreads the fire. Or, Once bitten twice shy.
37. One swallow does not make a summer.
38. You can't have the cake and eat it too.
39. Everyman for himself and God for us all.
40. To hit the nail on the head.
41. Familiarity breeds contempt.
42. United we stand, divided we fall.
43. God helps those who help themselves.
44. Do not count your chickens before they are hatched.
45. Every dog has his day.
46. As you make your bed so you must lie.
47. A closed mouth catches no flies.
48. The proof of the pudding lies in its eating.
49. Virtue is its own reward, and vice its own punishment.
50. While there is life, there is hope.
51. Hunger is the best sauce.
52. Man proposes, God disposes.
53. Misery makes strange bed fellows.
54. Apparel oft proclaims the man. *(You judge a man's worth by his clothes).*
55. A man is known by the company he keeps. *(A man is judged by the kind of friends he has).*
56. To run with the hare and hunt with the hound.
57. Beauty provokes thieves sooner than gold.
58. Sweet are the uses of adversity.
59. It is easier for a camel to pass through the needle's eye than for a rich man to pass through the gates of Heaven.
60. Discretion is the better part of valour.
61. Uneasy lies the head that wears the crown. *(With power and authority come worries and responsibilities).*
62. It is an ill wind that blows no one good.
63. A rose would smell as sweet by any other name.
64. Brevity is the soul of wit.
65. One may smile and smile, and be a villain.
66. As you sow, so must you reap.
67. Physician heal thyself.

68. Charity begins at home.
69. The wages of sin are death.
70. Early to bed and early to rise makes a man healthy, wealthy and wise.

REVIEW QUESTIONS

State True or False:

1. Jargon means a language which is unique to a particular field of knowledge.

2. The same word cannot be used as different parts of speech.

3. As far as spelling of English Language is concerned, the British prefer 'z' over 's', i.e., criticize, realize, recognize and so on.

4. Full stop should not be omitted after acronyms which are pronounced as a word.

5. Apostrophe is never used in a single word.

6. Abbreviation and Acronyms are the same thing.

7. An abbreviation is a short way of writing a word or phrase that could not be written out in full.

Answers: 1. True 2. False 3. False 4. False 5. False 6. False 7. False

FOREIGN WORDS AND PHRASES

English has borrowed generously from other languages, more so from Latin, Greek, French and German. Many of the borrowed words have been anglicised and today are an integral part of English vocabulary in their original or modified form, e.g., restaurant, rapport, viva voce. There are many other expressions which are liberally used in English and yet continue to retain their foreign flavour. They are still outsiders and, in print, are italicised.

The examples given below are of a technical nature pertaining to law, philosophy, politics and 'officialdom'. The language of origin is indicated after the word or phrase within brackets. Here 'L' stands for 'Latin'; 'F' for 'French' and 'G' for 'Greek'.

ab initio (L)	: from the beginning
ab origin (L)	: from the origin
addenda (L)	: list of additions (addenda to a book)
ad libitum (L)	: speak or perform in public without advance preparation. (Extempore)
ad valorem (L)	: according to value
ad hoc (L)	: a body elected or appointed for a particular work (ad hoc committee)
ad infinitum (L)	: to infinity, endlessly, forever
alma mater (L)	: a school or a college which one has attended
a la carte (F)	: according to the card/list (A la carte dishes are available here)
a la mode (F)	: according to the fashion
alter ego (L)	: the other self; alternative personality; intimate friend (He is my alter ego - we go everywhere together)

amende hanorable (F) : a public or open apology, reparation

amour propre (F) : self-love; self-esteem

ancien regime : the former order of things, a political or social system that has been displaced by a more modern one.

a posteriori (L) : empirical, from effect to cause

a priori (L) : from cause to effect (presumptive) Every science cannot be taught *a priori.*

apropos (L) : with reference to (*apropos* our talk)

au courant (L) : fully acquainted with matters, well-informed, up-to- date

au fait (F) : expert, having detailed knowledge

au revoir (F) : until we meet again (to say *au revoir* at parting)

avant-propos (F) : preliminary matter, preface

avant-garde (F) : new, unusual or experimental

beau ideal (F) : the ideal of perfection

beau monde (F) : the world of fashion

beaux esprits (F) : men of wit

bete noire (F) : a special aversion (India has always been *bete noire* for Pakistan)

bona fide (L) : genuine sincere (He is a *bona fide* citizen of India).

bizarre (F) : strange, unknown

bon voyage (F) : have a good journey

casus belli (L) : that which causes or justifies war

cause celebre (F) : a famous case in law, controversial well-publicised issue

charge d'affaires (F) : a deputy to the Ambassador/a diplomatic representative to a minor country

chef d' oeuvre (F) : masterpiece (Mona Lisa is Vinci's *chef d' oeuvre.*)

circa (L) : approximately ('circa 1930')

confere (F) : colleague

contretemps (F) : a minor dispute or disagreement

corrigenda (L) : a thing to be corrected (in a book)

coup d'etat (F) : violent change in government (There was a *coup d'etat* in Cambodia and the King was overthrown.)

coup de grace (F) : a finishing stroke (The *coup de grace* of the Russian Revolution brought about the total annihiliation of the Czar family.)

cul-de-sac (F) : a blind alley (The failure of the policy of non- alignment in 1962 saw our foreign policy reach a *cul- de-sac.*)

debacle (F)	: an utter failure or disaster (debacle of opposition in the election)
de facto (L)	: actual or infact (*de facto* recognition to a state)
de jure (L)	: from the law, by right
de novo (L)	: anew, again (trial of a case)
de' nouement (L)	: the end of a plot or narrative (in a play)
de profundis (L)	: a heartfelt appeal or feeling
dernier ressort (F)	: last resort
detente (F)	: easing of strained relations especially between countries
dramatis personae (L)	: characters of a novel, play or narrative
elite (L)	: select group or class (The *elite* of town)
enfant terrible (F)	: child who asks awkward questions; person or thing causing embarrasment by unruliness
entreprenuer (F)	: a person who sets up business taking greater financial risk
en masse (F)	: all together (They took leave en *masse.*)
en rapport (F)	: in harmony
entourage (F)	: group of people accompanying a dignitary (P.M.'s *entourage*)
errata (L)	: list of errors
esprit de corps (F)	: the animating spirit of a particular group like a regiment
et cetera (L)	: and the rest
eureka (G)	: I (have) found it !
ex-officio (L)	: by virtue of his office/status/position
expose (F)	: a report in the media that reveals something discreditable
ex post facto (L)	: with retrospective action or force
fait accompli (F)	: a thing already done/accomplished fact
faux pas (F)	: a social blunder
gauche (F)	: unsophisticated/socially awkward
hoi polloi (G)	: the common people
impasse (F)	: a deadlock (Talks reached an *impasse.*)
in extenso (L)	: in full
in memorium (L)	: in memory of
in toto (L)	: entirely/as a whole (The Committee's recommendations were accepted in *toto.*)
ipso facto (L)	: by that very fact or act
laissez-faire (F)	: a policy of non-interference

mala fide (L)	: in bad faith (opposite of *bona fide*)
malapropos (F)	: ill timed/inappropriately
modus operandi (L)	: a way of doing something (of a gang, group, etc.)
mutatis mutandis (L)	: with the necessary changes (Rules will come into force *mutatis mutandis.*)
noblesse oblige (F)	: privilege entails responsibility
nota bene (L)	: note well (Abbreviation-N.B.)
par excellence (F)	: better than the others of the same kind
pari passu (L)	: side by side, equally or equivalently per se (L) : by itself
piece de resistance (F)	: the important feature of a creative work or meal, etc.
poste restante (F)	: a department in the post office that keeps letters for a period till called for
post mortem (L)	: examination/analysis made after death/or an event has occured
prima facie (L)	: at first view of consideration (It is *prima facie* a good case.)
probono publico (L)	: for the good of the public
pro forma (L)	: denoting a standard document or form
pro rata (L)	: according to rate or proportion
protege (F)	: one under the protection/guidance of another older or experienced person (South Vietnam was U.S.'s protege.)
quid pro quo (L)	: a favour or advantage given in return for something
raison d' etre (F)	: the most important reason for a thing's existence
resume (F)	: a summary or curriculum vitae
sanctum sanctorum (L)	: holy of holies (temple, church, etc.)
seriatim (L)	: point by point
sine die (L)	: without a day being appointed (The meeting was adjourned *sine die*.)
status quo (L)	: the existing condition (*status quo* on the border should be maintained)
stet (L)	: let it stand, do not deter
sub judice (L)	: under judicial consideration and therefore prohibited from public discussion (The case is *sub judice.*)
sub rosa (L)	: confidentially/done in secret
sui generis (L)	: in a class by itself
summum bonum (L)	: the chief good
terra incognita (L)	: an unknown territory
tour de force (F)	: a notable feat of strength or skill
ultra vires (L)	: beyond one's authority

verbatim (L)	: word for word
vice versa (L)	: conversely
videlicet (L)	: namely, more formal term for viz.
vis-a-vis (F)	: in relation to, as compared with, in a position facing one another
viva voce (L)	: an oral examination
vox populi, vox Dei (L)	: the voice of the people is the voice of God
Zeigeist (G)	: the defining spirit of a particular period or age

ABBREVIATED FORM OF LATIN, FRENCH AND ROMAN WORDS

An **abbreviation** is a short way of writing a word or a phrase that could also be written out in full.The word "abbreviation" comes from the Latin word *abbreviare* (to shorten) which is related to *brevi* (short). While some people disagree, all methods of shortening words or phrases are subsets of abbreviation. Abbreviations when used properly, can enhance communication because they act as 'short-hand' and therefore increase the efficiency of communication. In other words, more meaning is conveyed in less time and fewer words.

Abbreviation is defined as:

A shortened form of a word or phrase used for brevity in its place consisting of the first letter, or the first few letters of the word, followed by a period (full stop).

Abbreviations are very rarely used in formal writing. Frequent use of unnecessary abbreviations makes the text irritating and complex to read. It is far more important to make the writing easy to read than to save a few seconds in writing out the complete word or phrase.

The rule about using these abbreviations is very simple: **don't use them.** Their use is only appropriate in special circumstances in which brevity is at a premium, such as in footnotes. It is a very poor style to spatter your pages with abbreviations. Moreover, it could be disastrous to use them without being quite sure of what they mean. If you do use one, make sure you punctuate it correctly. Here is an example.

The recommended form is this:

Several British universities were founded in the Victorian era; for example, the University of Manchester was established in 1851.

The following version is not wrong, but it is bad style:

Several British universities were founded in the Victorian era; e.g., the University of Manchester was established in 1851.

But this next version is disastrously wrong, because the punctuation has been omitted:

Several British universities were founded in the Victorian era e.g. the University of Manchester was established in 1851.

Using an abbreviation does not relieve one of the obligations of punctuating the sentence. Again, if one avoids abbreviations, onw will not get into this sort of trouble.

Observe it is usual to write abbreviations in italics, but this is not strictly essential, and generally people don't do that.

Things to remember while using abbreviations:

(1) Do not use an abbreviation if it can easily be avoided.

(2) In an abbreviation, use full stops and capital letters in the conventional way.

(3) Do not forget to punctuate the rest of the sentence normally.

Latin Abbreviations

A.D. ***Anno Domini:*** Used to date years by reckoning the date of Christ's birth, as opposed to B.C., the years "Before Christ." *Anno Domini* means "In the year of the Lord."

c. ***circa.:*** Used by historians to show that a date is approximate. The word means "around," and it is sometimes abbreviated as "ca."

etc. ***et cetera.:*** "And so on." This is one abbreviation most students already know, and the one they tend to overuse. Note that, since *etc.* already means *and,* it is redundant to write, "and etc."

Eg: The problems of the Balkan Republics are numerous, including insufficient electric power, poor highways, rampant unemployment, hostile neighbours, etc.

e.g. ***exempli gratia. :*** "For example." Literally, "free as an example."

Eg: "We have numerous problems to deal with before implementing welfare policies, e.g., the trade deficit, medicare, and social security."

ib./ ibid. ***ibidem :*** "In the same look, passage, articles, etc. (previously mentioned)."

i.e. ***id est.:*** "That is more precisely." It is commonly used to refine a general statement or provide additional information.

Eg: "Karan's girlfriend always managed to turn the conversation toward children, i.e., the possibility of having children together; i.e., the possibility of having legitimate children together; i.e., toward the subject of marriage."

sic: Indicates a misspelling or error in a quoted source, in order to verify to the reader that the researcher did not create a typographical error, but instead exactly reproduces the way the word or statement appeared in the original material.

Eg: There are, according to the writings of seven-year old Mohit, "Manee wayes of riting words" [sic].

Ph. D. ***Philosophiae Doctor.:*** "Doctor (or Doctorate) of Philosophy." It can refer to the individual as a title, or to the degree itself. Note that it is redundant to write, "Dr. Aggarwal is a Ph. D."

Eg: "Vijay Aggarwal earned his Ph. D. in art history."

vs. ***versus.*** "Turned against." Often used in abbreviations for legal trials-though "v." is more common.

Eg: "In the case of *Roe v. Wade,* the Supreme Court eventually decided that abortion was a medical right."

a.v. ***ad valorem:.*** "In proportion to the value of [something else].", "To the value."

Eg: "The monetary worth of the dollar is figured a.v. the price of gold."

i.a. ***in absentia.:*** "In absence."

Eg: "With further evidence i.a., it is impossible to provide a definitive answer."

MS. ***manuscriptum.:*** A document, particularly an ancient or historical manuscript, that was not printed, but rather drawn or written.

P.S. ***post scriptum.*** The abbreviation indicates a last-minute addition to a letter or document.

Eg: "That's all for now. Take care. Love, Tarun. P.S. Don't forget to write me back!"

S.P.Q.R. ***Senatus Populusque Romani:*** It is used to refer generally to the power, glory, and bureaucracy of a major nation.

Eg: "The S.P.Q.R. has spoken, and now American soldiers must obey the call to arms."

s.p.s. ***sine prole supersite:*** "Without surviving issue." The phrase is used in inheritance laws to indicate that an individual has no children or legal inheritors.

Eg: "Since Mrs. Gupta died s.p.s., her six million rupee estate will revert to the House of Orphans"

t.i.d. ***ter in die:*** "Three times a day." Used by older pharmacies and doctors to indicate that a medication should be taken three times a day.

Eg: "Aspirin, t.i.d.; call if headaches continue."

viz. ***videlicit.:*** "More appropriately or accurately; namely." The abbreviation is often used interchangeably with i.e.

Eg: "He was a minor Duke in the House of Lords, viz. the Duke of Rochester."

vide.: "Look" or "see." This refers the reader back up to a previous statement or definition within the body of the paper. The most common uses are "vide 63" (which means "see page sixty-three"), **v.s. vide supra** ("see earlier" or "look above on this page") and **v.i. vide infra** ("See below" or "Look below").

N.B.: ***Nota Bene.:*** The Latin imperative means "Take notice of this very carefully," that is, pay special attention to this part because it is unusually important, tricky, or confusing.

All assignments are due at the beginning of class. N. B.: I lock the door to the classroom once lecture begins.

German Abbreviations

Abbreviation	Word	Meaning
ca.	circa	about
nat.	natus, nata	born
ren	renatus,renata	baptized, christened
spur	spurious, spuria	illegitimate
eod	eodem	the same
err	errechnet	approximated
ux	uxor	wife
vid	viduus, vidua	widower, widow
wwer	witwer	widower
wwe	witwe	widow
N.N.	nomen nescio	name not known
S.d	Sohn des, Sohn der	son of
S.v	Sohn von	son of
T.d	Tochter des, Tochter der	daughter of

T.v	Tochter von	daughter of
u.d	und des, und der	and of
ehel	ehelich	legitimate
unehel	unehelich	illegitimate
maennl	maennlich	masculine
weibl	weiblich	feminine
verh	verheiratet	married
geb	geboren	born
get	getauft	baptized, christened
gest	gestorben	died
verl	verlobt	engaged
getr	getraut	married
verh .oo	verheirated	married
Kath	Katholisch	Catholic
Ev	Evangelisch	Evangelical
Luth	Lutheranisch	Lutheran
Bez	Bezirk	district
K.B	Kirchenbuch	church book
Kr.	Kreis	country, district
[ ]	buried rectangle lying down	the symbol is a
*	geboren	born
(*)	unehehelich geboren	born illegitimate
o	verlobt	engaged
o|o	geschieden	divorced
o-o	freie Verbindung marriage, illegitimate	common law
X	gefallen	killed in action
Xus or Xg	Christus	Christ

French Abbreviations

(1) **acc.:** Accusative. It denotes “motion towards.”

(2) **adj. :** Adjective

(3) **adv.:** Adverb

(4) **Anglo-Fr.:** Anglo-French

(5) **Anglo-L. :** Anglo-Latin

(6) **Anglo-Norm.:** Anglo-Norman

(7) **Ar.:** Arabic

(8) **c.:** Century

(9) **cf.:** confer

(10) **chem.:** Chemical

(11) **comb.:** Combining

(12) **comp.:** Comparative

(13) **Dan.:** Danish

(14) **deriv.:** Derived

(15) **dial.:** Dialectal

(16) **esp.:** Especially

(17) **fem.:** Feminine

(18) **Fr.:** French

(19) **fut.:** Future

(20) **imper.:** Imperative. It is a verbal category expressing commands or orders.

(21) **indic.:** Indicative, the mood expressing assertion.

(22) **inf.:** Infinitive, the form of a verb that expresses existence or action

(23) **infl.:** Influenced

(24) **intens.:** Intensive. It means giving force or emphasis.

(25) **irreg.:** Irregular

(26) **lit.:** Literally

(27) **loc.:** Locative. It is the case denoting “location in.”

(28) **masc.:** Masculine

(29) **n.:** Noun

(30) **nom.:** Nominative

(31) **obj.:** Objective

(32) **obs.:** Obsolete, a word or form of a word no longer in use.

(33) **orig.:** Originally

(34) **part.:** Participle

(35) **pass.:** Passive

(36) **perf.:** Perfect. It is the tense or formation expressing the notion of “completion”.

(37) **pers.:** Person

(38) **pl.:** Plural. It is form of a noun denoting more than one person or thing.

(39) **Pol.:** Polish

(40) **poss.:** Possessive. It is the form of a word designating possession or some similar relationship.

(41) **pp.:** Past participle

(42) **prep.:** Preposition

(43) **prob.:** Probably

(44) **pron.:** Pronoun

(45) **prop.:** Properly

(46) **prp.:** Present participle

(47) **pt.:** Past tense

(48) **q.v.:** quod vide "which see" (in cross and other references)

(49) **R.S.V.P.:** Repondez S'il Vous-Plait. It means "please send a response confirming whether or not you will accept the invitation".

(50) **sing.:** Singular, form of a noun that denotes only one person or thing.

(51) **Skt.:** Sanskrit, the classical Indian literary language.

(52) **subj.:** Subject

(53) **transl.:** translation

(54) **ult.:** Ultimately

(55) **uncert.:** Uncertain

(56) **U.S.:** United States

(57) **v.:** Verb

(58) **var.:** Variant

Don't Abbreviate the following:

In formal academic prose it is undesirable to abbreviate words simply to save space, time, or energy. In the following cases, abbreviations should be avoided:

- Words such as through (thru), night (nite).
- Days of the week or months of the year (in the normal flow of text).
- Words at the beginning of a sentence.
- People's names, unless those abbreviations have come to be accepted as nicknames for those particular individuals.
- Courses such as eco (for economics) or pol sc (for political science).

LESSON ROUND UP

- Building and enriching vocabulary by learning new words and their exact meaning is an essential element of effective communication.
- Synonyms are words that have very nearly the same meaning.
- Antonym is a word opposite or contrary in meaning to another word.
- Simple language produces the best and the quickest response from everyone.
- At times, long and unusual words have to be used because they are more precise.
- There are eight parts of speech for the basic understanding of English language. They are: Noun, Pronoun, Verb, Adverb, Adjective, Preposition, Conjunction and Interjection.
- There are various types of sentences such as: simple sentence, compound sentence and complex sentence.
- An idiom is defined as the form of expression peculiar to a language.
- A phrase is a group of words, a part of sentence which does not make a complete sense but has an independent meaning.
- Proverbs contains homely but universal truth. Therefore, they are translatable so far as their meaning goes from one developed language to another.
- English has borrowed generously from other languages like Latin, Greek, French and German. Many of the borrowed words have been anglicized and today are an integral part of English vocabulary in their original or modified form.
- An abbreviation is a short way of writing a word or a phrase that could also be written out in full.
- The rule about using abbreviation is very simple: don't use them. Their use is only appropriate in special circumstances in which brevity is at a premium.

GLOSSARY

Erudite	Characterized by great knowledge; learned or scholarly.
Repertoire	The entire stock of skills, techniques, or devices used in a particular field or occupation.
Connotation	The associated or secondary meaning of a word or expression in addition to its explicit or primary meaning:
Colloquial	Informal speech or writing.
Pedantry	Especially undue display of learning.
Ostentatious	Intended to attract notice.
Explicit	Fully or clearly expressed or demonstrated.
Implied	Involved, indicated, or suggested without being directly or explicitly stated, tacitly understood.
Notorious	Unfavourily known.
Transgress	To violate a law, command or moral code, etc., or offend or sin.

SELF-TEST QUESTIONS

1. Define communication in about 20 words.
2. Explain the importance of punctuation in English writing.
3. Give atleast 10 examples of pairs and groups of words and frame sentences indicating their usage.
4. What is meant by synonyms and antonyms? Explain with 5 examples for each of them.
5. What purpose is secured by the 'Phonetic chart' contained in a dictionary?
6. Define abbreviation. Give few examples of abbreviated form of Latin, French and Roman words.
7. Give both synonyms and antonyms of the following words:
   (i) Absurd
   (ii) Audacious
   (iii) Diligent
   (iv) Fatal
   (v) Gigantic
   (vi) Joy
   (vii) Tedious
   (viii) Visible
   (ix) Yearn
   (x) Zeal
8. Give meaning of the following phrases/idioms and also frame sentences using them:
   (i) To have two strings to one's bow
   (ii) To have a bone to pick with
   (iii) To cut the Gordian knot
   (iv) Cast a slur upon
   (v) Laugh up one's sleeve
   (vi) Argus-eyed
   (vii) Lynch law
   (viii) To be on the wane
   (ix) To be in the doldrums
   (x) Penelope's web
9. State whether the following expressions are Latin, French or German and give their meaning:
   (i) hoi polloi
   (ii) impasse
   (iii) zeigeist
   (iv) amour propre

(v) ad infinitum

(vi) dernier ressort

(vii) de profundis

(viii) eureka

(ix) mutates mutandis

(x) gauche.

Suggested Readings

(1) Modern English Grammar with Practical Exercises – *Vikas Publishing House.*

(2) English Grammar–An Outline – *Rodney Huddleston*

(3) English Grammar and Composition – *G.S. Mudambadithaya*

(4) Business Communication and organization management – *Varinder Kumar and Bodh Raj*

(5) Business Communication – *K.K. Sinha*

(6) A Good Dictionary

(7) English Journals and Newspapers.

Lesson 11
Business Correspondence- I

LESSON OUTLINE

- Introduction-Human Resource Correspondence
  - Job Applications
  - Resume
  - Bio-data and Curriculum vitae
  - Interviews
  - Letters of Appointment and Confirmation
  - Miscellaneous Letters
  - Goodwill Letters
- Introduction – Purchase Correspondence
  - Enquiries and Replies thereof
  - Industrial Enquiries and Replies thereof
  - Tender Notices
  - Letter Orders
  - Making, Handling and Rejecting Complaints
  - Miscellaneous Letters
- Introduction- Sales Correspondence
  - Sales Letter
  - Sales Circular
  - Advertisements
  - Classifieds
  - Public Notices
  - Appointments
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Even after technological developments, business correspondence in its older form remains the favourite of every type of organization. It is needless to say that the success or failure of an organization depends to a large extent on its correspondence.

Letters are still the most important means of written communication. They are and always will be the most important for any organization or individual for the purpose of giving or seeking information.

A good letter is one that succeeds in persuading the reader to do what the writer wants him/her to do. As a general thumb-rule we know that everybody wants to be respected, thus, the contents of letters should be polite, courteous and respectful. Similarly, things like clarity of expression, justification of the cause of writing, correct grammar are the essential attributes of good letters. It is, therefore, obligatory for the students to learn the art of writing effective letters.

In this lesson the focus is on various types of correspondence, i.e., Personnel, Purchase and Sales letters and Circulars.

It must be remembered that there is no universal format and style of writing letters. However, the contents of a letter should be clear, complete and concise.

Good communication does not mean that you have to speak in perfectly formed sentences and paragraphs. It isn't about slickness. Simple and clear go a lang way.

John Kotter

INTRODUCTION –HUMAN RESOURCE CORRESPONDENCE

Personnel department deals with all matters relating to staffing right, from recruitment to retrenchment. In earlier times, the administration sections discharged these functions. Later on, it acquired the name of personnel department. With the passage of time, more and more CEOs realised that it is men and not necessarily the machines that change the fortunes of undertakings. So these departments were renamed yet again. Many of them now claim to be dealing with and developing Human Resources.

Job Applications

You start looking for a job as soon as you are out of school or college. Therefore, among all kind communication you will ever have, probably the resume and application letter will be the most important for you. The reason is obvious. The resume and application letters are written forms you are most likely to use while seeking a job and finding a job most certainly will be among the important activities of your life.

A Job-Application has many similarities with a Sales Circular. This is not surprising. When we write to a prospective employer, we are offering our skills and expertise for a price. Therefore, every position demands a carefully drafted application with a suitable resume to enclose or furnish for the interview.

While resume contains most of factual information about the applicant, the application or the covering letter reveals the profile of the applicant. If it is cleverly drafted, it may increase the chances of crossing the first hurdle.

Organizations may advertise the positions lying vacant with them. Some of them either maintain their own databank or rely upon those kept by placement agencies to call suitable candidates at the time of need. It is also becoming common for organizations these days to receive the Curriculum Vitae (CV) by fax or email. Some websites offer job-related services where one may submit details online for getting a position of one's choice.

One can get a job without applying for in writing. For example: you can get a job through campus recruitment, an employment agency or a company's employment office. But when you cannot find a job through these routes you are likely to apply for jobs by using resume and letters. Actually, preparing a resume and writing an application letter is very much like preparing a sales letter. Both situations involve selling. In the latter case, you are selling a product or service; whereas in the former, you are selling your skills, expertise and qualifications and your strengths and weaknesses and your ability to perform well.

Applications may be drafted in response to advertisements or they may also be submitted unsolicited. One may write a comprehensive application, which contains all the details about one's education and experience and does not require a separate CV.

Your resume should:

- mention career goals and specific job objectives.
- reveal your adequate knowledge about the company being approached.
- explain how your qualifications and experience are suitable for the job you are seeking.
- give evidence of excellent writing skills.

Resume

A resume (pronounced as rez-oom-ay) is a record of one's personal and professional details. It may be enclosed with the application for a job, may be handed over to a placement agency for storing it in their data bank or may be uploaded on various websites providing jobs. Terms like *Bio-data, Curriculum Vitae* or *data sheet* are also

used to describe documents through which one may provide information about oneself-mainly one's education and work experience. Help is also at hand in the form of professional agencies and templates in word processors.

A good resume should not be very long. While one page is ideal, one should never let it go beyond three pages. Personal details, like age, sex, race or nationality are looked down upon these days and are therefore optional. Minor details should be omitted to make room for achievements and skills. One should be neither modest nor boastful. The choice of good quality paper is essential. The judicious use of white space in margins and between paragraphs improves the display. Using a word processor with letter-quality printer is desirable.

The following details are common to all types of CVs/Resume:

(i) Personal particulars

(ii) Academic qualifications

(iii) Additional qualifications

(iv) Experience:

- Functional: emphasizing the skills and talent of the applicant
- Chronological: emphasizing work experience, listing job descriptions;

(v) Additional information may include languages known, anything worth mentioning, etc.

(vi) References.

A variety of resume formats are available in books, on websites offering jobs and in the form of templates in word-processors. Usually, heading, contact number, job objective, education, experience, personal details, special interests and references form the content of a resume.

Comprehensive Application Letter

Sector 17, House No. 1120,
Chandigarh.

7 July 2011

The Manager (Human Resources)
GE Services
Sector 18, Goregaon-422 015
Mumbai (India)

Dear Sir.

I am responding to your advertisement in the Ascent columns of The Times of India of 5th July seeking Secretarial Officers for your company. I wish to be considered for the same position.

I passed my Senior Secondary examination in Commerce stream from Mount Carmel School, New Delhi in 2004 scoring an aggregate of 89%. I joined B.Com (Hons.) at Sri Ram College of Commerce, Delhi University, in the same year, and simultaneously enrolled for the Foundation Course of The Institute of Company Secretaries of India. In 2009, I was accredited as a qualified Company Secretary and joined the Secretarial Department of MN Udyog Ltd.

My company gave me intensive on-the-job training for six months in Secretarial and Legal functions at the end of which I was absorbed as a Junior Secretarial Officer. My duties include share transfer and transmissions, filling and filing of statutory forms and returns, maintaining statutory registers, etc. I have been working for two years now and feel the time has come for me to accept wider responsibilities. I can provide names of referees, if you wish to know more about me.

My present annual package including perks is approximately, Rs. 5 lacs. I hope for a reasonable increase.

I look forward to an opportunity for a personal interview where I can explain my credentials in detail.

Yours faithfully,

Ms. Meghna Rasgotra

[*The above was a specimen of a detailed application letter which need not be accompanied with a resume or Curriculum Vitae. It is however advisable to write a precise application letter and supplement it with a resume or curriculum vitae as an attachment to explain your academic and professional background in a more formal and presentable manner.*]

Bio-data, CV or Resume

Alternatively, one may prepare a Bio-data, CV or Resume and enclose it with a covering letter. The three terms are loosely used as synonyms but there are finer differences (see box after CV). A separate covering letter enables us to focus on information not contained in the CV and may be used to buttress one's claim *vis-a-vis* other candidates.

An example of CV is given below:

Curriculum Vitae

Name	:	Karan Madan
Date of Birth	:	8 May 1982
Nationality	:	Indian
Permanent Address	:	13 Pusa Road, New Delhi-110005
Telephone	:	(91-11)525 8467
Email	:	karan-madan@usa.net
Work Profile	:	Since January 2004, I have been working in the Examinations Unit of a foreign mission as an Assistant Manager. The competencies essential to my present job are: Public Relations, excellent Oral and Written Communication skills, Office and Financial Management, and ability to work under pressure and meet deadlines. I am involved with the promotion and conduct of examinations administered in India by my employer. My responsibilities cover conducting Open House sessions and promotional write ups in the Newsletter, organizing presentations in-house and at corporate offices, organizing training programmes for our clients. I am also responsible for budgetary projections, maintaining liason with regional offices and with Universities; arranging venues for training programmes and examinations, selecting invigilator/ examiners, communicating results to candidates and organizing graduation ceremonies for the successful candidates.
Education	:	2006, Diploma, Public Relations and Advertising, YMCA Education Center, New Delhi. 2004, Certificate in German as a Foreign Language, Deutschen

Volkshochschule, Munich, Germany.

2003, B.A. Honours, Hindu College, University of Delhi, Delhi - 110007.

2000, *All India Senior School Certificate Examination,* Mont Fort School, New Delhi.

Computer:I am conversant with the MS Office Package, and am comfortable using MS Word, MS Excel, MS Outlook, MS Access, MS Power Point and MS DOS.

Languages	:	I am fluent in English, Hindi, German and Punjabi language.
Interests	:	I enjoy Indian and Western classical music.
References	:	1. C.G. Aggarwal, Manager HR Grassim India, 7, M.G.Road, Bangalore. 2. Mr. J. Chaturvedi, Reader, Hindu College, Delhi - 110007.

(KARAN MADAN)

Specimen Job Application

The Manager (HR) 18 April, 2012

Corporation Bank

Mangaladevi Temple Road

Mangalore-575 001

Dear Sir

IT CONSULTANT

Your advertisement in the Deccan Express of 16 April 2012 about the position of an IT consultant in your bank has interested me. I wish to be considered for the same position.

Information about my graduation in Science, and the Computer courses that followed is contained in the enclosed resume. What I wish to add is that I have a special interest in building security systems for a safe and reliable automated banking system. My stint at Siemens gave me useful experience in this area, which may be put to use in expanding your operations.

I hope you will give me an opportunity to talk about myself in greater detail during the personal interview.

I look forward to meeting you soon.

Yours faithfully

Abhinav Arora

Encl: Resume

Resume

Ms. ANU GARG

S-36, Sector X, Noida (U.P.)
Telephone: 914-34644 (Res.)
3346219-20 (Off.)

Objective

The position of Company Secretary in a company with a vision.

Education

ACS, The Institute of Company Secretaries of India, New Delhi, June, 2010.

L.L.B. Faculty of Law, University of Delhi, 2008, II Division.

B.Com (Hons.), Hindu College, University of Delhi, 2004, I Division.

Experience

Assistant Company Secretary, Grasim India Ltd., July, 2010 onwards. Job profile involves Secretarial work, Taxation, Excise and Network marketing.

Personal Qualities

Interests	:	Mountaineering, reading, legal counseling.
Membership	:	Association of Practicing Secretaries of India, Indian Law Society (Professional). Indian Mountaineering Association (Personal).

References

Will gladly furnish personal and professional references on request.

(ANU GARG)

"In actuality, there are technical differences between a resume, a bio-data and curriculum vitae. A **resume** for instance, is background and activities in an essay format; a **bio-data** is more of a bullet-form brief which touches on the tangible aspects of your qualifications, and **curriculum vitae** is a combination of both a resume and a bio-data. It is however politically acceptable to prepare an inter-document... borrowing ideas and formats from all three."

The 1st Step to a Job
–Monisha Advani
Femina, Nov. 1, 1996

The essential points which the employer would want to know are:

- The job you are applying for – since the company may have advertised a number of different vacancies at the same time.
- Age, nationality and marital status.
- Educational background reached.
- Professional training, diplomas, certifications undergone.
- Extra attributes or interests that make your candidature suitable in connection with the job.
- Reasons for wanting to leave your present employment.

Interviews

Some companies prefer to conduct initial interviews telephonically to shortlist candidates for the final interview.

If an interview letter is required, it should contain information about the position applied for, date, time and venue of the interview. If the prospective employer wishes to examine the original certificates of the candidate, then a mention can be made in the letter. Outstation candidates also like to know whether their expenses on travel and

stay will be met. Interview letters should give sufficient notice to the candidates to enable them to confirm their attendance.

Specimen Interview Letter

AB&C Pvt. Ltd.
Ansal Chambers, 7, Asaf Ali Road, Delhi-110006
Telephone: 3361357, Fax: 3361653
Website: http://www.fc.com

PUN/16/(P) 21st May, 2012

To,

Ms Anshu,

(–address–)

Dear Anshu,

Please refer to your application for the post of Manager Projects in our company.

You are invited to attend a personal interview with our General Manager on the 14th of June, 2012 at 3 p.m. in our corporate office which is located in Ansal Chambers, DLF Plaza, Gurgaon.

We regret to inform that we do not reimburse the traveling expenses of the local candidates.

Please confirm telephonically that this appointment suits you.

Yours sincerely,

Sd/-

Manager - Human Resources

Short-listing Candidates

Companies may shortlist candidates for absorption at a later date, if they are unable to find a suitable position for them at the time of interview. In such cases, their details are stored in the databank and a polite letter is addressed to them.

Example:

Dear Vivek,

We are pleased to inform you that you have been shortlisted for an offer of appointment in our company as soon as we can find a position in keeping with your qualifications and experience.

We thank you for evincing interest in our company and hope you will soon be a part of our organization.

Yours sincerely,

Manager - Human Resources

Letters of Appointment

Initial intimation of appointment may be given through a brief provisional letter. But the final document must be drafted carefully as the employment is governed by the terms stated in it. It should stand the test of law. The terms and conditions should be explicitly mentioned, and offer of appointment made subject to the acceptance by the candidate. A worker may seek reinstatement in a Labour Court, if the employer acts against the terms of

appointment. The executives, who are governed by a *"Master-Servant"* relationship, can only seek damages in the event of a *mala fide* dismissal.

The provisional letter of appointment intends to prepare the candidate for the detailed letter that follows. It may read like the following:

Provisional Letter of Appointment

Dear Vivek

Please refer to your application and the subsequent interview for the post of a Systems Manager in IBM (India) Ltd.

We are pleased to inform that you have been selected for the position. A detailed letter will be mailed to you soon.

Yours sincerely

Manager - Human Resources

Terms of Appointment

Detailed offers of appointment normally mention terms of appointment and seek the acceptance of the selected candidate. It is advisable to insert clauses which anticipate organisational changes and protect company's interests. But terms, which are one-sided to the extent of being inimical *(unfavorable or harmful)* to candidate's interests may not be received well. In fact, a good candidate may even turn down the offer. Therefore, a balance must be maintained.

Appointment Letter: Terms and Conditions

[Letterhead]

Ref. No:

Date:

To,

Mr. Akhshay Mittal

(-address-)

SUB: Appointment Letter

Dear.....

Please refer to our earlier letter of 11th November 2011. As stated earlier, we will be pleased to hire your services as a Systems Manager if you accept the following terms and conditions:

1. Place of operation: Your initial place of work will be at Hyderabad. However, you may be assigned to any location in India or overseas. On transfer, the rules, regulations and conditions of service applicable in that location shall apply on you.
2. Remuneration: You will be paid a monthly basic salary of Rs. 43,000/- plus perks and allowances as per company rules. The salary will increase after annual reviews. You will be paid an extra allowance in US $ to cover your expenses when assigned duties abroad.
3. Duties: You will be responsible for the erection, upgradation and maintenance of all systems in use in the company and will report to the Director (Technical).
4. Probation: You will be on probation for a period of six months, which may be extended at the discretion of

the company. At the satisfactory completion of Probation, you will be confirmed in writing.

5. Confirmation: During the Probation, either party may terminate this contract by giving a one month's notice or salary in lieu thereof. Post confirmation, the notice period will be three months or salary in lieu thereof.
6. Terms of leave: Unauthorised absence from duty or violation of company rules, procedures and policies as laid down from time to time may invite disciplinary action, including termination of services.
7. Retirement: You will retire at the age of 60 years or till such time you remain medically fit. Post retirement you will receive cash benefits and a medical insurance cover.

Please sign a copy of this letter and fax it to 040-7865479 in acceptance of the terms and conditions and report to the Human Resource Manager on 20th November 2011 at 9.30 a.m.

We welcome you to ABC (India) and wish you a successful career.

Yours sincerely

Manager - Human Resources

Confirmation of an employee: On successful completion of the probation period the employee is to be explicitly informed about his confirmation in the organization. This can be done by writing a confirmation letter to the employee**.**

Specimen Letter of Confirmation

Date: 10th January, 2012

Abhay Sakhuja

Customer Service Department

Pune

Dear Abhay,

On successful completion of your probationary period on 9th January, 2012, I feel pleasure in confirming your appointment with us for the post of Relationship Manager in Middle management band, effective from 10th January 2012.

Yours sincerely,

Manager - Human Resources

[A few more specimens of Written Test/Interview/Appointment/Regret letters are given for your information and guidance.]

Letter calling a candidate for written test

Example 1:

SUNDARAM CHEMICALS LTD.
Regd. Office: 12, Sansad Marg, New Delhi-110 001
Phone: 534212

24th March, 2012

Ref./Call/23

Mr. Amar Singh

23, B.V. Nagar, New Delhi-110 089

Dear Sir,

Sub: Written test for the post of Management Trainee-Law

With reference to your application dated 10th February, 2012, for the post of 'Management Trainee-Law' you are requested to appear for a written test on 2nd April, 2012, at Indian Institute, Institutional Area, Lodi Road, New Delhi-110 003 at 10 A.M.

The test will be of 2 hours duration, followed by a group discussion.

No books will be allowed in the examination hall. Only blue or black pen is allowed while writing the answers.

No travelling allowance is payable for attending the test.

Thanking you,

Yours faithfully,

Sd/-

(R. Francis)

Personnel Manager

Example 2:

ABA SUNDARAM CHEMICALS LTD.
Regd. Office: 12 Law Gardens, Ahmedabad-380 006
Tel: 6570018 Fax: (079) 6580182
E-mail: sunderchem@vsnl.net.in

No. HRD/ACA/2010

12th June, 2012

Mr./Ms_____

_____

Dear Sir/Madam,

Sub: Written Test for the Post of Accounts Assistant

With reference to your application dated 1st June, 2012 for the post of 'Accounts Assistant', you are requested to appear for a written test on 30th June, 2012, at Law Institute Hall, Sabarmati Marg, Ahmedabad-380002 at 9.00 A.M. The written test will be of two hours duration. The test is intended to examine the candidate's general commercial knowledge and the grasp over practical accountancy.

Please note that no travelling allowance is payable for attending the written test.

Thanking you

Yours faithfully,

Sd/-

(W.R. Mehta)

Manager (Personnel)

[The heading, reference, inside address and salutations, in this case, will remain the same. The body of the letter will be as follows:]

Letter intimating date of interview

"With reference to your written test held on 2.4.2012, we are pleased to call you for a personal interview on 12.4.2012, at the Regional Office of our company, at the aforementioned address, at 10 A.M. sharp".

Letter communicating passing of written test and intimating the date of personal interview

ALL MONEY BANK LTD.
Regd. Office: 101, Parliament Street, New Delhi - 110 001
Tel.: 3031811, 3021821 Fax: 3031812
E-mail: allmoneybk@usa.net

Ref. No. HRD/1/2012

Date: 1.1.2012

To

(All successful candidates)

Dear Sir/Madam

Sub: Recruitment of Probationary Officers - 2012

We congratulate you for qualifying the written test conducted on 15th December, 2011 for the recruitment of Probationary Officers.

In this regard, you are hereby requested to be present for a group discussion and personal interview on 15th January, 2012 at AMB Hall, 101, Parliament Street, New Delhi-110 001, at 10.30 A.M. Please note that no travelling allowance/daily allowance is payable for attending the group discussion and the personal interview.

Thanking you

Yours faithfully

Sd/-

(P.A. Desai)

Manager (HRD)

Letter intimating appointment

Dear Amit,

With reference to the interview you had with us on 12.4.2012, we are pleased to offer you appointment as 'Management Trainee-Law' in our company.

You will be on an intensive training for two years in our Law Department. During the period of training you will be paid a consolidated salary of Rs. 6,000/- per month during the first year and Rs. 18,500/- per month during the second year. On satisfactory completion of the two years' training, you would be called upon to take up independent responsibilities in the Law Department. If, at any time during the period of training, your conduct is found unsatisfactory, your services are liable to be terminated forthwith.

During the course of the training period, if you desire to leave the services of the company, you shall be liable to indemnify the company by paying a lump sum compensation of Rs. 50,000/- only.

After the satisfactory completion of two years' training, you will be placed in the cadre of Dy. Manager in the scale of 30,000-200-40,000-250-50,000. You will be entitled to House Rent Allowance, Medical Claim subsidy, Leave Travel Concession, and other benefits as per the service rules, only on confirmation in the post.

You are requested to confirm your willingness to the above terms of appointment on or before May 20, 2012. You are expected to join the training by July 1, 2012.

Specimen: Regret Letter

Letter politely informing the candidate about non-selection

Example 1:

SUNDARAM CHEMICALS LTD.
Regd. Office: 12 Law Gardens, Ahmedabad-380 006
Tel: 570018 Fax: (079) 6580182
E-mail: sunderchem@usa.net

Mr. Bhogal Mehta,

34 A, Sankar Road,

Rajkot - 360 001

1 June, 2012

Dear Sir,

Sub: ***Recruitment for the Post of Finance Manager***

We refer to your application dated 1st March, 2012 for the post of Finance Manager and the personal interview you had with us on 14th May, 2012. We regret to inform you that your application has not been successful. This, of course, has no reflection on your credentials. We thank you very much for evincing interest in our organisation and offer you our best wishes for a bright future career.

Yours faithfully,

Sd/-

(K.C. Lokhandwala)

Personnel Manager

Example 2:

The body, in this case, will be as follows:

With reference to your application for the post of 'Management Trainee-Law' in our company and the test and interview you had with us, we regret our inability to offer you an appointment at present. However, should any need arise in future, we shall get in touch with you.

Consent letter from a selected candidate

To:

Personnel Manager

Sundersan Chemicals Ltd.

23, B.N.C. Road,

Chennai - 600 025

March 20, 2012

Dear Sir,

Sub: ***My appointment as 'Management Trainee-Law' in your organisation***

I thank you for your offer of appointment. I hereby agree to abide by the terms of appointment contained in your letter Ref. SA/34/2012 dated March 2, 2012. I will be reporting for duty on the forenoon of May 13, 2012.

Thanking you,

Yours faithfully,

Sd/-

R. Sundaram

Letter declining the offer of appointment

The heading, reference, inside address and salutation will reamin the same as for the consent letter given hereinabove, the body will be as follows:

With reference to your letter Ref. SA/34/2012 dated March 2, 2012, I regret my inability to take up the appointment, as I have been selected for a job in the U.S.A. I, however, thank you for evincing interest in my candidature.

Yours faithfully,

Sd/-

R. Sundaram

Body of letter requesting for change of place of posting (from the candidate)

> "I thank you for your letter of appointment dated March 12, 2012 directing me to join duty at your Chandigarh office. I request you to kindly consider posting me at your Mumbai office for at least two months, to start with. This is necessitated because of the need to attend to my father who is admitted in hospital after a serious car accident. It would take at least two months for him to get discharged after treatment for multiple fracture. I hope you would consider my request sympathetically. Awaiting your early reply."

Body of letter declining the above request

> "We are very sad to know of the serious accident your father has met with.
>
> We, however, regret that we are unable to consider your request for change of posting, as every candidate is required to undergo induction training only at the Head Office of the company at Chandigarh.
>
> We are pleased to allow you time upto 2nd July for reporting for training at our Head Office at Chandigarh.
>
> Please confirm this arrangement and your commitment to join at Chandigarh at the earliest".

Miscellaneous Letters

Miscellaneous letters are written out of corporate courtesy. These are exchanged with an intention to maintain presence in the market and create goodwill. They are also known as Goodwill Letters

Goodwill Letters

The best way to understand goodwill letters is to remember that there is no compulsion to write them. However, genuine sentiments, if sincerely expressed at an opportune time, create lot of goodwill. This goodwill does not refer to monetary gains. But it may translate into financial gain over a period of time since human relations form the backbone of business.

Goodwill letters should be brief. One should desist from sermonising and state one's sincere feelings in an appropriate tone and style. Use of stereotyped phrases should be avoided. The extent of formality is determined by the status of the recipient. For example, we should write informally to those people whom we have known closely. Use first or second person to give it a personal touch.

Goodwill letters must be sent promptly in order to be relevant and effective. The effect of emotions is transitory and tends to wear off after some time. They should preferably be handwritten. The typed lettes should be at least

signed by hand. Goodwill letters carrying signatures in facsimile make the receiver feel slighted *(disrespect)*. If you do not have time even to sign a letter, you might as well not send it.

Types of Goodwill Letters

Every business letter should be a goodwill letter. It should be drafted in a polite and courteous manner. It should respect the sentiments of the recipient to evoke a right response from him. We may, however, classify goodwill letters for the sake of convenience as:

- Thank you letters
- Congratulatory Letters
- Letters of Sympathy
- Condolence Letters
- Obituary Notices

They are explained as follows:

Thank you Letters

There are several instances in our personal and professional lives when people do us favours. Unfortunately we take them for granted and ignore an opportunity to thank them and earn some precious goodwill. For instance, getting a large order or receiving payments on time calls for a message of thanks.

Example 1:

Dear Mr. Watson,

We are pleased to receive your order for the supply of 2,00,000 metric tonnes of Iron Ore. This is the largest order placed by you with us since our association began.

We are writing to express our grateful thanks for your continued patronage. We assure you that we will continue to serve you to the best of our ability.

Your sincerely,

Ms R. Perchani

Example 2:

Dear Ms. Khanna,

We are writing to express our appreciation of the fact that you have settled your account with us very promptly during the last financial year. This was a great help to us since we were diversifying into cement sector during this period and liquidity was our prime concern.

We are grateful to you. We assure you that we will strive to maintain the special relationship we have always had with you.

We thank you once again.

Yours sincerely,

Rajiv Seth

Congratulatory Letters

A friend, colleague or a business associate may earn a promotion, recognition, honour or an award. The

achievement may be in the personal or professional arena. It is possible to react to such a development in two ways. We may feel jealous and ignore the laurels won by others. Alternatively, we may send a message of felicitation and also earn some precious goodwill in the process.

Example 1:

Dear Pradeep,

I was delighted to learn that your work on cryogenic engine has been appreciated by the Indian Space Research Organisation. I am confident that it will be possible to manufacture these engines indigenously and our dependence on other countries will end soon.

I feel proud of your achievement and send you my best wishes for the future.

Yours sincerely,

K. Raghavan

Example 2:

Dear Mr. Jacob,

We are pleased to learn that your company has won the Best Exporter's award instituted by the Export Council of India for the third time in succession. This must be a record. We are sure it is the result of your vision and the hard work of your managers and workers.

We feel proud of having been associated with you and wish you more success in future.

Please accept our sincere felicitations,

Yours sincerely,

S.K. Taneja

Example 3:

Dear Mr. Chandna,

I am pleased to learn that you have recently joined Tatanet as a Vice-President. I know that this appointment has not come a day too soon. Tatanet has made the right choice and I am sure they will benefit from your dynamic leadership and corporate vision.

Please accept my warm congratulations on your appointment and best wishes for the future.

Yours sincerely,

S. Vasudevan

Example 4:

Dear Sir

We are pleased to learn that your company is celebrating its Golden Jubilee next week. It was a long and difficult journey, which has been covered with distinction. We are certain your company will do even better in the times to come.

Please accept our good wishes on the occasion.

Yours faithfully,

Courtesy demands that congratulatory letters should be acknowledged. A brief letter of thanks is all that is required:

Example 5:

Dear Mr. Vasudevan,

I am replying to your letter regarding my appointment in Tatanet.

I am grateful for your kind words and hope I will be able to justify the faith the company has placed in me.

Thank you once again for your good wishes.

Yours sincerely,

Akhil Chandna

Letters of Sympathy

Life is a curious mix of happy and sad moments. It is important to share not only the joys but also the surrows of your friends and associates. When someone known to you suffers some agony or a loss, your words of kindness and sympathy give him solace.

There is a word of caution. Such letters are only sent when someone suffers a major loss or illness. One should make an offer of financial help only after careful thought. To renege *(fail to fulfill a promise)* on an offer of financial assistance will only cause a loss of goodwill.

Example 1:

Dear Manpreet,

I learnt with dismay about the unfortunate accident you met with while travelling from Jaipur to Delhi.

I hope the injuries are superficial and you will be joining us at office soon.

Please get well soon and if you need me, I am just a phone call away.

Yours sincerely,

A.S.Sethi

Example 2:

Dear Mr. Reddy,

We are sorry to learn about the accidental fire that erupted in your factory a few days back. We hope the loss is not major and it will be possible for you to resume normal production in near future.

Please accept our heartfelt sympathies and let us know if we can be of some help.

Yours truly,

A.K.Antony

Condolence Letters

These letters are the most difficult to draft since we are writing to people who have lost someone very dear to them. The strong sense of grief has to be shared in order to provide some relief. Our sentiments must be sincere. Reference to the details of tragedy must be avoided since it would only increase the sense of loss. The language and tone should be chosen keeping the relationship of the deceased with the recipient of the letter in mind.

Dear Sarah,

I am distressed to learn about the sudden passing away of your dear husband, Samuel during, my absence from India. I find it very hard to believe it, and still feel he will suddenly show up in office and shake hand with me vigorously

as he always did. I know that your loss is much greater and that it will be very difficult for you to forget him.

I pray to the Almighty to give you and your children courage to bear his loss.

May his soul rest in peace!

Yours sincerely,

Vinay Tyagi

Replies to Condolence Letters

Replies to messages of sympathy or condolence should be brief.

Dear Mr. Grover,

My children join me to express our grateful thanks for your words of sympathy in our bereavement. We have been fortunate to receive the support of our friends and relatives during the time my wife was in hospital. It helped us cope with her loss.

Yours sincerely,

B.K.Kohli

Obituary Notices

The following notices provide news about people who have just passed away. They are brief, factual and informative, and are published in Obituary columns.

Obituary

Delhi Land & Finance Consortium Ltd. announces with deep grief the passing away of its President, **Capt. Raghuvendra Singh** in a helicopter crash near Dehradoon on Sunday. His mortal remains will be consigned to flames at **Nigambodh Ghat, Delhi** on Monday, 15th January 2012 at 11.30 a.m.

Obituaries may also carry a life-account of the deceased. This is generally done in the case of those who have made significant contribution to a certain facet of life.

Obituary

The President of National Association of Software Companies (NASC), Mr. A.S. Mehta passed away on 12th of April in New Delhi. He suffered a massive heart attack in sleep and passed away peacefully.

Mr. A.S. Mehta was born on 10th August 1972 in the State of Gujarat. He did his schooling from Bhartiya Vidya Bhavan, New Delhi and joined Delhi University for an Honours Course in Commerce. He was a trained Chartered Accountant and majored in computer graphics from Imperial College, London.

Mr. A.S. Mehta was too much in love with India to remain abroad. He was a member of more than a dozen boards belonging to different States from Himachal in the North, Orissa in the East to Andhra and Karnataka down South. He was the IT advisor to the Govt. of India when he breathed his last. His priority was to use NASC as a catalyst for growth of software driven IT industry. But his long-term dreams were to provide basic amenities to people and to achieve hundred percent literacy through the power of IT. He sought the co-operation of like-minded people to achieve this herculean task. Now they will have to do it without his leadership.

May his soul rest in peace!

Acknowledgement Cards

It is also common to get printed acknowledgement cards or to insert an advertisement in newspapers when a

large number of messages are received and it is not possible to acknowledge them individually.

Mrs. M. Banerji and her children, Ashish and Zoya express their grateful thanks to those who condoled the **death** of her husband, **Sushant Bannerji** of Cascade Ltd. in the recent **Lufthansa air crash** and express their inability to acknowledge the messages individually.

Points to Remember

- The letter carrying positive news are called direct approach letters, whereas letters with unwelcome news written to decline an offer or reject someone for a job are called indirect approach letters.
- In all letters, whether long or short, careful planning is needed. For example, a letter of appointment must state service conditions carefully.

INTRODUCTION- PURCHASE CORRESPONDENCE

Very few organizations manufacture everything they use. For most of their requirements, they are dependent on ancillary units or on what are known as OEMs or Original Equipment Manufacturers. They also look for vendors who have the machines, manpower and skills to make what they need, on a continuing basis. This involves creation of a full-fledged Purchase Department in a company.

Most people like to believe that only selling is the challenging part of business. The fact is that buying is equally difficult. There may be unexpected breakdowns or unacceptable deviations in supply. The technological inputs may become obsolete and require upgradation. The prices may become volatile and need constant monitoring. To keep the production line going at all times is not easy. It requires a constant hunt for sources from where quality goods and services may be procured at competitive prices.

Enquiries

The first step of a commercial transaction is to make enquiries. Enquiries are the most common type of business communication. They are very important because an enquiry, if properly made, would bring valuable business information. Letters written for obtaining or furnishing information are classified as routine. We come directly to the purpose for which we have chosen to write. In other words, we use a direct approach.

An enquiry letter should be drafted clearly and the message to be conveyed should be complete, only then a satisfactory answer will come forward. Proper care should be taken in drafting a letter of enquiry. At times, an enquiry letter can originate big business deals. An enquiry should be straightforward, compact and courteous. It should be positive and confident in tone. It should be brief and to the point, complete and correct. It should avoid lengthy and unnecessary statements and repetitions. The opening paragraph of such a letter can give a hint about the nature of enquiry.

Since letters of enquiry can deal with a variety of questions, the importance of information sought and the situation which prompted the enquiry could be mentioned in the letter itself. Specifying the desired action in a positive manner and presenting the questions in a logical manner is also an essential requirement for such letters. Further, an assurance that the information passed on will be treated as confidential can also be suitably mentioned in such a letter.

A letter of enquiry should, therefore, be straightforward, courteous and to the point. Special care must be taken about the opening, of the letter since it sets the tone of urgency or the need for information, and the closing of the letter should reflect the writer's expectation for a quick response.

Practical requirements of drafting a letter of enquiry

The following general tips should be remembered while writing a letter of enquiry:

(i) The kind and quantity of goods required should be mentioned very clearly, besides requirements of packing, casting etc. must be given in full.

(ii) In order to make the response undoubtedly sure and specific, the samples and their specifications could preferably be sent alongwith the letter.

(iii) To facilitate proper handling and checking, the list of items, if any, may be send in a tabulated form with proper identification/specification of the product name/brand, etc.

(iv) Letter of enquiry should indicate whether one would like to purchase goods for cash or on credit or on any other terms of payment. In such a letter, credit references may also be given, especially in case the intention is to get credit in is the first transaction itself.

Example 1: Request for Catalogue/Price-List of Garments

Dear Sir

We are a large departmental store located on College Road, Nasik. We deal in readymade garments and wish to market your wrinkle-free trousers and denim jeans in our city.

Please send us your catalogue and the price list. We would also like to know about the credit you would allow to us.

Yours faithfully

XYZ

Example 2: Request for Washer-dryers

Dear Sir

We own a motel on the Bombay-Pune highway and get a large number of guests in winter season. We are interested in installing a common Washer-dryer for their use. We need a machine with a capacity of at leat 50 kg.

Please confirm if you manufacture a model suitable for our needs, its approximate price and the delivery period.

Yours faithfully,

XYZ

Replies

Routine requests for only a catalogue or a price list may not need a covering letter. It may be sufficient to send the requested material with compliments. However, enquiries from big business houses deserve more attention. When requests are made for credit, the seller must clarify his stand. It is uncommon to grant credit at the time of a first transaction. But rejecting the offer outright is also undesirable. Instead, the seller may make a counter offer in some other than from, like a higher cash discount than the usual one.

Example 1:

Dear Sir,

We thank you for your letter showing interest in marketing our garments. We are enclosing the catalogue and the price list requested by you. This price list will remain valid till the end of the year.

You will appreciate the fact that we have not done any business before. Therefore it will not be possible for us to extend credit initially, but we can offer you a higher cash discount than we usually give.

We look forward to hearing from you soon.

Yours faithfully,

XYZ

Example 2:

Dear Sir,

We thank you for your enquiry about Washer-dryers and are confident that our model XL-60 will meet your requirement. This machine has the capacity of 60 kg. and carries an on-site warranty against manufacturing defects for a period of two years. Its current price is Rs. 1,25,000, excluding taxes. We may add that the prices are due for revision in three months' time.

We are enclosing our detailed brochure and trust you will find all the information you need for placing an order.

We look forward to your response.

Yours faithfully,

XYZ

Industrial Enquiries

It is not incorrect to use technical jargon regarding industrial enquiries for the receiver of the letter would be familiar with it.

In the example given below, EN-31 and P-20 are alloys used for making dyes for plastic components. A CNC machine is a Computerized and Numerically Controlled machine, which also detects and helps correct a deviation. FR indicates the fire retardant variety of ABS-a plastic compound. JIS refers to Japanese Industrial Standards in the same way as we have our Bureau of Indian Standards (BIS).

Example 1:

Dear Sir,

We are an Original Equipment Manufacturer of telephone instruments for supply to MTNL. We have been procuring the body of the instrument from outside. We wish to develop more vendors since we expect firm orders from parties intending to provide basic telephone services in different metros.

Please inform us whether you will be interested in developing moulds using EN-31 for outer plates and P-20 for core cavity. Our clients insist that all supplies should conform to JIS. We can also offer moulding jobs using FR ABS as raw material for execution on CNC machines of 80 tons of clamping pressures/60 gms. weight.

We look forward to a prompt reply.

Yours faithfully,

XYZ

Example 2: Enquiry for Panels

Dear Sir,

We have been contracted to erect a Pumping Station at Agra to augment the water supply to Taj Trapezium.

We require 12 cubical panels for main control board of the 8 V.T. pumping station. The panels must conform to Indian standards.

Please confirm whether you are in a position to deliver the panels in eight weeks time from the date of order.

We hope to receive a prompt reply.

Yours faithfully,

XYZ

Replies to Industrial Enquiries

Enquiries for industrial products and raw materials merit a careful approach since it may be the beginning of a long and profitable business relationship. Therefore, a polite and expeditious reply may be desirable.

Replies to enquiries should begin with an expression of gratitude. It should be stated at the outset that the requested documents are being sent. The latter part of the reply may be used to provide brief information about other products or activities of the company.

A reply should never begin with a refusal. While communicating unwelcome news, we should first prepare the recipient by giving valid and convincing reasons. Before turning down a business offer, difficulties in accepting it should be explained.

Correspondence with companies or industrial houses generally contain technical and commercial terms. They help in classification, thus reducing the possibility of a dispute between the parties. A writer of business letters should become familiar with such terms. A quotation on CIF basis, for example, covers not only the cost of the product but also expenses incurred on insurance and freight. Erection jobs may involve a combination for readymade goods and services so the letter writer may call the price mentioned, a bid, a quotation or an estimate.

Example 1:

Dear Sir,

We are pleased to receive your letter of 9th December regarding moulding of telephone instruments.

We confirm that we are equipped to supply the product as per your specifications. We have been making computer cabinets and Auto dashboards for the use of OEM for the last ten years. We are confident of meeting your delivery schedules.

Our moulding capacity is being fully used at present. We also find it easier to assure quality when the moulds are made in our own Tool-Room. Therefore, we regret our inability to accept moulding job-works for the present.

We are enclosing information about machines available on our Shop Floor and details of the Tool Designers on our staff. A list of some of our clients is also included for your satisfaction and reference.

Our Commercial Manager is looking forward to meeting you at your convenience to discuss the details.

Yours faithfully,

XYZ

Example 2: Reply to Enquiry About Panels

Dear Sir,

Thank you for your enquiry about panels for Pumping Station.

We are over-booked till the end of December, and therefore unable to promise a delivery before the middle of January.

We would be glad to know if the third week of January would suit you. Hence, we will submit our estimate on hearing from you.

We appreciate your interest in our services and look forward to a prompt reply.

Yours faithfully,

XYZ

Samples and Quotations:An Example

Dear Sir,

We manufacture engineering components for use of varied industries ranging from automobiles to computers. We are looking for a reliable supplier of Delrin on a continuing basis.

Our annual requirement is approximately 1 Ton. We understand that you import it for actual users.

Kindly send us a sample of the material along with your lowest quotation for delivery at Sahibabad on CIF basis.

We shall appreciate an early reply.

Yours faithfully,

XYZ

Estimates

Estimates are sought and provided where services rather than off-the-shelf goods are involved. For instance, installation of ducting would require an estimate, whereas the air-conditioning plant may be bought on the basis of a quotation. It is of course possible for a customer to ask for a quotation for the complete job. A request for an estimate should be replied with giving necessary details to the party asking for it.

Dear Sir,

We are interested in replacing the vinyl flooring of our corporate office with square Italian floor tiles. The floor area is approximately 1200 sq. meters, excluding the skirting.

We would like to have information about different sizes and designs available ex-stock. Please indicate an estimate and the time you will need for completing the job using excellent workmanship.

We will appreciate a prompt reply.

Yours faithfully,

XYZ

Tender Notices

Organizations publish tender notices when they have to procure goods and services on a large scale to get projects executed. Tender Notices may be defined as invitations to submit “bids to provide such goods/services at quoted prices and subject to stated conditions”.

- They may be prepared in a serial tabular or paragraph form.
- They may be open to all parties, often for the purposes of prequalification, or the limited ones, meant only for the registered parties. These parties may be short-listed on the basis of pre-qualification tenders.
- Jobs funded through foreign loans/assistance, involving sophisticated technology or heavy financial investment may be offered through global tenders.

Tender Notices include estimated value of goods/services and delivery details. The bids are made on non-transferable forms, or documents, printed and sold by the concerned organizations. These forms may be divided into separate sections dealing with general/commercial conditions and technical specifications.

Prequalification is not a form to apply for a tender. It precedes the process of filling a tender for the actual contract. It is used to indentifies contractors who would be eligible for filling the tender for actual contract therefore, an advertisement for prequalification does not amount to an advertisement of a tender. Only when a company is prequalified for a contract it becomes eligible to fill up the tender.

Tender Process

- Tender forms have to be submitted by the stated time and date in sealed covers.
- Specified enclosures must accompany them, i.e., an EMD or Earnest Money Deposit, normally 2% of the estimated value. This is a kind of security deposit to keep out non-serious bidders. This deposit is refunded after finalisation of the successful bid.

  The party getting the contract has to replace it with Performance Guarantees of upto 10% of the estimated value and Experience Certificates.

First the technical details mentioned by different bidders are taken up for discussion with the bidders or their authorised representatives. Once the bid is accepted, failure to sign the contract leads to the forfeiture of the EMD.

Usually the principle, of "lowest bid gets the contract", prevails.

To prevent fraudulent collusion between bidders, popularly known as a Cartel, organisations reserve the right to reject all bids without disclosing the reason. The court having jurisdiction in the event of a dispute may also be mentioned.

Sample Prequalification Notice:

DELHI DEVELOPMENT AUTHORITY

Notice No. 27/FO/CE(DWK)/2011

INVITATION FOR PRE-QUALIFICATION

1. Application for Prequalification are invited from firms/contractors of repute to carry out Mega-Housing Project of DDA involving construction of 2000 MIG/LIG flats at various locations of Delhi.

2. The work shall be executed on TurnKey Basis. DDA's liability shall be limited to providing undeveloped land and approval of designs and drawings.

3. The construction will have to be completed within two years of the award of contract using best quality material and fixtures and maximum use of machinery.

4. The contract will be awarded on lump-sum cost basis and payment will be made at different stages of construction.

5. Those fulfilling the following conditions are eligible to apply for Prequalification:

   (a) Experience of completing three similar jobs costing at least Rs.30 crores during the last five years.

   (b) Annual turnover of Rs.20 crores on civil construction jobs during the last three years.

   (c) Having solvency upto Rs.50 crores.

   (d) Requisite infrastructure and trained/qualified staff to carry out jobs of such nature and magnitude.

6. Eligible applicants may obtain Prequalification documents from the office of the undersigned on payment of Rs.5000/- in cash or DD, payable at Delhi and favouring Accounts Officer (C.A.U.) Dwarka D.D.A. upto 30.12.2011.

7. Completed documents with supporting evidence as prescribed will be accepted up to 16.00 hrs of 4th January 2012.

A.O.

10th December 2011 DDA (Dwarka)

Limited Tender

Example 1:

HARYANA TOURISM

Notice Inviting Tenders

Sealed Tenders are invited by the Executive Engineer, Haryana Tourism, SCO 17-19, Sector 17B, Chandigarh from approved contractors only for the construction of Urban Haat at Uchana, Karnal at an estimated cost of Rs. 60 lacs. The time for the completion of job will be six months from the date of award of contract. Tender Forms may be bought from the office of the undersigned on cash payment of Rs. 500 only, on any working day. Bids may be submitted with an EMD of Rs. 12,000/- in the form of a DD favouring Haryana Tourism and payable at Chandigarh upto 14.00 hrs. of 7th December 2011 and will be opened in the presence of bidders or their authorised representatives. Haryana Tourism reserves the right to reject any or all bids without assigning any reason. All disputes will be subject to the jurisdiction of Punjab and Haryana High Court, Chandigarh only.

Sd/-

XEN (Projects)

Haryana Tourism

11th November 2011

Example 2:

EMCO ENGINEERING LIMITED

Tender Notice

Offers are invited for the supply of the following items:

(1) Metal spectroscope Table Model with accessories.

(2) G.I. Pipes Medium quality size 15 to 150 mm.

Cost of the tender form is Rs. 75 for item (1) and Rs. 200 for item (2). Printed tender forms would be issued till 15th May, 2012. Completed tender forms alongwith a Demand Draft in favour of the company for Rs. 1,200 towards earnest money deposit should reach the undersigned at the following address on or before 25th May, 2012.

Chief Manager (Purchases)

Emco Engineering Limited

13, Sansad Marg, New Delhi-110 001.

The envelope should be superscribed “Tender–May 2012”. The company will not be responsible for postal delays. Tender forms would be opened on 26th May, 2012 at 2.00 p.m. at the above address. The company reserves the exclusive right to reject a tender at its own discretion. Tenders accepted would be subject to the terms of the agreement mentioned in the tender form.

Sd/-

Prasad K.

Chief Manager (Purchases)

Placing Orders

Most companies use printed stationery bought on a regular basis . The advantages are numerous. These Order

Forms are generally pre-numbered, so one does not have to worry about a reference number. There are convenient headings and columns, which ensure that relevant information is not omitted. There may be multiple copies for the use of buyer, seller, and others. If terms and conditions are printed overleaf, then attention must be drawn to this fact.

A blank Order Form for routine purchases is shown for illustration:

Order Form F.VI/00

INDIAN LAW INSTITUTE

7 Raisina Road, New Delhi-110001

Messrs	*Important*	
Please supply the following: Terms : Delivery :	Please quote order number and reference on all invoices and correspondence relating to this order. Order No. Reference Date Rs. P. Total Signed_____ Approving Officer	
For Office use only		
Estimated Cost_____ Goods checked_____ Charge to_____		

Letter Orders

Occasional buyers place orders through letters. Such letters must contain:

(a) An authorization to the seller.

(b) An accurate description of goods.

(c) Catalogue number if ordering out of it.

(d) Quantity or number required.

(e) Price per unit and total amount involved in the transaction.

(f) Delivery details such as time and place.

(g) Payment terms agreed, i.e., whether on delivery or after availing credit. Routine Orders may be brief but must contain essential details. If several items are required, a tabular form may be preferred.

(h) Polite closing inviting a confirmation of acceptance.

Sample Order Letter

A Sample Order in the letter form is given below:

HYDROTECH ENTERPRISES LTD.

Delhi (North) - 110039

Order No. OA/09 Date: 4th January 2012

Oxon Controls Pvt. Ltd.

7, Circular Road

Calcutta

Dear Sir,

LEVEL INDICATOR FOR 8VT STATION

Please refer to your quotation dated 30.12.2011. We are pleased to confirm our Order for Levcon made capacitance type level indicator for use in clear water underground tank as per details given below:

Supply	:	230 AC 50 Hz
Indicator	:	LED direct in Meters
Mounting	:	Flush
Quantity	:	1 No.
Price	:	Rs. 8,900/-

TERMS & CONDITIONS:

1. Price		:Ex-works, Calcutta
2. Discount	:	10%
3. Excise Duty	:	As applicable
4. Sales tax	:	4% extra against Form C.
5. Despatch	:	To site on CIF basis.

Please communicate acceptance by return post and enclose 5 sets of GA drawings to secure approval of the client/department.

Yours faithfully,

Dingra A.

Manager - Purchase

Note: It must be remembered that Orders once accepted are legally enforceable, so care should be taken in preparing them.

Making Complaints

A dissatisfied customer, whether an individual or a company, has every right to lodge a complaint and seek appropriate relief. We may receive wrong goods or the delivery may be delayed, or the goods may be damaged or of unacceptable quality. The following points may be kept in mind while making a complaint:

– A *bona fide* complaint should be made without delay since the passage of time complicates matters. The

seller has difficulty in digging up the records while the aggrieved buyer has to give a convincing reason for delay.

– It is also inappropriate to assume at the beginning that the seller alone is at fault, and to launch an angry offence against him without finding out the truth may be wrong. He may have a valid defense. So we should hear his side of the story before deciding whether he is guilty or not.

– The complaint should be based on factual information about the details of purchase, the grievance and the consequential inconvenience or loss of money and the relief expected.

Example:

Maninder Singh
36, Green Park
New Delhi - 110016

To
The Manager
S M Online
20E, Okhla Estate
New Delhi - 110 020
25th October, 2011

Dear Sir

I bought a 50-hour Internet connection of your company from M/s Comways, F-17, Connaught Circus, New Delhi vide cash memo no.4150 dated 20th October 2011 (copy enclosed). It was registered on Saturday, 22nd of October 2011.

Within two days of activation, I was shocked to learn that 25 hours had already been used. When approached, the dealer expressed his helplessness in the matter and advised me to write to you.

I apprehend that either the package sold to me contained only 25 hours or my Internet time has been used by someone working in your organisation. I understand that the password, even when frequently changed, is known to the Internet Service Provider.

I expect you to give me the full hours for which I have made the payment. I may add that I shall have no option but to approach a Consumer Court if you do not provide the relief sought within reasonable time.

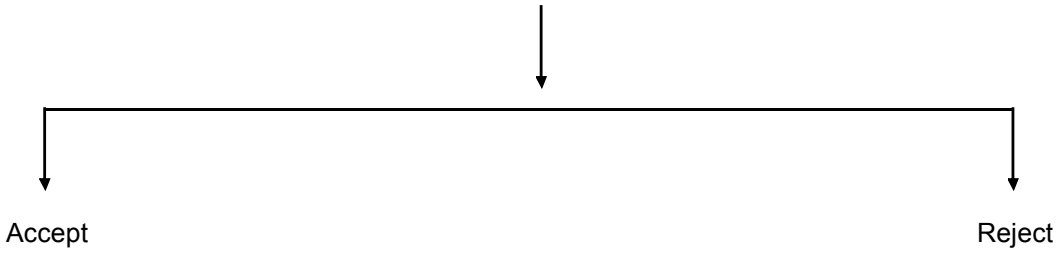
Yours faithfully,

(MANINDER SINGH)

Handling Complaints

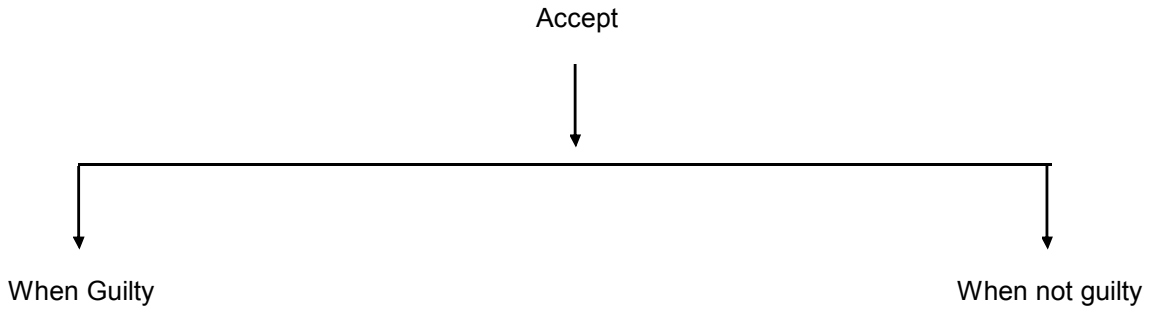
Though it would be nice to believe that a customer is always right, unfortunately it may not always be true. A complaint should be acknowledged and looked into at once.

Following are the different ways in which a complain can be handled



Companies sometimes offer relief, even when they have no legal liability, in order to generate goodwill. After all, a satisfied customer is the best advertisement. So some complains can be accepted, even if the company is not at fault.

Following are the ways of dealing with a complain when it has to be accepted



In either case company can conduct an enquiry and then accept the complain (whether guilty or not) or can accept the complain without any enquiry

Specimens for each case are mentioned below

Scenario 1 (conducting an enquiry)

If you need some time to check the facts, send a polite letter to this effect.

Dear Madam,

We have received your letter of 25th October and we share your concerns.

We have ordered an internal inquiry to ascertain the facts of the unfortunate incident. We expect the findings of the inquiry to be available in a week's time. We request you to wait till then and also assure you that your legitimate interests will be fully protected.

We sincerely regret the inconvenience caused to you.

Yours faithfully,

XYZ

Scenario 2

If the complaint prima facie is genuine then we should willingly own liability and must state very clearly what relief we propose to offer. Care should be taken when accepting responsibility. It is pointless to fix the blame on your juniors as such an act may create problems within the organisation. Whereby, you ultimately create a second problem while trying to resolve the first.

In the following specimen we can see that though the company has no liability towards the customer for the matter under consideration, they are still offering some relief measures as a part of the good customer service practice followed by them.

(Accepting after enquiry, though not guilty)

Dear Sir,

We are sorry to receive your complaint of 25th October. We have looked into the matter and found that the dealer sold you the right package.

Your apprehension that our staff may have stolen your Internet time is also unlikely since we have fairly secure systems in force. Unfortunately, it is possible, though rare, for passwords to be hacked by outsiders. It is quite possible that someone managed to steal your password.

We have added 25 hours of Internet time you lost to your account free of charge. We also wish to assure you that we are constantly striving to make our systems more secure. May we suggest to you to change your password more frequently?

We sincerely regret the inconvenience caused to you and wish you happy surfing.

Yours faithfully,

XYZ

Good to Know!!!

A motorist was dismayed to learn that exactly two months after the warranty on his Maruti car expired, a vital component of the Alternator stopped working. He wrote to the manufacturer in Chennai pointing out that he expected to it last longer than the warranty period. The company not only expressed regrets but also sent a free replacement immediately with a request that the defective piece be returned. It promised to find the defect through extensive testing and remove it.

Rejecting Complaints: Direct Approach

Unfortunately, not all complaints are genuine. After looking into the facts, one may find that the company is not at fault. It is possible that the complainant may be trying to take undue advantage. In such a situation one should politely but firmly reject the claim and state the compulsions.

Letters rejecting a claim or refusing the relief sought are more difficult to draft. Many web-sites offer help in this regard. The sample given below has been downloaded from one such web-site and the details filled in:

Sample Letter:

Dear Madam,

Thank you for your letter of 6th January, 2012. I am afraid we cannot accept your claim that 100 pieces of audio cassettes delivered to you as part of order 2164 were damaged.

I have enclosed a photocopy of our delivery note, which was signed by H. Arora of your company, clearly stating that the delivery was made and the products were in good condition.

As you can appreciate, we do not feel we can take this matter any further.

Yours faithfully,

XYZ

The above specimen uses what is known as a direct approach and mentions immediately after the opening sentence that the claim is not being accepted. The tone also suffers from lack of friendliness. It is possible that many readers may not treat the rest of the letter sympathetically. Therefore, it may be preferable to prepare the reader for the eventual refusal or rejection by using an indirect approach.

Rejecting Complaints: Indirect Approach

Ready-to-send letters are a great help as they save on time and effort. But they may sometimes suffer from deficiencies. In addition, they do not carry the stamp of one's individuality. The example below treats the contents of the complaint with patience, furnishes relevant facts and finally expresses inability to oblige. It may be received more favorably than a direct refusal to do what the complainant has requested.

Dear Sir,

DEPOSIT No. 236415

We received your letter of 20th December, 2011 regarding the interest rate on your deposit with our company.

We checked the records and have found that the deposit was for a period of three years ending 30th November, 2011. You had also authorized us to automatically renew it for a period of one year at the applicable rate of interest, if no instruction to the contrary was received by the maturity date. In the absence of any communication from you, the deposit has been renewed till 29th November 2011 at the prevailing interest rate of 10%.

We may add that we are unable to renew your deposit at the old rate of interest since the RBI has lowered the maximum rate of interest by 1% point effective from 1st October 2011. Should you be interested in a deposit for more than two years, we will be pleased to offer you a higher rate of interest.

We hope you will be satisfied with this information.

Yours faithfully,

XYZ

[*Some more examples of letters of enquiry are given hereunder.*]

1. Enquiry for marketing the goods in a particular area

Patel Computers Private Ltd.
10th Floor, Patel Chambers, Ellisbridge, Ahmedabad - 380 009
Tel.: 2120018 Fax: 2120211

Vision Computers Ltd.

53, New Market, Indore (M.P.)

2nd June, 2012

Dear Sir,

We have seen your new model of Personal Computer (PC) at the Information Technology Exhibition in Pragati Maidan, New Delhi. We are very much interested in this model. We would like to market the PC in Gujarat if you are prepared to give us the exclusive dealership for the entire State. As you know, we are the leading computer suppliers in Gujarat with branches in almost all the main towns. If this suggestion interests you, we shall be glad to know what prices and terms you can allow us. Please send your latest catalogue.

Thanking you

Yours faithfully

Sd/-

Harish Patel

Managing Director

2. Letter of enquiry after a meeting

Varun Marketing Pvt. Ltd.
Kavi Nagar, Ghaziabad (U.P.)
Tel.: 2121150 Fax: 3211187

Mr. Vinay Goel

Golden Chemicals Ltd.

Minto Street, New Delhi-110 001

3rd June, 2012

Dear Sir,

Following my conversation with you at the Indian National Science Conference, I shall be glad if you could send me a catalogue of your new product range–Mosquito Repellants. If you can guarantee prompt delivery and can quote really competitive prices, we may be able to place an order. First class references about our credit standing will be supplied with the order.

Thanking you

Yours faithfully

Sd/-

Vasu Rai

Manager

3. Letter of enquiry for a particular type of goods

Torrel India Ltd.
Lal Chowk, Jallandhar
Tel.: 541811 Fax: 523871

Jain Hosiery Products Ltd.

Station Road

Ludhiana

4th June, 2012

Dear Sirs,

We have an export inquiry for woollen socks and gloves. Please send us an offer quoting your best terms and discount particulars. We shall be grateful for an early reply preferably before the month end.

Thanking you,

Yours faithfully,

Sd/-

S.K. Bhalla

Manager

4. Enquiry regarding supply of goods according to sample

Madras Handloom Stores
1, Mount Road, Chennai-600 001
Tel.: 7181133 Fax: 7118224

M/s. U.P. Handlooms

Connaught Place, New Delhi-110 001

5th June, 2012

Dear Sirs,

We enclose a sample of a 'Khadi' cloth and we would be obliged if you can send us quotation of your products (Pyjama Kurta Suits, Gandhi Caps, etc.) made out of Khadi cloth matching with our sample. We have big orders to be executed immediately.

Thanking you

Yours faithfully

Sd/-

S. Ramanath

Manager

5. Letter of enquiry in response to business advertisement

Sikkim Milk Products
High Point, Gangtok
Tel.: 5181 Fax: 4812

M/s. Dara Dairy Farm

Sultanpur, Meerut (U.P.)

25th May, 2012

Dear Sirs,

We have been very impressed by your advertisement for "Whitex" skimmed milk powder. Your advertisement mentions that your products are highly acclaimed by Central/State Government agencies but states nothing about the shelf life of your product.

Will you please let us know about the shelf life of your product, its taste and quality certification received from Government Health Authorities?

Thanking you,

Yours faithfully,

Sd/-

Yonus Dong

Manager

6. A letter of enquiry with self introduction

GOOD FIX & Co.
3, Rose Gardens, New Delhi-110 099
Tel.: 8111856, 8111843 Fax: (011) 8112816

M/s. Weegy Metal Screw Industries

Bada Mohalla, Aligarh (U.P.)

10th June, 2012

Dear Sirs,

We read with interest your advertisement in 'The Hindustan Times' dated 1st June, 2012. We are impressed by the description of aluminium screws and fittings made by you.

We are a leading building construction contractors and dealers in construction materials in this area. The demand for aluminium fittings is steadily increasing in these parts and we have a large number of enquiries, and orders too for them.

Kindly send us your catalogue and price list for wholesale purchases. Since our annual requirements in me tal

fittings of all kinds are large, we would like to place regular orders with you. Therefore, please quote the prices and terms most favourable to us.

Thanking you,

Yours faithfully,

Sd/-

Mg. Partner

7. Enquiry regarding business reference

Premier Wire Ropes Ltd.
Hari Plaza, Gurgaon (Haryana)
Tel: 89-11001 Fax: 89-12001

M/s Delite Distributors

Chandni Chowk,

Delhi-110 006

8th June, 2012

(CONFIDENTIAL)

Dear Sirs,

Messrs Verma Hardwares of your area have cited your name as reference. We shall be thankful if you will let us know whether your business dealings with the firm have been entirely satisfactory. In your opinion, can we deal with them on long term basis? Do they enjoy good reputation in business circles?

Any information you may supply us will be treated as strictly confidential and we would be pleased to reciprocate in similar matters.

Thanking you,

Yours faithfully,

Sd/-

Director

8. Asking a manufacturer to send the price list and catalogue

Katmal Khan Home Products
Shafe Ali Lane, Mumbai-400 002
Tel.: 2715182 Fax: 2715611

M/s. Best Plastics

8, Swati Society,

Vadodara-390 002

9th June, 2012

Dear Sirs,

Kindly send us your latest and illustrated catalogue, and price list of plastic moulded furniture.

Thanking you,

Yours faithfully,

Sd/-

Kini Labox

Proprietor

9. Enquiry from suppliers about the price and time of delivery of goods.

Himalaya Stationery Suppliers
1-Park Street, Kolkata-700 071
Tel.: 5811411 Fax: 5824322

The Sales Manager

Hindustan Pencils Mfg. Co.

Rampur (U.P.)

15th June, 2012

Dear Sir,

We wish to introduce ourselves as general stationery merchants with 40 years' standing in the market.

Since major part of our clientele comes from urban and semi-urban areas of Bihar, Orissa and West Bengal, we are interested in quality goods. Please quote your best prices for colour pencils. Do let us know whether you can despatch the goods within 45 days of the receipt of the order.

You can be sure that your products will have a large market in this area and you will get regular orders from us if your prices are competitive.

Thanking you and looking forward to an early reply from you.

Yours faithfully,

Sd/-

B.K. Mehta

General Manager

Examples of Replies to Enquiries

I. A simple reply to an enquiry

XCON LTD.
5th Lane IInd Street, Gurgaon (Haryana)
Tel. No.: 81-877150 Fax No.: 824111

No. RD/371/2012

Veeking Motors Ltd.

Dalhousie House,

Dehradun (U.P.)

15th April, 2012

Dear Sirs,

We thank you for your enquiry dated 10th April, 2012.

We enclose a copy of our latest catalogue and hope you would find it useful to select the right item(s) and place order(s) with us.

Thanking you,

Yours faithfully,

Sd/-

Manager (Sales)

Encl.: 'Catalogue-2012'

II. Reply (quotation) to an enquiry in response to an advertisement

VOLECTRIC INDUSTRIES LTD.
Phase-I, Shastri Nagar, Ghaziabad (UP)
Tel.No.: 91-818168 Fax: 91-776655

Ref.: VJ/81/2012

M/s. Clearvision Electronics

Lajpatrai Market

Faridabad (Haryana)

April 9, 2012

Dear Sirs,

We are pleased to receive your letter in response to our advertisement in the 'Hindustan Times'.

As requested, we enclose our detailed product catalogue. We would like to draw your kind attention to Item No. 24 in our catalogue–Electronic Regulator. It is the latest one available in the market.

We hope to receive a trial order from you and we assure you prompt services and full satisfaction.

Thanking you,

Yours faithfully,

Sd/-

Manager

Encl: As stated.

III. Reply (quotation with special terms) to an enquiry

VESPAN MUSIC LTD.
6, Melody Street, Surat-395001
Tel.No.: 718187 Fax: 681116

Ref.No.: VML/585/2012

M/s. Birds Music Stores

Juhu Market

7, Vile Parle-Juhu Road

Mumbai-400 049

11th April, 2012

Dear Sirs,

Thank you for your enquiry letter of 10th March, 2012.

First of all we are very sorry for the delay in responding to your letter. We have the pleasure to inform you that we have exclusive distribution rights for the music of Hindi Blockbluster–'New York'. We have cut out DVDs besides VCDs. The disc/cassette contains 14 hit songs of this film. Lyrics for the songs have been written by Dr. Vinod Kukrie. The music director of the film is Ram Gopal Verma.

On orders for 100 or more VCDs/25 or more DVDs, we would give you a special discount of 5% on the price mentioned in the enclosed leaflet.

We hope to hear from you very soon.

Thanking you,

Yours faithfully,

Sd/-

Mathew Cherian

Manager (Sales)

Encl.: As above.

IV. Reply to an Enquiry (Quotation) regarding ready availability of a particular product

GOODWORD TYPEWRITERS
17, Hansal Towers, Prasad Nagar, New Delhi-110 008
Tel.No.: 5738192-95

M/s Lovely Stationers

GoodLuck Chambers

115, Karol Bagh

New Delhi - 110 005

4th April, 2012

Dear Sirs,

We refer to your letter dated 1st April, 2012.

It gives us great pleasure to send you our catalogue which contains all technical details about the Electronic model in which you are interested.

Owing to very large number of orders we have already booked, we regret that we cannot promise delivery within four weeks. However, all efforts would be made to speed up the delivery in case your order is received within the next few days.

Thanking you,

Yours sincerely,

Sd/-

General Manager (Sales)

Encl.: As above.

V. Reply regretting supply/suggesting an alternative

MATADOOR FURNITURES
Khan Market, Lucknow (U.P.)
Tel.No. 442211 Fax: 443311

Mr. Satish Sharma

11, Alkapuri Housing Society

Godwin Street, Lucknow (UP)

16th April, 2012

Dear Sir,

We thank you for your letter dated 10th April, 2012 enquiring about the availability of T.V. stand (wooden) in Oakwood finish.

We regret to inform you that we do not fabricate TV stand nowadays. In case you are very keen to purchase one, you may contact our sister concern–Mathur Furniture Mart, New Market Junction, Azimabad, Lucknow (Tel. No. 771182). Mathur Furniture Mart is well known in this field and their rates are very competitive. Moreover, they do not compromise on quality.

Thanking you,

Yours faithfully,

Sd/-

Vinod Mathur

Manager (Sales)

Examples of Letters of Enquiry and Replies thereto

Enquiry 1

MERIDIAN DRESSES LTD.
Regd. Office: 12, M.M. Road, Chennai-600 002
Phone: 2345683 E-mail: meridian@vsnl.com

Ref.No. 23/84

Sindur Dress Materials Ltd.

123, Dr. B.N. Road

Mumbai-400 023

2nd May, 2012

Dear Sir,

We understand that you are specialize in innovation formulating designs for different dress material for indigenous as well as export markets.

We are one of the latest to enter the industry of garment exports to the USA.

We like to know whether you would be in a position to help us in any way.

We would appreciate an early reply.

Yours faithfully,

Sd/-

Mangalchand

Marketing Officer

Reply to the above

SINDUR DRESS MATERIALS LTD.
Regd. Office: 123, Dr. B.N. Road, Mumbai-400 023.
Phone: 546742 E-mail: sindur@vsnl.com

Ref.: P/1/2012

Shri Mangalchand,

Marketing Officer, Meridian Dresses Ltd.

12, M.M. Road,

Chennai-600 002.

10th May, 2012

Dear Sir

We thank you for your letter of 2nd May, 2012.

We are the pioneers in creating new designs for garments which are supplied in Indian as well as in foreign markets. Our designs are the result of study of current trends in vogue in foreign markets. For this purpose, we have our export design staff posted in six countries including the U.S.A. and the U.K.

Our designs are valid for eight months in the sense that our clients can reliably export without any fear of rejection on the ground of the garment being 'out of fashion'. The U.S. market is very 'design conscious' and we get our designs approved by the American Wholesale Vendors.

We are the suppliers of designs for garments to at least 25 exporters of garments in Mumbai alone.

Our charges are quite competitive too.

Let us know if you are interested in entering into a contract with us for at least six months to start with.

Yours faithfully,

Sd/-

Abhay Chand,

Senior Export Designer

Enquiry 2

Dear Sir,

We are interested in purchasing electrical goods for our proposed new factory at Bilaspur. We have been given to understand that your company's goods meet the highest standards of quality and performance. Would you please let us know your terms for supply of the following items:

P.V.C. Tubes	...	12600 meters (length)
Wires (to carry 1000 volts current)	...	40500 meters
Bulbs (1000 watts)	...	4000 numbers
Switches	...	700 numbers

Wires (to carry 220 volts current)	...	3000 meters
Bulbs (500 watts)	...	270 numbers
Voltage Stabilisers	...	80 numbers

We would be happy to receive your reply by the return post.

Yours faithfully,

Reply to the above

"We thank you for writing to us regarding your requirements. We are one of the popular manufacturers of certain electrical goods, details of which are given in the enclosed brochure.

For the quality indicated in your letter we offer a discount of 10% to 23%, the details of which are given in the enclosed catalogue.

Our payment terms are cash down or negotiation of documents through banks, payment being required to be made on presentation of documents. Credit of one month is however made available on opening a letter of credit in our favour. Alternatively, bank guarantee is acceptable. Please let us know the name/s of your bankers.

Awaiting your reply."

Enquiry 3

"We are a leading construction contractor executing contracts of the value of more than 45 crores of rupees annually.

We understand that you deal in aluminium and steel slotted angles used particularly in commercial establishments. Due to our increased business this year and of that anticipated in the coming years, we would be requiring slotted angles worth over Rs. 20 lakhs.

Would you please let us have your catalogue and price list at the earliest."

Reply

"We thank you very much for your letter of enquiry dated..... We are suppliers of repute in the southern region. We are in this business for over 23 years now.

As on date we are booked for supply upto next six months. We would be able to supply goods only in the month of August, 2012, if the booking is done before March, 2012. Our price list and the catalogue are sent herewith for your perusal and action. As per our current policy, 10% of the cost of the order booked is payable at the time of booking of the order. The balance is payable at the time of delivery. Payments against presentation of documents through bank is permitted by us after securing necessary credit information.

Please let us know your requirement. Also furnish names of your bankers and two other references."

Enquiry 4

"We are one of the popular dealers in fans, refrigerators, electric grinders and electric washing machines.

We have come to know that you are looking for dealers for marketing your fans and grinders. We would like to take up dealership of your goods as per the following terms:

(a) Electric fans ... discount of 20% on the catalogue price

(b) Grinders ... 18% discount on the catalogue price.

We do accept agency arrangements and in that case our commission will be 10% on fans and 15% on grinders.

We hope our terms are competitive and we look forward to receiving a favourable reply from you."

Reply

"We thank you for your letter dated..... expressing your desire to take up dealership in our company's goods.

Our company has appointed distributors for the Northern, Southern, Eastern and Western regions. Our distributors for the Southern region are:

Southern Agencies Limited,

22, Club House Road,

Mount Road, Chennai-600 002

You may please contact them in connection with your request for being appointed dealer of our company's goods. Meanwhile, we are forwarding a copy of your letter to them.

We thank you for evincing interest in our goods."

Status Enquiries and Replies

Before extending any credit facility, enquiries are made about the prospective client. It is usual to find out the credit worthiness and standing of the prospective client from its bankers. Also, enquiries are sometimes made from other suppliers of the prospective client. The opinion given by a bank carries more weightage and authenticity. It is to be remembered that banks do not give opinion on credit worthiness and standing of a party except to fellow bankers by way of courtesy.

Asking for references

"We are thankful to you for evincing interest in our products. Before we can effect supplies, we would request you to furnish the names of your bankers and of any other party who will be in a position to furnish information about your credit and standing.

This is as per our business practice."

Reply to the above

"We thank you for your prompt reply. The names of our bankers are furnished below:

Canara Bank,	Bank of Baroda,
Parliament Street,	East Patel Nagar Branch,
New Delhi-110 001.	New Delhi-110 058.

M/s Harisson Associates with whom we have been dealings for over 10 years would also be able to furnish an authentic opinion about our credit worthiness and standing. You may write to the following address:

M/s Harisson Associates,

134, B.N. Road, Chennai-600 023.

We sincerely hope that the above information meets your requirements. We would be happy to have your positive reply at the earliest."

Miscellaneous Letters

A few letters of order, complaints, etc. are also given below for your information and guidance.

Letter of Order

MANNAN AGENCIES LIMITED
Regd. Office: 23, N.M. Road, Chennai-600 012.
Phone: 34567
E-mail: manna@usa.net

Ref.: 0/23
Indrani Electricals Limited,
123, Asaf Ali Road,
New Delhi.
11th April, 2012

Sirs

Sub: Order for fans

We thank you for your letter dated 3rd April, 2012, enclosing your catalogue and price list. We are pleased to place order for the following items:

'Mercury' Pedestal fans	...	25 Nos.
'Solar' Ceiling fans	...	40 Nos.
'Breesee' Mini fans	...	60 Nos.

Kindly negotiate the documents through Indian Overseas Bank, Mount Road Branch. Payment will be made on presentation of documents. As mentioned in your price list, please offer us a discount of 15% on the listed price.

We request you to confirm despatch of the goods by return of post.

Yours truly,

Sd/-

Mani R.

Sales Officer

Reply to the above

INDRANI ELECTRICALS LIMITED
Regd. Office: 123, Asaf Ali Road, New Delhi.
Phone: 523368

Ref.: E/230

Mannan Agencies Limited,

23, N.M. Road,

Chennai-600 012.

15th May, 2012

Sirs,

We refer to your letter 0/23 dt. 11.4.2012 ordering supply of ceiling, pedestal and mini fans. We confirm having sent the goods through Toofan Carriers Ltd. L.R. No. 234 dt. 10.5.2012. The invoice and the original L.R. have been negotiated through Bank of India, our bankers, who would present the documents for payment through Indian Overseas bank, Mount Road Branch, as requested by you.

Kindly inform us as soon as you receive the bills.

Thanking you,

Yours faithfully,

Sd/-

Maninder Singh

Sales Manager

Letter stating complaints

"We are thankful to you for your prompt compliance with our request to supply fans as per order dated 11th April, 2012.

However, on opening the pack of consignments, we were disappointed to note that the blades of 8 ceiling fans were damaged.

The paint has peeled off awkwardly in 3 pedestal fan trunks and Mini fan blades.

Would you please rectify the defects at the earliest?"

Reply to the above

"We refer to your letter dated... and are sorry to note that some of the fans were defective. We understand your anxiety over the unfortunate development. Kindly keep the defective fans separately. Our insurance agents at Chennai would inspect the same. We are, in the meantime, arranging to send a fresh consignment in replacement of the defective items. Kindly hand over the defective fans to our insurers. We are extremely sorry for the inconvenience caused to you."

Complaint regarding delay in executing the order

"We refer to our letter No. 23/84 dt. 1st February, 2010 for urgent supply of 400 numbers of rain coats as per the specifications given vide our earlier letter. We regret there has so far been no response from your end. Would you please wire particulars of despatch?"

Reply to the above

"We are sorry to have delayed despatches against your orders. There was a sudden demand from the Defence Ministry to supply rain coats to the defence personnel on an emergency basis. We thought that we would be in a position to meet your order by Mid- April. However, due to a second bulk and very urgent order for yet another consignment of 3000 rain coats from the Defence Ministry, we could not effect any despatches to any of our other customers.

We are sorry for the unexpected development that has delayed the despatch of rain coats. You may appreciate that we are under obligation to supply rain coats whenever the Defence Ministry places an order.

We confirm having despatched 200 rain coats through Speedy Transports vide their L.R. 1234 dt. 23rd May, 2010 under the instructions that the goods shall be delivered at your door. The balance 200 rain coats would be despatched by the end of May 2010.

We request you to bear with us till then."

Explaining cause for the delay in despatches

"We share your anxiety and displeasure over the inevitable delay in despatch of consignment for which you have placed an order. You may be aware that due to communal disturbances in Mumbai normal life has been thrown out of gear. Curfew has been imposed for the fifth day in succession. Transporters have closed their offices fearing untoward incidents. Virtually, there is no movement of goods for the last 10 days.

Under the circumstances, we are helpless, though willing and able to send the consignment. Kindly bear with us till normalcy in restored."

A circular letter informing unexpected strike and resultant delay in despatch of goods

Kenson Auto Spare Parts Ltd.
Regd. Office: 151 Akurdi, Pune-411 031
Tel: 752811 Fax: 753911

No. CSP/2012

To

(Dealers)

9th June, 2012

Dear Sirs

We wish to inform you that the recent State wide strike by Transport Operators has caused delay in despatch of goods from our factory. Actually, we have got adequate stock of the items you require. We could have sent the consignment well in time but for the unexpected strike called by the Transport Operators in the State. We are very hopeful of an early settlement of the strike and in the meantime, request you to please bear with us. We are very sorry for the unfortunate delay in despatch of goods under your order. However, we assure you, once normalcy is restored, we shall give top priority for the despatch of your consignment without any further delay.

Thanking you,

Yours faithfully

Sd/-

Manoj Jadeja

Sales Manager

Inability to execute an order

"We thank you for your letter placing order for supply of 200 bales of terrywool suit lengths.

While thanking you for the faith you have reposed in our brand, we are sorry to state that due to heavy orders at hand, we would be unable to fulfil your requirements for another two months.

Please let us know within a week's time whether you would like to be included in the waiting list. We have tentatively included your name in our waiting list, hoping you will confirm our action. However, if you would like us to refund the advance paid by you kindly inform us about the same."

Substitute goods offered

"We thank you for your order for supply of 40 table fans. We regret that we have no ready stocks of 'Breezy' fans at the moment as you might be aware that due to prolonged strike at the factory, there have been no fresh despatches from the factory.

However, we have stocks of 'Coolings' fan which is of similar quality and grace as 'Breezy' fan. Further, 'Coolings' fan carries a two-year warranty and free servicing for four years. This brand has picked up considerable market in Pune and Mumbai. Please let us know whether you are interested in procuring 'Coolings' fans on an experimental basis. You would find its performance quite encouraging. Please do not mistake us in suggesting this alternative offer. Should you need refund of the advance paid by you, we shall be prepared to do so immediately on receipt of your intimation".

Complaint regarding bad quality

"We had procured 1,000 numbers of 'BEEMLIGHT' fluorescent tubes vide our order .....dt ..... We are being faced with numerous complaints from our customers regarding the performance of these tubes. In fact a majority of complaints are from individual customers. The problem in all the cases has been that after 3 weeks of good performance, the tubes fail. Out of 230 items sold, around 130 complaints have so far been received. Samples of 10 tubes which have failed have been sent to you yesterday for examination. We have however stopped selling these tubes. Around 650 tubes are lying with us. As your reputation as manufacturer of quality tubes is at a stake, we feel that it is in your interest that these defective tubes are withdrawn and tested again.

Please let us know when and how we should despatch these 650 tubes to you."

Intimating customers' complaint and suggestion for better customer service

Geo Electricals
13, G. Memon Street, Mumbai - 400 002
Tel.: 2121837, 2153718 Fax: 2561816

No. M/1/97

Mondec Electrical Equipments Co. Ltd.

12, Wadala Industrial Estate,

Mumbai - 400 072

1st January, 2012

Dear Sir

Reg.: Mondec Automatic Washing Machines – Model 'XAM'

We regret to inform you that many of our valued customers, who have recently bought your "MONDEC-XAM" Washing Machine from us, have lodged complaints about mal-functioning of the machine. Most of the customers have also made complaints regarding poor after-sales-service provided by your Authorised Service Agent. Copy of written complaints received from customers is forwarded for your immediate attention and action.

We always believe that in business, 'Customer is always right' because generally no customer complains unless there is sufficient reason to complain. A satisfied customer is the best advertisement and to have a satisfied customer we should give him the best product and service.

We, again, emphasise that there is an urgent need for improving the After-Sales-Service for maintaining the reputation of your company. It is our sincere suggestion that an independent/exclusive After-Sales-Service Centre, manned by factory trained personnel be started forthwith to provide best services to the valued customers.

Thanking you,

Yours faithfully

Sd/-

Sadak Hashmi

Prop. Geo Electricals

Encl.: As above.

Complaint regarding careless execution of an order

"We thank you for your promptness in executing our order. However, on opening the packs we find that the supplies are not in consonance with our order.

You have sent 50 armless folding chairs, 100 chairs with arms, 80 folding tables with mica tops. We had infact asked for 100 armless folding chairs, 500 chairs with arms and 50 folding tables with mica tops.

It appears the mistake has probably crept in at the stage of processing of various orders.

Kindly let us know how we should return the 30 tables not ordered by us. Also please confirm that you would be despatching the balance quantity of chairs.

Reply to the above

"We are very sorry to learn that supplies made to you were not in accordance with the order placed by you.

We regret that the error is due to clerical oversight in processing various orders.

We confirm having sent to you today 50 armless chairs and 400 chairs with arms vide Speedways' L.R. No. 567 dt. 12.5.2012.

You may please return 30 tables to us through Speedways at our cost.

We once again regret for the error and the consequent inconvenience caused to you".

Points to Remember

- A letter of enquiry is an info, seeking letter
- A letter of enquiry must clearly state the following:
  - (i) the purpose of the letter
  - (ii) Request for catalogue/price list
  - (iii) The details of the sender's business
  - (iv) Request for terms relating to discount, credit, mode of delivery etc.
  - (v) An idea of the quantity needed so that the supplier may quote the best price.
- A reply to an enquiry must take care of the following:
  - (i) a reference to the date and no. of the letter of enquiry
  - (ii) thanks to the party for showing interest in the receiver's products
  - (iii) courteous tone
  - (iv) all relevant information about goods, prices, discount, etc.
  - (v) whether the catalogue/price list is enclosed or is being sent separately
  - (vi) assurance of best service to the sender of enquiry.

INTRODUCTION – SALES CORRESPONDENCE

"A fool and his money are soon parted", claims a popular saying. But on the other hand it also highlights the fact that it is very difficult to make people spend their money by reading what we have written or listening to what we have said. Such writing encounters a natural resistance from readers. It is common to see a handbill being thrown away moments after it is thrust into someone's hands in a market. Sales persons often find doors being slammed shut on them just after they have spoken the first few words and declared the purpose of their visit. Therefore, it is important to choose the first few words with abundant care. Effective Sales writing demands following what is known as the AIDAS plan which stands for Attention, Interest, Desire, Action and Satisfaction. These are usually combined or blended so smoothly in the well-written persuasive message that it is difficult – and unnecessary – to separate them. Also, the parts do not always occur in the sequence given above.

Strategic Marketing

Defining Segments

We buy for a variety of motives. For instance, cosmetics and contact lenses worth trillions of dollars would not sell if we did not want to look better. The health tonics and gym equipment would not find a market if people were not health conscious or did not want to remain slim. The insurance industry thrives on our fear of loss or death. The luxury cars and deluxe flats in prime locations partly sell because we want to display our status. Before we begin to write, it is necessary to understand why someone may buy our product.

It is also clear that all products are not meant for all the segments of society. Would it make any sense to offer a life-insurance package to a child? Or for that matter, a wrinkle-removal cream to a teenager. This is not to suggest that all products or services are segment-specific. Sales campaigns are launched to widen segments and use or lure those believed to be outside it. Children may be used to influence the choice of parents, say, about an expensive CD system they are going to buy. An old grandma may be presented as young enough to have a chocolate. The brand name is often repeated in order to ensure that it registers.

It is a good strategy to first define for ourselves as to what can be the motive of the buyer, the segment we are trying to target, and then write accordingly.

Sales Letter

A sales letter is written to an individual keeping his specific needs in mind. For instance, a communication offering to sell a product or service to a particular entrepreneur is a sales letter. When it is drafted for circulation among a large number of people, it becomes a sales circular.

Let us first look at specimen of a sales letter.

Dear Mr. Khanna,

We thank you for choosing the ***Instant*** Internet package, which was brought to you by International Datamatics Ltd. of India. We are sure you enjoyed surfing the net and found the service fast and reliable.

Your *Instant* package contained 25 hours of Internet time out of which you have already used 20. We wish to offer you the same standard of fast and uninterrupted connectivity through our advanced ***Constant*** package.

The Constant package is offered to ***Instant*** users at a nominal conversion price of Rs.200 only. A ***Constant*** connection will enable you to surf the net at a special rate of Rs.5 per hour only. Being a privileged user, you do not have to register again. Just click your mouse on the switchover option on our website or call our customer care number 915359112 (toll-free).

Surf now and Pay later!

You do not have to make any payment now. The conversion price will be added to your first monthly bill.

We look forward to a long association with you.

Yours sincerely,

Sales Circulars

The difference between a sales letter and a sales circular is subtle (small but important). A sales circular is drafted with a large number of people in mind. It may still address them with a singular salutation such as Customer, Subscriber, Investor or Client. This is done to create the illusion that it has been drafted with the recipient in mind. Every copy of a sales circular may even carry a different name and address by using the Mail-Merge facility. It would still be a circular because the same message is being circulated to all segments of people.

A Specimen circular selling a Mutual Fund to prospective investors is given below:

Dear Investor,

Are your funds still earning a low 4% interest in a savings bank account?

If yes, then we wish to offer you an investment option, which combines the liquidity of a bank account with comparable safety and possibility of higher returns.

Anglican Balanced Fund opens for subscription on the New Years's Day. At least sixty percent of receipts will be invested in equities and the rest in debt instruments. To ensure a consistent return during volatile market conditions, twenty-five percent of receipts may be invested in derivatives. This will also act as a hedging measure.

The dividend will be tax-free in the hands of the investor. There will be no entry load and the minimum subscription will be Rs.5,000 only. To ensure liquidity, requests for redemption will normally be cleared within two days. The fund will offer the usual provisions for joint holding and nominations.

Anglican Balanced Fund will be managed by the same experienced and skilled team of professionals, who have given very good returns in the past even in sluggish market conditions. Considering the performance of earlier schemes launched by the same group and the size of the promoters' corpus, the rating agencies have awarded it "High Safety Rating".

We are confident your idle funds can fetch you better returns through investment in ***Anglican Balanced Fund.*** Please contact your Investment Advisor or call the nearest Customer Service center for a copy of the Prospectus and an application form. You may visit our web-site **(www.anglicanfund.com**) for downloading the details.

Yours sincerely,

An analysis of the above draft shows that the writer is aware of the purpose of the circular i.e. to sell a scheme of Mutual Fund to a prospective investor. He understands that he has only a few seconds to capture the attention of the reader. Therefore he tosses a question at him and expects him to say "Yes". Most of us do leave our money in Savings Accounts where it earns very low interest. He then addresses himself to the question the reader is most likely to ask. "How does this scheme help me?"

The next two paragraphs give details of the scheme to arouse the investor's interest and create a desire in him to derive the likely benefits. However, the claims made must appear true and believable. Then come, the reference to other schemes and the results already obtained through them. The circular ends with multiple options, including a toll-free phone number, to obtain further information and application form.

Specimen Circular Letters

A few specimens of Circular Letters are given herein :

This circular is about a mobile handset. The opening sentence appeals to a desire to possess the latest model. This

is followed up with product details. Information about the number of sales and service outlets is meant to assure the buyer about the reliability of the seller. The language is more polite since it is an unsolicited voluntary offer.

The brand name is repeated to ensure that it registers in the mind of the reader.

Berry i-Phone

Dear Friend

The mobile phones that were used to just make and receive calls have gone out of fashion long back. The latest hi-tech gizmo in the field of mobile telephony is the Berry i-phone - a Generation 3 handset with an internal antenna.

The versatile i-phone has been created for a mobile professional like you. Its dual band supports High speed Circuit Switched data at speeds upto 43.2 kbps and Wireless Application Protocol (WAP) enabling access to internet. It integrates through a server with an enterprise's information management system to provide access to databases, internet and email.

Berry i-phone has a big display touch screen, 8 mega pixel camera and 32 GB internal memory. It is powered with a 650 MaH Li-ion semi-fixed battery to provide a talk-time of 3 hours and a stand-by time of 150 hours.

Berry i-phone has Sales outlets in 113 countries across the globe. They also offer matchless after-sales Service just in case you require it.

Interested? Call toll-free 98110002222 for more details about Berry i-phone or visit your nearest Sales outlet.

Yours sincerely

Circular informing Seasonal Discount

MEENU MACHINES LIMITED
Regd. Office: 12, M.M. Road, Chennai-600 002
Phone: 34567

Circular 23/2012

12.7.2012

To

(Customers)

Dear Sir/Madam,

The off-season is about to set in. You would be eagerly awaiting announcement of the scheme of off-seasonal discount. The Government of India has to be complimented for its bold decision to reduce the duties of excise on some of the components of the electric fan and therefore, this season, we have something attractive to offer you by way of discounts.

Discount on pedestal fans	15%
Discount on table fans	20%
Discount on ceiling fans	18%
Discount on Mini fans	16%

The above rates of discount are valid upto 25th November, 2012. We hope you will fully avail of the discount offer and place your valuable order immediately.

Yours faithfully,

Sd/-

Mani S.

Manager (Sales)

A circular letter to dealers announcing off season discount scheme

Sonal Home Appliances & Electronics
Clock Tower Road, Ludhiana - 143 001
Phone: 668754, 668751 Fax: (0145) 658564

1st June, 2012

To

(All Authorised Dealers)

Dear Sirs,

Sub.: Special Off-season Discount Scheme, 2012

We are pleased to inform you that we are now offering a unique off-seasonal discount on showroom prices of our 'Penquin' refrigerators of 165 and 195 litres capacity. The scheme would be in operation with effect from 10th June, 2012 to 31st January, 2012. The details of the scheme are as under:

A.

Discount amount offered		*Capacity of fridge*
Rs. 1000	on	165 litre
Rs. 1200	on	195 litre

B. The discount is offered on showroom price of the fridge and is applicable only on full cash down payment by the customer.

C. The scheme is not extended to purchases on instalment/hire purchase schemes.

We are planning for a nationwide advertisement campaign both in the print and electronic media, on this occasion to publicise the off-season discount scheme, 2012.

We are sending through our company courier necessary publicity materials like banners, leaflets etc. which may please be exhibited prominently in your showroom to attract the attention of potential customers.

Looking forward to receiving your full cooperation to make a grand success of the scheme.

Thanking you,

Yours faithfully,

Sd/-

Asha Goyal

Manager - Sales

A circular to stockists announcing special incentive scheme

Vishal Detergents Ltd.
Clock Tower, Ludhiana
Tel.: 521811, 531811 Fax: 571819

1.1.2012

To

(All Authorised Dealers/Stockists)

Dear Sir,

Special Incentive Scheme – 2012

We are pleased to inform you that we are now offering a unique Incentive Scheme for our dealers/stockists who achieve higher sales of our company's products during the Calendar Year 2012. Under this scheme, we offer to all our authorised dealers/stockists an additional incentive of a trade discount @ 5 per cent for registering higher sales during 2012. The details of the scheme are as under:

Additional Incentive Discount offered	*Aggregate sales achievement (1.1.2012 to 31.12.2012)* Rs.
Nil	Below 1,00,000
5 per cent	1,00,000 – 5,00,000
10 per cent	5,00,001 – 10,00,000
15 per cent	10,00,001 – 15,00,000
20 per cent	15,00,001 – 20,00,000
25 per cent	20,00,001 and above

Looking forward to receiving your valuable orders and continued cooperation and support for achieving higher sales of our products.

Thanking you,

Yours faithfully,

Sd/-

Shah Tannan

Manager - Sales

Circular informing increase in prices

"We are thankful to you for your valuable orders for supply of various paints and enamels, all these years. The increased turnover of the company by 34% this year, 7 months after the close of last year, indicates the increasing popularity and acceptability of our products. True to our tradition, we are improving the quality and range of our products constantly with a view to become more and more innovative in combination of colours.

Due to our increased R & D activity, we have made considerable headway in new production processes. This has necessitated import of certain inputs. Obviously, this would lead to a marginal increase in prices.

We take you into full confidence in announcing an increase in price ranging from 2% to 6% on various items as shown in the enclosed price-list. We hope you would continue to patronise our goods as you have done in the past.

It pays to pay a little more for QUALITY."

Circular informing appointment of sole-selling agent

"We thank you for having patronised our products all these years and sincerely hope that you would continue to patronise our products in the years to come.

To coordinate the supplies from different customers, we are pleased to announce appointment of Seethal Agencies Limited as sole-selling agent for our range of products w.e.f. 16th May, 2012.

We request you to place all your valuable orders with them henceforth. All orders received by us till now will however be executed by the company.

We are hopeful that in the years to come, there shall be a considerable improvement in our services to you."

Circular Informing Discontinuance of Services of a Sales Officer

"We bring to your notice that Shri Narayan Dutt Yadav, our Sales Officer, ceases to be our employee. Shri Yadav has no right to represent the company any longer. You are requested not to deal with him as a representative of our company.

Any payment made to him on company's account would not be a valid discharge".

Circular Informing Prize Scheme

"We value the patronage you have been extending to the company's products all these years. We are sure that you would continue to extend the same brand loyalty in the years to come. You are aware that our company is very particular in ensuring quality and reasonable prices at the same time. The recent price hike by 15% in our products was necessitated mainly due to the imposition of new excise and customs duties.

With a view to encourage the sales performance, the company is glad to announce the following prizes:

First Price	–	Maruti SX4
Second Prize	–	Honda Jazz
Third Prize	–	Tata Nano

The first, second and third prizes would be drawn by lot from among those whose off take for the quarter Oct-Dec., 2011 is not less than Rs. 15 lakhs, Rs. 10 lakhs and Rs. 7.5 lakhs, respectively. We hope to receive your valuable orders."

Circular Informing Special Concession

"We are indeed very glad to know that you are one of our regular subscribers to our monthly "Corporate Law Reporter". You would be happy to know that the journal is entering its silver jubilee year.

On this occasion, we are pleased to inform you that on all renewal subscriptions to the journal, a discount of 25% is being allowed. You would, therefore, have to pay only Rs. 300 (as against Rs. 400) as subscription for the ensuing year. We have pleasure in extending this discount concession also to anyone whose name you recommend for subscription.

Kindly inform us regarding your decision by 30th April, 2012, so that we can plan our printing schedule accordingly.

Earnestly soliciting your patronage and assuring you of our valuable services at all times."

Circular Informing Change of Address

"On and from 12.5.2012 we would be functioning at the following premises

123, Jaleel Buildings,
M.M. Road,
Cuddalore - 601 023.

Our new telephone numbers are

65 65 67

65 65 68

65 65 69

Kindly ensure that in future all your correspondence is directed to the above address."

Circular Announcing Opening of New Regional Office

"We are happy to announce opening of our full fledged Regional Office at Patna in order to cater to the requirements of various dealers in the States of Bihar and Sikkim, and also Nepal.

The Regional Office would function at the following address with immediate effect.

12, Asaf Ali Road

Patna – 800 007

Shri R. Sridhar is our Regional Manager. You may write to him for all your requirements. He would be pleased to serve you at all times."

Advertisements

Advertising is a paid communication, for the masses. Its ultimate purpose is to impart information, develop attitudes, create needs and induce action beneficial to the advertiser.

The advertisement budget is on the increase universally.

Apart from being used as a marketing force, advertisements may also relate to the functions like–

(i) improving public image

(ii) the opening of a new factory or sales office

(iii) explaining management's stand on a strike by workforce

(iv) informing the consumers and the general public about malpractices prevailing in the market pertaining to company's products, infringement of trademarks, copyrights, etc.

(v) publication of notices, etc., under various statutes

(vi) recruitment of personnel

(vii) inviting tenders, sale of scrap

(viii) public issue of shares, debentures, etc.

(ix) appointment of dealers and distributors

(x) hike in prices.

Advertisement Vs. Publicity

Sometimes the term 'publicity' is used synonymously with 'Advertisement'. Terminology differs from country to country, industry to industry and even within an industry itself. Without leaping into semantic differences, the term 'advertisement' is used in this head to refer to all the above-mentioned categories.

However, it should be kept in view that advertisements should be drafted in such a way so as to suitably serve the purpose. In the table given below, an attempt has been made to highlight 'emphasis areas' of advertisement for different purposes.

Essentials of Advertisement

Advertisements aimed at improving public image, sustaining and fostering demand for company's products are the most strategic ones requiring skill in laying out the copy of the advertisement, besides timing them well. Marketing management specialists are constantly involved in evolving new advertisements strategies. The discussion of these strategies in greater detail may lead to lopsided (*not equally balanced*) emphasis of this

study. It will suffice to say that the key phrase in communication lies in the nature of audience, a vastly heterogeneous mass of people whose attitudes cannot usually be changed by mere advertising.

In order to influence an audience reading the advertisement (for we are concerned with written communication here) in the manner desired, four essentials are required in the advertisement copy.

1. The audience must be exposed to the communication.
2. The members of the audience must be able to perceive correctly as to what response the communicator desires.
3. The audience must remember or retain the message sought to be communicated.
4. The audience must act on the advertisement.

Essential Components of Various Advertisements

In the table given below an attempt has been made to highlight the 'emphasize area' of advertisement for different purposes:

	Advertisement for recruitment	*Opening of a branch/ factory*	*Statement of management on workmen's strike*	*Malpractices in market, in- fringement of a trade mark*	*Statutory Advertisements*	*Tenders*
1		2	3	4	5	6
1.	Job in requirement	Venue	Facts	Warning to offenders	Forms prescribed in the Statute required	Exact quantity
2.	Salary and perquisites	Date of opening	Inoffensive & cautious language	Caution to consumers	Cautious language especially in the case of announce-ments regarding issue of shares	Quality specifi-cations
3.	Qualifications and experience	Any special service being rendered to the dealers or the public	Showing a benevolent attitude of management	Distinctiveness of the mark/brand-test to identify the real brand		Date and time of receipt of tenders and opening of tenders
4.	Deadline for sending applications		Regret for inconvenience caused to the public			Date and time of Inspection in the case of sale of scrap
5.	Brief history of the company, if talented and professional personnel are to be attracted		Keenness to resolve the dispute at the earliest.			

Advertisement for recruitmentOpening of a branch/factoryStatement of management on workmen's

Advertisement Today

Traditional methods of approaching prospective customers are through handbills, leaflets, pamphlets and brochures. They are relatively inexpensive but suffer from low circulation figures. Therefore, companies rely more on newspapers, television and internet to send their message across.

It is difficult to imagine today's world without advertising. Three-fourths of a newspaper is devoted to advertisements of various kinds. Television programs are interrupted at frequent intervals to telecast commercials. On the internet, one finds goods and services being advertised on home pages of different search engines and websites.

Advertising is frightfully expensive. Therefore, it is essential that the advertisement should serve its purpose. It should be tastefully prepared and printed or aired through the right media at the right time. This calls for professionalism. Therefore, most companies entrust the job of preparing their sales campaign to advertising agencies that have expert professionals working for them.

As already pointed out, advertisement strategy right from preparing the copy, timing, frequency, etc., is a function of sophistication and through professionalism.

Classifieds

Advertisements may be printed in newspapers under familiar headings such as Matrimonials. Such advertisements are called Classifieds and charged on the basis of words or composed lines. The drafting of classified advertisements has similarities with that of telegraphic messages. The rules of grammar are relaxed in order to keep the matter brief. However, relevant and accurate information must be made available. For those unwilling to reveal their identity, newspapers offer a Box number service on extra charge. Responses received against their Box Numbers within a specified time are delivered to respective advertisers.

You may advertise a vacancy under *Situations Vacant*. For those looking for a position, the right category is *Situation Wanted*. A company may choose to advertise under *For Sale, Business Offers, Public Notices,* etc. depending on its needs.

Sample Classifieds

Some samples of classified advertisements are given below:

SITUATION VACANT

Reputed associate of a leading foreign bank requires smart graduates with good communication skills for hardcore marketing. Walk-in interview between 12 noon to 5 pm on 5th February at Hotel Hilton, Connaught Circus, New Delhi.

SITUATION WANTED

Accountant available, annual/computerized, regular/pending account writing upto finalization. IT, S.T., PAN, Internal Audit, Project Reports. Contact 9810076299

FOR SALE

Korean Injection Moulding machine-180 tons, excellent condition, inspection by appointment. Call 914 770930 or write to Box No. 777, Economic Times, New Delhi-110 002.

BUSINESS OFFERS

Well established Delhi based NSE member and DP with NSDL wishes to appoint sub-brokers/franchisees for share broking/Dmat services in the Northern region. Initial investment Rs.10-15 lakhs. Contact ELP Associates, 7, Pusa Road, New Delhi. Ph.11-5712222 Fax. 5744444.

Public Notices

It becomes necessary at times to issue public notices. Sometimes, these notices are statutorily required. It is essential, therefore, to know how these are drafted for publication in newspapers/journals.

Some specimen public notices are given hereunder.

Advertisement giving notice for issue of New Debenture Certificates

Narmada Petroleum Limited
Regd. Office: 1, Beach Road, Bharuch-Gujarat

PUBLIC NOTICE

It is hereby notified that the Company has, in consultation with the Stock Exchanges, fixed closure of register of debenture holders (Convertible Debentures) and transfer books thereof from 6th July 2012 to 11th July, 2012 (both days inclusive) for issuing New Debenture certificate(s) on cancellation of the existing Debenture certificate(s).

In view of this all genuine convertible Debenture holders are hereby requested to lodge their Debenture Certificates, alongwith relevant applications for transfer in their favour on or before 4th July, 2012 with the Registrars of the Company viz. Cavy Consultants Ltd. at 11th Floor, Surya Mahal, 121, MG Road, Ahmedabad-380 006 or at any of the Investor Relation Centres of the Company for issuing new Debenture Certificate(s).

Sd/-

Date: 4th June, 2012 Company Secretary

Advertisement indicating the closure of public issue of shares

SHREE RAJASTHAN SYNTEX LIMITED

Regd. Office: 4-D, New Fatehpura, Udaipur-340011

ISSUE OF 8,00,000 EQUITY SHARES OF

Rs. 10 EACH FOR CASH AT PAR

ISSUE CLOSES TODAY

The Board of Directors of the Company
thank the investing public for their
wholehearted support

Issue Managed by

STATE BANK OF INDIA

Merchant Banking Division

Advertisement indicating the payment of interest on debentures

MANGALORE ASBESTOS LTD.

Mangalore-2

Payment of Interest on Debentures

The company has fixed 30th June, 2012, as the 'Record Date' for the purpose of payment of interest on the 20,50,000, 15% secured Redeemable Non-convertible Debentures of Rs. 100 each for the period 1st December, 2011 to 30th June, 2012.

All transfers received by the company before the close of business hours on 30th June, 2012, will be taken into account for the purpose of payment of the interest.

By order of the Board of Directors

Mangalore M.K. Murthy

18th May, 2012 Secretary

PUBLIC NOTICE

Members of the general public are warned against some unscrupulous persons collecting premium in cash and issuing forged and fabricated insurance cover notes carrying the name of New India Assurance company.

It is therefore requested that payments should only be made to authorised agents after verifying their credentials. Payments should only be made through Account Payee cheques drawn in favour of the company.

The company shall not be responsible for any payment made to unauthorised persons.

General Manager

20.1.2012 New Indian Assurance Company

Note: A few more specimens of Public Notices are given in Study X.

Appointments

Senior level positions are generally advertised in Appointment pages or in a box. So are prized products and services. The space is measured in units of column/cms. The charges vary according to the circulation and goodwill of the newspaper. Advertising agencies vie for corporate advertising accounts, which may run into crores of rupees. They use the services of copywriters, commercial artists and visualisers to turn a concept into an effective sales campaign.

A few specimens of advertisements are given herein for your information and guidance.

Specimen-1

"Required immediately stenographer having experience of minimum two years with speed of 100/40 words. Apply immediately Box No. 2345, Hindustan Times, New Delhi-110001."

Specimen-2

"Required for a fast expanding manufacturing organisation, the following personnel:

1. *Accounts Assistant:* Minimum qualification, B.Com. with Intermediate Costing, must be capable of maintaining accounts at factory and stores. Experience in factory accounting for at least two years essential.
2. *Commercial Assistant:* Minimum qualification B.Com. should be well versed in liaison work with government and other agencies. Minimum experience of two years essential.
3. *Export Assistant:* Minimum qualification graduation; should be well conversant with export documentation and must have experience of at least three years in an export organisation.
4. *Receptionist-cum-telephone operator:* Lady candidate preferably with convent background, fluent in English and Hindi, should have a pleasing personality. Experience of two years desirable but not essential.

Apply immediately to Personnel Manager, XDC Ltd., P.O. Box No. 99, Hyderabad-500 009."

Specimen-3

"INDUSTRIAL LININGS LIMITED REQUIRES"

DRIVER

Rs. 6500 p.m. plus perks

The candidate must be smart, experienced and qualified to drive both foreign and Indian cars. The applicant should be fluent in English. He will be posted at Mumbai but will accompany Senior Executives and foreign dignitaries on outstation duties. Those having experience in handling embassy cars would be preferred.

Applications should reach the undersigned on or before 12th May, 2012.

Manager (Personnel)

Industrial Lining Limited

17, D.N. Road, Mumbai-400 005

Specimen-4

MAINTENANCE SUPERVISOR

A large public limited company requires maintenance supervisor for its factory near Faridabad. Candidates should be Diploma Holders in mechanical engineering with at least eight years experience in mechanical maintenance and continuous process industry. Good salary will be offered to the right candidate. Benefits of bonus, P.F., gratuity and medical subsidy available. Please apply within 10 days with complete bio-data, salary drawn previously and expected presently to Box No. 4567, Hindustan Times, New Delhi-110 001.

Specimen-5

A national firm of Architectural Engineers with international association requires LADY SECRETARY for their Head Office at Delhi. The incumbent shall be offered attractive remuneration well above market rate. An excellent command over English and a pleasing personality are essential requirements. Reasonable speed in shorthand and typing together with ability to correspond independently in English shall be an added advantage.

Applications with recent passport size photograph and full details of educational qualifications, age, experience, current and past employment should be sent within 10 days to:

Splendour Construction Engineers Ltd.

123, Manasarovar, Nehru Place,

New Delhi-110 019.

Specimen-6

ABC LTD.

NEEDS

ASSISTANT COMPANY SECRETARY

(Rs. 20,000-200-30,000)

The candidate should be a Graduate with Membership of the Institute of Company Secretaries of India (ACS/FCS) with 6 years experience of which at least one year should be in the Secretarial Deptt. in a large organisation handling Board and Company Law work. Experience in administrative work and a Degree in Law will be an added advantage.

Age: Around 35 years.

EMOLUMENTS

Minimum of scale is Rs. 25,000 p.m. Other benefits include medical reimbursement, accident insurance, leave encashment, LTC, PF, bonus, etc.

Application on plain paper with complete bio-data, details of experience, present salary and pay-scale and a crossed P.O. for Rs. 20.00 (Rs. 2 for SC/ST) should be sent to reach the Manager (A & P, ABC Ltd., 15/48 Malcha Marg, New Delhi-110 021) within 15 days of the publication of this advertisement. Those employed in Govt./Public Sector should apply through proper channels.

Specimen-7

GENERAL MANAGER (FINANCE)

KOLKATA

Above Rs. 5,00,000 p.a. + liberal perquisites

A leading professionally managed company with foreign collaboration in the process industry wants to recruit an outstanding candidate as General Manager, Finance to head the entire finance and secretarial functions. The Company is rapidly expanding its present turnover of Rs. 20 crores. The General Manager, Finance will report to the Managing Director and will be based at Kolkata.

The incumbent will be responsible for administering the financial and management accounting, EDP, taxation, budgetary control, financial planning and secretarial functions. He will lead a team of highly qualified and motivated professional accountants and a Company Secretary.

Applicant should be professionally qualified Chartered/Cost Accountants, and Company Secretary preferably with a degree in Management. He should have at least 15 years experience at senior levels in the finance function. Preferred age: around 40 years.

Starting salary would be about Rs. 5,00,000 per annum plus liberal perquisites such as housing, company car, leave travel and good medical and retirement benefits. The salary is negotiable for the right candidate.

Application, will be treated in strict confidence and should be sent within 10 days to:

S.D. ASSOCIATES

Post Bag No. 1126

Mumbai-400 001

With full details of age, qualifications, experience, and salary drawn. Application and envelope should be marked “Ref.: Ms/2012”.

Specimen-8

HRD MANAGER

for

A large Chemical process factory in Kerala employing about 1400 persons.

He will be responsible for planning and executing all functions related to Personnel Management, Industrial Relations and Human Resource Development. He will report to the Managing Director.

Age: 40-45 years.

Qualifications:

1. Post-graduate Degree/Diploma in Personnel Management or Industrial Relations or Social Welfare or Labour Welfare.

   OR

   MBA with specialisation in Personnel Management from a reputed institute.

2. A degree in law.
3. Ability to speak and write fluently in English and Malayalam.

Experience:

Minimum 10 years at a senior level in a large Manufacturing Company of which at least 5 years are in overall charge of Human Resources Department. Experience in negotiations and dealing with industrial disputes will receive special consideration.

Pay:

In a scale of Rs. 30,000-45,000 with DA, contributory PF, Gratuity, Conveyance Allowance, HRA, Medical Cost reimbursement, etc. A higher start in the above scale can be given to exceptionally qualified/experienced candidates. Contract appointment can also be considered.

Apply with detailed Resume to reach Box No. 118, Indian Express, Chennai-600 002 before 30th June, 2012. Other things being at the same level, preference will be given to candidates belonging to SC/ST.

Specimen-9

CLARION CABLES

REQUIRES

WORKS ACCOUNTANT

To implement and manage Budgetary and Production Controls, Cost Accounting, Works Accounts and Stores Management at the Faridabad plant, manufacturing Wires and Cables.

The applicant should be a Cost Accountant and/or Chartered Accountant with 3-5 years experience in an industrial establishment with exposure in internal auditing.

The appointment is in the company's middle management cadre. Starting salary in the scale Rs. 30,000-50,000 commensurate with qualification and experience, in addition to HRA, CCA, provident fund, bonus, gratuity and medical benefits as per company's rules.

Please reply in confidence within 10 days stating age, qualifications, year-wise experience with employer's names, responsibilities, salaries drawn, minimum salary expected, joining time required and references to: The Director, (Finance) Clarion Cable Industries Pvt. Ltd., Clarion House, Bangalore.

Specimen-10

ECONOMIST

WANTED AN ECONOMIST FOR THE OFFICE OF THE CHAIRMAN OF A LARGE AND PROGRESSIVE INDUSTRIAL ENTERPRISE AT DELHI. THE INCUMBENT WOULD BE EXPECTED TO ANALYSE COLLECT AND COLLATE INFORMATION AND DEVELOPMENTS IN THE SOCIO-ECONOMIC ENVIRONMENT BOTH ON THE NATIONAL AND THE INTERNATIONAL PLANE AND KEEP THE MANAGEMENT FULLY BRIEFED FROM TIME TO TIME.

THE APPLICANT SHOULD HAVE A FIRST CLASS POST-GRADUATE DEGREE/DOCTORATE IN ECONOMICS WITH SPECIALISATION IN BUSINESS ECONOMICS. A LUCID EXPRESSION AND A FLAIR FOR WRITING AND RESEARCH ARE ESSENTIAL FOR THE POSITION.

SALARY SHALL BE COMMENSURATE WITH QUALIFICATIONS AND EXPERIENCE. PLEASE APPLY WITH FULL ADDRESS STATING DETAILS OF QUALIFICATIONS, EXPERIENCE, RESEARCH WORK DONE AND ARTICLES CONTRIBUTED WITHIN 10 DAYS TO BOX 968, THE ECONOMIC TIMES, NEW DELHI-110 002.

Specimen-11

INDIANA TELEVISION PVT. LTD.

12, Film City, MUMBAI-400 092

Wanted a well qualified and experienced Public Relations Officer for Entertainment Software Division of our Company.

Candidates should have post graduate qualifications in the relevant field, besides possessing at least 5 years' experience in dealing with Public Relations independently in an organisation of repute. Good written and oral communication ability in Hindi and English is a must.

Salary not below Rs. 5 lakhs per annum. Company offers liberal perks such as accommodation, telephone, car, etc.

Applications with complete resume, previous achievements, alongwith a copy of passport size photograph (coloured) should reach General Manager (Admn.) of the company on or before 25th June, 2012.

Specimen-12

ASIAN DATA PROCESSORS

Needs a Computer Operator. Candidates either male or female below 30 years, with Diploma in Computer Operation and possessing at least 3 years relevant work experience with UNIVAX Systems, may personally contact us urgently with testimonials for a walk-in-interview at Anand Plaza, Rohtak (Haryana). Salary negotiable.

Points to Remember

- A sales letter/offer is the most important form of business writing.
- It is highly persuasive in its approach.
- An effective sales letter requires the writer to be:
  - (a) sufficiently well-informed about the buyer's needs and the product/ service offered, and
  - (b) proficient in writing.
- A sales letter/offer is written in the nature of advertisement of the product/service.
- As it replaces the salesman, it is generally lengthy, argumentative and conversational.
- The sales letter is the most interesting kind of letter with 'you attitude'.
- Very often a sales letter has the following enclosed with it:
  - (a) Literature about the product.
  - (b) Self addressed reply envelop.
  - (c) Forms seeking information about the customer.
- As it carries a lot of information, it educates the customer.

LESSON ROUND UP

- Preparing resume and writing application letters are the pre-requisite for finding a job.
- Interviews help companies in short listing the candidates. Interview letters should contain information about the position applied for, date, time and venue of the interview.
- The letter of appointment contains the terms and conditions that have to be followed by the employee after joining the organization. An employee gets a letter of confirmation, once he/she completes the probationary period.
- Purchase correspondence plays a vital role in keeping the production line going by ensuring timely procurement.
- A letter of enquiry is an information-seeking letter. There are two types of enquiries: sales related enquiry and status enquiry.
- The test of a good enquiry letter is that it should state the purpose of the letter clearly, completely, accurately and concisely.
- Industrial enquiries may use technical jargon. It is acceptable since the receiver of the letter will be familiar with it.
- Estimates are sought and provided where services rather than off the shelf goods are involved.
- Organizations publish tender notices when they have to procure goods and services on a large scale or get a project executed.
- Tender Notices include estimated value of goods/services and delivery details.
- Tender forms have to be submitted by the stated time and date in sealed covers. Specified enclosures must accompany them.
- Tabulated tenders are useful when more than one item is required by the buyer.
- Occasional buyers place orders through letters.
- A complaint should be acknowledged and looked into at once. If some more time is needed to check the facts a polite letter to this effect should be sent.
- Effective Sales writing demands: Attention, Interest, Desire, Action and Satisfaction.
- Before one begins to write a sales letter/circular, one should first define the motive of the buyer in mind and the segment being targeted to, and then write accordingly.
- A sales letter is addressed to an individual with his specific needs in mind, whereas a Sales Circular is drafted with a large number of people in mind.
- Advertising imparts information, develops attitudes, creates needs and initiates action beneficial to the advertiser.
- Classifieds, Public Notices and Appointments are the various forms of advertisement.
- Following four essentials are required in the advertisement copy:
    - The audience must be exposed to the communication.
    - The members of the audience must be able to perceive correctly as to what action the communicator desires.
    - The audience must remember or retain the message sought to be communicated.

- The audience must respond to and act on the advertisement.

GLOSSARY

Evincing	To show clearly; make evident or manifest; prove.
Inimical	Adverse in tendency or effect; unfavourable; unfriendly or hostile.
Opportune	Occurring or coming at an appropriate time; well timed.
Sermonizing	To give exhortation to; lecture.
Illegible	Impossible or hard to read because of the poor handwriting, faded print, etc.
Slighted	Of little important, influence, etc.; trivial.
Evoke	To call up or produce (memories, feelings, etc.); to elicit or draw forth; to call up; cause to appear; summon.
Accredited	Officially recognized as meeting the essential requirements, as of academic excellence.
Buttress	Any prop or support.
Patronage	Clientele.
Renege	To go back on one's word.
Dismay	To surprise in such a manner as to disillusion.
Bereavement	A period of mourning after a loss, especially after the death of a loved one.
Blended	To mix smoothly and inseparably together.
Thrives	To prosper; be fortunate or successful.
Heterogeneous	Different in kind; unlike; incongruous.

SELF-TEST QUESTIONS

1. What do you understand by a 'C.V.' and a 'resume'? Draft a specimen of both.
2. Draft a letter of application in reply to the following advertisement:

   Wanted by Haryana National Bank, an efficient cashier, quick at figures and with good computer-typing skills. Apply in strict confidence to P.O. Box No. 123, New Delhi.
3. Write a letter informing politely a candidate about his non-selection.
4. You have been selected for the post of a 'Research Officer' by Galaxy Ltd. Draft a Letter accepting the offer.
5. Your colleague Pradeep has recently been promoted from the post of "Sales Executive" to "Sales Manager". Draft a letter congratulating him on his promotion.
6. Why is an enquiry made? State different types of enquiries?
7. What basic guidelines need to be followed while drafting a letter of enquiry?
8. Select any product you would like to purchase. Write a letter to the company asking for the information you would like to acquire before buying the product.
9. Draft a circular informing about off-seasonal discount on shoes.

10. What is the difference between a sales circular and a sales letter. Draft a specimen of each of them on fashionable accessories.
11. Draft a classified advertisement for the matrimonial alliance of your sister.
12. Draft an advertisement for the recruitment of "Company Secretary".

Suggested Readings

(1) Communication for Business – *Shirley Taylor*

(2) Essentials of Business Communication – *Reddy, Appannaiah, Nagaraj & Raja Rao*

(3) Commercial Correspondence and Office Management – *R.S.N. Pillai & Bagavathi*

(4) Business Communication – *K.K. Sinha.*

Lesson 12
Business Correspondence- II

LESSON OUTLINE

- Introduction - Accounts Correspondence
  - Invoice
  - Delivery Challans
  - Statement of Account
  - Credit/Debit Notes
  - Collection Letters
  - Banking Correspondence
  - Insurance Correspondence
  - Provident Fund Correspondence
  - Correspondence with Postal Authorities
  - Correspondence with IT and Corporates
- Review Questions
- Introduction– Secretarial Correspondence
  - Correspondence with Stock Exchange
  - Correspondence Regarding Initial Listing
  - Correspondence with Registrar of Companies
  - Correspondence with other Authorities like RBI and SEBI
- Introduction to Agenda and Minutes
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

As an executive goes up the ladder, he has to spend more and more of his time in handling correspondence and attending meetings.

As one grows and gets ready to take up more responsibilities, the correspondence with various authorities also increases. A Company Secretary has to be in touch with directors and shareholders and correspond with various government authorities and institutions. Therefore, it is obligatory for an executive to learn the art of writing effective letters.

Thus, in this lesson, such correspondence has been selected that deals with banks, shareholders and debenture holders. Some rules, like clarity and courteousness are common to all letters, but learning how to deal with specific situation would enable the students to be more objective and tactful in drafting letters.

Communicate unto the other person that which you would want him to communicate unto you if your positions were reversed.

Aaron Goldman

INTRODUCTION- ACCOUNTS CORRESPONDENCE

A commercial transaction is a complex process. It begins right from the stage when raw material is ordered and ends with the delivery of finished goods to the customer. Companies follow the principles of 'Supply-chain Management'. This means making the transaction cost-effective and efficient. It also facilitates quicker settlement of accounts, which is the final stage of a commercial transaction.

> "Enterprises are paid to create wealth, not to control costs. But first year accounting students are taught that the balance sheet portrays the liquidation value of the enterprise and provides creditors with the worst-case information".
>
> – **Peter Drucker in Management Challenges for the 21st century**

Once the goods or services have been delivered in a satisfactory state, the buyer is expected to pay for them. From new or one-time customers, it is customary to demand advance payment in cash. But wholesale and international trade revolve around credit of varying kinds. Normally an invoice is sent along with goods or mailed after their dispatch. Bills of receivable amount may also be raised later for getting them discounted by the bankers. The facility is negotiable and is offered at a charge.

Invoice

It is a document giving full details of goods being shipped, prepared by the exporter and sent to the importer.

An invoice may serve any of the following purposes:

- It gives an accurate description of the goods being sent and their prices to enable the buyer to check them.
- It states the total amount payable for the convenience of the buyer.
- The regular customers enter it in their account books and pay at the end of the credit period.
- It transfers the ownership of goods and helps in calculation of duties and taxes payable on them.
- An Invoice is a valid legal document in case of a dispute regarding payment.

Proforma Invoice

A Proforma Invoice is different insofar as it is for the sake of form only. It is neither entered into books nor charged to the account of the recipients. It may be used for several purposes including:

- as a quotation.
- as a demand for payment when dealing with a new customer, or one with whom the company does not have any credit arrangement.
- to give details and prices of goods being sent on approval.
- to enable calculation of taxes and duties payable.

Delivery Challans

It is interesting to note that invoices as well as delivery challans are similar insofar as both give the details of goods. While the former originate from the accounts department, the latter are issued by the store. The essential difference is that while a delivery challan only mentions the quantity and type of goods, an invoice includes the sale value as well.

Invoices when sent with the goods do not require a covering letter. An exception may be made when sending

them to a new customer. In such cases, a brief letter is enclosed with the invoices:

Letter enclosed with Invoices:

Texport Pvt. Ltd.
7, M.G. Road, Bangalore
Tel: 6236128

Ref: SP/529
Messrs Newlite Garments
A-9 Connaught Circus
New Delhi-110 001.
11th November 2012

Dear Sirs,

We thank you for your Purchase Order No. 1266 of November 7th, 2012 for 1,000 wrinkle-free cotton trousers of assorted sizes and colours. Our invoice covering details of prices and applicable taxes on the same material is enclosed.

The shirts are available ex-stock and we will be pleased to dispatch them on the receipt of payment.

Yours faithfully,
Sales Officer
Encl.: Invoice

Statement of Account

Their regular buyers often accept material on credit. They are also reluctant to invest their money in new products. Account between the two parties is settled periodically. They prefer to accept such material "On Approval". The regular buyers make payment for goods sold to them at fixed intervals. In all such cases, a Statement of Account is sent to the other party periodically showing the opening balance, details of transactions and the closing balance.

The format is similar and the change is confined to headings under which information is compiled. For instance, a bank may send a statement to their account holders listing entries under debit, credit and balance headings at the end of every quarter. These statements, if computer-generated do not require any signature.

Statements of Account do not need a covering letter. If you must send one, draft a brief one mentioning the period for which the statement is being sent and ask the recipient to report if there is any error or discrepancy. If the recipient fails to do so within a reasonable time, the statement is taken to be correct:

Letter Regarding Statement of Account:

Dear Sir,

We are pleased to enclose the Statement of Account for the month, September 2012.

We may add that you may avail a Cash Discount of 2% by making a payment of the amount due within a fortnight.

Please report errors, if any, to our Accounts Department promptly.

Yours faithfully,

The Accounting system in the whole financial world is based on double-entry book-keeping system created by Luca Pacioli, an Italian genius-monk, in his book titled, *Summa de Arithmetica, 1494*.

Date	Details	Credit	Debit	Balance

Credit/Debit Notes

Trading establishments are increasingly relying on calculating machines and accounting softwares. Cash registers print out Cash/Credit Memos in an instant. Companies use computers to store items, prices and taxes in memory to reduce incidence of errors in calculation. But most documents dealing with accounts mention the abbreviation "E&OE" meaning Errors and Omissions Excepted. Even the most efficient organisation may make accounting errors. Besides there may be short shipments, return of goods, part rejection due to quality, or mismatch to customer's order, dispute, fresh negotiation on price, etc.

Credit and Debit Notes are exchanged between the parties to adjust the amount of difference.

Letter regarding details of the error

If the seller has undercharged the buyer, he may send a Debit Note to the buyer. A brief letter gives the details of the error and the relief demanded:

Dear Sir,

We regret to inform you that our Invoice no. Z2346 dated September 27th carried an inadvertent error. The total price payable is Rs. 28,000/- instead of Rs. 23,000/- as stated.

We are enclosing a Debit Note of Rs. 5000/- to cover the amount of difference.

We regret the inconvenience caused to you.

Yours faithfully,

Letter regarding returning of goods

It is also possible that the buyer may have been overcharged. In such a case, he may send a debit note and ask for a credit note in return. Credit Notes are also demanded when buyer returns goods already paid for on grounds of, say, unacceptable quality:

Dear Sir,

We returned 500 pieces of Lever Handle Assembly to you on December 12, 2012 vide delivery challan no.2336. These pieces had been rejected earlier by our Inspection Department on grounds of unacceptable deviations.

Please issue a credit note for Rs.12,500/- in our favour to cover the cost of the returned material.

Yours faithfully,

Letter for refusing to issue Credit Note

The mere fact that a credit note has been demanded does not mean that the request will be complied with. The seller may still refuse to issue it. However, he is expected to give reasons for such an act:

Dear Sir,

Please refer to your letter dated..... regarding the Lever Handle Assembly.

We wish to emphasise that the deviations are within the tolerance limits mentioned in the original component drawings. We are taking up the matter with your Inspection Department.

We regret that it will not be possible for us to issue a credit note till the matter has been settled.

Yours faithfully,

Collection Letters

Collecting payments is the most difficult part of business. Good organisations understand the importance of

making payments on time and the goodwill it creates for them. There are instances of companies paying up as soon as an amount becomes payable. Unfortunately, the number of defaulters is higher. Therefore, one has to learn to be persistent in pursuing them.

Collection letters must be written cautiously. One may not even write a letter in the first instance, but choose to make a telephone call to urge the other party to pay up. Alternatively, it may be sufficient to send another copy of the statement of account showing arrears of payment. It is good to remember that the buyer may have a legitimate ground for delay. Therefore, it will be tactless and imprudent to write the first collection letter in an angry tone. If the defaulting party does not pay up despite a reminder, a firmer tone may be adopted in subsequent letters:

Reminder Letter

Dear Sir,

Please refer to our statement of account for the period ending December 2011, which was mailed to you on January 5, 2012, and a telephonic reminder was made later. We regret to inform that we have still not received the payment.

You will agree that delayed payments may affect schedules and cause avoidable inconvenience to both the parties.

We shall be grateful if you remit the outstanding amount on the receipt of this letter.

Yours faithfully,

Defaulters

Wilful defaulters are unlikely to oblige soon. However, it is wiser to opt for even a part payment than rushing into time-consuming litigation. Habitual defaulters welcome it since it gives them an opportunity to defer payment even further. One may consider steps, which hurt the other party most. These may be suspension of further supplies or cancellation of credit. A stricter tone and style may be justifiably used against them:

Final Reminder

Dear Sir,

This is further to our Statement of Account and several reminders to you to settle the account for the period October-December 2012. Unfortunately, you have not responded to them so far. In the circumstances, we are unable to continue with further supplies till the outstanding amount is cleared.

Please note that if you do not settle your account within seven days of the receipt of this letter, we shall have no option but to hand over the matter to our attorneys for suitable action.

We hope you will not force us to take extreme steps in this regard.

Yours faithfully,

Explaining Delays

The defaulting party should be sensitive to the difficulties of the seller. A payment must not be delayed without a convincing reason. It may be a good idea to seek an extension of time from the seller. Normally a reputed business house does not take the risk of turning down a reasonable request from a regular customer:

Dear Sir,

Please refer to your Bill No. S3456 of February 2, 2012, which is due for payment on February 15, 2012.

We are facing temporary liquidity problems due to delay in overseas payments. We may not be able to settle your bill for a fortnight.

We hope you will bear with us.

Yours faithfully,

Banking Correspondence

Business without banking is unimaginable. A company begins its operations by opening a Current Account. These accounts come for a fee. They do not yield any interest like Savings Accounts but offer valuable services to a company. These include unlimited number of Payments and Receipts, Overdraft Limits, Term Loans, Credit References, Depository Services, etc. The company operates the account through one or more authorised signatories who may even be changed by the Board of Directors:

Change of Signatories

Dear Sir,

The Board of Directors of our company decided at a meeting held on February 6, 2012 that our Current Account no.6619 with you will be operated jointly by the Managing Director and the Chief Accounts Officer with immediate effect.

A certified copy of the resolution of the Board and the specimen signatures of the authorised signatories are enclosed.

Please acknowledge the receipt of this instruction.

Yours faithfully,

Stop Payment

During the course of a day, a company mails a large number of cheques and other instruments. If the payee reports that he has not received the instrument, it is advisable to convey the details to the bank promptly and to request it to stop payment. Initial instruction may be given telephonically or telegraphically and a confirmatory copy sent later for their record. Though banks make all efforts to honour such instructions, they are not liable to compensate if the payment is made inadvertently.

Dear Sir,

We issued the cheque bearing number 456611 dated February 7, 2012 in favour of Messrs Flowline Enterprises. The amount of the cheque drawn on your branch is Rs. 93,475/- only.

Please stop payment of this cheque as it has reportedly been lost in mail.

We shall issue a duplicate cheque on getting your confirmation that you have received this instruction.

Yours faithfully,

Overdrafts

Companies are expected not to issue cheques without sufficient balance in their accounts. Failure to do so may lead to dishonouring of the instrument and loss of reputation and goodwill.

Banks routinely warn companies against overdrawn accounts and advise them to negotiate for a higher overdraft (OD) limit.

Dear Sir,

CURRENT ACCOUNT No. 2332

We regret to inform that your Account No.2332 with our branch has frequently been overdrawn in the recent past. The amount of overdraft was Rs. 67,000 at the end of Business Hours on February 3, 2012.

We wish to emphasise that it shall not be possible for us to clear your cheques in the absence of sufficient balance in your account.

Please arrange immediate credits to clear the overdraft. If you find that your working capital is inadequate, we advise you to negotiate a higher OD Limit.

Yours faithfully,

Overdraft Limits

Companies are allowed overdraft limits on payment of charges. These limits are negotiable on the basis of fixed and liquid assets, like plant and machinery, buildings, securities and even goodwill. Normally overdraft arrangements are secured against stocks - raw material, finished goods and trading stocks of the borrower. Temporary overdrafts are also allowed against securities, fixed deposits, etc., and in certain circumstances without any security also. Temporary overdrafts help companies cope with immediate problems. Applications must be supported by relevant documents.

Dear Sir,

OVERDRAFT LIMIT

Thank you very much for your letter of February 5, 2012.

We regret the unsanctioned overdraft and have transferred credits from another account to clear it.

Our recent diversification into automobile ancillaries has been delayed due to cost over-runs. We expect the unit to be commissioned in about two months and become viable by the end of the year 2012.

Therefore, an additional temporary overdraft limit of Rs. 50 lacs for a period of six months will be of a great help.

We are enclosing a status report from the consultants and the last audited balance sheet for your perusal.

We hope to hear from you soon.

Yours faithfully,

Term Loan

Fixed term loans are usually secured against fixed assets, such as plant and machinery, land, buildings, etc. Most of the information is furnished by filling up forms made available by the banker. In the event of a delay, a letter may be dispatched:

The Chief Manager

ICICI Bank

Hitech City

Hyderabad-500 033

March 30, 2012

Dear Sir,

DELAY IN SANCTION OF TERM LOAN

We submitted an application on February 22, 2012 for a Fixed Term Loan of Rs. 60 Lacs against securities in the form of land and building, and plant and machinery. The working capital as on date is Rs. 80 lacs. The details of existing liabilities and the past performance of the unit are on your record.

The term loan is to be used for the introduction of new technologies, like CAD/CAM in the manufacturing of our existing products. This is imperative to retain viability in the times to come.

We shall appreciate if the Term Loan is sanctioned expeditiously.

Yours faithfully,

Status Enquiries

Parties often ask for credit and give the name of their banker as a referee. It is common for companies to secure

the help of their own bankers to find out the creditworthiness of those parties. Bankers make such information available to their clients in confidence but without accepting any liability.

The Chief Manager
HDFC Bank
Greater Kailash I
New Delhi
July 17, 2012

Dear Sir,

We have recently received an order worth Rs. 65 lacs from Textronics Ltd., Chennai. The company has requested for a credit-period of 90 days. They have given the name of their banker, Indian Overseas Bank, T. Nagar, Chennai as their reference.

We shall be grateful if you find the creditworthiness of Textronics Ltd. from their bankers and advise us at the earliest.

Yours faithfully,

Insurance Correspondence

The concept of insurance evolved around the time when sea trade had just begun. The early ships were unsafe and often sank in high seas. Unfortunately, they also took with them valuable cargo to the bottom of the sea. It was felt that some mechanism should be developed to compensate those who suffer such losses. Thus, the institution of insurance was founded.

Insurance is a contract between the company, called the insurer and the client known as insured. The insurer promises to compensate the loss the insured may suffer, against the payment of premium. The premium is calculated in % age terms, say 2 paise per hundred rupees for Fire Insurance. The calculation is made on annual basis though flexible payment plans may be offered for the sake of convenience. Risk perception plays a major role in determining the premium. An AAR or Against All Risks cover, for instance, will be more expensive than one against fire only. Premium enquiries are a common subject matter:

Policy Renewal

Dear Sir,

We are interested in renewing the policy number S 233321456 for our bonded warehouse located at S-31, Sahibabad Industrial Area, UP with some changes.

The warehouse and goods stored in it are presently covered for a total value of Rs. 30 lacs only against fire. Following the earthquake in Gujarat, we would like to seek protection against all risks.

We shall be grateful if you quote your lowest premium rates for an AAR cover at the earliest, so that we may remit the charges.

Yours faithfully,

Null and Void Policies

Non-payment of premium results in a policy being declared null and void. A policy must be in force at the time of the mishap in order to secure compensation. The insurer may, at his discretion, revive a lapsed policy on payment on missed premiums plus penal interest.

The amount of compensation is limited to actual loss suffered by the insured. In the event of over-insurance, relief is limited to the sum assured. The policy may be declared null and void if the insurer detects under-insurance.

Salvage is permitted during the accident. The premises are surveyed later by an expert chosen from the panel of the insurance company. Once the surveyor submits his report and an estimate of the loss suffered, the insurance company settles the claim by awarding compensation.

Reporting Loss

Dear Sir,

POLICY No. J 2343221

We regret to report that our tool room located on the ground floor of Plot No.73, Wazirpur Industrial Area, Delhi was gutted in an accidental fire last night. The cause of the fire is not known and is being investigated.

The tool room, which was insured comprehensively with you under Policy No. J2343221, has been totally destroyed. The loss of plant and machinery is estimated to be Rs. 23 lacs.

Please arrange an immediate survey of the premises so that we may resume operations and file a claim expeditiously.

Yours faithfully,

Reply to above letter

It is unlikely that the insurer will accept the estimate of loss submitted by the insured. However, a convincing reason, should be given when contesting the figure mentioned by him. The response should also contain an expression of sympathy:

Dear Sir,

We are sorry to learn from your letter of March 3, 2012 about the destruction of your tool room in a fire accident.

The initial feedback from our surveyor has confirmed that the damage to the plant and machinery is major. However, we are unable to accept Rs. 23 lacs as a fair estimate of loss since much of the machinery was obsolete. We shall indicate the liability acceptable to us after we receive the final report of the surveyor.

We assure you that we shall make all efforts to settle the claim at the earliest. Meanwhile, please accept our sympathies.

Yours faithfully,

REVIEW QUESTIONS

State True or False:

1. It is advisable to send a copy of the statement of account showing arrears of payment to the companies before sending the collection letter.

2. If the payee reports that he/she has received cheques, the seller should promptly request the bank to stop payment.

Answers: 1. True 2. False

Provident Fund Correspondence

All business entities viz. Partnerships, Sole proprietorships, Corporate houses, Trusts, Government Bodies employing more than twenty persons are covered under the Employees Provident Funds and Miscelleneous Provisions Act, 1952. The employees contribute a total of 12% of their basic salary plus dearness allowance to the funds established under the schemes prescribed by the Central Government. The employer with the addition of a matching share has to deposit it by the middle of the following month with the Regional Provident Fund Commissioner. A grace period of five days is allowed.

The monthly returns are filed in prescribed forms. These forms give details of subscribers or members, the individual deductions and the total amount being deposited.

Failure to do so may invite penal action including arrest. A company failing to deposit the money may receive a Show Cause Notice from the Provident Fund Commissioner's office:

Reply to Show Cause Notice

Compliance letter mentions the Code No. allotted to the company, details of payment, names of subscribers and the amount to be credited into each account in the prescribed form, say 12A. The covering letter with a delayed Return may read as follows:

To

The Regional PF Commission 26 December, 2012

Employees' Provident Fund

60, Skylark Building

Nehru Place

New Delhi

Dear Sir,

RETURN FOR NOV. 2012/CODE No. DL/3523

Please refer to your notice dated 21 December, 2012 regarding the delay in filing the Return for the month of November 2010.

We sincerely regret the delay and inform you that the contribution has since been deposited. We enclose Form No. 6A along with Revised Form No.3A in respect of 128 members.

Kindly acknowledge the receipt and send the Statement of Account of our members at the earliest.

Yours faithfully,

Encls: As above

Similar Returns of payment are also filed periodically by companies extending ESI or Employees State Insurance benefits under the relevant Act.

Sales Tax/C Forms and Excise

Companies engaged in the sale of goods, unless exempted, are also liable to pay Sales tax. The rates of tax vary. Tax payable on the sale within a State may be 10%. The Central Sales Tax Act, 1956 covers inter state sales and provides for a uniform charge of 4%.

Companies are expected to obtain separate Sales Tax Registration Numbers. The sale to registered buyers in other States may be made against production of Form C, wherein the buyer accepts liability to pay the Sales Tax and furnishes Form C to the seller. The Form C is obtained from the Sales Tax authorities:

The Assistant Commissioner ACA-1
U.P. Trade Tax Department
Ghaziabad (U.P.)
25th October, 2012

Dear Sir,

Sub: APPLICATION FOR OBTAINING FORM C

We wish to apply for 30 Form C to use in Interstate sales.

We were issued 10 forms, S. Nos. 201587 to 201596 on 15.9.2012 out of which 6 forms have been used and a balance of 4 is in hand. Up-to-date Returns have already been filed.

Details regarding CST Regd. No., the amount of sales against used forms and the court fee affixed are given in the enclosures.

Kindly issue the Form C and oblige.

Yours faithfully,

Covering Letter for Filing Returns

Returns are usually filed on prescribed forms with the Sales Tax Authority of the Circle/Zone having jurisdiction. They are evaluated with computers these days and may be enclosed with a covering letter giving necessary details:

The Sales Tax Officer
Govt. of NCT of Delhi
Indraprastha Estate
New Delhi-110 002

8th February, 2012

Dear Sir,

Sub: Return for the Quarter ending December 2009

We are pleased to enclose a copy of the ST/CST Return for the period ending December 2008 as under:

1. DST @ 3% Agst. "B" Tax Payable:	Rs. 9,849.84
2. CST @ 4% Agst. "C" Tax Payable:	Rs. 9,371.16
Total:	Rs.19,221.00

CH. No. 265321 dt. February 8, 2012
Rs.19,221.00

Kindly acknowledge receipt.

Yours faithfully,

For Amex Enterprises

(J. Krishna)

Authorised Signatory

Excise

Excise is chargeable from companies engaged in production of goods at applicable tariffs. The Government has progressively moved towards a uniform basic excise rate of 16% but exemptions and surcharges still affect the actual rate. This rate is determined when the goods manufactured by a company are classified under standard headings. Exciseable goods can be taken out/removed only when an invoice certifying the payment of tax has been issued. Periodic returns are filed with the excise office under whose jurisdiction the factory/place of manufacturing falls. The covering letter may give details of relevant enclosures:

Covering Letter

The Central Excise Officer

Range 11, Kanpur Cantonment (U.P.)

Dear Sir,

RT-12 RETURN: QUARTER ENDING JUNE 2010

We are pleased to enclose the following documents in respect of goods falling under subheadings given below:

1. RT-12 for the quarter ending June 2012.
2. P.L.A. Sheet No. 7 to 9 in triplicate.
3. RG-23D for Stock Account.

We hope you will find the documents in order.

We shall be grateful if you acknowledge receipt of the same.

Yours faithfully,

For Ordnance Equipment Factory

S.K. Pandit

AGM-Accounts

Correspondence with Postal Authorities

Correspondence with Postal department has been considerably reduced with increasing reliance on Email and private courier services. However, till technology attains greater penetration, facilities like Post Box Number may continue to be used by corporate houses.

Companies receiving bulk mail find the Box Number facility useful. They pick up their mail from a box provided in the premises of the Post Office. Request for the facility is made to the Post Master of the main Post Office in the following letters:

Post Box Facility

The Post Master

Parliament Street Post Office

New Delhi 110 001

25th September, 2011

Dear Sir,

Sub: REQUEST FOR POST BOX FACILITY

We are interested in availing of the Post Box facility in your post office. A Demand Draft of Rs. 175.00 (Rupees One hundred and Seventy Five only) is enclosed towards the annual charges for the period 2011-2012.

Please allot a Post Box number and oblige.

We thank you in anticipation.

Yours faithfully,

Correspondence with IT and Corporates

The advent of information technology has changed the face of the corporate world. The bulky Telex machines have lost their place to sleek Office Machines combining functions, like Fax, PBX, Scanner-cum-copier and Answering Machines. Modern corporate houses appreciate the importance of uninterrupted communication. The good old telephone line still remains indispensable. Companies have several options to pay their bills to avoid disconnection. In the event of a disconnection an application has to be made to the SDO of the concerned zone:

Reconnection of Telephone Line

To

The SDO March 22, 2012

Andheri (East Zone)

MTNL

Mumbai.

Dear Sir,

Sub: RECONNECTION OF PHONE No. 2234521

We wish to inform you that phone number 2234521 was disconnected due to non-payment of bill.

The Bill No. 234213 of Rs.7,500 has since been deposited with the Office of the Accounts Officer of your zone (copy enclosed).

You are requested to reconnect the phone immediately as we are facing a lot of inconvenience.

We thank you in anticipation.

Yours faithfully,

Electronic Clearance Scheme

To avoid such situations, subscribers have several options. Apart from cash or cheques, they may pay through Credit Cards or get their bills adjusted against interest yielding *Voluntary Deposits Under Electronic Clearance Schemes* under which the bills are automatically debted from the company's bank account. The application to avail the said service is given below.

To,

The Chief Accounts Officer

MTNL

Khurshid Lal Bhawan, Janpath

New Delhi-110 001

March 25, 2012

Dear Sir,

Re: ESC Mandate for Tel. Nos. 6132261, 6237792-5.

We, the subscribers of above telephone numbers hereby express our willingness to settle the payment of regular bi-monthly telephone bills of the telephone connections referred to above through participation in E.C.S. of National Clearing Cell of Reserve Bank of India, Delhi.

We hereby authorise Accounts Officer (ECS), MTNL, Delhi to raise the debits on such regular bi-monthly telephone bills as referred to above through this scheme electronically for adjustment against Debit in our Current Account No. 6223 with Punjab National Bank, Delhi Cantt.

A copy of a leaf of the MICR cheque-book bearing the nine-digit code of the bank and the mandate form duly signed by the Chief Manager are enclosed.

We understand that you will send us an advice about all the Bills being debited from our account.

Please confirm the receipt of this authority and oblige.

Yours faithfully,

ISDN connection

Correspondence is more about securing Integrated System Digital Network (ISDN) lines and Very Small Aperture Terminals (VSAT) facilities. While ISDN is used for transmitting voice and data, and the video enables uninterrupted transmission in digital form; whereas the VSAT connects the different branches of an organisation in a private, dedicated communication network. In addition, most companies host web sites where information and services are available at the click of a mouse.

The traditional exposure in print media has been enlarged with the registration of domain names and uploading information on Servers.

An application for ISDN Connection

To,

CGM (Commercial)

MTNL

New Delhi

March 26, 2012

Dear Sir,

Sub: APPLICATION FOR ISDN CONNECTIONS

We are pleased to enclose the Application Form No. J3425 for an ISDN connection at our corporate office located in 77, Amba Towers, Barakhamba Road, New Delhi-110001.

We require four terminals namely for simple ISDN handset, PC Card, Video Conferencing and G4 Fax.

A Demand Draft of Rs. 16,500 (Rupees sixteen thousand five hundred only) in favour of MTNL, Delhi to cover the Registration fee, Advanced Rental and Network Terminal security is enclosed. The Articles of Association of the company and the specimen signatures of authorised signatories are also furnished herewith.

We shall be grateful if the connections are provided at the earliest.

Yours faithfully,

Specimen Letters

Given herein below are a few specimen letters which show how to slowly progress towards the ultimate decision to file a suit in a court of law against a defaulting customer.

Example 1

> "We thank you for your order for 200 numbers of table fans. We confirm having sent the same vide Speedways L.R. No. 2345 dt. 12.4.2012.
>
> Please let us know the details of remittance against our earlier invoice No. 123 dt. 10.3.2012 for Rs. 6,000".

(*Note that in this letter the sender presumes that the payment against invoice no. 123 must have been sent and the reference to non-receipt of money appears to be incidental*).

Example 2

> "We are in receipt of your letter placing a further order for supply of 400 pedestal fans.
>
> We regret that we do not have ready stock thereof with us and hope to receive the supplies in about a fortnight.
>
> In the meantime, would you please let us know the payment particulars against our invoice No. 123 dt.

10.3.2012 for Rs. 6,000. We sincerely hope that you would have made the payment by now. If you let us know the particulars of payment, we would be able to check up whether we have received the same or not.

Your reply in confirmation, by return of post, is solicited."

Example 3

"We draw your kind attention to our telegram dt. 16.5.2012 requesting you to let us have the particulars of remittance against our invoice No. 123 dt. 10.3.2012 for Rs. 6,000. We are sorry to state that we have neither received the payment nor any communication in respect thereof so far.

We fail to understand your inordinate delay in sending us at least a reply, stating the reasons for delay in remittance of the amount. We are constrained to say so because in our dealings for the past five years there has never been an occasion for us to remind you of outstanding payments. We believe that you might be having some genuine difficulty in making this payment. We request you to intimate us about the same so as to enable us to suggest an alternate viable proposal regarding the matter.

We hope, in the interest of maintaining our good relations as in the past, you would respond immediately on the receipt of this letter."

Example 4

"We are very sorry to note that in spite of our repeated requests through letters and a telegram we have not received any reply regarding payment of our outstanding bill against invoice no. 123 dt. 10.3.2012 for Rs. 6,000. In the meantime, payment against our invoice no. 234 dt 10.5.2012 for Rs. 8,765.80 has also become overdue by fifteen days. We are totally at a loss to understand your continued silence in the matter.

We expect you to immediately remit atleast the amount of Rs. 6,000 outstanding against our invoice no. 123 dt. 10.3.2012.

We are sorry to say that despite our helpful attitude you are not availing the opportunity to regain our confidence in you."

Example 5

"We are in receipt of your letter ordering a supply of 300 table fans and 450 pedestal fans.

We are sorry to state that we are not in a position to execute your order in view of the outstanding payments against our invoice nos. 123 and 234, despite our repeated reminders to expedite payment.

Even now, it is not late to intimate your reasons for the inordinate delay in settling our dues.

However, we are fully convinced that we had given you sufficient time to amend matters. We also sincerely believe that no prudent businessman would have taken the matter as lightly as we have.

We are constrained to state that in the event of the payment against our invoice nos. 123 and 234 not forthcoming latest by 5th July, 2012, we would be forced to view the matter seriously".

Example 6

"We draw your attention to our letters dt..... We are sorry to note that despite our very benevolent attitude, you have not responded favourably to our repeated requests for payment of the amounts outstanding against our invoice no. 123 dt. 10.3.2012 for Rs. 6,000 and invoice no. 234 dt. 10.5.2012 for Rs. 8,765.80.

Under the circumstances, clause 5 of the sales contract providing for levy of interest on the outstanding @ 15%, stands invoked. You are, thus liable to pay interest from the expiry of 10th day of the credit period of 25 days from the date of invoice.

We have handed over the matter of recovery of the amount outstanding against the abovesaid invoices to our

solicitors, Raman and Raman from whom you would hear shortly".

(*Note how the matter has proceeded from repeated requests to a poignant situation of taking the matter over to the lawyers for recovery through court process*).

Example 7

Advising to avoid litigation

FAITH PHARMACEUTICALS CO. LTD.
15, Tank Road, New Delhi-110 055
Tel.: 5762031 Fax: 011 6538241

Basic Chemicals Ltd.

17 Hauz Khas

New Delhi - 110 016

May 20, 2012

Dear Sir,

We refer to your letter dated 16th May, 2012 threatening to sue us for alleged non-payment of your bill No. 18/2012 for Rs. 51,000.

First of all we wish to state that there is a dispute regarding the goods supplied under the aforesaid bill and the price charged therefore. We have already notified your Managing Director making our view points very clear to him and he has accepted in principle that in view of the inferior quality of goods supplied by your factory, the amount billed would be reduced by 25%. We are yet to receive a revised bill and debit note as per the agreement reached with your Managing Director.

Since the bill is a disputed one and in view of the fact that the goods supplied were of inferior quality as per your own admission, you have no valid grounds to sue us.

We are sure you will reconsider your decision and avoid unnecessary litigation. We look forward to a positive response from your end in the matter.

Thanking you,

Yours faithfully,

For Faith Pharmaceuticals Co. Ltd.

Sd/-

(Managing Director)

Specimens of other letters relating to Finance and other matter discussed earlier are given herein:

Example 8

Letter to a bank requesting credit facility

Dear Sir,

We have plans for expanding our line of manufacture and a detailed project report has been finalised which has been favourably considered by the Industrial Development Bank of India, Mumbai. The working capital requirements in connection with the above project would be of the order of Rs. 3.5 lakhs for a quarter.

A copy each of the project report and feasibility report is enclosed for your ready reference. At present we are enjoying a credit facility of 3.5 lakhs rupees by way of overdraft, 2 lakhs rupees by way of cash credit and Rs. 4

lakhs by way of Bill of purchase from your bank. You would be happy to find from your records how satisfactory our performance has been all these years.

As in the past, we request you to grant us the credit facility for Rs. 3.5 lakhs also. We would offer our investments in shares as security for the overdraft facility upto Rs. 3.5 lakhs that we are requesting for now. The shares command a premium of 70% at the moment.

We sincerely hope that this would entirely meet your requirements."

Example 9

Letter to bank requesting current account statement

Dear Sir,

As our accounting year has come to a close on December 30, 2012, we request you to send the Current Account statement for the period November 1, 2011 to December 31, 2012, at the earliest, to enable us to reconcile the bank balance.

Example 10

Letter to bank requesting bank guarantee

Dear Sir,

We are your valued customer for over 15 years. The company has recently secured a State Government contract for the supply of items of the value of Rs. 1,50,000 per month. In this connection, they desire a bank guarantee to be executed by the company's bankers.

We are sure you would oblige us in this matter. Kindly let us know the security you will require for issuing the said bank guarantee.

Example 11

Letter to bank asking for higher credit limits

Dear Sir,

We are at present enjoying cash credit facility of Rs. 4 lakhs against hypothecation of the raw materials and stocks at our godown. Recently, due to an expansion programme, the average monthly production has registered an increase by 5%. This is vouched by the godown stock statements that the company has been submitting to you enter the last three months.

Under the circumstances we would request you to increase the cash credit limit to Rs. 5 lakhs. We assure you that our credit performance would remain as good as it was in the past.

Example 12

Letter to the Insurance Company to assess the loss by fire

Dear Sir,

We are to intimate to you that a fire occurred in our godown at 10 Rajendra Colony, 1st Street, at 10.30 p.m. yesterday the November 21, 2012. The fire service personnel have done a commendable job in minimising the loss to the stocks. The cause of the fire is not yet known. We request you to send your valuer to assess the loss and arrange for an early settlement. In the mean time a separate claim is being lodged by us.

Example 13

Letter requesting a New Telephone Connection

Dear Sir,

Ours is a company having over 300 branches all over the country and 3 overseas branches each in Malaysia, Singapore and Japan. Presently, we have ten telephone connections with 3 extensions for each. With the scale of operations increasing and the consequent increase in the number of staff members, we feel that the existing telephone connections are inadequate. We, therefore, request you to instal two more new connections with three internal extension lines for each, at the earliest and oblige.

Example 14

Letter complaining excessive Telephone Billing

Dear Sir,

We are shocked to learn from the latest telephone bill that we have been overcharged, particularly in respect of the trunk calls. We are at pains to know that the billing has been done in excess by at least 10 times than the charges that our calls would have actually attracted. We have remitted the amount as per the Bill, but would request you to please check your records/readings once again and make necessary adjustments in the Telephone Bill(s) to be issued in future.

Example 15

Requesting rectification of telephone instrument

RUBY TRADING CO.
17, Kalpi Industrial Area
Kanpur-208 019.
Tel: 241123

General Manager,

Kanpur Telecommunications,

Green Park,

Kanpur

June 10, 2012

Dear Sir,

Sub: Telephone No. 241123 – Defect in telephone instrument

We refer to our complaint number 181 dated 1.5.2012 made at G.T. Road Telephone Exchange and the subsequent reminders dated 15.5.2012 and 25.5.2012.

We, are sorry to note that inspite of several letters from our end, our telephone instrument has not been rectified till date. Due to non-functioning of our telephone, we have been totally cut off from our customers for the past several days and as a result, we are facing the risk of loss of business.

We, therefore, request you to arrange for rectification of defect in our company's telephone instrument without any further delay and oblige.

Thanking you and looking forward to a prompt response,

Yours faithfully,

Sd/-

(Manager)

Example 16

Complaining against excess billing and replying to notice of electricity disconnection

CBC MILK PRODUCTS
Food Products Industrial Area, Saharanpur (U.P.)
Tel.: 21945, 29148 & 22184 Fax: (0121) 29745

The General Manager

Saharanpur Electric Supply Undertaking

'Bijalee Bhavan'

Saharanpur (U.P.)

June 10, 2012

Dear Sir,

Reg.: Complaint against excess billing

We refer to your letter No. IV/SS-III/96 (18181) dated 1.6.2012 threatening to disconnect electric supply to our factory for alleged non-payment of bill for the month of March, 2012.

In this regard, we wish to state that your bill for Rs. 31,000/- for March 2010, is a highly inflated one since our average monthly bill amount comes to Rs. 8,000/- only. Since the bill is an inflated one, we have already made a complaint with your Divisional Office-IV on May 18, 2012, requesting to recheck the meter reading. It seems, instead of taking any action on our request, the Division Office has served the aforesaid letter of disconnection upon us.

Under the above circumstances, we request you to please look into the matter and give necessary instructions to your Divisional Office not to disconnect electric supply to our factory.

Further, we wish to state that we are ready to pay a sum of Rs. 8,000/- pending settlement of the matter.

Thanking you,

Yours faithfully,

Sd/-

Albert Pinto

(Manager)

INTRODUCTION- SECRETARIAL CORRESPONDENCE

A company secretary occupies an important place in a corporate set up. His duties demand continuous interaction both within and outside the organisation. He communicates with the directors of the company. He has to remain in touch with several government departments. He must also correspond with those who have invested their money in the company.

Public investment in a company is generally in the form of shares, debentures and deposits. Any one can participate in the capital of a company through equity shares. The return on shares depends on the profitability of the company and is in the form of dividend. A debenture is an interest-yielding loan but may be partly or fully convertible into equity shares. The Rights Shares are allotted only to the existing shareholders of the company but they have to be paid for. The company may also part with profits in the form of Bonus shares to the existing shareholders.

Shares or Debenture Holders

Correspondence with share or debenture holders revolves around matters of immediate concern to them i.e. allotment, transfer and issue of certificates. The subject of payment of dividend or interest also receives a lot of mail.

A new issue of shares is usually advertised though a company may choose to communicate the issue of Rights or Bonus shares through circulars. Information is also made available these days through Emails and on websites. Thereafter, the investors submit their applications, which are normally on a printed form. Once the basis of allotment is finalised, the correspondence with the shareholder commences. An allotment letter is dispatched to the successful applicants.

A company may not charge the full price of a share along with an application but recover it in one or more instalments. This is known as "Call". This is particularly done when the shares are being offered at a premium. A Call Letter is sent to the shareholders whenever an amount becomes payable. Investor receives a certificate testifying that he is the allottee of a specific number of shares or debentures.

Specimen Letters

A few specimen of common correspondence relating to the Secretarial Department are given below:

Letter 1

Correspondence with shareholder regarding non-receipt of share-certificate

Dear Sir,

I was informed vide letter No. .... dated .... that 500 shares have been allotted to me. It is more than 3 months now and I have not yet received the share certificates. Would you please look into the matter and arrange for an early despatch of the share certificates to me?

Reply to the above

Dear Sir,

We are in receipt of our letter dt... regarding non-receipt of share certificates. On checking the records in the office, we find that the share certificates were despatched to you on … by registered post but were returned by the postal authorities to the company with the remark "addressee not found at this address". We have despatched these certificates once again to you by Registered post today.

Kindly acknowledge the receipt of the same.

Letter 2

Letter complaining that no allotment of shares was made

Dear Sir,

I have submitted six applications for allotment of shares in the names of my family members as per details given below:

1. Ram Sundar 500 shares
2. Ram Avtar 500 shares (father)
3. Mangal Kumari 500 shares (mother)
4. Mala Kumari 500 shares (wife)
5. Sudarshan 500 shares (son)
6. Mukesh 500 shares (son)

I am disappointed that no allotment has been made to any of us. I understand that the company has finalised the allotment list and has also started sending out allotment letters. May I know as to why none of us has been allotted any share in the company?

Reply to the above

Dear Sir,

We refer to your letter dated.... and are sorry that you have not been allotted any shares in the company. You may be aware that when the public issue was announced, it was over subscribed by 15 times. As the company is listed with Bombay Stock Exchange, under the terms of the listing agreement, the allotment had to be finalised in consultation with and in the manner approved by the Stock Exchange. Accordingly this was done on a pro rata basis and the allottees' list was finalised by the Stock Exchange. The basis of allotment was also published in the 'Economic Times', 'The Hindu' and the 'Times of India' for information of the applicants. You would appreciate that not a single share can be allotted more than the limit the company had actually invited the applications for. There are many people like you, who, impressed by the company's commendable performance, applied for shares but could not get any allotment.

We understand your interest in investing in the shares of the company, but we are helpless in the matter in view of what has been narrated above. We wish you better luck next time when the opportunity arises. Meanwhile, the refund orders have been dispatched to you yesterday.

Letter 3

Letter of Suggestion from a Shareholder

Dear Sir,

Of late, there have been a spate (*a large number or amount or extent*) of issues of corporate securities. Some issues have special features also that the share and debenture issues have been linked. I think it is a very nice idea which our company can also follow. May I expect an attractive public issue from our company on these terms in the near future?

Reply to the above

Dear Sir,

We are in receipt of your letter dt..... and appreciate that you have been closely following the trends in primary market. You may be aware that the timing of a public issue and the terms and conditions thereof are a function of strategic planning by the company management and their permissibility in terms of various statutes. If you happen to go through the speech delivered by the Chairman of the company at the recently concluded annual general meeting, you would find that the company is relying on its internally generated funds, the cost of which is much lower than what a share or debenture would cost in terms of servicing.

As and when there is need to come to the market for funds, the Board would be inclined to consider the question from every angle and arrive at a decision.

Letter 4

A reply to a letter from shareholder complaining against a staff member

SRL COMPUTERS LTD.
Regd. Office: 14, MRG Road, Chennai - 600 001
Tel.: 2410081 Fax: 2400882

Folio: 181/1960018/B

Shri Vipul Bhatia

28, Mountain View,

Ootacamund (Tamil Nadu)

Date: 1.1.2012

Dear Sir,

We refer to your letter of complaint dated December 26, 2011 regarding misbehaviour on the part of a staff member of Share Department of the Company.

The undersigned conducted an enquiry in the matter, and it has come to light that the staff member involved in the incident was a casual/temporary staff employed for dispatch of company's Annual Reports to the shareholders. The services of the casual/temporary staff member involved in the incident has been dispensed with.

On the whole, we are very sorry for the unfortunate happening and offer our profound apology for the same. We assure you that no such incident will occur in future.

Assuring our best and prompt services at all times,

Thanking you,

Yours faithfully,

Sd/-

V.K. Malhotra

Company Secretary

Letter 5

Letter regarding non-receipt of Dividend Warrant

Dear Sir,

I draw your attention to the fact that I am not in receipt of the dividend warrant in respect of the dividends due on 500 shares (Nos. 198001 to 198500) standing in my name, in terms of the resolution passed at the recently concluded Annual General Meeting.

Would you please look into the matter?

Reply to the above

Dear Sir,

With reference to the above, we find from our records that a Dividend Warrant for Rs. 2,000/- in respect of the 500 shares standing in your name has been sent to you vide Dividend Warrant No..... dated..... for Rs. 2,000/- made payable at par at all the branches of Punjab National Bank. If by chance you have not yet received the same, the company would be inclined to issue a duplicate dividend warrant after verifying that the original has not been encashed and, upon your submitting an indemnity bond, duly stamped, as per proforma enclosed.

Letter 6

A reply to a shareholder who complained about non-receipt of Balance sheet

SPG COMPUTERS LTD.

Regd. Office: 14, MGR Avenue, Chennai - 600 101

Phones.: 4218112, 4231181 Fax: (040) 8715213

Folio No. 38001/B/2012

Shri Vipul G. Bhatia

28, Longdrive

Ooty (Tamil Nadu)

Dated: 15.6.2012

Dear Sir,

We refer to your letter of complaint dated May 28, 2012 regarding non-receipt of Balance Sheet of the company for the year ended March 31, 2012.

We find from our dispatch register that a copy of Balance Sheet was sent to you on May 10, 2012 by post. It seems that the same has been lost in transit. Anyway we are enclosing herewith another copy of the Balance Sheet for the year ended March 31, 2012 for your records.

Thanking you,

Yours faithfully,

Sd/-

Grace Melango

Company Secretary

Letter 7

Circular Letter to Shareholders denying rumours

Dear Sir/Madam,

There have been baseless rumours circulated by some vested interests that the company is planning to dispose of its unit at Medak. Pursuant to this, the Board of Directors have come to know of feverish selling of the company's shares in the stock markets. The Board wishes to assure the members that there is no such proposal at all and even if such a proposal were to be worked out, it cannot be done excepting with the express approval by members in the general meeting as per the provisions of the Companies Act, 1956. You are, therefore advised not to be guided by such ill founded, ill motivated and baseless rumours.

Letter 8

Circular Letter to Shareholders regarding appointment of Share Registrars

Dear Sir/Madam,

In view of the large number of members that the company has on the register of members and with a view to ensuring prompt and effective service, M/s Sigma Services, 16, Nandlal Street, Kolkata-74 have been appointed as Registrars to the company. M/s Sigma Services would attend to work relating to share transfers/transmissions dividend/interest warrants issue and other related work. Members may henceforth write to them directly regarding their problems, if any, on these matters.

Dematerialisation (Demat)

The share certificates have traditionally been in the paper or physical form. Investors now have a convenient alternative to hold their securities into an electronic format. The depository services enable them to convert their securities to an electronic format. The investors retain all the benefits of ownership, while eliminating the hassles caused by events, such as loss of certificates, postal delays, and counterfeiting. State-of-the-art technology helps to provide even online services across the country. A statement of account is sent to the Demat account holder periodically.

Dematerialisation is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic format and credited in the investor's account with a Depository held through a

Depository Participant (DP). Share certificates are dematerialised to enable trading and settlement on the book entry segment. Investors deliver their share certificates to their DPs along with a signed form of request. The shares are then sent to the concerned company/transfer agent for converting the physical share certificates into the electronic format, wherein the company enters the name of the Depository as the owner of the shares and the name of the shareholder as the beneficial owner of the said shares, in the Register of Members. The securities are then credited to the account of the investor by the DP, when intimation to do so is received from the depository. Any objections raised by the company are forwarded to the investors for clarification. Change from electronic to physical form is also possible and is called Rematerialisation.

Demat Accounts

Investors are expected to open Demat accounts with Depository Participants and deposit their share certificates for the purpose of converting them to the electronic format. The Depository Participants pass on the documents to the concerned company, which checks their authenticity and stores them in electronic form or in other words, dematerialises them.

The Investors often write letters to companies complaining about delay in dematerialisation:

Complaint Letter to Companies

To

GTK Depositories Ltd.
Depository Participant
26, Banjara Hills
Hyderabad-500 034
February 28, 2012

Dear Sir,

DEMATERIALISATION REQUEST

I had deposited 200 equity shares of HDFC Bank Limited on 20th January, 2012 for dematerialisation as per details given below:

Folio No: L47

Certificate Nos. 2321345-6

Distinctive Nos. 45344601-45344800

I was given to understand that the process will be completed within thirty days. However, the shares are yet to be credited to my Demat Account No. 89778321.

You will appreciate that I am unable to trade in these shares due to delay in dematerialisation.

Please take immediate steps to dematerialise the shares so that they may be credited to my Demat account, and advise me of the status at the earliest.

Yours faithfully,

Sd/-

D.N. Panigrahi

Security Features

In addition to the security features offered by NSDL and CDSL (the two depositories at present in India), DPs offer several risk management measures through a back-office system.

A Demat account holder may be issued a serialised instruction slip-book. The leaves bear numbers, which are stored in the system. Every subsequent instruction for transfer is checked by the system against these numbers to protect the investor against fraudulent transfers. Requests for slip-book are similar to those made for chequebooks.

Letter requesting for slip-book

To

HDFC Depositories Ltd.

K.G. Marg

New Delhi-110 001

30th April, 2012

Dear Sir,

REQUISITION FOR SLIP BOOK

I am operating a Demat account with you bearing number K 723121. The Slip Book issued to me for instruction has been exhausted.

Please arrange to send a new Slip-Book to my residential address by courier.

Yours faithfully,

Sd/-

(Suresh Chandra)

Non-receipt of Dividend

An investor puts his savings at stake primarily to earn interest on his debentures, or dividend on his shares. When he does not receive them on time, his anger or annoyance or anxiety, is understandable. Like all complaints, such letters should furnish complete information about the securities held by the investor. This facilitates an inquiry into the reasons for default or delay in payment by the company. It is sensible to maintain courtesy in the first instance as the company may not be at fault and may have a legitimate defence:

To

The Company Secretary

Wintech Technologies Ltd.

17 Hitech Towers

Hyderabad-500 033

Dear Sir,

I had purchased 500 equity shares in the dematerialised form from Prakash & Bros., Bandra (East), Mumbai on 28th May, 2012. The shares were subsequently credited to my Demat Account No. 988211346 held with ICICI.

However, I have not received dividend for the year 2011-2012, though the closure date for the register of shareholders was June 1, 2012.

Kindly look into the matter and advise my Depository Participant to credit the dividend to my account.

I thank you in anticipation.

Yours faithfully,

Sd/-

P. Jagnaddham

Reply to letter of Non-Receipt of Dividend

If a complaint is unacceptable, the complainant must be given convincing reasons. Evasive (*deliberately vague*) replies or use of arrogant tone must be avoided. Effort may be made to establish a closer and good relationship with the investor.

Dear Mr. Jagnaddam,

We have received your letter of 27th July, 2012 and welcome you to the Wintech family.

We may point out that the equity shares purchased by you were credited to your account only on 5th June after the settlement period. You are aware that the register of shareholders had been closed by then. Therefore, we regret we are unable to pay you dividend for the year 2011-2012. However, we assure you that dividend, whenever declared in future, will be promptly credited to your account.

We thank you once again for investing your funds in Wintech.

Yours faithfully,

for Wintech Technologies Ltd.

Sd/-

Company Secretary

Rematerialisation

Securities are being increasingly issued in electronic or dematerialised form. However, re-conversion of securites to physical form or their rematerialisation is also possible. Request is to be made to depository participant with whom the shareholder has a Demat account in the prescribed standard form for the same. However, you could enclose a covering letter in the following format with the application:

Dear Sir,

REMATERIALISATION REQUEST

I am the sole holder of 700 equity shares of Infosys Technologies in my Demat account no. 55213417 held with you.

Since I have no desire to trade them in the near future, I do not want to pay annual custody charges for them. Therefore you are requested to reconvert them to physical certificates. The charges may be debited from my S.B. account no.7773 held with you.

Yours faithfully,

Sd/-

Vas Dev Khanna

Correspondence with Stock Exchange

BAJA LTD.
29, Govind Street, Bombay 110020
Tel. No.: 228822

The Manager

Company Announcements Office

BSC
4th Floor, Bridge Crossover
Bombay 110020
4th October, 2012

Dear Sir,

Sub: Notice of Annual General Meeting (AGM)

We are pleased to forward the notice of AGM of our company scheduled to be held on …… alongwith the following enclosures for your information:

1. Notice of AGM and Explanatory Notes;
2. Proxy Forms; and
3. Annual Report for the year 2011-2012

Yours faithfully,

For BAJA Ltd.

XYZ

Company Operating Officer/Company Secretary

Correspondence Regarding Initial Listing

SURAJ LTD.
Gopal Street, Delhi 110003
Tel. 222228

The Secretary
Bombay Stock Exchange Ltd.
Date: 9th July, 2012

Dear Sir,

Sub: Initial listing Application

We wish to submit that "Suraj Ltd." was incorporated on 6th August for the production and distribution of mineral water. The company is planning to enter the Capital Market in the month of April, 2012 with an issue size of …….

The Board of Directors has passed a resolution on ……. For making initial application with your stock exchange in respect of the said issue.

The initial listing application is hereby enclosed.

We are also enclosing the following documents:

(i) One copy of the Memorandum and Articles of Association.

(ii) A certified copy of the Certificate of Incorporation.

Thanking you,

Yours faithfully,

Secretary

Encl.: As above

Correspondence with Registrar of Companies

MERCURY LTD.
99, Prashant Street, Surat 395002
Tel. No.: 781811

Ref. No. KML/595/2012
M/s Kanchan Rani
Registrar of Companies
ISL Tower, Nehru Place
Surat
Dated: 29th September, 2012

Dear Sir

Sub: Extension of Annual General Meeting (AGM) reference CIN…….

This is in reference to our letter dated ……, informing about the AGM of the company "Mercury Ltd." incorporated on ……. For the financial year April-March scheduled to be held on …….. .

We wish to submit that due to flood-like situation in the city, we are unable to hold the same on the prescribed date.

We therefore, request you to kindly take this on record. We shall soon intimate you the revised schedule of the AGM.

Thanking you,

Yours faithfully,

Correspondence with various other authorities

Correspondence with RBI

LAGOON LTD.
54, Gulmohan Road, Delhi 325001
Tel: 625158 Fax: 525151

Ref. No. VXN/525/2012
Ms Reeti Gupta
64, Juhu Street
Bombay 520001
Date: 24th September, 2012

Dear Sir,

Sub: Form NBS 1A relating to Annual Return on Deposits as on 31st March, 2008

Please find enclosed a hard copy of Form NBS 1A pertaining to Annual Return on Deposits as on 31st March, 2012, which is to be submitted by all Residency Non-Banking Companies. The same has already been filed through internet to the specified web server, as given under the instructions for filing in the Return.

Thanking you,
Yours faithfully,
Sd/-
General Manager

Correspondence with SEBI

Example 1:

CREATIVE LINE LTD.
26, Indian Street, Delhi 110019
Tel No.: 721218 Fax: 721212

Ref. No. XNI/242/2012

Mr. Dhruv Malhotra

Chief Manager

SEBI

6, Nariman Point

Mumbai

Date: 24th September, 2012

Dear Sir,

Sub: Investor Grievance Redressal

This refers to investor complaint No. 242/SMF/11258069 regarding the non-receipt of dividend. We are pleased to inform you that we have already dispatched the dividend amount…….. through warrant No. 602246 dated……..

Thanking you,

Yours faithfully,

Sd/-

Senior Manager

Example: 2

ESSOR LTD.
8, Connaught Place, Delhi 110001
Tel. No.: 258187 Fax: 258188

Ref. No. SMI/255/2012

Mr. Pradeep Chatterjee

Chief General Manager

SEBI

224, Nariman Point

Mumbai 220015

Date: 24th September, 2012

Dear Sir,

Sub: Draft Red-hearing Prospectus for vetting

Enclosed herewith please find draft Red-herring Prospectus for the proposed IPO of the company for your vetting.

Thanking you,

Yours faithfully,

Sd/-

Joint Manager

Encl.: As above.

INTRODUCTION TO AGENDA AND MINUTES

Minutes are the official records of the proceedings of a meeting. All organizations, whether commercial or social, attach great importance to maintaining a proper record of the business transacted at their various meetings.

The main object of writing minutes is to record, concisely and accurately, the essential work done at the meeting. Minutes usually show, beyond any doubt, what was formally resolved or decided upon and not what was said.

Importance of Keeping Minutes

(i) Minutes contain a record of the business transacted and decisions taken at a meeting. They serve as a permanent record for future reference.

(ii) Minutes serve as a reminder for the actions to be taken to implement the decisions arrived at a meeting.

(iii) Minutes can be produced as evidence of the proceedings in a Court of Law.

(iv) Minutes help in the efficient conduct of business. If proper minutes are not kept, the decisions arrived at meeting may be questioned by any member or Auditor and therefore, they cannot be proved in a Court of Law.

Preparation of Minutes

Minutes of meeting generally contain the following:

1. The kind of meeting.
2. Date, time and place of the meeting.
3. The name of the person in the chair.
4. Name of directors, secretary and persons in attendance.
5. Reading and confirmation of the minutes of the last meeting and their signing by the Chairman, together with any matters arising from the minute.
6. Brief subject heading each of minutes with the resolutions adopted.
7. Financial statements and reports presented and approved in the meeting. These may be put in the form of ‘Appendix’.
8. Appointments made, if any.
9. In the case of special resolution, the number of votes for and against.
10. Names of persons dissenting with any resolution passed at the meeting.
11. Instructions given by the meeting to the Secretary or other officers.
12. Chairman’s signature and date of verification of minutes as correct.

General Guidelines for Writing Minutes

Drafting of minutes is largely a matter of skill, judgment and practice. The writer of minutes needs to understand the situation, listen attentively and take notes during the discussion. Minutes are largely standardized and the standard form should be followed as far as possible.

Some hints for writing minutes are given below:

1. Minutes of each meeting should have heading containing the type of meeting.
2. The date, time and place at which the meeting was held should be mentioned.
3. In the case of the general meetings and board meetings, it is usual to state the number of the meeting.
4. The minutes should contain the names of all those who were present and the capacity in which they were present. But where the attendance is large, the names of persons attending are not stated in the minutes. Only the number of persons who attended the meeting is mentioned. All members sign in a separate register kept for the purpose.
5. Each item in the minutes is numbered and given a brief heading.
6. Each item should be written in the minutes in the same order in which the business was transacted.
7. Minutes should be brief but no important detail should be omitted.
8. Defamatory language, irrelevant points should not be recorded.
9. While writing minutes, no reference should be made to the feelings of the persons present. The tone of the minutes should be impersonal, i.e., it should be written in third person.
10. Dates and figures should be clearly and precisely stated in the minutes. If a reference is made in certain letters or reports, their numbers and dates should also be mentioned. This is necessary to avoid the possibility of ambiguity and misunderstanding.
11. In case of a special resolution passed at the meeting, the number of those in favour and against should be recorded.
12. The secretary should go on taking notes during the meeting. If a clarification is required, it should be immediately sought. The minutes should be written as quickly as possible after the meeting so that no important facts are forgotten.
13. It is advisable for the secretary to show the rough draft of the minutes to the Chairman and get his approval. This will avoid incorrect recording and alterations later on.
14. The language of the minutes should be simple and precise. Simple past tense and passive voice are preferable. Be careful while converting direct speech into indirect speech.
15. Ensure that each item discussed in the meeting has been recorded.
16. Use a separate paragraph for each item.
17. Record full text of motions. If a vote was taken do mention it. Give exact text of resolutions adopted at the meeting.

Agenda

Agenda is a document that outlines the contents of a forthcoming meeting. It is usually sent alongwith the notice of the meeting. Sometimes the Agenda is prepared after the circulation of the notice in order to enable the members to get any item included that they would like to discuss at the meeting. Occasionally, if the chairperson and the secretary do not want the members to know the items to be discussed, the agenda is not circulated.

UNITED SALE CORPORATION DELHI

The next meeting of the Board of Directors will take place on Monday, September 18, 20…. at 5:00 p.m. in the conference room.

AGENDA

1. Minutes of the last meeting.
2. Matters arising from the minutes.
3. Financial irregularities in Dharwar branch.
4. Re-organisation of work in Bangalore branch.
5. Any other business.
6. Date of next meeting.

LESSON ROUND UP

- Invoice is a document giving full details of goods being shipped, prepared by the exporter and sent to the importer.
- Delivery Challan only mentions the quantity and type of goods.
- Collection letters must be written cautiously. The first collection letter should be written in a polite manner, for it funtions as a reminder.
- Banking requires letter writing for the following services: Stop payment, Overdraft limits, Term loan and Status Enquiries.
- Insurance Correspondence requires letter writing for the following: Policy renewal, null and void policies and Reporting Loss.
- Writing letters for the following services is also important : Sales Tax/C Form and Excise; Postal Authorities and IT & Corporates.
- A Company Secretary occupies an important place in a corporate set up.
- Public investment in a company is generally in the form of shares, debentures and deposits. Anyone can participate in the capital of a company through equity shares. The return on shares depends on the profitability of the company and is in the form of dividend.
- Dematerialization is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic format and credited in the investor's account with a Depository held through Depository Participant (DP). Investors are expected to open Demat Accounts with Depository Participants and deposit their shares certificates for the purpose of converting them to the electronic format.
- Re-materialization request is to be made to depository participant with whom the shareholder has a Demat account in the prescribed standard.
- Minutes are the official record of the proceedings of a meeting. All organizations, whether commercial or social, attach great importance to maintaining a proper record of the business transacted at their various meetings.
- Agenda is a document that outlines the contents of a forthcoming meeting. It is usually sent alongwith the notice of the meeting.

GLOSSARY

Agenda	A program listing items of business to be transacted in a meeting.
Annual Return	A statutory document filed by every company annually with the Registrar of Companies, stating the particulars such as status, names of directors, shareholders and indebtness of the company.
Bankruptcy	A legal condition where a person or a business in which liabilities exceed the assets and the debtor is unable to repay amounts owed.
Capital	The amount of money, invested in a business; available for working; manifest in tangible goods, like building and machinery or in the form of circulating assets. The term has several specific uses. Money spent on improvement of fixed assets and not chargeable against profits is known as Capital Expenditure.
Credit Note	A document sent by a seller to a buyer to rectify an error of overcharge in an invoice or to allow credit for goods returned. It is entered in the books of account.
Debit Note	A note sent by seller to buyer to rectify an undercharge in the original invoice. It is in the nature of a supplementary invoice.
Debentures	An instrument/security through which a company may borrow funds from public or public financial institutions and on which interest usually is payable on specific dates, and principal amount is repayable on a particular date on redemption of the same.
Dematerialization	Conversion of securities, such as shares/ debentures from paper or physical form to electronic form.
Dividend	A return on investment on securities, such as shares dependent on the profitability of the company. It is distributed through dividend warrants similar to cheques. Alternatively, it may be credited to the bank account or Demat account of the shareholder.
Share Certificate	A certificate issued to shareholders in paper or physical form. Besides the names of the holders, it carries the certificate, folio and distinctive numbers. It is signed by an authorised signatory and carries the common seal of the company.
Shareholder	A person holding shares of a company. His rights include an invitation to attend and vote in Annual General Meetings, to receive a copy of audited results, and receive dividend whenever declared.
Stock Exchange	An organised market for the sale and purchase of securities. In India stock exchanges are regulated by the Securities & Exchange Board of India. The movement in prices of select active scripts is reflected in Sensex or sensitive index in terms of points. Trading in major exchanges is Screen-based these days where buying and selling is done online. Matching of trades is done on computers installed in Stock Exchanges.
Warrant	A tradable instrument giving the holder the right to buy from the issuer a fixed income security or equity stock under specified conditions after some period of time.

SELF-TEST QUESTIONS

1. You are the bank manager of XYZ Bank. Write a letter informing a customer about the personal loan that the Head Office has agreed to sanction.
2. Draft a letter, requesting your bank to stop payment of a cheque.
3. Write a letter to an insurance company asking them to assess the loss caused to your factory by fire.

4. Draft a letter asking the Postal authorities to allot you a Post Box No. Also enquire about the annual charges, mode of payment and the time taken in allotment of P.O. Box No.
5. Write a letter to MTNL, complaining them against the excess billing and requesting them to change your telephone plan.
6. You are a shareholder. Write a letter to the company informing them that you wish to surrender your shares.
7. As a Company Secretary write a letter to a shareholder who has asked for information about the progress of the company for further investment.
8. Write a letter as a shareholder, complaining against non-receipt of dividend warrant.
9. Describe briefly the general guidelines for writing minutes for.

Suggested Readings

(1) Business Communication – *K.K. Sinha*

(2) Business Communication – *M.S. Ramesh, C.C. Pattanshetti & M. Kulkarni*

(3) Essentials of Business Communication – *Reddy, Appannaiah, Nagaraj & Raja Rao.*

Lesson 13
Administration

LESSON OUTLINE

- Introduction-Telegraphic Messages
  - Advantages of Telegraphic Messages
  - General Rules for Composing Telegram
  - Drafting a Telegram
  - Formats of Writing Telegrams
  - Letters and Telegrams
- Messages through Electronic Media
  - E-mail
    - Features of an E-mail
    - Drafting E-mail Messages
    - Important tips for Writing an E-mail
  - Fax Messages
    - Fax v/s Telex Machines
  - Short Messaging Service
- Review Questions
- Representations
- Public Notices
- Invitations
  - Contents of Invitations
  - Replying to Invitations
  - Individual Invitation
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

For quick transmission of messages telegrams, emails, fax, etc., are used. While the advantage of fax and email is that the sender can send a long message, while in case of telegrams utmost care with regards to the length has to be observed. Emails are becoming a necessity also because it not only saves time, but also works on the principle of "Save Paper, Save the Environment" and "Go Green, Go Paperless".

Therefore, the objective of the study lesson is to enable the students to learn the skills of drafting telegrams and email messages and also learn to prepare representations which are made in order to voice a grievance and to secure a relief. In this unit you will learn about public notice which is given by an organisation when it needs to share important information with the members of general public, such as a change of name or representative, and invitation which are generally sent when the occasion is very formal.

Public notices are given when one wants to inform general public about his change of name. Organisations give public notice to notify change of representatives. On very formal occasions invitations are also send by public notice.

Technology gives us the facilities that lessen the barriers of time and distance - the telegraph and cable, the telephone, radio, and the rest.

Emily Greene Balch

INTRODUCTION – TELEGRAPHIC MESSAGES

Urgency to communicate a matter may arise due to many exigencies, personal as well as official. Whenever any information is to be communicated urgently or quickly, the telegrams or cables are sent to from once place to another. They are sent through post and telegraph offices. In order to transmit the message words are changed into signals with the help of the Morse's key and seat across cities, countries and continents in a short time.

Types of telegrams

The telegrams are of two types –

1. Ordinary telegrams
2. Express telegrams

The ordinary telegrams go in usual process and message are delivered to the receiver in ordinary course of time. Express telegrams pass the message at priority basis. Hence, they are costlier than ordinary telegrams.

Language of telegrams

Message can be written in a telegram in two ways:

(i) *Enclair* : When telegrams are written in day to day language, it is called Enclair. Such messages can be read and understood by all. It is risky to send telegrams in enclair language, specially those that involve money matters.

(ii) *Cypher or code* : This means that the code or private language is used for transmitting messages though telegram. Here ordinary words are converted into codes with which receiver of the message is conversant. He decodes the message and takes action accordingly. Thus, confidential messages are kept secret.

Advantages of Telegraphic Messages

Telegrams have been a common method of sending messages. They have been preferred for many reasons. Some of them are:

- They are fast. Words are changed into signals with the help of the Morse's key and sent across cities, countries and continents in a short time.
- They are efficient. If drafted with care, they convey the crucial part of the message.
- They are economical. The minimum charge for an inland telegraphic message is lower than the bus fare for travelling across a metropolitan city.

General Rules to be kept in mind when composing a telegram

– The message must be brief and clear;

– Time should be written according to the twenty four hour clock;

– Sentences are to be divided by the word "STOP";

– Clarity and accuracy must be maintained;

– Normal grammar and punctuation can be ignored;

– Block letters must be used as far as possible.

Drafting a Telegram

The following points may be kept in mind while drafting them.

(1) Brevity

Telegrams are charged on the basis of number of words used. Therefore, one has to use words economically. It is possible at times to replace a phrase with a single word. For example, one can use 'try' in place of 'to make an effort' and save three words in the process. Using one-word substitution may be a good idea to keep telegraphic messages short. Another ideas is to write a message in a normal manner and then delete unnecessary words or rephrase them. The bold words in the following message sufficiently convey the meaning of the complete sentence.

We are glad to inform that our **Balance fund** has **outperformed** other funds in the **first quarter**.

So a telegram sending this message would simply read:

BALANCE FUND OUTPERFORMED IN FIRST QUARTER

(2) Block Letters

Handwritten messages are often difficult to decipher. In lower case, Cs may look like Es or an R may be misread as an N. Therefore the golden rule is to draft telegraphic messages in block or capital letters.

(3) PM or AM?

If a.m. is read as p.m. it will make a straight time difference of twelve hours. So the tip is use twenty-four hour clock-the way they do to announce train or airline timings, i.e., 15.00 hrs. for 2.00 p.m.; 22.30 hrs. for 10:30 p.m., etc.

(4) Completeness

In our effort to keep our message brief, we cannot afford to send incomplete messages. Let us look at the following message:

MD ARRIVING (STOP)

It does not tell us anything except the fact that the managing director is arriving. The recipient would surely like to know more.

For example the time of arrival, the mode of journey, the purpose of the visit and what is expected of him. If we expand the same message a little, the meaning becomes clearer.

MD ARRIVING TUESDAY THIRD JUNE(STOP) FLIGHT IA219 FOURTEEN HOURS(STOP)

(5) Action required

The message is still incomplete because it does not state what is expected of the recipient. Adding a few words may make it clearer:

RECEIVE AIRPORT (STOP) FIX MEETING WITH STRIKING WORKS(STOP)

It is useful to include the action expected from the recipient, i.e., to quote or to supply, to join duty or to extend leave. The underlined parts of the following messages do just the same:

CHEQUE CLEARED (STOP) RELEASE VIDEOCON CONSIGNMENT (STOP) KEEP FURTHER SUPPLIES PENDING (STOP)

REFER BILL NO. 3225(STOP) PAYMENT OVERDUE (STOP) SUPPLY SUSPENDED (STOP) PAY IMMEDIATELY (STOP)

REFER CHEQUE NO 764301 DATED TENTH APRIL AMOUNT SIXTY THOUSAND FAVOURING LUPIN LABS (STOP) INSTRUMENT LOST IN MAIL (STOP) REQUEST STOP PAYMENT (STOP) ACKNOWLEDGE RECEIPT (STOP)

LEAVE CANCELLED (STOP) AUDIT COMMENCES TUESDAY (STOP) JOIN DUTY IMMEDIATELY (STOP)

NEGOTIATIONS WITH WORKERS DEADLOCKED (STOP) INDEFINITE STRIKE FROM MONDAY (STOP) ADVISE ACTION (STOP)

It would certainly cost more but the person receiving it would know all the relevant details. From this it is clear that brevity should not be achieved at the cost of meaning.

(6) Grammar

The rules of grammar are relaxed while drafting a telegram. However, there is one exception. When sending out goodwill messages, it is advisable to write the message in full. Brevity seems out of place when generosity is required.

CONGRATULATIONS ON WINNING THE BEST EXPORTER'S AWARD(STOP)

Formats of Writing Telegrams

After a telegram is sent, usually a confirmatory copy is sent to the receiver of the message.

The format of the telegram is as follows:

TELEGRAM

VINOD KUMAR

HARSH

MADRAS 600 008

ARRIVING THIRTEENTH MORNING FLIGHT(STOP) BOOK RETURN JOURNEY SAME EVENING(STOP)

VENKATESH

This is a telegram given by Venkatesh, the Managing Director of Harsh Engineering Ltd. The telegraphic code of this company being 'Harsh', the same is given. In cases where the receiver does not have a code, the full address has to be mentioned. Otherwise, the telegram may not be delivered or it may be delivered to a wrong person for want of complete postal address. To ensure economy of words, the formal salutation, etc. are omitted.

The confirmatory copy of the above telegram, sent by post, would be as follows:

HARSH ENGINEERING LIMITED
(*Regd. Office*: 12, Sansad Marg, New Delhi-110 001)
Phone: 12345

A.A. Venkatesh

Managing Director

TELEGRAM

ARRIVING THIRTEENTH MORNING FLIGHT (STOP) BOOK RETURN JOURNEY SAME EVENING (STOP)

VENKATESH

Not to be telegraphed:

Shri Vinod Kumar

Regional Sales Manager,

12, Pantheon Road,

Chennai-600 008

Note how the telegraphic message is confirmed on the letter head of the Managing Director.

A few more formats of writing telegraphic messages are listed below:

PROVISIONALLY APPOINTED (STOP) CONFIRM BY WIRE (STOP)

This is a telegram intimating appointment to a candidate who attended the interview. Name of the post is not necessary to be mentioned unless it is absolutely essential, as the telegram is probably sent a few days after the interview. The sender's name is usually given below the message. Companies obtain codified telegraphic addresses from the postal authorities. In that case use of that code would suffice.

REPORT AT DELHI OFFICE LATEST ELEVENTH (STOP)

May be there is a change of office at which the candidate is to report. Where there are a number of offices. It is necessary to mention where the candidate is to report.

POSTPONE VISIT (STOP) CURFEW IN THE CITY (STOP)

The message conveyed here is that the law and order situation is bad and hence it is advisable to postpone the visit to the city.

STOCK STATEMENT FOURTEENTH TO TWENTY FIRST NOT RECEIVED (STOP) EXPEDITE (STOP)

The word 'Expedite' used above, implies expediting the dispatch of the stock statement.

ARRIVING FOURTH MORNING (STOP) ARRANGE MEETING WITH JOINT SECRETARY FINANCE MINISTRY (STOP)

There is no instruction in this telegram for return journey booking. May be the sender is not sure whether he would return the same day; so the correct interpretation of the telegram would be that the receiver need not take any action for return journey booking.

CANCEL MEETING (STOP)

Here the earlier direction is over-ruled.

FIRE AT GODOWN (STOP) HEAVY DAMAGE (STOP) REPORT FOLLOWS (STOP)

This is a very important telegram. It may be from the Regional Office to the Head Office. 'Heavy damage' is a critical word suggestive of sizable pecuniary loss.

MD COMING TWENTY FIRST MORNING (STOP) DEALERS MEETING TWENTY SECOND AT CHENNAI (STOP) HOLD PRELIMINARY DISCUSSIONS AND KEEP REPORT READY FOR MD (STOP)

This is a telegram communicating transfer of an employee to Delhi office.

TRANSFERRED TO DELHI OFFICE (STOP) REPORT FIFTEENTH (STOP)

Some more Examples

SRINATH TO VISIT COCHIN AND REPORT DEALERS PROBLEM IMMEDIATE (STOP)

ADVISE REMMITTANCE PARTICULARS INVOICE 2310 DATED SECOND AUGUST (STOP)

PAYMENT NOT RECEIVED (STOP) EXPEDITE (STOP)

REGRET NON-PAYMENT OF INVOICE 2310 (STOP) WIRE FACTUAL POSITION (STOP)

ACCIDENT TO TRUCK NEAR KOTTAYAM (STOP) MATERIALS DAMAGED (STOP) RUSH SUPPLIES (STOP)

INSPECTION BY EXPLOSIVES INSPECTOR (STOP) OBJECTIONS RAISED ON THE GROUND OF UNAUTHORISED ADDITIONS TO THE GODOWN PREMISES (STOP) GODOWN LICENCE SUSPENDED (STOP) LETTER FOLLOWS (STOP)

Probably the godown has been inspected by the Inspector of Explosives and because the godown does not conform to certain rules and regulations, the licence to store the goods therein has been suspended. This is a serious matter and hence the telegram also mentions the reasons for the suspension of the licence.

YOUR TELEGRAM (STOP) HOW UNAUTHORISED CONSTRUCTION AT GODOWN CAME (STOP) FOLLOW UP WITH INSPECTOR AND EXPEDITE RENEWAL OF LICENCE AND REPORT (STOP)

This is a return telegram expressing shock and anger on the unfortunate but serious development.

ASSESSMENT 2012-13 REOPENED (STOP) DEMAND FOR TWELVE LAKHS RAISED (STOP) ADVISE (STOP)

This is a telegram informing reopening of the assessment of income-tax by the Department. May be the telegram is sent to the Manager (Taxation) who is on leave or on tour. The huge demand of tax is what necessitates the telegram so that he may resume duty to take up the matter suitably.

REPORT TENTH (STOP) MD CONVENING EMERGENY MEETING (STOP)

Again this may be a telegram to a senior official of the company who is on leave.

BUY AMARCHEM THOUSAND AT ONE HUNDRED AND MINAKSHI FIVE HUNDRED AT EIGHTEEN (STOP)

This is a telegram to a stock broker to purchase some shares at certain prices.

Note the entire information is communicated in words and numerals have not been used. This is because an error in communicating the numerals would mean a lot of consequences to the investor.

MEETING HELD EIGHTEENTH (STOP) DEALERS UNANIMOUS ON EIGHTEEN PERCENT DISCOUNT (STOP) DEMAND SPECIAL OFF SEASON DISCOUNT (STOP) COMPETITORS ALREADY ANNOUNCED OFF SEASON DISCOUNT (STOP) SUPPLIES EX CHENNAI REQUESTED BY DEALERS (STOP)

The telegram apprises the Head Office of the outcome of the dealers meeting held at Chennai.

BEST WISHES FOR THE SUCCESS OF THE GOLDEN JUBILEE CELEBRATIONS

BOARD MEETING ELEVENTH (STOP) RIGHTS ISSUE AND DIVIDEND TO BE CONSIDERED (STOP)

This is a telegram sent to the stock exchange(s) outside the city in which the Registered Office of the company is situated. This is required to be done under the terms and conditions of the listing agreement that a company enters into with the stock exchange(s).

BOARD MEETING POSTPONED TO FIFTEENTH (STOP)

MD EXPIRED (STOP) FUNERAL TENTH MORNING AT DELHI (STOP)

This telegram is sent to all those who matter. If an ‘X’ is put on the top of the telegram then it shows it is an express or an extremely urgent message.

STRIKE SITUATION WORSE (STOP) FOUR KILLED (STOP) CLASHES CONTINUING (STOP) SWIFT ACTION NECESSARY (STOP)

This telegram apprises the top officials who were not in the city or place where the strike is going on.

These examples would have given an idea as to how telegrams are worded. There are numerous occasions where sending of a telegram is absolutely essential.

Framing of telegrams from given matter

Now you may have to develop the skill of condensing a letter or report into a telegram. A few examples are given below:

Read the text of the following letter and the telegraphic version of the same at the end.

"It has never been our experience that you delayed payment of our bills. However, we are quite surprised that this time in respect of this bill (Bill No. 23 dt. 2.3.12) the payment has not yet been received by us.

We have sent you two reminders, already, that too with great hesitation as we had all hopes that you must have earnestly set the process of remittance in motion.

Strangely, our earlier letters remain unresponded. As we have tight working capital base these days, we solicit that the payment be made within 15 days. If you have genuine or inevitable problems in the way of settling our dues please feel free to write to us."

TELEGRAM

REQUEST PAYMENT AGAINST BILL NO. 23 DT. 2ND MARCH (STOP) TIGHT WORKING CAPITAL BASE (STOP) WIRE BACK (STOP)

Note that the word 'REQUEST' conveys the benevolent feeling expressed in the letter.

Letter and Telegram

Example 1

"I recall the pleasant meeting you had with the members of the interview Board last Friday when you reported for an interview for the post of Deputy Secretary, Tax Division, in our company.

The Board was very much pleased with your background and experience and above all your eagerness to join us.

However, I have been directed to inform you that we have been able to find a suitable candidate who has had experience more akin to our expectations and job requirements.

Please rest assured that should any opening arise in the near future calling for proficiency in line with your experience, we shall write to you. We are keeping your application in active file.

We once again thank you for evincing interest in joining us".

TELEGRAM

REGRET INABILITY TO OFFER DY. SECRETARY POST(STOP) WILL CONSIDER FOR SUITABLE OPENING IF ANY IN FUTURE (STOP)

Example 2

Now read the following letter

"I refer to the consignment that we received today through Patel Roadways L.R. No. 002789 dt. 10th April 2012.

On opening the pack, it was found that the flywheel blades were twisted out of shape. The special bolts were short by 5 numbers. The 'flywheel' housing was found having a deep crack.

We are sorry to note that instances of supply of such defective spares have of late become quite frequent. Even in respect of the last two consignments we were forced to write to you about a number of defects. In the consignment under reference the outer packs have been found to be intact. We, therefore, have cause to apprehend that enough attention is probably not being paid while packing the parts in the factory or godown. You may appreciate that such defective supplies have seriously hampered the timeliness with which we used to satisfy our customers' requirements. We are sorry to write that if instances of such defective supplies are found to persist, we may be left with the only option of placing our orders with some other suppliers.

May we expect an expeditious replacement of the defective parts?"

TELEGRAM

CONSIGNMENT SENT BY PATEL ROADWAYS LR 2789 OF TENTH APRIL (STOP) FLY WHEEL HOUSING DEFECTIVE DEEPLY CRACKED BLADES TWISTED OUT OF SHAPE AND BOLTS SHORT BY FIVE NUMBERS (STOP) DEFECTIVE GOODS SUPPLY RECENTLY ON THE INCREASE (STOP) REPLACE CONSIGNMENT EXPEDITIOUSLY (STOP)

Example 3

Read the following letter:

> "We are in receipt of your application for the post of Finance Manager in our company.
>
> We shall appreciate if you can make it convenient to come for a personal interview on 25th March 2012 at our Registered office. You will be reimbursed air fare both ways for attending the interview.
>
> Kindly let us know the details of your departure so that we may arrange to receive you at Palam Airport and book the return air ticket as well. Your stay has been arranged at the Company's guest house."

TELEGRAM

INTERVIEW ON 25TH MARCH (STOP) AIR FARE BOTH WAYS (STOP) STAY AT COMPANY GUEST HOUSE (STOP) INFORM DETAILS OF ARRIVAL (STOP)

MESSAGES THROUGH ELECTRONIC MEDIA

Though HRM is otherwise very advantageous, it has certain disadvantages as well.

E-mail

E-mail : There has recently been a revolution in the field of communication engineered by the use of e-mail or electronic mail. What began as an American experiment in computer communication technology during the cold war has become a fast growing method of communication in the world. It is difficult to think of a business house or an organization without an e-mail contact address. E-mail enables its users to transmit messages electronically with the help of computer networks. Today e-mail reaches millions of people around the world. A computer, a modem with software and a telephone line is needed for an e-mail. In electronic mail messages are composed, transmitted and usually read on computer screens. Today, e-mail has replaced the telephone as the preferred medium to communicate in business. E-mail is typically composed and sent while key hoarding. The message need not be in plain text. By using HTML or Hyper Text Markup Language - the computer code used to create web pages – for formatting one may even send graphics, images and hyperlinks.

From:	Domestications Catalog
Date:	Thursday, April 19, 2012, 1.38 AM
To:	Domestication Shopper
Subject:	Mothers' Day Orders

In order to guarantee delivery of regular in-stock items for the May 13 holiday, orders must be placed by May 3, 2012. Heavyweight, drop-shipped, and backordered items will take longer to be delivered. Please plan your order accordingly. Thank you.

Features of an Email

Email packages like Messenger and Outlook Express are a part of web-browsers. The specialist may prefer a program like Eudora. These programs help us compose new messages or forward the ones we receive to one or all the people whose e-mail addresses are stored in the address book. They allow us to:

- change fonts and sizes;

- highlight and color;
- delete, store or save;
- align, center or justify;
- italicise, bold or underline words;
- print what is written or received.

An interface between the e-mail program and the word processing program allows us to copy, cut and paste messages from one to the other. We can attach files, compressed or otherwise, with our email messages.

Good to know!!!

Microsoft word documents often sent as attachments with email may be carrying macro-viruses. It is advisable to scan them with the help of anti-virus softwares before opening them.

Some programs even offer templates, such as cards or invites, to write text-messages on. Mailing lists are also available for the use of business houses while individuals use filters to block unsolicited junk mail or spam. If we are unsure of what we write, there are grammar and spell checkers to help us. We can even add our signature, stored in a file, at the end of the message. Carbon or blind carbon copies can also be sent. Excepting these similarities with the layout of a letter, the style of email tends to be direct and brief.

Quote on Email Generation

Email Generation-Letter Imperfect?

Most young people have never written a formal letter, highlighting the growth in Emails. A study found that Emails had replaced traditional methods of correspondence in business. Almost half of those polled said they now send thank you notes through the Internet rather than by post. One in twenty said they write “love and kisses” at the end of Email messages to their employer.

– Guardian News Service, London.

E-mail communication has several obvious advantage over the modes that account for its rapidly increasing popularity :

– it is cheaper and faster than a letter.

– it does not announce its arrival like a telephone call

– in e-mail communication, differences in locations and time zones do not prove to be an obstacle

E-mail has created an easy communication link among employees transcending hierarchical barriers.

E-mail facilitates more paper less office and enables the employees to function even without filling of office.

The language of E-mail

– Write short, crisp and focused paragraphs.

– Use short and simile sentences

– It is preferable to use the active voice.

– Use concrete words will positive connotations.

– Don’t use jargon or slang. Sometimes jargon can be used if you are communicating work people of your own professional.

– In business e-mails do not use abbreviation and acronyms which you may use while e-mailing personal friends.

– Be gender – sensitive. Avoid using gender – discriminatory words as far a possible.

Drafting Email Messages

The ease and speed of email combines the elements of speech and writing. To that extent, it tends to become informal. Being relatively impersonal, it breaks down barriers and hierarchies in business offices and improves communication. It scores over telephony in being cost-effective also.

However, care should be taken while drafting email messages whether formal or informal. Always read the message you have typed atleast twice before sending it, because once it has been sent you cannot stop it from reaching the recipient.

While writing an e-mail we are supposed to follow certain etiquettes, that is, 'a set of rules for good behaviour'. Internet etiquettes are also known as netiquettes. They are a set of rules for behaving properly online.

Important Tips for Writing an Email

Other things that need to be checked are:

– whether the email address is typed in correctly;

– the message has no grammatical erros;

– the message has no spelling mistakes;

– Do not send sensitive, critical or confidential information of your company though e-mails.

– Do not highlight a message unless it is absolutely necessary.

– Do not over use capital letters.

One important thing to remember and check would be the content of your message. Before clicking on the send icon, it would be advisable to evaluate it as to whether it should be a hand written letter or a reply should be sent through email. If after evaluation, the answer is yes, then only you can go ahead and send it.

It is not advisable to react to an email and reply immediately, always think before typing, and read and evaluate it before sending it.

It should be always remembered that e-mail is only a faster medium of communication, and therefore all communication must be clear, brief, precise and unambiguous.

> Internet communications cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, arrive late or contain viruses. The sender therefore does not accept liability for any errors or omissions in the context of this message, which arises as a result of Internet transmission."
>
> – **Extract from a Foreign Bank's Email**

Fax Messages

Fax is the abbreviated form of the word facsimile. A facsimile or fax machine is another modem means of transmitting the exact copy of a written message, especially visual materials, such as diagrams and copies. The machine first scans the document and then transmitted the copy to the fax machine at the other end through the telephone line with which it is connected. The document is printed on a roll of paper. Then the receiving fax machine sends a message of confirmation. The plain paper fax machines are relatively expensive. Fax machines have several features.

Abbreviated dialing helps store commonly used numbers and allow one-digit dialing for ease. Delayed transmission enables us to send faxes during odd-hours and pay lower tariffs. An auto-cutter keeps the paper roll in fine shape.

Fax V/s Telex Machines

Fax has a definite advantage over telex. Telex machines only allow exchange of text while fax can send pictures, graphics or designs as well. In addition, one does not need a leased line since a fax machine can be connected to any telephone line. It is also possible for smaller organisations to use the same line for making calls and receiving faxes, though not at the same time. Such numbers are often listed in letterheads as Telefax.

Faxes can also be sent and received through computers. Word processors offer Fax-templates like the one shown below in which relevant information may be filled in and then sent:

FACSIMILE TRANSMITTAL	**GREENWAYS LIMITED**
To: Purchase Officer, Maruti Appliances	Fax: 916-35221
From: R.K. Sehgal QCM	Date: 4 April 2012
Re: Fresh Samples-Desktop	Pages: One
CC: Sales Officer	

☐ Urgent # For Review ☐ Please Comment

☐ Please Reply

☐ Please Recycle

Please refer to your message regarding submission of fresh samples of desktop.

The samples were approved only on 23rd March this year and the mould has been designed for 1,00,000 pieces. The deviations were caused by drop in electric voltage changing the moulding settings in CNC machine.

We request you to continue with random testing as the component is being moulded as per design and we are confident it will pass all quality tests.

In the event of further deviations, we will gladly submit fresh samples.

Thanks

Short Messaging Service

Mobile telephony has provided another facility to send brief messages instantly. All mobile telephone service providers provide Short Messaging Service (SMS). An alphanumeric (containing alphabets and numbers) message may be punched in using the keypad of the handset. It may be sent, edited, stored or deleted at either end. It is transmitted from one handset to another through the Message Center of the service provider. The message is displayed on the handset of the receiver.

Short Messaging Service is offered in the cell phone circles of the country at a nominal cost. A message sent through SMS is cheaper than even a telegram. The disadvantage is that there is no written record, and it sounds very informal.

For example, your message ‘How are you?’ Could be sent as “How R U”; good for you - as “GD 4 U”, where the vowels are dispensed with. The receiver too has to be conversant with any abbreviations you may use, in order to understand your message.

REVIEW QUESTIONS

State True or False:

1. In cases where the receiver has the telegraphic code, the full address has to be mentioned.

2. The email message should be sent immediately after writing.

3. Representations are made to voice a grievance and secure a relief.

4. It is advisable to use the telephone to reply to an invitation.

Answers: 1. False 2. False 3. True 4. False

REPRESENTATIONS

Representations are made in order to voice a grievance and to secure a relief. When addressed to a public body, they may focus attention on a problem being faced by the signatories collectively.

Representations need to be prepared carefully. They should not only be based on incontrovertible facts but also mention the relief expected. If we anticipate objections and provide answers to them in the first instance, the chances of securing the desired relief increase. Representations are drafted in a formal tone using the format of a business letter.

Example 1

The Commissioner

Municipal Corporation of Delhi

Town Hall

Delhi-110 006

May 11, 2012

Sir,

LACK OF AMENITIES IN TRANSPORT NAGAR

We, the following, were relocated from Roshanara Road to Sanjay Gandhi Transport Nagar on Old Rohtak Road in 2008 in order to decongest the area.

We cooperated with the local administration when it was promised that the new site will be fully developed and functional before we move to the area. A Petrol Pump on the premises and civic amenities within a year of relocation were promises made by the Deputy Commissioner himself.

We regret to inform that the promises have not been fulfilled though several representations have been made. The roads are full of potholes and it is common to see the grounded trucks being pulled out with the help of cranes. There is no lighting on the streets though much of the activity takes place after dark. The absence of public conveniences has turned the area into a virtual toilet. The nearest petrol pump is more than a kilometer away. Therefore, some of the allottees have begun to operate from their old offices-cum-godown in Roshanara Road.

It is requested that immediate directions may be given to the Assistant Commissioner (North-West), MCD to metal the roads before the onset of the monsoon and to construct public conveniences. The plot reserved for the Petrol Pump be allotted immediately to provide relief to truckers.

We hope immediate steps will be initiated to provide relief to the occupants of Transport Nagar.

Yours faithfully,

Jasjit Singh

President

Sanjay Gandhi Transport Nagar Association

Example 2

Representative bodies of trade and commerce routinely receive representations from its members. These are discussed and often forwarded to appropriate authorities.

The President

Federation of Indian Chambers of Commerce and Industry

New Delhi-110 001.

March 14, 2012

Sir

DUMPING OF CHINESE ELECTRICAL GOODS

The wholesale market for electrical goods at Bhagirath Place is witnessing unprecedented dumping of electrical goods sourced from China. Most goods are smuggled through the porous border with Nepal. A few consignments, which are legally imported, are heavily under-invoiced.

Due to this, the sale of leading Indian brands has crashed during the last six months. The aggregate daily sale has come down from a crore of rupees to rupees fifty lakhs as most transactions are in cash and go unrecorded.

We feel that immediate action is required to protect local industry. We request you to take up the matter with the Government of India so that normalcy may be restored in the trading of electrical goods.

Yours faithfully

President

Bhagirath Place Electrical Dealers' Association

Example 3

When relief sought can only be provided through legislative action or policy change, the affected businesses have to make a representation to the concerned ministry:

To

The Minister of Information Technology

Government of India

New Delhi-110 001

May 9, 2012

Sir,

SECURITY CONCERNS IN E-COMMERCE

The recent hacking of some of our prominent web sites by elements inimical to our country has once again focused attention on security concerns. The concern is justified since the general public has shown a lukewarm response to E-commerce. The trading of securities on the Internet constitutes a negligible percentage of the total volumes. The dematerialisation drive has also suffered with many investors exercising a preference for scripts in physical form. There are even reports about an increasing interest in Rematerialisation following genuine fears about security of transactions. According to independent studies, E-commerce has not taken off as expected causing an overall slowdown.

It is suggested that immediate steps should be taken by the Ministry of IT to remove some of these concerns. Development of Intrusion Detection Systems and Penetration Testing should be a priority. The use of firewalls and cryptography by Internet Service Providers (ISP) and Banking/Trading institutions should be made mandatory. The mechanism to grant approval to digitised signatures should be expedited to restore confidence in E- commerce.

It is hoped the ministry will find it possible to act on the suggestions made in this representation.

Yours faithfully,

General Secretary

All-India Stock-Brokers' Association

A few examples of Representations are given herein:

Example 1: **Representation against government's order to shift the Factory**

RUBI CHEMICALS CO.
17, Kali Industrial Area, Kanpur - 208 019.
Tel: 241123

No. 82/2012/PC
Director of Industries,
Uttar Pradesh State Secretariat Complex,
Khan Road,
Lucknow 226 001
Dated: 1.1.2012

Dear Sir,

Sub.: Shifting of our factory

Ref.: Your letter No. GIR:HP/38/2011 dated 30th November, 2011

We invite your kind attention to your letter referred to above directing us to shift our factory from Kanpur Municipal Corporation Area within a period of six months.

In this regard we beg to make the following submissions for your sympathetic consideration:

1. Our factory is a SSI unit and it is yet to make a profit. The shifting of the unit outside Kanpur would make it further unviable because of an increase in the cost of production. It will increase the cost of transportation of raw-material and finished products. Most of the clients of our products are situated in Kanpur city proper; similarly the raw-material suppliers are also from the city.
2. We have been forewarned by banks and other creditors that they would not extend any credit facility once our unit goes out of the city.
3. The trade union representing majority of workers has issued statements/ threats against any possible relocation of the factory. They are dead against the shifting.

In view of the above, we request your kind self to reconsider your decision and allow us to continue our unit at its present site.

Thanking you and expecting a favourable response.

Yours sincerely,

Sd/-

Chief Executive

Example 2: Representation to Municipal Corporation Authorities

Dear Sir,

The Registered Office of our company is situated at Siddharth Towers (ground floor and 1st floor) Rajindra Place, New Delhi 110 008. Of late, the garbage and wastes which get dumped in the open ground behind the towers has given rise to hygiene problems. More particularly, the nuisance is felt all the more at the ground and first floors. The vultures preying on the decay and pigs grunting around make an unseemly sight.

Would you please take immediate steps for clearance of the garbage and prevent recurrence of such nuisance in future.

Yours faithfully,

Example 3: Representation from a company to the Trade Association

Dear Sir,

You may be aware of the problem faced by the non-SSI sector industries in the matter of marketing their goods and services, due to the protective Government policies, like concessional finance, price preference, higher investment subsidy and tax holiday etc. No doubt, small scale industrial units need to be protected from the severity of competition from large scale industrial units. Protection is also necessary to broad base the entrepreneurial talent available in the country. But the units which graduate into medium scale units are denied these concessions, the moment they exceed the specified investment limit in plant and machinery. With the result they are left open to face the challenge of competition from large units suddenly. The number of such units which have gone sick due to this reason is on the increase. The very protective policy under cover of which they germinated loses all purpose when they turn sick due to expansion and growth. On the other hand, to be within the periphery of the specified investment limit would stifle (*conceal or hide*) innovation and growth, besides facilitating the undesirable practice of setting up dummy units horizontally.

The Trade Association, therefore, can make a suitable representation to the Ministry of Industry to continue the concessions for 3 years at least to such units after they become medium scale units. Suitable representation can also be made to the State Governments soliciting a similar treatment in respect of concessions offered by them. This would give a breathing time for such units to adjust themselves after the initial concession period is over.

Yours faithfully,

PUBLIC NOTICES

When an organisation needs to share important information with members of general public, such as a change of name or a representative, it drafts a Public Notice. Individuals often display such notices when called upon to do so by a court of law.

Such notices are usually inserted in newspapers in the form of advertisements, though displaying them at prominent places is also common. The emphasis is on making relevant information available. Niceties are dispensed with and the tone is businesslike and formal.

Example 1

PUBLIC NOTICE

Employees' Provident Fund Organisation and Department of Post have joined hands to provide for payment of pension through 26,000 post offices spread across the country. It will not be mandatory to deposit the introductory cash amount to open the pension account. Employees covered under Employees Pension Scheme, 1995 and desiring to draw pension through post office may submit an application for change of option to Central Pay and Accounts Office after May 1, 2012.

Payment of pension through nationalised banks will continue to be made as in the past.

Sd/-

Director

EPFO

Example 2

PUBLIC NOTICE

The Chairman, Delhi Vidyut Board in exercise of powers under clause 4(13) of DECO, 1959, is constrained to impose a total ban on the use of electricity for air-conditioning, neon signs, decoration lights, advertising and window-displays between 6 p.m. and 11 p.m. until 30.9.2012 unless withdrawn earlier.

Violation may lead to fine and/or disconnection of power without any further notice.

This order shall not apply to essential services and foreign missions.

for Chairman, DVB

Sd/-

Example 3

PUBLIC NOTICE

British Petroleum wishes to announce that Mr. H.K.Sethi, resident of 2248/2, Katra Neel, Chandni Chowk, Delhi is no longer in their employment.

Anyone dealing with him shall do so at his own risk and British Petroleum shall not be liable in this regard.

Sd/-

Area Manager (N)

British Petroleum

Example 4: Advertisement giving notice for issue of New Debenture Certificates

NARMADA PETROLEUM LIMITED

Regd. Office: 1, Beach Road, Bharuch-Gujarat

PUBLIC NOTICE

Notice is hereby given that the Company has, in consultation with the Stock Exchanges, fixed closure of register of debentureholders (Convertible Debentures) and transfer books thereof from 6th July 2012 to 10th July, 2012 (both days inclusive) for issuing New Debenture certificate(s) on cancellation of the existing Debenture certificate(s).

In view of this all genuine convertible Debenture holders are hereby requested to lodge their Debenture Certificates, alongwith relevant applications for transfer in their favour on or before 5th July, 2012 with the Registrars of the Company viz. Maya Consultants Ltd. at 11th Floor, Surya Mahal, 121, MG Road, Ahmedabad-380 006 or at any of the Investor Relation Centres of the Company for issuing new debenture certificate(s).

Sd/-

Date: 5th June, 2012 Company Secretary

INVITATIONS

Invitations are normally sent only when the occassion is very formal. The body of the invitation can be printed, however the salutation should be hand written in order to make it personal.

In business situations, invitation could be sent out for various purposes and it may include:

- Launch of a new product/service.
- For holding a function for felicitating someone who has received an award.
- For opening a new showroom, office premises, etc.
- For inauguration/participation in a seminar, conference or function organised by the company/organisation.
- To publicise a special event.

Contents of Invitation

An invitation must contain the following information:

- The name of the company/who the invitation is from
- The event
- The venue of the event
- The day, date and time of the event
- A roadmap to the venue if the same is difficult to find, in a new area, etc.
- Details about transport either provided by the company or local transport, plying in that area, if the place is new or not easily reachable.
- The address and phone number for a reply.
- At times when very important guests are going to grace the occasion, for example the Prime Minister and Union Ministers, it is also to be stated by what time the invitees will have to be at their seats and also that they should carry their invitations to be allowed entry into the venue for security reasons.

Good to know!!!

Wherever possible it is a better practice to hand over the invitation personally to the invitee. If you cannot do it in person, then it would be advisable to send someone senior in your organisation who knows the invitee to do the same, and you can follow it up by talking to the invitee on the telephone personally extending your invitation.

Replying to Invitations

It is but basic courtesy to send a reply to the person inviting you for an occasion. Your reply could be either to confirm that you will be attending the event or to convey your inability to attend the same. Though some people do use the telephone to convey the same, it is better to send the same in writing as the invitation is formal.

Example 1: Invitation for Golden Jubilee Celebrations

The Directors

of

Alpha Beta Limited

request the pleasure of the

Company of

Mr. and Mrs. Robin Shah *[fill in name of invitee by hand]*

at their Golden Jubilee Celebrations

to be held at

The Ballroom

Le Meridian Hotel

26, Connaught Circus, New Delhi

on Friday the 5th August, 2012

Cocktails at 18.30

Dinner at 20.00

The Directors

Alpha Beta Limited

26, Hauz Khas

New Delhi - 110 016

Ph: 6163200, 6174595

RSVP by 25th July, 2012

Good to know!!!

RSVP is the abbreviation of the French words "respondey s'il vous plait" meaning "please reply". This is usually added to invitations where the person sending out the invitation wants to ascertain the approximate number of guests who will be attending the event so that adequate arrangements for parking, refreshments, etc. can be made.

Example 2: Reply to the above invitation

Mr. and Mrs. Robin Shah

thank the Directors

of

Alpha Beta Limited

for their kind invitation to their

Golden Jubilee Celebrations

on Friday, August 5, 2012

and confirm that they will be attending the same.

10, Shah Jahan Road

New Delhi - 110 002 July 21, 2012

Example 3: Reply to above invitation conveying regret

Mr. and Mrs. Robin Shah

thank the Directors

of

Alpha Beta Limited

for their kind invitation to their

Golden Jubilee Celebrations

on Wednesday, February 15, 2012

but are unable to attend the same as they will be out of town to attend a family function. They convey their congratulations to you on your achievement and convey their best wishes for the future.

10, Shah Jahan Road

New Delhi - 110 002 February 1, 2012

Invitations to public events can also be done through advertisement as it makes them reach a large number of people in a short time. The tone is usually formal since we have no idea who the invitee is.

Example 4: Advertisement

SEMINAR ON CAREERS

Career-Quest is organising an interactive seminar on career planning. It will be held on Friday, April 20, 2012 at the Habitat Center, Lodi Road from 10.30 a.m. onwards.

Those desiring to attend may collect their invitation cards, on first come first served basis, from the reception. Entry will be allowed only till 10.15 a.m.

Director, Career-Quest

Individual Invitation

One may procure a mailing list and write a mailer to members one wishes to invite. For example, ICSI may make a mailing list available to someone wishing to invite Company Secretaries accredited to it. The tone of such invitations is informal. Like external circulars, they carry a salutation in singular, i.e., Dear member, friend, colleague, etc. It is believed that such attention to an individual makes him receive the mailer better.

Example 5: Individual Letter

Dear Member,

SYMPOSIUM ON THE REGULATORY ROLE OF SEBI

The recent volatility in the Stock Markets has put the focus back on the regulatory role of SEBI. In order to help appraise its performance better, the New Delhi Investors' Association is organising a symposium on "The Regulatory Role of SEBI" on Monday, 12th April, 2012 at DSIDC Business Center, K.S.Marg, New Delhi. Representatives from SEBI, DSE and FICCI have agreed to take part. We are pleased to invite you to the symposium and hope you will come and contribute to it. A message of confirmation will help us serve you better.

Yours sincerely,

Sd/-

Organising Secretary

Word processors enable us to print even the names and addresses of members with the help of mail-merge facility. The contents of the invitation remain the same. Such invitations may be signed either by hand or in facsimile.

Example 6: Individual Letter

Dear Mr. Mathur

You will be pleased to know that the Confederation of Indian Industry is organising a one-day seminar on "Excise Duty on Readymade Garment Industry" on Friday, 16th April, 2012 at Indian International Center, New Delhi.

The Chief Commissioner of Excise and Customs has kindly consented to be the chief speaker.

The purpose of the seminar is to enable our members to interact with the Excise authorities following the government's decision to bring the readymade garment industry within the purview of excise.

We are sure you will be interested in attending the seminar. Please call Ms. Jessica Bose on 6467122 Ext. 205 for registration.

Yours sincerely,

M.V. Kamath

Secretary

LESSON ROUND UP

- In sending telegrams and telexes utmost economy in the use of words is needed.
- In telegrams, normal grammar and punctuation are often ignored in favour of condensation.
- Word omission and word abbreviation are a necessary part of telegram and telex messages.
- In fax messages, conventional salutations and complimentary close are added.
- Representations are made in order to voice a grievance and to secure a relief.
- Invitations are normally sent only when the occasion is very formal. Invitation to public events can also be done through advertisement as it makes them reach a large number of people in a short time.

GLOSSARY

Exigency	A case or situation that demands prompt action or remedy; emergency; the need, demand, or requirement intrinsic to a circumstance, condition, etc.
Metropolitan	Of or pertaining to a large city, its surrounding suburbs, and other neighboring communities.
Decipher	To make out the meaning of (poor or partially obliterated writing, etc.); to discover the meaning of (anything obscure or difficult to trace or understand).
Brevity	The quality of expressing much in few words.
Pecuniary	Pertaining to money; consisting of or given or exacted in money or monetary payments (of a crime, violation, etc.); involving a money penalty or fine.
Apprises	To give notice to; inform; advise (often followed by *of*).
Condensing	Concentrate; to reduce to a shorter form; abridge.

Earnestly	Serious in intention, purpose, or effort; sincerely zealous; showing depth and sincerity of feeling.
Remittance	The sending of money, checks, etc., to a recipient at a distance; money or its equivalent sent from one place to another.
Inevitable	Unable to be avoided, evaded, or escaped; certain; necessary.
Benevolent	Desiring to help others; charitable; intended for benefits rather than profit.
Persist	To continue steadfastly or firmly in some state, purpose, course of action, or the like, especially in spite of opposition, remonstrance, etc.
Dispensed	To deal out; distribute.

SELF-TEST QUESTIONS

1. Draft telegrams for the following:
   (i) Informing the company XYZ about your inability to accept the job offer.
   (ii) Asking a candidate to appear for an interview in Mumbai.
   (iii) Informing your parents about your brother's good result.
   (iv) Informing your mother about your arrival.
   (v) Informing a candidate about his non-selection.
2. In response to the advertisement in "The Hindustan Times" for the post of "Company Secretary", draft a message to be sent to the advertiser through an e-mail.
3. Write a representation to MCD informing them about the increasing number of street dogs in your locality.
4. Draft a public notice requesting general public not to burst crackers after 9:00 p.m. Also state that disciplinary action will be taken against defaulters.
5. Draft an invitation for the opening ceremony of your boutique.
6. Draft a reply as an invitee to the above invitation either accepting or rejecting the invitation.

Suggested Readings

(1) Essentials of Business Communication – *Reddy, Appannaiah, Nagaraj & Raja Rao*

(2) Business Communication – *K.K. Sinha*

(3) Communication of Business – *Shirley Taylor*

Lesson 14
Inter- Departmental Communication

LESSON OUTLINE

- Introduction to Inter -Departmental Communication
- Memorandum
  - Memo Forms
  - Memo Reports
- Office Circulars
  - Specimen Office Circulars
- Office Orders
  - Specimen Office Orders
- Review Questions
- Office Notes
- Representations to Management
- Correspondence with Regional/Branch Offices
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

In a small organization communication within the organization is very simple; however in a large organization the communication needs are different. Large organizations need an efficient system by which they can communicate and disseminate information quickly within the various departments or sections situated in different locations. The telephone is no doubt an instant method, but it is often necessary to have some written records of requests, instruction, actions suggested or taken, etc. For this purpose organizations use memos, circulars, orders, notes, etc., for communication.

Therefore, the objective of this study lesson is to help the students draft memos, office circulars, office notes, office orders, suggestions, various representations to management, and learn how to correspond with regional/branch offices.

"What is the shortest word in the English language that contains the letters: abcdef?

Answer: feedback.

Don't forget that feedback is one of the essential elements of good communication.

INTRODUCTION- INTER- DEPARTMENTAL COMMUNICATION

Inter and intra-departmental communication has largely been a formal affair. The chief executives assumed that they were expected to be direct, brief and functional, wasting little time on niceties. Employees were usually taken forgranted - bound by archaic service rules to listen and to comply unquestioningly. No wonder the documents produced were staid and standardised.

Over the years, there has been greater appreciation of the important role the staff plays in an organisation. Their stake in the organisation has also gone up with schemes like Employee Stock Option Plans becoming popular as one of the means of compensation. They now take a greater interest in the framing of policies, get more respect and enjoy confidence. To that extent, intra-company communication is becoming more informal. Being an internal communication, stationery showing just the logo and name of enterprise is preferred over the formal letter-head.

MEMORANDUM

The term Memorandum (Memos) has often been misunderstood as a part of disciplinary proceedings. Far from it, the word at best means a note or record for future use. It is a useful mode of informal communication. A memorandum (memorandums or memoranda in plural) plays a convenient and flexible role. While much of inter and infra-office communication is being done over the phone, memorandums are preferred when one needs to convey information in writing.

There are minor variations in format but most memos have the same headings. The difference with the letter format is obvious. Inside name and address are done away with. Nor are salutation and complimentary close used. Informal tone and use of personal pronouns is allowed. Numbering is optional. Titles such as Interoffice Communication, Office Memorandum or Interoffice Correspondence may be used in place of more commonly used word Memorandum. When addressed to all employees, a memorandum is as good as an Office Circular:

SUPER SOLUTIONS LTD.

Interoffice Memo

TO	:	All Employees
FROM	:	General Manager
DATE	:	15/3/2012
SUBJECT	:	TDS

REPLY/CIRCULATE URGENT FILE

It has been reported to me that many employees do not furnish details of savings to avail concessions under Section 80 cc of Income Tax Act in time.

It may be noted that employees must report details of savings to be made by them by 15th of April and submit evidence in support by 20th March every year. The Accounts department will not be able to allow deductions on savings brought to its notice later.

JKB

Memo Forms

Companies often use printed Memo-forms as they are convenient to use. The provision of headings rules out exclusion of relevant information. They are not signed but may be initiated for authenticity.

IT offers help in the form of Memo templates or macros. Wizards in Word Processors give step by step guidance to help fill relevant information in them and format it later.

Memorandum

To	:	R.L. Gupta, QCM
From	:	R. Bhagat, MD
Date	:	January 3, 2012

Subject: Rejection of Level Assembly

The rejection rate of Lever Assembly has increased alarmingly and the client has conveyed a warning. Please ensure stringent quality control checks down the line immediately. If necessary, submit fresh samples for inspection. Ensure compliance and keep me updated through weekly reports.

R.B.

Memo Report

Short reports are often prepared in the form of a memorandum. Periodic reports of sales personnel are a case in point. Many companies in fact use special stationery for the purpose. A report in the memorandum form should carry a heading to this effect. The subject line of the following memorandum does the same job:

JAYCEE PVT. LTD.

Memorandum

To: MD No: LA/2

From: QCM Date: 5 Feb. 2012

Sub: Report on Supply of Lever Assembly

As directed, I am submitting below the details about supply of Lever Assembly during week ending 3rd Feb.:

Number dispatched	:	2,100
Number accepted	:	1,900
Rejection if any	:	200
Reason for rejection	:	Shrinkage

Additional comments:

The defect was caused by coil burnout resulting in under-heating of raw material prior to moulding. I am tightening in-house quality checks to bring down the rejection rate and finally eliminate it.

QCM

Memos are also issued in the cases of disciplinary actions to be taken against employees and replies thereto. These include memos relating to show-cause notice, charge-sheet, etc.

A Few Specimens of Memos are given below:

Specimen 1

BEEM ELECTRONICS LIMITED

BANGALORE

Ref: 81/C/2012 11th January 2012

Office Memorandum

With reference to his request for grant of Special Casual Leave, Shri P. Sachdeva is informed that Special Casual Leave has been granted to him for four days from 23rd January to 26th January 2012 to enable him to participate in the District Level Athletic Meet.

Sd/-

Ramesh Kumar

Administration Manager

To

Shri P. Sachdeva

Secretarial Department

Through: Company Secretary

Specimen 2

SUMAN ENGINEERING LIMITED

PUNE

Ref: 81/1/2012 13th February 2012

Memorandum

Shri Mukesh is hereby informed that the office has no objection to his pursuing part time M.A. Degree Course in the evenings after office hours. However, grant of leave for study/examination is subject to exigencies of office work.

Sd/-

Surendar Ghosh

Manager (Personnel)

To

Shri Mukesh

Assistant, Sales Department

Through: Manager - Sales

Specimen 3

SEETHA ELECTRICALS LIMITED

KANPUR

21st February, 2012

MEMO/17

With reference to his letter dated 4th February, 2012 requesting for change of seat on health grounds, Shri Badal Singh is informed that the matter is under consideration and the decision will be communicated to him soon.

Sd/-

Bipin Kumar

Manager (Administration)

To

Shri Badal Singh

Stores Department

Through: Stores Manager

Office Circulars

Office circulars are for disseminating information to a large number of employees within the organisation. Since it is an internal communication, therefore, it has traditionally been brief, business-like, formal and devoid of salutation.

A specimen office circular is reproduced below:

Circular No. 3/44

It is brought to the notice of all employees that the canteen facilities are being extended to S-31 building located in Sector 44 with immediate effect. The existing practice of providing packed lunch courtesy Air Kitchen is being discontinued. Suggestions about fare and quality may be made to the undersigned or dropped in the box provided on the premises.

Sd/-

Hospitality Manager

New Developments

Most companies in the post-liberalisation period are changing track and understand the value of their human resources. The popularity of Employee Stock Option Plan (ESOP), in which part of the compensation is paid to employees in the form of stock, has accelerated the process. They are treated with the same attention and courtesy that used to be reserved for the clients. As a result, their in-house circulars are longer, "you-centered" but uncompromising where quality is involved.

A specimen is reproduced below:

Dear Employee,

You must be aware of the changes being brought about in the dot.com industry. Many of them were formed under heightened expectations and have since been wound up due to poor customer response. Surveys indicate that at least 40% of such ventures did not prove viable during the last two years and had to close down.

It is satisfying that your enterprise not only managed to survive the downturn but has also increased its customer base. However, this is not the time to relax. The dot.com industry is certainly under pressure and we need to put in our best in order to stay in business.

Therefore, we have decided to raise the minimum performance levels and we solicit your cooperation in reaching them. The achievers will get higher perks to be notified shortly, while defaulters will have to go for re-training.

Let us be partners in progress.

Yours sincerely,

Manager-HR

A few specimens of office circulars are given below:

Specimen 1

Inviting Suggestions

SUMAN ELECTRICALS LIMITED

PUNE - 411 004

3rd February, 2012

Circular No. 345/2012

The manual of instruction which was last revised in June 2005 is proposed to be updated. Constructive suggestions are welcome from employees. Suggestions are to be sent to the undersigned latest by 3rd March, 2012.

Sd/-

Manager O&M Cell

Specimen 2

Insisting Punctuality

MINI CONDUCTORS LIMITED

PATNA - 800 003

February 25, 2012

Circular No. 12/2012

Employees are requested to strictly adhere to the office timings. Tendencies to move around unnecessarily in corridors and canteens would be viewed seriously.

Co-operation of all the employees is solicited in maintaining decorum and discipline in the office premises.

Sd/-

Bhagat Singh

Manager, Personnel

Specimen 3

Information regarding annual day celebrations

SEEMA ELECTRICALS LIMITED

PINJORE - 147 001

January 3, 2012

Circular No. 23/2012

The Annual Day Function of the company is to be celebrated on the 28th February, 2012 with usual gaiety and fervour. There will be special meeting at 9.00 a.m. Shri Nanalal Bhat, Managing Director would address all the employees. It is proposed to honour employees who have put in more than 15 years of service in the Company.

At 3 p.m. there would be sports events for men and women. Tea, lunch and light refreshments will be served in the course of the day's celebrations. At 6.30 p.m. there would be a prize distribution function. From 7 p.m. to 9 p.m. there would be a light music programme by the famous Europhia, and a dance party followed by dinner.

All employees are requested to attend the celebrations with their family members and make it a great success. Suggestions are welcome.

Sd/-

Suresh Kumar

Assistant Manager, Personnel

Specimen 4

Announcing a new bonus scheme for employees

XCE LTD.

HYDERABAD - 500 012

1st January, 2012

Circular No. 2/2011/HRD

The undersigned is pleased to inform you that Board of Directors of the Company has decided to introduce a Productivity Linked Bonus Scheme for Employees of the Company with effect from 1st April, 2012. The much awaited scheme is really intended to give more financial benefits to the employees as well as to increase the output. Further details of the scheme will be announced soon.

Sd/-

Personnel Manager

To: All Employees

Specimen 5

Warning against strike

TIGER SPORT MANAGEMENT LTD.

AMRITSAR - 141 003

1st January, 2012

Circular No. 78/2011

It has been reported that a section of employees working in Packing Department of the company are proposing to go on a day's token strike on 31st January, 2012. It is hereby made known to all concerned employees that the proposed token strike is illegal and unlawful and those employees who participate in such a strike shall be subjected to disciplinary action as per the company's service rules and other applicable laws.

Sd/-

Ram Lakhan

General Manager (Factory)

To: All Employees of Packing Department.

Specimen 6

XYG NEWS RELEASES PVT. LTD.

KOLKATA - 700 001

10th January, 2012

Circular No. G-12

Of late, it has been noticed that some of the employees are in the habit of taking out newspapers and magazines from the Staff Lounge. This causes a lot of inconvenience to the other staff members using the Lounge. All the employees are advised not to take out newspapers and magazines from the Staff Lounge. A strict view would be taken in case of non-observance of this advice. All are requested to co-operate in this regard.

Sd/-

Ayur Vaidya

Admn. Manager

To: All Staff Members.

Specimen 7

Secondment for staff

MANGAL ENGINEERING LIMITED

NEW DELHI - 110 001

11th January, 2012

Circular No. 234/90/2012

It is proposed to set up a cell to advise rationalisation of existing procedures and systems in the Company. Employees who have put in a service of 10 years or more are welcome to assist the cell in this task. They would be required to work with the members of the proposed cell for a period of at least one month. Willing employees may send in their consent to the undersigned, quoting the reference of this circular latest by 23rd January, 2012.

Sd/-

S.S. Dowal

Planning Manager

To: All Employees

Specimen 8

Cleanliness at workplace

SANGEETA ELECTRONICS LIMITED

MUMBAI - 400 003

5th February, 2012

Circular No. 23/2012

It is observed that waste papers, empty ink bottles, cigarette butts, left overs of lunch, etc. are not properly disposed of by some of the employees. In the interest of maintaining a clean working environment, it is impressed upon all employees that they should ensure proper disposal of all wastes and refuse matter.

Sd/-

V.K. Singh

Manager (Personnel)

Specimen 9

MANGAL POTTERIES LIMITED

VIJAYAWADA - 520 003

23rd April, 2012

Circular No. 78/2012

It is proposed to fill-in certain vacancies for the post of Assistant Accountant from among the employees who fulfil the following requirements:

(1) The employees should have put in a minimum period of service of 3 years in the company.

(2) Only Commerce graduates are eligible to apply.

(3) All things remaining equal, preference would be given to candidates having CA/ICWA qualification. Minimum number of years of service in such cases would also be suitably relaxed.

Employees fulfilling the above criteria should forward their applications through their concerned departmental head latest by 30th March, 2012.

Sd/-

Gurpreet Singh

Manager (Manpower Development)

Specimen 10

Sale of old furniture and fittings

ARISTO PLAST LTD., BANGALORE

4th February, 2012

Circular No. 2/90

It is proposed to dispose of the old furniture and fittings to the employees of the company who submit their tenders latest by 2.00 p.m. on 7th February, 2012. The items intended to be sold are:

(1)	Armless steel chairs	—	24 Nos.
(2)	Wooden chair (armless)	—	6 Nos.
(3)	Cushioned steel chairs (with arms)	—	8 Nos.
(4)	Steel tables	—	8 Nos.
(5)	Wooden tables	—	12 Nos.
(6)	Tube light fittings (steel)	—	22 Nos.
(7)	Curtain Cloth	—	23 Nos.
(8)	Room Coolers	—	6 Nos.
(9)	Desert Coolers	—	12 Nos.
(10)	Calculators	—	3 Nos.
(11)	Type-writers (Halda)	—	3 Nos.
	(Remington)	—	2 Nos.
(12)	Water Coolers	—	2 Nos.

The company reserves the right to accept the offer at its own discretion. The price of the items shall be required to be tendered in cash within one hour of the acceptance of the offer.

Items can be inspected at any time on the 5th and 6th June, 2012.

Sd/-

Sukan Lal

Manager (Premises)

To: All Employees

Specimen 11

Circular calling attention to unauthorised act

PUNDIT CREATIONS LTD., KOLKATA

12th February, 2012

Circular No. 3/2012

It has come to the notice of the management that some of the employees are engaged in Trade Union work during office hours. Under the terms of the bipartite settlement as well as the terms and conditions of approvals and recognition granted to the Employees' Union, only the office bearers of the Union, duly elected, have been permitted to spend time on matters concerning the Union between 4 p.m. and 5 p.m. on any working day.

It is, therefore, impressed upon all the employees that the understanding between the Management and the Union be honoured faithfully. The attention of the office bearers of the Union is particularly invited so as to ensure that Union activity is carried on in terms of the understanding. The Management will be constrained to take a serious view of non-compliance with the conditions regarding Union activities.

Sd/-

S.D. Singal

Labour Welfare Officer

Specimen 12

Closure of office

MANGALDOSS GARMENTS LTD., PUNE

13th February, 2012

Circular No. 200/2012

As a mark of respect to the deceased employee, Shri Deendayal, Senior Technician, the office would remain closed on 14th February, 2012.

Sd/-

Mukesh Mandal

Administrative Officer

Specimen 13

Invitation to employees to donate blood

FINLAND FANS LTD.

VELHA, GOA

12th February, 2012

Circular No. 23/2012

A team of doctors of Dempo Hospital is due to visit the Company with a view to collect donations of blood on 15th February, 2012. Employees are requested to willingly donate blood. The donation is purely voluntary. Mr. Elan Alphanso, Managing Director of the Company has come forward to inaugurate the blood donation camp by being the first donor.

Employees may also bring their family members to the office for this noble cause.

Arrangements have been made to provide refreshments.

Sd/-

D. Arun Lal

Manager (Personnel)

Office Orders

Office Orders have a format similar to that of memorandums. What makes them different is the purpose and tone employed. They generally deal with matters affecting rights and privileges of employees. The language used is formal and legally common. Passive verbs are preferred. They carry a number since they remain in force till revoked and are filed for future reference. In addition, they carry a bold, underlined heading to help us identify them. Copies are sent to concerned people:

A specimen office order is given below:

Order No. 34/4 7th February, 2012

OFFICE ORDER

Mr. J.K. Saxena, Manager (Credits), Friends Colony branch is transferred to the Regional Office on the same rank and pay. He shall hand over charge to the Chief Manager and report at the Regional Office by 10th February, 2012.

Sd/-

Personnel Officer

cc:

Chief Manager, Friends Colony branch,

Mr. J.K. Saxena, Manager (Credits)

Specimen 1

Administrative Changes

J.K. ENTERPRISES LTD.

Office Order

No. 22/4 20.12.2012

The existing practice of internal promotions from Grade I to III on the basis of seniority will be replaced with a Merit-cum-seniority scheme with effect from 1st January, 2012. Promotions from Grade III to IV will continue to be based on performance reviews only.

Sd/-

General Manager

Specimen 2

Rectifying Errors

Office Order

No. Ac./3/2012 12.2.2012

The date of increment of Mr. V.K. Khanna, Chief Cashier was wrongly fixed as 20th January after he had availed six weeks leave without pay in December 2011. His date of annual increment has now been revised to 6th January.

Correction should be made in his personal file and arrears of salary paid to him before the end of the financial year.

Sd/-

Administrative Officer

cc to:

Accounts Officer

Mr. V.K. Khanna, Chief Cashier

Specimen 3

Additional Charge

Temporary charge of another department also calls for issuance of an Office Order:

Office Order

No. RO/42 12.2.2012

Mr. Rajiv Seth, Manager (Personal Banking), shall hold additional charge of Rural Banking till further notice.

He shall be paid an extra allowance of Rs. 5,000/- p.m. for performing these additional duties.

Sd/-

General Manager

cc to:

Personnel Dept.

Accounts Department

Mr. Rajiv Seth, Manager (Personal Banking)

Specimen 4

Order posting a new recruit to a department

AMERICAN STEEL COMPANY LTD.

CHENNAI - 600 012

Ref.: 23/Per/2012 25th January, 2012

Office Order

Shri Rajan Pillai has been posted to the Accounts Department as 'Assistant Accountant' w.e.f. today.

Sd/-

Mukesh Jain

cc: Accounts Officer

Specimen 5

Transfer order

BRITISH INDIA COMPANY LTD.

KANPUR - 208 002

Ref.: 23/2012/Per 12th January, 2012

Office Order

Shri Kushal Jain is transferred to the Stores Department. He shall report to the Stores Officer latest by 14th January, 2012 after handing over charge of his duties to the Accounts Officer.

Sd/-

Mangal Singh

(Senior Admn. Officer)

To: Accounts Officer

cc: Stores Officer

Specimen 6

Promotion order

MANGALAM PAINTS & CHEMICALS LTD.

COIMBATORE - 641 018

Ref.: Per/45/2012 31st January, 2012

Office Order

Shri Ashok Shinde, Senior Accountant is promoted with immediate effect as 'Assistant Accounts Officer'. He will draw a basic pay of Rs. 5,500 in the scale 5500-40-5700-50-6000.

He will be on probation for a period of one year.

Sd/-

Mangal Dass

Manager, Personnel

To: Shri Ashok Shinde,

Accounts Department.

Through: Accounts Manager

Specimen 7

Order Instituting enquiry

PERIWAL PLASTICS LIMITED

NEW DELHI - 110 002

Ref: Per/23/2012 30th January, 2012

Office Order

Shri Arun Lal, Senior Officer, is appointed enquiry officer to conduct proceedings against allegations of misappropriation of cash of Rs. 12,000 by Shri Shiv Gupta, Accounts Assistant. He is authorised to call those employees of the company as witnesses as he may feel proper for a fair conduct of the enquiry proceedings.

Shri Arun Lal is hereby directed to complete the enquiry as expeditiously as possible and submit his report to the undersigned latest by 28th February, 2012.

Sd/-

Sunil Upadhyaya

Manager, Administration

cc: Notice Board

Specimen 8

Order Granting special increments

OSWAL PLASTICS LIMITED

JAIPUR - 302 001

Ref.: Pwe/12/2012 23rd January, 2012

Office Order

In consideration of the meritorious performance of Shri Mohanlal Gupta, the Management is pleased to grant him special increment of Rs. 3,500 effective from 1st February, 2012.

Sd/-

Mangal Das

Specimen 9

DHANLAKSHMI COTTON MILLS LIMITED

NAGPUR - 440 004

Ref.: DM/12/2012 23rd February, 2012

Office Order 93/6/2012

The following changes are effected with immediate effect.

Accounts Officer	:	Will also be in charge of Stores.
Public Relations Officer	:	Will also be in charge of Company's journal, its printing, publication and circulation.
Sales Manager	:	Will look after the sales in Chennai, Bangalore, Hyderabad, Kochi, Visakhapatnam and Pune.
Sr. Sales Officer	:	Will coordinate the work of the sales representatives and the sales officers. Will also be responsible for completion of all sales tax assessments.

Sd/-

Mani Ram

Director, Personnel

cc: To Officials concerned.

Specimen 10

Order reinstating a suspended employee

MANIRAM BAKERIES LIMITED

MUMBAI - 400 004

Ref.: 23/93/PF 3rd January, 2012

Office Order

Pursuant to the findings contained in the report of the Enquiry Officer, Shri Devan Verma, Shri Gurudev Chand, Junior Assistant, Accounts Department, is reinstated in the services of the company. The order number 19/93/PF dated 12th December, 2011 suspending him from services, is revoked with immediate effect.

Sd/-

Maniram Bagri

Manager (Administration)

Specimen 11

SIVAM LININGS LIMITED

MADURAI - 652 001

4th February, 2012

Office Order 34/2012

In view of the sudden slack in demand for the company's products, all the departments are advised to effect a cut of 10% in every item of expenditure sanctioned in the current budget. Utmost economy shall be exercised in incurring expenditure of capital/revenue nature.

Travel on official duty in the city shall be undertaken by three-wheeler to the extent possible.

Sd/-

Kanjan Lal

Planning & Control Manager

To: All Employees.

Specimen 12

BHARAT TELEPHONE NIGAM LTD.

CHANDIGARH - 121 008

Office Order No. S/2012

It has been decided that all the offices of the Nigam shall be made a Non-Smoking Area with effect from February 01, 2012 in view of the ban imposed by the Government on smoking in public places. However, smoking within the canteen premises would not be prohibited. The decision has been taken to protect the general health of the employees and also of the visitors to the Company's offices. All employees are requested to cooperate and adhere to the decision strictly.

Sd/-

(General Manager)

Date : 31st January, 2012

To : All Employees

Specimen 13

CAB ORGANICS LTD.

SATNA - 490 007

1st February, 2012

Office Order No. Xpp/2012/50

It has been noticed that some of the employees of the Company are regularly reporting to the office very late. It is hereby informed that henceforth every late attendance for more than 10 minutes shall be treated as half day's casual leave. All employees are advised to be punctual in attending the office.

Sd/-

Vikram Aditya

General Manager

To: All Employees.

Specimen 14

MULTICAB ORGANICS LTD.

MANGALORE - 580 012

11th February, 2012

Office Order No. XO/G/2012

It has been noticed that some of the employees of the Company are regularly reporting to the office very late, especially after the lunch break. In order to monitor the attendance, it has been decided that with effect from 12.02.2012 i.e. tomorrow, all employees should mark their attendance in the Departmental Attendance Register for both pre-lunch and post-lunch sessions by signing and mentioning the reporting time. Employees are advised to be punctual in attending the office and to strictly adhere to office timings.

Sd/-

Bichare J.V.

Personnel Manager

To: All Employees.

REVIEW QUESTIONS

State True or False:

Memorandums are preferred when one needs to convey information in writing.

Answer: True

OFFICE NOTES

Office Notes are a exchange between two different departments. Companies follow a particular format for 'notes' of this type. The actual layout of the 'Note' may differ from company to company. It is a matter of style and individual preference. A few formats are given below.

Specimen 1

LATEX BALLS LTD.

T.T. PURAM - 695 001

Ref.: LD/ST/3 Date: 18th January, 2012

From: Legal Deptt. To: Admn. Deptt.

Subject: Additional Stenographer

The Extraordinary General Meeting of the company is to be held on the 18th February, 2012 to transact some urgent business. Therefore, two very urgent Board meetings are to be held in quick succession for discussing a detailed agenda.

The preparation of the relevant papers and other documents in connection with the above is to be given top priority. Considering the workload likely to arise on account of this, an additional stenographer may please be posted to this department for a period of one month.

Sd/-

T. Viswanath

Manager (Law)

Specimen 2

SUDARSHAN CEMENT COMPANY LIMITED

Ref: AT/2/93 Date: 27th February, 2012

From: Accounts Deptt. To: Admn. Deptt.

Subject: Misconduct on the part of Mr. Sunil Kumar Goel

CONFIDENTIAL

Shri Sunil Kumar Goel, Accounts Assistant, working in this department since 1st December, 2011 is not punctual. This is despite of the repeated oral advices made to him. He tends to be very callous and does not even listen to what is being said to him. He is found to frequently indulging in gossip and thus marring the decorum of the Department. Inspite of repeated advice that he should not leave the department without obtaining my prior permission, he continues to absent himself after 4 p.m., without informing his whereabouts.

This is a serious matter and in my opinion he needs to be warned in writing.

Sd/-

Mangaldas Jain

Accounts Manager

Specimen 3

SINDIA PHARMA LIMITED

Ref.: SA/1 Date: 23.02.2012

From: Sales Deptt. To: Executive Director (Finance)

Subject: Supply of goods against demand drafts only

Under the directives issued by the Executive Director (Finance), supply of goods can be effected only where the customer tenders a demand draft for the value of goods ordered. Also, where a cheque has been tendered by a customer, supplies can be made only when the cheque is realised. This procedure ensures proper accounting

of all payments made by customers and is a fool proof internal check against any frauds.

In the context of the marketing thrust that our company is to undertake in the face of fierce competition, there is need to reconsider this requirement of supply of goods only against demand draft. It is reliably understood that none of our competitors insist on tender of demand drafts. From our experience, it is perceptible that the customers are too impatient to abide by this requirement, as it is 'fatiguing' in their view. It is not impossible to say that this procedural requirement affects the thrust of our selling effort. Many customers have already given vent to their uneasiness over the requirement of tendering demand draft.

It is, therefore, suggested that the policy in regard to payment by means of demand draft may be reconsidered and positive decision communicated at the earliest.

Sd/-

Ashok Shinde

Manager, Marketing

Specimen 4

CLIMAX INSTRUMENTS LIMITED

Ref: ST/1/92 Date: 24.3.2012

From: Stores Deptt. To: Admn. Deptt.

Subject: Stock taking for the year ending 31.3.2012

The stock taking for the purpose of closing the accounts for the year ending 31.3.2012 would commence on 30.3.2012. All the Departments may be advised to draw their requirements latest by 29.3.2012. Also, there would be no supplies to customers from the stores on 30th and 31st March, 2012.

Sd/-

Ashok Lalla

Stores Suptd.

Specimen 5

CLIMAX INSTRUMENTS LIMITED

Ref.: Ad/23/2012 Date: 24.3.2012

From: Admn. Deptt. To: All Deptt.

Subject: Account closing for the year ending 31.3.2012

Operations at our stores department would be suspended on 30th and 31st March, 2012 with a view to facilitating stock taking for the year ending 31.3.2012.

No dispatch of goods would take place on these days from the warehouse. In view of this, all Regional Sales Managers are requested to be cautious while accepting orders and making any commitment regarding delivery of goods. Regional Sales Managers may also suitably advise their staff in this regard.

All Departments are requested to suitably schedule their indents, the latest of which should reach the stores Department by 28.3.2012.

Sd/-

Sunder Ram Iyer

Manager (Administration)

Specimen 6

SINGER INSTRUMENTS LIMITED

COIMBATORE

Ref : IAD/1/2012 Date : 26.5.2012

From : Internal Audit Deptt. To : Admn. Deptt.

Subject : Report on the internal audit conducted for the year ending 31.3.2012.

For the year ending 31.3.2012, internal audit was conducted in the following departments:

(1) Accounts Department

(2) Marketing Department

Our observations are as follows:

(1) Accounts Department:

(a) There has been an excess payment of House Rent allowance to Shri Sudan Mitra, Senior Accounts Officer; Shri Shiv Raj Gupta, Assistant Sales Officer and Shri Babubhai Patel, Dy. Secretary, for the months from December 2011 to March 2012.

(b) The vouchers for payment of travelling allowance to Mr. Shiv Raj Patil, Shri Sandeep Gupta and Shri Shiv Charan Mathur, amounting to Rs. 770, Rs. 1,500 and Rs. 1,000 are not readily available.

(c) The difference in physical stocks and book stocks has not been reconciled for the months of December 2011, January 2012 and February 2012.

(d) Godown Stock register has not been initialed at the end of the month by the Godown Keeper. This is not in accordance with the office order No. 83/2011 dt 1.11.2011.

(e) Insurance claims in respect of 40 bags of PVC resins received in a damaged condition through M/s. Parel Roadways L.R. No. 89765 dated 11.1.2012 have been presented after a lapse of 15 days contrary to instructions contained in Rules 89(3) of the Office Manual.

(2) Marketing Department:

(a) The tour of Mr. Chalapathi Rao, Sales Representative, to Hyderabad and Bangalore had not been approved prior to his departure. This is not in accord with Rule 187(3) of the Office Manual.

(b) 'C' Forms in respect of twenty parties have not been collected even after 4 months from the date of raising the bill. The list of parties is given in the annexure.

(c) Tour reports of Mr. Gulshan Wadhwa and Shri Seetharamiah have been submitted after 20 days of return to Headquarters. This is not in accord with Rule 189 of the Office Manual.

(d) Entertainment expenditure for the half-year ending is higher by 30% than the budgeted figure. Necessary sanction as per the office order Et/78/2009 dated 1.10.2009 from the Finance Director has not been obtained for the amount spent in excess of the budget allocation.

Sd/-

Sriram Iyer

Internal Audit Officer

Specimen 7

MATHADIN CHEMICALS LIMITED

Ref: 78/2012 Date: 4.2.2012

From: Factory Manager To: Executive Director

Subject: Import of Machinery

The existing plant and machinery have become obsolete to carry on production economically. This is evident from the low output, higher electricity charges, and frequent and heavy repair charges incurred in the last three years. Not only this, the bad state of machinery is reflected in the low quality of output as well.

Our competitors Sindu Chemicals Ltd. have recently modernised the plant and machinery and are reported to be selling at a price marginally lower than ours. Lest we lose the competitive edge that we enjoy at present, it is suggested that the plant be modernised soon. It would take three months to install and begin production or the new plant. The Swiss made machines alongwith the spares and accessories would be ideal for our purposes.

Sd/-

L. Pordiwalla

Factory Manager

REPRESENTATION TO MANAGEMENT

In the previous chapter, we had already seen certain representations made by the corporates to public bodies, civic authorities or bodies of trade and commerce.

However, at times there may also arise situations when members of the staff of a company may want to represent their cause to the management. These could include suggestions for transfers, representations against transfer, for special holiday, for promotion, etc.

Some specimen of such representations are given herein below:

Specimen 1

Representation for Canteen facilities

CSI EMPLOYEES ASSOCIATION (Regd.)

C/o 15-Software Complex, Kolkata - 700 021.

Managing Director Date: 12.2.2012

Cad Software (India) Ltd.

Bentick Street, Kolkata - 700 071

Dear Sir,

Our company has successfully completed 10 years of its existence. The software division of company has more than 50 employees excluding managerial personnel on its rolls. We would like to bring to your notice that our company's software division does not provide any canteen facilities to its employees and therefore the employees have to depend upon outside eateries which are not hygienic. Moreover, the prices charged by them are very high. On behalf of the employees, we request you to please consider sympathetically our long pending demand for establishment of in-house canteen facilities at the software division and oblige.

Thanking you,

Yours faithfully,

Sd/-

Vikram Singh

General Secretary, CSIEA

Specimen 2

Representation against transfer

Dated: 12.2.2012

From:

Pyarokhan M.V.

Jr. Accountant,

Tobaco Division, Bakhra,

Hyderabad-500 162

To

Personnel Manager,

Vilas Tobacco Ltd.

Wazirpur, New Delhi-110 025

Dear Sir,

First of all, I sincerely express my gratitude to the Management for promoting me to the post of Sr. Accountant. I have been asked to resume duties as Sr. Accountant at Cuttack Procurement Office within a month. In this regard, I wish to state that recently my wife has developed cardiac problem and as per doctor's opinion she has to be under a specialist doctor's treatment at Apollo Heart Hospital, Hyderabad. For undergoing treatment, it is necessary for her to stay at Hyderabad. My shifting to Cuttack would upset the plans for medical treatment of my wife. Under the circumstances, I request you to let me stay in Hyderabad Divisional Office for the time being.

I hope my request would receive your sympathetic consideration.

Thanking you.

Yours faithfully,

Sd/-

Pyarokhan M.V.

Submitted through Division Manager.

Specimen 3

Representation for promotion

Dated: 10.2.2012

From:

N.N. Ravindran

Secretarial Officer

Shares Deptt.

To:

The Managing Director,

ABC Limited,

20 M.M. Road, Mysore

Through: Mr N. Sashan, Company Secretary

Dear Sir,

I have been working in the company for the last seven years as Secretarial Officer without any promotion to a higher post in spite of my repeated requests and recommendation from the head of the Department.

I wish to inform you that I have recently completed CS course and have been awarded membership by the Institute of Company Secretaries of India, New Delhi on 1.6.2011. A copy of the ACS membership certificate is enclosed for your kind reference.

Since I am now a fully qualified Company Secretary I request you to kindly consider my case for promotion to next higher position of "Dy. Company Secretary" at the earliest. Since the company is planning to come out with a bond issue in October, it would be an opportune moment for me to shoulder more responsibility by this promotion.

Thanking you in anticipation.

Yours faithfully,

Sd/-

N.N. Ravindran

Encl.: As above

Replies to such representations can be in any of the following ways/means:

1. The management could accept the request and go ahead in implementing the request. For example, arranging for canteen facility in the office.
2. The management may give an oral reply or say that they are considering the request.
3. The management could issue an office order giving effect to the request of the representee. For example, they could promote a person or stop his transfer.

CORRESPONDENCE WITH REGIONAL/BRANCH OFFICE

Growth is an index of prosperity in trade and industry. An organisation, therefore, feels the necessity for setting up a Branch Office/Regional Office to serve the clients in and around a particular locality/region. The Head Office and the Branch Office/ Regional Office would have to be in correspondence with each other on various aspects. It is not necessary that these letters should be on the Letter Head. Any other format indicating that the letter is emanating from the Head/Branch/Regional Office is sufficient. Following are a few specimens of the letters that may be written by Head Office/Branch Office/Regional Office:

Specimen 1

Letter from Head Office to the Branch

The stock statement for the week ending 30th November has not been received in this office yet. Would you please expedite dispatch of the same.

Specimen 2

Letter from Branch office to Head Office

I refer to my telegram regarding the strike which employees of the Mumbai Branch have suddenly launched. Their main demand is that Mumbai Branch should be treated on a separate footing in the matter of granting house rent allowance in view of the high rentals in Mumbai. I have already apprised the Union representatives of the Management's views on the issue. I hope to resume normalcy soon. I would keep you informed of critical developments, if any, on the matter.

Specimen 3

Letter from Head Office to the Branch

On verifying the monthly return of debtors we find the following amount outstanding beyond the due date:

– Fisherman's Cove Ltd.	Rs. 12,003.50
– Steamlines Ltd.	Rs. 31,773.80
– Forms Aquatics Ltd.	Rs. 25,830.00

Please advise whether the amounts have been realised by now, if not, let us know the reasons for the delay in recovering these amounts.

Specimen 4

Letter from Branch to Head Office

Due to incessant rains, a part of the godown building gave way resulting in the rain water entering the godown. Rescue work was hampered by the torrential downpour coupled with gale winds reaching a speed of 80 km. per hour.

It is feared that the entire stock of goods is beyond redemption. The insurance company has been informed of the loss and soon the value of the loss would be *determined. However, the godown stock records have been kept securely.*

Specimen 5

Letter from Head Office to the Branch

Shri Sulochan Kumar, Management Trainee, is being sent to your Branch for fifteen days as a part of his 3 months training course in various departments of the company.

You may impart him suitable training in Branch work and Branch Administration.

Specimen 6

Letter from Regional Office to Head Office

At present we have 3 branch offices in the Northern Region at Delhi, Lucknow and Chandigarh. The market for the Company's products is growing in the state of Rajasthan and this segment of the market is presently serviced by three sales representatives of the company. Viewing the potential that Rajasthan has, it is suggested that a branch office be opened at Jaipur with the following composition of staff.

Branch Manager	1
Accountant	1
Sales Representatives	3
Godown Keeper	1
Peon	1

The cost implications have been worked out in the enclosed sheet.

Your early decision in the matter is awaited.

Specimen 7

Letter from Branch to Head Office

Pataudi Associates Ltd. have been our customer for over 10 years now. They are at present enjoying credit facility up to Rs. 3,00,000.

Pataudi Associates are launching on an expansion programme and the detailed project report has been approved by the Industrial Finance Corporation of India for term loan facilities. In view of this, Pataudi Associates have approached us for increasing the credit facility for supplies to be effected to them to atleast Rs. 7,00,000. Further, in the initial stages they desire 30 days' credit up to July 2011, whereafter they are inclined to revert to 15 days' credit.

We strongly recommend the proposal and seek your confirmation on the matter.

Specimen 8

Circular from Head Office to Branch/Regional Office(s)

You may be aware that the company is passing through a period of rough weather due to stiff competition from Japan and Malaysia. In marketing its products in Western Europe and the U.S.A., as was stated by the Chairman in his speech in the Annual General Meeting of the shareholders, the prospects of early recovery seem gloomy in the current financial year. Sales have come down by 25% for the quarter ending 31st December 2011 as compared to the same period in the previous financial year.

The Board of Directors have, in their emergency meeting held on 21st January, 2012, impressed on the need to exercise maximum economy in every aspect of corporate functioning. You are, therefore, advised to submit your budgeted expenditure for prior approval by the Head Office.

LESSON ROUND UP

- A memo is different from a letter, both in format and in its effect on the addressee. It is important to note that a memo does not have a salutation and complimentary close. But the subject is clearly written and underlined.
- Memos are used commonly for issuing instructions to the staff, change in the policy inviting suggestion, giving information, making requests, etc.
- Whatever be the subject matter, the language of the memo should be polite and courteous.
- Apart from memorandum, office circulars, office orders, office notes, suggestions, complaints and representations are the various forms of intra-organizational communication.
- Correspondence with Regional/Branch offices is also an important form of intra-organizational communication.

GLOSSARY

Niceties	Exactness or precision; the quality of being nice; niceness.
Memorandum	A record or written statement of something; an informal message, especially one sent between two or more employees of the same company, concerning company business.
Interoffice	Functioning or communicating between the offices of a company or organization; within a company.
Disseminate	To scatter or spread widely; disperse.

Accelerated	To cause faster or greater activity, development, progress, advancement, etc.
Courtesy	Excellence of manners or social conduct; polite behavior; a courteous, respectful, or considerate act or expression.
Solicit	Earnest or respectful request.
Gaiety	The state of being gay or cheerful; gay spirits; merrymaking or festivity.
Fervour	Great warmth and earnestness of feeling.
Tendered	Soft or delicate in substance; not hard nor tough; weak or delicate in constitution; young or immature; delicate or soft in quality.
Bipartite	Divided into or consisting of two parts; shared by two; joint.
passive	Not participating readily or actively; inactive; not involving visible reaction or active participation.
Probation	The act of testing; the testing or trial of a person's conduct, character, qualifications, or the like.
meritorious	Deserving praise, reward, esteem, etc.; praiseworthy.
Reinstated	To put back or establish again, as in a former position or state.
Revoke	To take back or withdraw; cancel, or reverse.
Slack	Not tight, taut, firm; loose; negligent; careless; sluggish, or indolent; not active nor busy; dull; not brisk.
Callous	Made hard; hardened; insensitive; indifferent; unsympathetic.
Perceptible	Capable of being perceived; recognizable; appreciable.
Thrust	To push forcibly; shove; put or drive with force; to put boldly forth or impose acceptance of.
Lapse	An accidental or temporary decline or deviation from an expected or accepted condition or state; a slip or error, often of a trivial sort; failure.
Emanating	To flow out, issue, or proceed, as from a source or origin; come forth; originate.

SELF-TEST QUESTIONS

1. Write memos on the following:
   (i) Informing the recipient about his suspension.
   (ii) Asking employees for feedback on the use of new computers.
   (iii) Asking employees to maintain confidentiality in work-related matters.
2. Write circulars on the following:
   (i) Appealing employees to donate blood.
   (ii) Asking employees to keep their workstations clean.
   (iii) Regarding filling up vacancies within the organization.
3. Draft office orders on the following:
   (i) Transfer order

(ii) Suspension order

(iii) Informing employees about a new joinee.

4. Draft suggestion letters from employees on the following:

   (i) Change of uncomfortable office chairs to comfortable chairs.

   (ii) Proper allocation of duty for stationery issuance.

5. Draft a representation to the management complaining about lack of adequate medical facilities.

6. Draft a letter from the Head Office to the Branch Office regarding an employee's training.

Suggested Readings

(1) Essentials of Business Communication – *Reddy, Appannaiah, Nagaraj & Raja Rao*

(2) Communication of Business – *Shirley Taylor.*

Lesson 15
Preparation of Press Releases

LESSON OUTLINE

- Introduction
- Press Release vs. Press Report
- Essentials of a Press Release
- Dispatch of Press Release
- Covering Letters
- Different Types of Press Releases
  - Corporate Appointments
  - R&D Breakthrough
  - Awards
  - Study-Findings
  - New Services
  - Unfavourable Development
- Specimen Press Releases
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

On various occasions and for important reasons an organization has to reach out to the world at large. Written communication aimed at the world outside the organisation is an important way of projecting the company's image.

Therefore, when a company has some information which it wishes to share with public, it does it through a press release.

Therefore, all these communications may be prepared with care and concern so as to convey the right tone, attitude and information in the style of a language most suitable for the target audience or the market aimed at.

Therefore, the objective of this study lesson is to enable the students to prepare effective press releases.

The press is the best instrument for enlightening the mind of man, and improving him as a rational, moral and social being.

Thomas Jefferson

INTRODUCTION

Issuing a press release is primarily an exercise in public relations. Organisations issue them on several occasions. It may be a part of an effort at image-building. Alternatively, product information may be offered to the media for the favour of publication.

The press release may be sent to disseminate information about a seminar to be held, a large order which has been bagged, a senior level corporate appointment, the profits earned during the last financial year, collaborations, diversification into new areas, joint ventures with other partners and so on. Press releases are usually sent to the various newspapers, electronic media, like radio/television and to leading news agencies.

Press Release vs. Press Report

A press release is not the same thing as a press report, though the former may lead to the latter insofar as a Report may be based on the contents of a press release. A press release is usually drafted in-house while a press report is shaped out of inputs received by professional journalists.

The Public Relations Officer (PRO) of the company labours on the draft so that information available with him may be published without any major cuts in the print or electronic media. The media does not charge anything for devoting precious space or time to such releases. Their prime consideration is that their readers or viewers should be interested in the information being offered. Therefore, they are quite selective when it comes to picking up the releases to be covered in the next issue of the paper or the next bulletin to go on air.

Essentials of a Good Press Release

The alternative to a press release is a paid advertisement, which costs a fortune. Therefore, it is necessary to learn the art of preparing good press releases. It may be a good strategy to prepare a press release as an outsider or as a reporter would do, taking an objective view and avoiding personal pronouns. In order to have a fair chance of selection, a press release should have the following attributes:

(1) News value

Today's news is tomorrow's history. The information contained in the release must be recent in order to arouse public interest. Newspapers often try to get scoops so that they may be the only ones to break the story. Though a press release cannot serve such a purpose since it is widely distributed, yet it must try to convey the latest information.

(2) Factual

A press release based on factual information has greater chances of publication, since verification is possible. Opinions tend to be subjective and biased. Therefore, facts are always preferable. It is also true that one cannot exclude opinions from a press release altogether. An effective strategy may be to mention the facts first and then infer opinions from them.

(3) Interesting

Press releases must be drafted in an interesting manner. It is common for an organisation to present things from its own perspective. However, the reader or a viewer may have different expectations. For instance, a shareholder is always interested in finding out whether his dividend income is likely to go up or not. Reams of paper may go waste if the press release does not offer anything of consequence to the reader. When sending them out to print media, a photograph or a graphic illustration may be added to enhance their appeal. Visuals in the forms of video clipping or footage may accompany releases to TV News channels. Colour makes a significant contribution to the value of the press release.

(4) Brief

The Chief of Bureaus are known to strike out large parts of press releases received by them daily. One cannot blame them because they are parting with precious space and time. It is unfair to expect them to publish something fit for an advertisement free of cost. Therefore, we increase the chances of our press release being included if we keep it brief.

(5) Suitable

Newspapers and TV channels follow their individual policies. It makes sense to send the press release to a suitable media which is likely to be interested in the contents. For example, a press release about the imposition of anti-dumping duty will have greater chances of inclusion in an economic paper or on a business channel than in a general newspaper or on an entertainment channel.

(6) Display

The display of a press release is important, it should preferably be prepared on a word-processor in a standard font and a convenient size. Variations for creating an artistic effect are an exception. Journalists are the most harassed community and have to work under considerable pressure till late hours to meet deadlines. Therefore, a brief and neatly produced press release furnishing convincing and interesting facts and making reasonable and fair assumptions is peferred by them. It helps if we type out the release in double space with ample margins to facilitate editing. We may also leave the headings and captions to them, as each journalist or editor would like to add his personal touch to the release actually being printed. Moreover, even if you do give your own heading or caption to the press release, it may never be printed because the editors do not want to print the same headlines as the other newspapers, they like their headings to be unique.

(7) Format

The press release should always be printed on the letter head of the organisation, carry the date of release or preparation and be signed by an authorised person, who can also be contacted for any clarification or further information.

Dispatch of Press Release

Press releases may be sent directly to the editors or journalists of the media or handed out at Press conferences, which are summoned in advance. Invitation is often faxed to members of media through what is commonly called a media advisory to cover the event.

A specimen of media advisory is given below:

Office of the European Union
Golf Links, New Delhi

MEDIA ADVISORY

A four-year cooperation project between the European Union and the Ministry of Civil Aviation will be be signed on 28 February, 2011. This will provide for short and long-term training and knowledge transfer while building awareness of European safety methods and norms. The project has a total value of Rs.140 crores and will focus on Airworthiness and Safety Oversight, Airlines Management, Air Traffic Management, Pilot Instructor Training and Airport Activities.

The First Counselor of the European Union and representatives of other signatories will address a joint Press Conference on Tuesday, March 1st, 2011 at 6.30 p.m. at the Habitat Center, Lodhi Road, New Delhi.

We invite you to send your representative to attend. We shall appreciate your confirming attendance by phone (4623257), fax (4623344) or e-mail (eu@vsnl.org).

Issued by

John McGarthy

Counsellor for Press Affairs

The Internet revolution has facilitated faster sending of press releases through Email. There are even Virtual Press Rooms on the net through which information may be transferred throughout the web. However, in view of limited IT penetration, many companies still rely on ordinary post. When relying on ordinary mail, often contemptuously called snail-mail, the Press Release may be enclosed with a brief covering letter addressed to the Chief of Bureau:

COVERING LETTERS

BHEL HOUSE

Sansad Marg, New Delhi-1

The Chief of Bureau
Financial Times
New Delhi
February 3, 2012

Dear Sir,

We are pleased to enclose a Press Release regarding the export orders secured by us during the last fiscal year. We are confident the information will be useful both for the ordinary readers and investors of your paper as well.

We hope you will publish it prominently in your next issue. If you have any queries or desire more information, please feel free to call our PRO, Mr. K. Nathan on 6312279.

We thank you in anticipation.

Yours faithfully,

for BHEL Ltd.

Sd/-

R.K. Aggarwal

Encl.: Press release

PRESS RELEASE

Export Orders

India's premier engineering enterprise, Bharat Heavy Electricals Ltd. has bagged the highest ever export orders during the fiscal year 2011-2012. The value of these orders, which have been secured from Asian, European, African and North American countries is approximately Rs. 7,000 million. The orders are mainly for erection of power projects and transmission facilities and the supply of oil field and industrial applications equipment. The company continues to do equally well on the domestic front. BHEL sets generated a record 329 billion units of electricity, constituting 73% of the total electricity generated in the country during the year. The Plant Load factor of these sets at 70% was also higher than the national average. The company is committed to providing prompt and efficient customer service.

Issued by:

R. K. Aggarwal

Press Officer

TYPES OF PRESS RELEASES

Corporate Appointments

Press releases about corporate appointments are quite common. However, only senior level appointments figure in them. A qualified executive who has already proved himself professionally is looked at as an asset and his inclusion in the organisation publicised:

A sample press release is reproduced below:

PRESS RELEASE

Mr. P.K. Sehgal has taken over as Director (Projects) of International Pumps & Projects Ltd. (IPP). The company has been a leading enterprise specialising in erection of power and water projects.

Mr. P.K. Sehgal did his B.Tec. in Civil Engineering from IIT, Kharagpur. He played a pivotal role in shaping the Project division of Standard Equipments Ltd. before accepting the present appointment. He is a Fellow of the Institute of Engineers, New Delhi and a member of the European Council of Technical Officers.

IPP hopes to achieve significant increase in the activities of its Project Division under Mr. P.K. Sehgal's expertise and leadership.

Issued by:

S.K. Singh

Press Officer

R&D Breakthrough

Reputed organisations set apart part of their funds for carrying out research and development. This effort has generally been aimed at cutting costs, improving performance and reducing dependence on imports. Whenever a breakthrough is achieved, the concerned organisation issues a press release to announce it:

A sample press release is given below :

PRESS RELEASE

The Research & Analysis Department of the Northern Railways has succeeded in developing an Eco-friendly Electronic Governor. This instrument will help improve fuel efficiency of diesel-electric locomotives currently in use. Field trials have also shown significant reduction in emission levels, which would also lower the maintenance costs. The Railways is optimistic about reducing cost of production once commercial production of the Electronic Governor begins. The Railway Minister has complimented the department on achieving this breakthrough.

Issued by:

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Awards

Several national and international awards are on offer for those who prefer to be achievers rather than dreamers. These awards are instituted by governments, and international agencies and organisations working in specific fields such as labour relations and environment. When such a recognition comes by, a company promptly issues a release to increase its good will.

A sample press release is given below:

PRESS RELEASE

Bharat Sanchar Nigam Limited (BSNL) has won the Best Entrepreneur Award for the year 2011-2012. The award is given annually by the Ministry of Telecom of the Government of India. BSNL was formed only recently after the dissolution of DOT. It has made significant inroads into the field of basic telephony in the first year of its operations. It also proposes to offer mobile services using Wireless in Loop technology (WLL) at highly competitive rates. The Director General of BSNL complimented the employees on this occasion.

Issued by:

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Study-Findings

Representative bodies carry out studies to focus attention on problems facing their members and to seek suitable policy changes in order to find solutions. The findings of these studies are publicised by releasing them to the Press.

A sample press release is given below:

PRESS RELEASE

A study undertaken by ASSOCHAM has revealed that 215 mega-projects could not be completed on schedule. This will put an additional burden of almost 40,000 crores on the national exchequer. Out of these 117 projects had witnessed cost-overruns of more than Rs. 25,000 crores, which was 38% higher than the anticipated rate. The time over-runs in the case of 98 projects ranged from 4 to 130 months imposing an extra burden of over Rs. 14,000 crores.

The study has found that delays in land acquisition and rehabilitation of affected people, lack of infrastructure facilities, like water and power, and break down of law and order at sites contributed largely to project over-runs.

ASSOCHAM strongly recommends setting up of a special cell in PMO to check cost escalation and complete mega and medium projects on schedule. A closer inter-ministerial coordination and involvement of state governments will surely help to arrest the unfortunate trend.

Issued by:

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New Services

Corporate houses introduce new services and products from time to time. To disseminate information about these changes, press releases are issued to media units with a large circulation among the existing or potential users of the product of services.

A sample press release is given below:

PRESS RELEASE

NAV ON MOBILE PHONES

IDBI-Principal Mutual fund has launched investor services delivered via mobile phones branded M-investor services. Unit holders can access net asset values, unit holdings and current valuation on all open-ended schemes of the fund through short messaging service or e-mail.

Issued by:

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Unfavourable Development

All news cannot be good and opinion is divided on whether unfavourable information should be kept under wraps or made public. Experience shows that whenever news is suppressed, it leads to rumours and the damage to the organisation's credibility is more severe. Therefore, we may consider presenting our failures in a fair and objective manner. The following press release attempts to do just that:

PRESS INFORMATION BUREAU

Govt. of India

GSLV Launch Cancelled

The launch of India's Geo-synchronous Satellite Launch Vehicle scheduled at 3.47 p.m. on 28 February, 2012 from Sriharikota was aborted at the last moment due to a technical snag. The countdown for the lift-off proceeded smoothly till one second before the lift-off. The automatic launch process system held the countdown and immediately the strap-on stages were commanded to shut down. The preliminary analysis indicates that one of the four liquid propellant stap-on stages had not developed the required thrust. Accordingly the subsequent sequence of events including the ignition of the solid propellant core motor was prevented. A detailed analysis of data will be done before a new date for the launch is announced.

Issued by:

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Specimen Press Releases

A few specimen press releases are given below:

1. "Shri Mangal Jain has been elected President of the Association of Steel Dealers, Delhi for the year 2011-2012".

2. "Shri Shiv Kumar Gupta has been elected President of the Punjab, Haryana, Delhi Chamber of Commerce and Industry. Shri Shiv Kumar is presently the Chairman and Managing Director of Amar International Ltd., a multinational company".

3. "Singer Electricals has been awarded commendation certificate and medal for outstanding export earning for 2011-2012 by the Commerce Ministry. This is the second year in succession that Singer wins the award."

4. "Shri Padam Chand Jain, Shri P. Natesan and Shri Girish Patel, members of the Company Law Committee of the Federation of Indian Chambers of Commerce and Industry are leaving for a month's tour to the US, UK and Canada to study the functioning of stock exchanges there and submit a memorandum to the Government".

5. "Sundaram and Sundaram Limited have made a record profit before tax of Rs. 2,345 lakhs. The net profits after taxation and appropriation to statutory reserves stand at Rs. 1,987.34 lakhs. This is the third year in succession that the company has crossed the two thousand lakh mark in pre-tax profits. The Board of Directors has recommended a dividend of 18.75% on all equity shares and have decided to convert all the 10.5% preference shares into redeemable debentures. Necessary resolutions for giving effect to this are being sent to the shareholders.

The turnover of the company this year has gone up by 23% at Rs. 12,345 lakhs, the total assets stand at Rs. 5,678 Lakhs and the debt equity at 1:1. The company intends to diversify into electrical machinery manufacturing by starting a new unit at Ramagundam, Andhra Pradesh. Necessary letter of intent has already been issued by the Central Government. The consent of the Securities and Exchange Board of India would be applied for after placing the proposal for issue of equity shares for covering the project cost is approved by the shareholders in the ensuing annual general meeting."

6. “As a part of its diversification scheme, Anupam Organics Ltd. proposes to manufacture doxycycline, an antibiotic which is now being imported.

It has already acquired plant-based technologies for the manufacture of chloroquine phosphate and doxycycline from leading technology resources and developed the same at a R&D centre recognised by the Union Government.

The company has installed part of its plant and machinery at Kundli in Haryana. In view of growing demand for these products, the company envisages no difficulty in marketing them. It earned a profit in very first accounting year ended June, 2000, even though manufacturing activities have not yet started in full swing.

Anupam Organics, formerly known as Anupam Sales Pvt. Ltd., a Delhi based unit was promoted by Mr. Dewan C. Pruthi to deal in basic drugs. Subsequently, it started manufacturing drug intermediaries used in the manufacture of basic drugs. Consequently, the name was changed.

Mr. Pruthi has promoted another company - Anupam Laboratories Ltd. it produces life-saving antibiotics and other essential drugs. In five years, the company has achieved a turnover of Rs.12 crores and accounts for 10 percent of the market growth in basic drugs industry.

The new venture of Anupam Organics will initially take up manufacture of chloroquin phosphate, an important anti-malarial drug, which is imported in large quantities by India. The annual requirement for this drug in the country at present is estimated at around 400 tonnes, which is expected to go up to 650 tonnes by 2012.

Against this, the present production is only about 100 tonnes to 200 tonnes and the rest is being imported.”

7. “Chandan Cements, a joint sector company promoted by Tamil Nadu Industrial Investment Corporation in association with Mr. Naresh Sanklecha, is entering the capital market with a public issue of equity shares of Rs.715 lakhs in the second week of November 2011.

The company is putting up a large plant to manufacture cement with an installed capacity of 7 lakh tonnes per annum in Dindigul district of Tamil Nadu at a capital outlay Rs.62.50 crore. The project is at an advanced stage of implementation. The trial runs are expected to commence in November, 2010, and the commercial production is expected by February, 2012.

The company’s plant will adopt the dry process precalcination technology incorporating 5 stage pre-heater with a completely computerised process control and electronic packing and weighing system. The major plant and equipment and services are being provided by Krupp Polysius, West Germany.

A private sector promoter, Mr. Naresh Sanklecha is heading a progressive business house engaged in the manufacture of basic drugs, pharmaceuticals, exports, real estate and trading. He and his associates are taking up 25 per cent of the total equity capital of the company i.e., Rs.369 lakhs.

According to the management, the company will have an edge over its competitors in marketing cement in the southern region, particularly in Tamil Nadu. The company expects to attain 100 percent capacity utilisation in the first year itself ensuring steady profitability and lower gestation period for the investors.”

8. “Blue Bird Manufacturing Company is making an issue of 1.50 lakh 15 per cent secured convertible debentures of Rs.120 each to raise additional finance to meet the cost of expansion and augment the long-term working capital resources.

Of this issue, 75,000 debentures have been reserved for preferential allotment to the existing shareholders, employees, business associates and fixed depositors, and the balance 75,000 debentures will be offered to the public. The public issue will open on October 30, 2010.

The convertible part of Rs. 20 in each debenture will automatically entitle the holder to two equity shares of Rs. 10 each at par on June 30, 2010. The present market price of the equity share is Rs. 75. The non-convertible part of Rs. 100 in each debenture will be redeemed at par in four equal annual instalments of Rs. 25 each, starting from the end of the seventh year from the date of allotment.

The company's factory at Murbad in Thane district of Maharashtra is equipped with modern machinery for texturising and twisting of synthetic yarn and its weaving unit has automatic shuttleless looms. As a result of stringent quality control at every stage of manufacture, the company's products enjoy an "enviable" reputation in the market. The management now proposes to instal additional texturising and twisting machines with a view to meeting the growing demand. The expansion programme is expected to be completed in about 3 months.

The company increased its turnover from Rs. 8.06 crores in 2007-2008 to Rs. 9.00 crores in 2008 -2009 and gross profit from Rs. 120 lakh to Rs. 269 lakh. It has already crossed the Rs. 18 crores mark in turnover during the first 8 months of the current year and its turnover for the whole year ended September, 2010 is estimated at around Rs. 22 crores and gross profit at Rs. 198 lakhs. Turnover and gross profit for 2009-2010 are expected to be Rs. 35 crores and Rs. 320 lakhs, respectively. The company paid a maiden dividend of 16 per cent in the very first full year of operations and has already paid an interim dividend of 10 percent for 2009-2010."

9. "The company intends to make it very clear that the ongoing strike by a section of workers in its plant situated at Faridabad is quite unfortunate and unjustified. The main demand for the striking workers' union is for increasing the rate of bonus by 5%. In this regard it is informed that the management of the company has already entered into a `Bonus Agreement' with the majority union in the company and as per the agreement the bonus shall be disbursed at the previous year's rates. The current financial position of the company is not so comfortable as to pay more bonus to its workers. The striking workers are trying to obstruct other workers from attending their duties. The company has requested the State Government to maintain law and order near the factory. The company will take all necessary steps to ensure the normal working of its factory and to provide safe entry and exit to loyal workers.

The company has made an appeal to striking workers to rejoin duties and has invited their Union Representatives for a constructive dialogue with the company's management to resolve the issue."

10. "White Horse Omnibus Ltd., a major automobile company, manufacturers of popular OMNIBUS Cars and Vans has recently entered into a joint venture agreement with multi-national VISCOBA SPA, Italy, for manufacture of small cars in India. The cars will have 810 CC petrol engine with state of art interior and exterior finishing. The ex-factory price of the car would be around Rs. 3,25,000.

The project would be located near Navi Mumbai, since Maharashtra State Government has agreed to give maximum concession/facilities to set up the plant. In the beginning, imported components would be about 70% and the company is expected to attain 100% indigenisation within 5 years time.

The project cost is about Rs. 800 crores out of which Rs. 400 crores would be provided by the foreign partner through equity and term loans.

The Italian partner will contribute 40% to the equity; 30% would be borne by White Horse Group, and the remaining 30% by FIs and general public."

LESSON ROUND UP

- A press release is a straightforward way of informing the media about a particular event in the hope that they would find it newsworthy and significant for the readers/viewers.
- The key language points of the press releases and public notices are – clarity, brevity, newsworthiness, and freedom from colloquialism.
- A press release is not the same as a Press report, though the former may lead to the latter in so far as a report may be based on the contents of a press release.
- A press release should have the following qualities:
  (i) News value

(ii) Factuality

(iii) Interesting

(iv) Brevity

(v) Suitability

(vi) Display

(vii) Format

– Press release may be sent directly to the editors or journalist of the media or handed out at press conferences, summoned in advance.

GLOSSARY

Reams	A large quantity.
Imposition	The laying on of something as a burden or obligation; something imposed, as a burden or duty; an unusual or extraordinarily burdensome requirement or task; the act of imposing by or as if by authority.
Artistic	Conforming to the standards of art; satisfying aesthetic requirements; showing skill or excellence in execution.
Harassed	To disturb persistently; bother continually; pester; persecute.
Contemptuously	Showing or expressing contempt or disdain or worthlessness; scornful.
Snail	A slow or lazy person; sluggard.
Pivotal	Of vital or critical importance.
Rehabilitation	To restore to a condition of good health, ability to work, or the like; to restore formally to former capacity, standing, rank, rights, or privileges.
Suppressed	To withhold from disclosure; abolish; stop.

SELF-TEST QUESTIONS

1. What are the essential features of a good press-release? Differentiate between a press release and a press report.
2. Write press releases on the following:
   (a) Drawing employers attention to ESI (Employee's Staff Insurance) Act.
   (b) Significant progress made by the company in the current financial year.

Suggested Readings

(1) Communication of Business – *Shirley Taylor*

(2) Business Communication – *Varinder Kumar & Bodh Raj*

(3) Business Communication – *M.S. Ramesh, C.C. Pattanshetti, Madhumati M. Kulkarni*

(4) Business Communication – *K. K. Sinha*

Lesson 16
E-Correspondence

LESSON OUTLINE

- Concept of E-Correspondence
  - What is the Web?
  - What is the Internet?
  - What is E-Correspondence?
- E-mail
- History of E-mail
- Features of E-mail
- Electronic Mail System
- Email Etiquette
- Advantages and Disadvantages of Email
- Points to Remember
- Intranet
- Review Question
- Benefits of Intranet
- Purpose of Intranet
- Lesson Round Up
- Glossary
- Self-Test Questions

LEARNING OBJECTIVES

Present era is an era Information Technology. The IT Revolution, which the world has experienced in the last decade, has transformed the business communication tremendously and with multidimensional effects.

Therefore, today when most of the business communication is done on internet or correspondence, it becomes imperative to understand its concept and main features. Hence, it is essential to understand the etiquettes to be followed while engaging in such correspondence. On the other hand one has to be aware of the limitations of the internet and e-correspondence.

Therefore, the objective of this lesson is to enable the students to understand that modern telecommunication has developed a new paradigm, breaking all geographical barriers, across all countries and continents, and has integrated everything under a united network.

The only thing that is missed with emails is the envelope quoting “open me carefully”.

CONCEPT OF E-CORRESPONDENCE

Professionals, non-professionals, experts or students, we are all turning increasingly to the internet in our daily lives. Whether we want to find educational openings abroad, do banking operations online, find research material on any issue, send corporate e-mails, internet is the place where we go most often. From the trivial to the highly complex, we look for answers to most of our questions in the vast ocean of knowledge called World Wide Web (www).

The World Wide Web is a system of interlinked hypertext documents accessed via the Internet. With a web browser, one can view web pages that contain text, images, videos, and other multimedia and navigate among them via hyperlinks.

Many people use the terms Internet and World Wide Web interchangeably, but in fact these two terms are not synonymous. The Internet and the Web are two separate but related things.

What is The Web?

The World Wide Web, or simply Web, is a way of accessing information over the medium of the Internet. It is an information-sharing model that is built on top of the Internet. The Web uses the HTTP protocol (one of the languages spoken over the Internet) to transmit data. Web services, which use HTTP to allow applications to communicate in order to exchange business logic, use the Web to share information. The Web also utilizes browsers, such as Google Chrome, Internet Explorer or Firefox to access Web documents called Web pages that are linked to one another via hyperlinks. Web documents also contain graphics, sounds, text and video.

The Web is just one of the ways through which information can be disseminated over the Internet. The Internet, not the Web, is also used for e-mail. So the Web is just part of the Internet, albeit a large part, but the two terms are not synonymous and should not be confused.

What is The Internet?

The Internet is a massive network of networks - a networking infrastructure. It connects millions of computers together globally forming a network in which any computer can communicate with any other computer as long as they are both connected to the Internet. Information that travels over the Internet does so via a variety of languages known as protocols.

The terms Internet and World Wide Web are often used in everyday speech without much distinction. The Internet is a global system of interconnected computer networks. In contrast, the Web is one of the services that runs on the Internet. It is a collection of textual documents and other resources, linked by hyperlinks and URLs, transmitted by web browsers and web servers. In short, the Web can be thought of as an application ”running” on the Internet.

Viewing a web page on the World Wide Web normally begins either by typing the URL of the page into a web browser or by following a hyperlink to that page or resource. The web browser then initiates a series of communication messages, behind the scenes, in order to fetch and display it.

“The letters written by one party to another, and the answers thereto, make what is called the correspondence of the parties. Such correspondence if done through electronic signals via internet is called E-correspondence”

What is E-Correspondence?

E-Correspondence is commonly known as ‘email-correspondence’ or ‘electronic-correspondence’. It is an electronic method of providing you with important information on your email address. You must supply a valid email address in order to receive information via email. For example: johndoe@company.com.

CONCEPT OF EMAIL

"Electronic mail" or "e-mail" as it is commonly called is the process of sending or receiving a computer file or message by computer modem over telephone wires to a pre-selected "mail box" or "address" on another computer. E-mail can also be sent automatically to a large number of electronic addresses via mailing lists (through 'mail-merge' option). E-mail messages can range from the simplest correspondence to business presentations, engineering blueprints, book chapters, or detailed contracts. Graphics, files of artwork or photography can be transmitted via this technology as well, though text messages comprise the vast majority of e-mail transmissions.

Today, e-mail stands as a central component of business communication, both within business enterprises and between business enterprises, because of the many advantages it offers over regular mail in terms of efficiency, speed, and 24-hour availability. These characteristics have made electronic mail a truly ubiquitous presence across the globe. Indeed, in terms of sheer volume, more than 536 billion pieces of e-mail were delivered in the United States in 1999, according to the eMarketer Internet research firm. Moreover, the eMarketer estimates that in 2000 the number of active e-mail users in America reached 111 million.

Since e-mail has emerged as such an important method of business communication in recent years, it is important for small business owners to know how to use this technology effectively. Towards that end, consultants generally recommend that small business owners and entrepreneurs should select and shape such e-mail packages that emphasize convenience and ease of use.

Electronic mail, known commonly by its abbreviation 'email', is probably the most used medium of communication today. 50 years ago, had someone said that it would be possible to instantly deliver documents to a recipient sitting half way across the globe, he would have been a laughing stock. But, email came, saw and conquered the World Wide Web. Today, with email, there's so much more than just written text communication. Ability of the email to securely forward multimedia, photos, software, etc. has made it very popular. It's rightly said that 'necessity is the mother of all inventions', and we humans have always found a way whenever the need arose. The history of email communication is very interesting and intriguing.

History of Email

In 1965, the Massachusetts Institute of Technology (MIT) was the first to demonstrate the use of the first email system known as MAILBOX.

The history of email addresses can also be attributed to Tomlinson. He chose the '@' symbol to provide an addressing standard in the form of "user@host", which is in use till date. This is why Tomlinson is called the 'father of email' and is credited with its invention.

By 1974, email in its improved form was being used by the US military. By 1975, efforts to organize the email bore fruit. A general operating area, known as email account, was created for users who wanted to avail the email service. Access controlling was done by giving the user a secret password, which only he/she would know. Separate folders were created depending on the purpose like. Inbox for incoming messages and outbox for outgoing messages.

Year 1976 was a watershed year in the history of email marketing. Email service was being offered in commercial packages and per-minute charges were applicable to those using these services. This led to the requirement for offline reading, which meant that users could then download their emails on to their personal computers, and read them leisurely without using and paying for the airtime. This led to the development of applications, which were similar to what Microsoft Outlook does today.

Requirement for protocols was felt almost immediately, and in 1972 file transfer protocol (FTP) was put in use to send email messages. The main drawback here was that FTP created a separate mail for every recipient and

then dispatched it, which resulted in loss of precious memory space. This prompted the creation of the more efficient SMTP (Simple Mail Transfer Protocol) in the early 1980s, which became a standard protocol to be used in sending email messages. But the initial versions of SMTP failed to control the cases of forgery and proved to be a naive protocol in the verification of the authenticity of a user. Email viruses, worms and spammers began exploiting these loopholes in SMTP, and even though many new and improved versions have been released, this problem continues to be addressed till date.

If SMTP is used to send messages, POP (Post Office Protocol) is a standard for receiving emails. This protocol is used by email clients to retrieve messages from the mail server using a connection. One drawback of POP is that it does not support offline retrieval of messages. This demerit has now been overcome, by the more capable IMAP (Internet Message Access Protocol). This is how one comes to know about the offline messages, i.e., messages received when the receiver is not signed in.

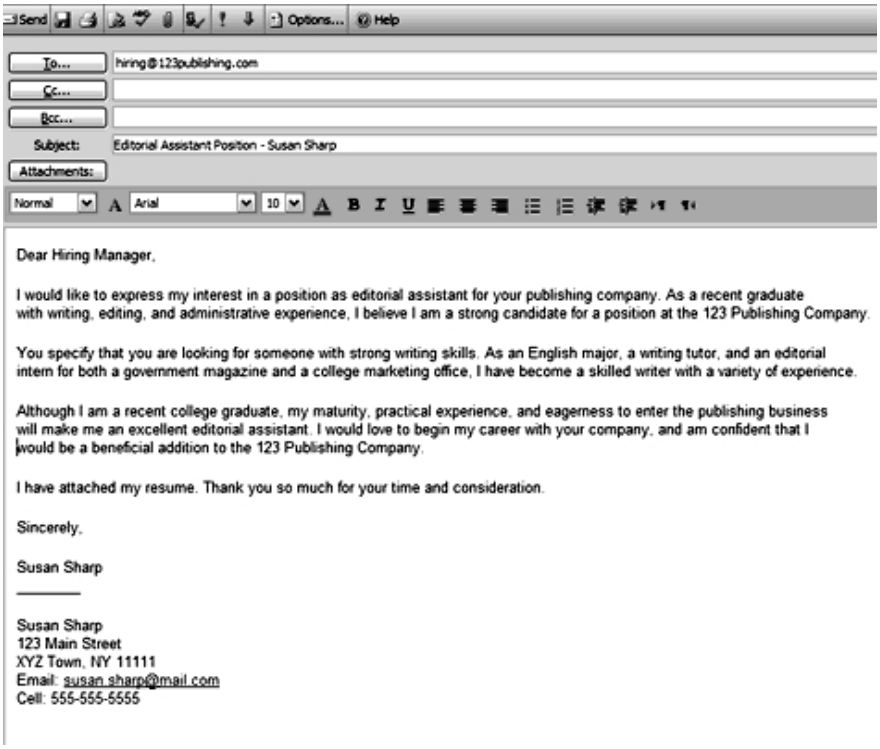
By the early 1990s, free and user-friendly email service providers had taken the industry by storm. Players like 'yahoo' and 'hotmail' were competing for the market share. It was this decade that saw the .com boom, to the extent that almost everyone wanted an email account. Today, there are more than 600 million email users across the globe, with newer players like Google (Gmail) and Rediff entering.

There's so much more about the origin and history of email, but these were the most important landmark events. Looking at its current usage, we can only add that instant messaging via email is here to stay!

Features of Email

- *Electronic:* It is an electronic mode of message transmission as it is sent using HTML (Hyper Text Markup Language) – the computer code used to create web pages.
- *Cost-Effective:* It is one of the cost-effective modes of fast communication. Today with the advent of smart-phones, communicating through emails has become even more cost-effective.
- *Packages:* Packages like 'Messenger' and 'Outlook' help us compose new mails or forward the received ones to one or all of the people whose email addresses are stored in the 'Address Box'. They allow us to change font, sizes and colour of the text; highlight, delete, store or save; align, center or justify the text; italicize, bold, underline or even print what we write or receive as email.
- *Interface:* An interface between email programme and word processing programme allows us to cut, copy and paste material from one place to the other.
- *Attachments:* The 'Attach' option allows us to share documents, worksheets, presentations, pictures and videos along with the mails.
- *Spam:* Unsolicited or Junk mails can be filtered by using the 'spam' option which forbids unwanted mails to enter your inbox. These unwanted mails may be advertisements, job offers, competition forms, etc. which one does not want to receive frequently.
- *Signature:* We can customize our signature as we want it to appear in the complimentary closure of every email. Once you add your signature it automatically appears at the end of every mail that you compose. One need not write the name, designation, contact no, etc. again and again.
- *Search:* The search option helps us to locate old email communications. This can be achieved by typing the sender's name in the search box and clicking the search button. It will reflect all mails containing the name so typed.

A sample email screen is shown below. How many above mentioned features can you trace in it?


Send Options... Help

To... hiring@123publishing.com

Cc...

Bcc...

Subject: Editorial Assistant Position - Susan Sharp

Attachments:

Normal Arial 10

Dear Hiring Manager,

I would like to express my interest in a position as editorial assistant for your publishing company. As a recent graduate with writing, editing, and administrative experience, I believe I am a strong candidate for a position at the 123 Publishing Company.

You specify that you are looking for someone with strong writing skills. As an English major, a writing tutor, and an editorial intern for both a government magazine and a college marketing office, I have become a skilled writer with a variety of experience.

Although I am a recent college graduate, my maturity, practical experience, and eagerness to enter the publishing business will make me an excellent editorial assistant. I would love to begin my career with your company, and am confident that I would be a beneficial addition to the 123 Publishing Company.

I have attached my resume. Thank you so much for your time and consideration.

Sincerely,

Susan Sharp

———

Susan Sharp
123 Main Street
XYZ Town, NY 11111
Email: susan.sharp@mail.com
Cell: 555-555-5555

ELECTRONIC MAIL SYSTEM

Today companies are able to customize their e-mail services to meet their own unique communication needs. E-mail management tools in the market can help entrepreneurs and managers address a wide array of issues from excessive volumes of e-mail and/or excessively large file attachments–both of which can clog e-mail gateways or create network storage burdens–to virus detection, spam blocking, and search ability of e-mail data stores.

Optimizing Personal Email Use

Experts in the fields of business and electronic communication agree that managers and small business owners can take several steps to maximize the efficiency of their company's e-mail systems. These tips extend from patterns of personal e-mail use to guidelines for companywide e-mail policies.

Professional appearance and content are paramount in an e-mail. Many members of the business community have commented on the fact that many e-mail messages reflect a casual attitude towards grammar, spelling, and tone that would never be tolerated in regular business correspondence. ***Users of electronic mail are encouraged to adopt the same standards of professionalism that dictate the tone and appearance of postal correspondence.*** Indeed, proper spelling and grammar, coupled with the ability to frame correspondence in suitably diplomatic language, are essential components of electronic mail. Consultants also caution small business owners to be circumspect in their use of "emoticons," a set of symbols that have been developed by e-mail users to denote various non-verbal reactions, such as smiles, winks, and laughs to supplement the included text. While use of these symbols is fine in some settings, inclusion of a flurry of such symbols is apt to confuse e-mail recipients who are unfamiliar with the meaning behind them. Moreover, and they are inappropriate for most business correspondence.

Separate the Personal Mail Account from the Professional One: Many entrepreneurs maintain separate electronic mail addresses, one for personal correspondence, the other for use at the office. "Everybody needs time to decompress at work, but mixing personal correspondence with professional correspondence can diminish

one's focus," wrote Bob Mook in Denver Business Journal. "At the very least, a personal e-mail account gives you a way to delineate between the work-related stuff and the extracurricular stuff."

Monitor Size of Distribution Lists to Keep them Manageable: Huge distribution lists can slow down e-mail systems. One way to address this problem is to continually cull your list.

Another is to *limit the size of attachments* that are sent to large numbers of employees, clients, or vendors.

Establish Policies for Receiving Attachments: Know the preferences of your clients in this regard. Many business people dislike receiving attachments except when absolutely necessary, due to system slowdowns and vulnerability to viruses.

Augment your E-mail Address to Ensure Accurate Identification: E-mail users can ensure that recipients of their e-mail can easily determine their identity by including their real name in their e-mail addresses and including telephone number and mailing address information as a standard part of any e-mail. This information can be incorporated through "signature files" that are standard on most e-mail packages.

Promptly respond to E-mail Messages of any Significance. Some businesses and employees who do not promptly reply to electronic mail when send the signal that they are disinterested, incompetent, or disorganized. *The business world is to them give hectic one*, and most people who participate in it recognize that delays in response do occur for a variety of legitimate reasons. But people who let e-mail messages go unacknowledged for several days or more are in essence in a way informing the sender that delivering a response is not a priority for them.

Establish Efficient Daily E-mail Practices: Recent studies indicate that many executives spend almost two hours a day attending to their overflowing electronic mail, and that some business owners and managers spend even more time on such activities. In most instances, this is not time well-spent; instead, it keeps the owner or manager from addressing other, ultimately more important, business issues. To minimize this particular time drain, experts urge owners/managers/executives to:-

- Delete old messages that can clutter e-mail inboxes;
- Review incoming e-mails only at two or three set times a day, rather than peeking at each one as it comes in; and
- Purchase supplementary tools that can block e-mail spam that clogs many systems.

Pay Attention: "The process of sending and replying to message is rife with opportunities for error," wrote Sun, but most pitfalls can be avoided if you take out time to learn the nuances of electronic mail. For instance, said Sun, "If you wish to avoid embarrassment (or worse), pay attention when sending a reply. Do you disagree with a message that was sent to you and dozens of others? Then be sure to 'reply to sender' rather than 'reply all.' Otherwise, your reply will go to all the original recipients, making your private disagreement public."

Proper E-mail Correspondence

Most of us e-mail back and forth every day, so we all deal with different types of e-mail correspondences. Whether it be for business, for personal use or for school, we all need to know the proper ways of sending e-mails to other people. Keep reading to see if you're being professional about it or not.

As stated above, e-mail correspondence comes in various colours and designs and it is as creative as the sender makes it. E-mail a decade ago was definitely not the same as the e-mail today. We must be more careful about what we say and how we say it. Words used in an e-mail are like a small, lit match; they can be used to mend fragile relationships, warm the heart and light the way, or they can ignite whole forest aflame that could cause havoc and destruction.

Here is one scenario that may influence varied responses:-

Example

You just paid for some software over the Internet with your credit card. You were told that the software would reach your house in a few days. The item does not reach you in promoted time. No problem, you think. You will just call the 1-800 number they have on their Website but after redirecting your call four times, you hear the dial tone. You are upset, but you try calling again.

Now, after this phone calling nightmare for almost 45 minutes, you are angry that no one is answering. After all, you paid for the item and you want it. Should you not be angry? Of course you should be, but you can't get hold of them, so you decide to write an e-mail explaining your mounting frustration about how their customer service was always unavailable over the phone. You are careful to tell them that you have not received your purchase and also include the invoice statement as proof of what you bought. Three days go by and counting. You cannot get this dilemma off your mind. Another e-mail lands you nowhere. You do not know what to do. You tried contacting them, but you got no reply. You decide that you no longer want their software and want your money back. You swear not to deal with this company again, right?

So, you write a third e-mail, but you are not so polite this time. You say, "I will never do any business with you again. You are deaf to my phone calls and e-mails and insult my intelligence. I demand my money back. You are a thief and should not be in business and I will get to the bottom of this."

Surely, this is a letter you can write, but do you really think you should? Would it make you feel any better? Maybe, but will it get you what you want? Not likely. In so many cases, we are obliged to overcome how we feel by an act of the will to do what we ought to do.

Now, let's take the same scenario and use a different technique. Instead, say something like, "Gentlemen, I am writing this e-mail as an addition to my other two. I have not received the item I paid for. It should have arrived two weeks ago. I am concerned that it may have gotten lost in transit or perhaps was overlooked with the many deliveries you are responsible for at your warehouse. I have also tried to contact you by phone twice, but there was some difficulty and my calls never got through. I would appreciate hearing from you regarding this matter. Thank you."

A reply from the company finally comes and it says, "We apologize for not being able to get back to you about your purchase. Our servers were hacked into and we just got back online. It was also very alarming that we found our customer backup data was deleted. Please accept our apologies. Because of this delay, we are sending your purchase free of charge and we hope that this might retain you as one of our loyal customers."

Again, the desire to say what we feel must be overcome with the desire to be courteous and professional, which we all know in our hearts, is the better way to communicate.

There are many occasions however, when you simply do not hear back at all from a vendor. What do you do then? There is one more example of the proper way to send an e-mail.

This is one that is sent to many people. There is a thoughtful way to include others that will be the recipient of such mail. We all have had times that we find something useful to send or we find that there are stories that are uplifting that we want to share. How do we send a story like that to many people where safety and courtesy are concerns? Certainly one way is to address your e-mail to each recipient. There is nothing wrong with this. Each person receives it and each person feels special, because you addressed your e-mail to him/her alone.

Suppose however, you would like to send the same e-mail to all of your readers at one time. Most of all e-mail recipients are known to have what is called Carbon Copy (CC) and Blind Carbon Copy (BCC). Here we want to be careful that only one person at a time will see your mail without seeing the address of every person you are sending it to. If we use CC, every person's address is listed for each e-mail recipient to see, but if we use BCC, only the address of person in the ' To:' box is seen.

This is important, because spammers love to see a whole slew of e-mail addresses that they can send spam to. Your friends will have good intentions, but those you may only know from a list may not. Hackers now have the

addresses of everyone who will be receiving your e-mail. This is neither appropriate nor safe. Instead, choose to send a group or list of people the same message using BCC, which is the kindest and least obvious way to send mail short of encryption.

Also remember that all e-mail sent through normal channels can be intercepted. Therefore, only write what you want the world to see.

Email Etiquette

While a lot of people understand the importance of following certain rules when writing a business letter, they often forget these rules when composing an email message. Here's a refresher.

- *Mind Your Manners:* Think of the basic rules you learned growing up, like saying please and thank you. Address people you don't know as Mr., Mrs., or Dr. address someone by first name only if they imply it's okay with them to do so.
- *Watch Your Tone:* Merriam-Webster defines tone as an "accent or inflection expressive of a mood or emotion." It is very difficult to express tone in writing, but make sure that your should come across as respectful, friendly, and approachable. You should not sound curt or demanding.
- *Be Concise:* Get to the point of your email as quickly as possible, but don't leave out important details that will help your recipient answer your query.
- *Be Professional:* This means, stay away from abbreviations and don't use emoticons (those little smiley faces). Don't use a suggestive email address for business communications.
- *Use Correct Spelling and Proper Grammar:* Use a dictionary or a spell checker — whichever works better for you. While you can write in a conversational tone (contractions are okay), pay attention to basic rules of grammar.
- *Wait to Fill in the "TO" Email Address:* Career Planning Site visitor Larry Batchelor says, "I never fill in the 'TO' email address until I am completely through proofing my email and I am sure that it is exactly the way that I want it. This will keep you from accidentally sending an email prematurely. In the past, I have accidentally clicked on the send icon, when I really meant to click on the attachment icon."

ADVANTAGES AND DISADVANTAGES OF EMAIL

Email has changed the way we do business. Sure, people complain about the amount of Email they receive. But when all is said and done, use of Email has made a positive impact on business and has an edge over other methods of communication.

Here are five advantages of using Email:

(i) *Managing Email is Easy:* You can manage all your correspondence on screen and so can your customers.Your proposal can be answered, revised, stored, and sent to others, all without reams of paper involved.

(ii) *Email is Fast:* Mail is delivered instantly from your office to anywhere in the world. No other method of delivery can provide this service. Timely buying and selling decisions can be made in one heartbeat.

(iii) *Email is Inexpensive:* Compared to telephone calls, faxes, or over night courier service, Email is less expensive.

(iv) *Email is Easy to Filter*: The subject line on an Email makes it easy to prioritize messages. The reader can identify critical correspondence quickly and deal with it immediately. Unlike regular mail which needs to be opened and reviewed, or voice mail which requires you to either listen to or scan all your messages for those that require immediate attention.

(iv) *Transmission is Secure and Reliable:* The level of security in transmitting Email messages is very high, and the industry continues to strive to develop even tighter security levels. Email is private. Often telephone and fax messages are not. If the address information is correct, rarely does an Email go astray. Fax machines can be out of order or out of paper and this prevents an important message from being delivered in a timely manner.

Email has been credited for increased efficiency, business readiness, and a host of other advantages tied to increased productivity.

However, there are some disadvantages.

(i) *Time Consuming:* Writing an email takes less time than it takes to print a letter and mail it off the ease with which an e-mail is send implies that an average person may do more correspondence electronically than he would if all correspondence was done by postal mail. Sometimes the message is better communicated over the telephone or directly. Organizing and reading through emails can also eat up a great deal of time and prove an obstacle in the way of a worker's producitivity.

(ii) *Security:* Sensitive information can be easily shared and distributed within a business through email. It does not matter if the email is sent accidentally or deliberately, the damage reamins the same. Moreover, when someone hands you a business letter, you are the only person who receives that letter. An email can be intercepted by a hacker or go on an incorrect email address and wind up in someone else's inbox. Your sensitive information and messages are easily accessible to hackers and to even unsuspecting recipients.

(iii) *Impersonal Communication:* While email can be faster, the meaning of the message is often lost in the text. It can make customers or employees forget there are people involved in the transaction, which can affect customer service. Since email recipients cannot see one another, the emails do not have any voice inflection or emotion that can help in proper interpretation.

(iv) *Misunderstanding:* Pronouns and popular jargon can lead to conflicts in emails. In addition, email is filled with abbreviations and short descriptions, which can often be misunderstood and/or interpreted the wrong way.

(v) *Vulnerability:* It would take a manual effort on the part of someone to access all his important printed documents and destroy them. But all of your emails and important information can be lost with a simple hard-drive crash. Even if you store your email information on another server, you could lose your data if that site goes down or gets out of business.

(vi) *Whether an organisation depends on internet connectivity*: E-mail depends on the internet connectivity which can get disturbed or disconnected due to various reasons.

POINTS TO REMEMBER

- Email cannot be considered a confidential mode of communication.
- Email should not be considered as a replacement for direct, face-to-face communication.
- Email cannot be relied in case of emergency messages as the receiver may read it at his own convenient time.
- Email depends on the internet connectivity which can get disturbed or disconnected due to various reasons.

INTRANET

The word 'intra' means within or internal. It is like the internet, except that it contains information specific to the particular organization. External people, who are not on the network cannot access the intranet.

The intranet is the most effective of all the types of electronic communication.

A company intranet helps to keep employees atleast with various happenings within the company, and it can be used to communicate within the company by posting various newsletters, articles, and company training documents.

The intranet implies that only the company employees who are set up on the server can access the company pages. It is different from the Internet which is open to everyone who has an Internet connection.

Most companies use their intranet in place of paper and emails because it gives information to everyone within the company, regardless of their location. Thus, all employees in an organisation get to know about the carried happenigs.

Intranets for companies are very secure in the sense that no one outside the company can access it once the security is set in place.

The benefits of an intranet are that it allows a central communication area for the entire company. Many people work in remote locations; therefore, it helps them in having a sense of connectedness with the company as a whole, regardless of the place someone is located in.

Intranets have been quite effective in keeping communication open to all employees, but of at the sametime, it is essential that they log into the intranet several times each day. Many companies make the intranet the default start-up page from any browser within the company, which makes it easier for employees to remember to log in for important information.

REVIEW QUESTIONS

Fill in the Blanks:

1. Which protocol is used by the web .....

2. Unsolicited or Junk mails are filtered through the option of .....

Answers: 1. HTTP 2. Spam

Benefits of Intranet

The intranet is a great tool that may be used in order to get messages across to the staff members. There are many creative ways in which one could use the intranet to one's advantage within the company. One can promote the workplace issues on just about any topic on an intranet.

Below are the benefits of the intranet:-

- *Workforce Productivity*: Intranets can help users to locate and view information faster and use applications relevant to their roles and responsibilities.
- *Time*: Intranets allow organizations to distribute information to employees on an *as-needed* basis. Employees may link to relevant information at their convenience, rather than being distracted indiscriminately by electronic mail.
- *Communication*: Intranets can serve as a powerful tool of communication within an organization, vertically as well as horizontally. From the communication standpoint, intranets are useful to communicate strategic initiatives that have a global reach throughout the organization. By providing this information on the intranet, staff has the opportunity to keep up-to-date with the strategic focus of the organization. Some examples of communication are chat, email, and blogs. A great real world example is of Nestle. Nestle had a number of food processing plants in Scandinavia. Their central support system had to deal with a number of queries every day. When Nestle decided to invest in an intranet, they quickly realized the

savings. McGovern says the savings from the reduction in query calls was substantially greater than the investment in the intranet.

- *Web Publishing:* It llows cumbersome corporate knowledge to be maintained and easily accessed throughout the company using hypermedia and Web technologies. Examples include: employee manuals, benefits documents, company policies, business standards, news feeds, and even training can be accessed using common Internet standards (Acrobat files, Flash files, CGI applications). Because each business unit can update the online copy of a document, the most recent version usually becomes available to the employees using the intranet.
- *Business Operations and Management:* Intranets are also being used as a platform for developing and deploying applications to support business operations and decisions across the internetworked enterprise.
- *Cost-effective:* Users can view information and data via web-browser rather than maintaining physical documents, such as procedure manuals, internal phone list and requisition forms. This can potentially save the business money on printing, duplicating documents, and the environment as well as document maintenance overhead. For example, people using internet services "derived significant cost savings by shifting HR processes to the intranet".
- *Enhance Collaboration:* Information is easily accessible by all authorized users, which enables teamwork.
- *Promote Common Corporate Culture:* Every user has the ability to view the same information within the Intranet.
- *Immediate Updates:* When dealing with the public in any capacity, laws, specifications, and parameters can change. Intranets make it possible to provide your audience with "live" changes so they are kept up-to-date, which can limit a company's liability.
- *Supports a Distributed Computing Architecture:* The intranet can also be linked to a company's management information system, for example a time keeping system.

Purpose of Intranet

The purpose of the intranet is for internal communication. Increasingly, intranets are being used to deliver tools and applications, e.g., collaboration (to facilitate working in groups and teleconferencing) or sophisticated corporate directories, sales and customer relationship management tools, project management, etc., to advance productivity.

Intranets are also being used as corporate culture-change platforms. For example, large numbers of employees discussing key issues in an intranet forum application could lead to new ideas in management, productivity, quality, and other corporate issues.

When part of an intranet is made accessible to customers and others outside the business, that becomes part of an extranet. Businesses can send private messages through the public network, using special encryption/ decryption and other security safeguards to connect one part of their intranet to another.

Intranet user-experience, editorial, and technology team work together to produce in-house sites. Most commonly, intranets are managed by the communications, HR departments of large organizations, or some collaboration among these.

The future of Web communication is very bright.

LESSON ROUND UP

- E-Correspondence is commonly known as 'email-correspondence' or 'electronic-correspondence'. It is an electronic method of providing you with important information on your email address.
- E-Correspondence is an electronic, cost-effective and fastest mode of communication as of today.
- Users of electronic mail are encouraged to adopt the same standards of professionalism that dictate the tone and appearance of postal correspondence.
- Email etiquettes must be strictly adhered to in order to keep the communication authentic and graceful.
- Like every coin has two faces, similarly being one of the most sought after method of communication e-correspondence also bears certain disadvantages, like lack of confidentiality and vulnerability.
- The word 'intra' means within or internal. It is like the internet, except that it contains information specific to a particular organization. People outside the organisation who are not on the network cannot access the intranet.
- The intranet is one of the most effective of all the types of electronic communication within an organisation.
- The internet implies that only the particular company's employees who are setup on the server can access their company's pages. It is different from the internet where the access is open to all those who have an internet connection.

GLOSSARY

Albeit	Although; even if.
Trivial	Of little significance or value.
Hypertext	A computer-based text retrieval system.
Protocols	A standard procedure for regulating data transmission between computers.
Forgery	Illegal activity, fraud.
Spammer	Someone who sends unwanted email.
Intriguing	To arouse the interest or curiosity of.
Interface	The point of interaction or communication between a computer and any other entity, such as a printer or a human operator.
Flurry	Sudden commotion, excitment or confusion; a sudden gust of wind.
Unsolicited	Not asked for.
Forbid	To command not to do something.
Spam	Unsolicited e-mail.
Vulnerability	Susceptibility to attack or injury.
Slew	A large number of quantity.
Mounting	Rising, climbing, increasing, ascending.
Inflection	Alteration in pitch or tone of the voice.

Astray	Away from the correct path.
Jargon	The specialized or technical language.
Hypermedia	A multimedia system in which related items of information are connected and can be presented together.
Encryption	Conversion of data into a code.
Intercepted	To stop or interrupt the course, progress or transmission.

SELF-TEST QUESTIONS

(These are meant for recapitulation only. Answers to these questions are not to be submitted for evaluation.)

1. Explain the various features of e-correspondence.
2. List the various advantages of e-correspondence.
3. Highlight various e-mail etiquettes.
4. Explain the following terms:
   (i) World Wide Web
   (ii) Internet
5. Explain the concept of Intranet and how is it useful?

Suggested Readings

(1) The Executive Guide To E-Mail Correspondence – *Dawn-Michelle Baude*

(2) Office Correspondence Made Easy – *Learning Express*

(3) Business Communication – *K.K. Sinha.*

FOUNDATION PROGRAMME

BUSINESS MANAGEMENT, ETHICS AND COMMUNICATION

PRACTICE TEST PAPER

(This Test Paper is for practice and self study only and not to be sent to the Institiute)

1. The primary/fundamental function of management is –
   (a) Planning
   (b) Controlling
   (c) Organisation
   (d) Direction
2. The father of modern management theory is –
   (a) W.F. Taylor
   (b) Henri Fayol
   (c) Koontz o Donnel
   (d) Samulson
3. Scientific Management is the contribution of –
   (a) W.F. Taylor
   (b) Henri Fayol
   (c) R.C. Davis
   (d) Lyndall Urwick
4. Superior-subordinate theory was given by –
   (a) Henri Fayol
   (b) V.A. Graicunas
   (c) Koontz O'Donnel
   (d) Joseph jecard
5. Decentralisation and delegation of authority are the same thing –
   (a) True
   (b) False
   (c) Partly true
   (d) Partly false
6. The word "management" derives its origin from a *Greek* word –
   (a) Nomo

The Students are advised to go through instruction regarding computer based examinations on ICSI website www.icsi.edu

(b) Verh

(c) Xus

(d) Gest

7. MBO stands for –

(a) Management by Option

(b) Management by Objectives

(c) Management by Objection

(d) None of the above

8. Combination of functional departments with product or project organization is known as –

(a) Project Organisation

(b) Matrix Organisation

(c) Line and Staff Organisation

(d) Functional Organisation

9. The recruitment, selection, development, utilization, compensation and motivation of human resources by the organization is known as –

(a) Training Department

(b) Personnel Management

(c) Staff Management

(d) Line and Staff Management

10. Ranking, Rating scale, Check list are the methods of –

(a) Transfer Management

(b) Performance Appraisal

(c) Promotional Methods

(d) Job Description

11. Four kinds of management systems as leadership styles was given by –

(a) Blake and Mouton

(b) Rensis Likert

(c) Mcgregor

(d) Hertz berg

12. The process of searching for prospective employees and encouraging them to apply for the jobs in an organization is known as –

(a) Selection

(b) Placement

(c) Recruitment

(d) Training

13. POSDCORB was coined using the initial letters of management function by –

(a) Koontz O'Donnel

(b) Luther Gulick

(c) Peter F. Drucker

(d) Henry Mintzberg

14. The Hierarchy theory of needs was given by –

(a) A.H. Maslow

(b) Mc Gregor

(c) Koontz O'Donnel

(d) None of above

15. Zero Base Budgeting was first introduced in –

(a) Japan

(b) USA

(c) India

(d) China

16. The essential skills which every manager needs for doing better management is known as –

(a) Leadership Skills

(b) Teaching Skills

(c) Professional Skills

(d) Managerial Skills

17. Principle of Espirit de Corps was given by –

(a) R.C. Devis

(b) V.A. Graicunas

(c) Koontz O'Donnel

(d) Henry Fayol

18. A general enduring statement of the intent of business which reflects the belief and philosophy of management is known as –

(a) Mission

(b) Vision

(c) Objectives

(d) None of the above

19. Policies are the guide to thinking in –

(a) Organizing

(b) Decision making

(c) Forecasting

(d) Planning

20. It involves looking ahead and projecting the future course of events –
    (a) Organizing
    (b) Forecasting
    (c) Controlling
    (d) Co-ordination
21. The economic environment around us consists of which basic entities –
    (a) Households (the consumers),
    (b) Firms (the producers)
    (c) Government (the co-coordinator)
    (d) All of the above
22. The definition of management "*Getting things done through and with people"* was coined by –
    (a) Luther Gulick
    (b) Henry Fayol
    (c) Koontz and O'Donnell
    (d) None of the above
23. Management is an inter-disciplinary _____ which draws freely from other disciplines such as economics, sociology and psychology –
    (a) Art
    (b) Profession
    (c) Science
    (d) All of the above
24. Top management is generally required to spend more time in planning, the middle level on organising and the lower level managers on –
    (a) Directing
    (b) Organising
    (c) Staffing
    (d) None of the above
25. Planning process comprises determination and laying down of:
    (a) Objectives
    (b) Policies & procedures
    (c) Strategies
    (d) All of the above
26. He argued that successful change in organizations should follow three steps: unfreezing the status quo, movement or changeover to a new state, and refreezing the new change to make it permanent. Who was he?
    (a) Koontz
    (b) Luther Gulick

(c) Mintzberg

(d) Kurt Lewin

27. 'Acts of God' are the result of –

(a) Natural Disasters

(b) Violence

(c) Technological crisis

(d) Rumours

28. It owes its genesis to post war research of American management consultants like Drs. Joseph Juran and W. Edwards Dening:

(a) MBO

(b) TQM

(c) Crisis

(d) Stress Management

29. Risk cannot be managed unless it is first _____

(a) Assessed

(b) Identified

(c) Measured

(d) Evaluated

30. Which principle emphasises the need for teamwork and the importance of effective communication –

(a) *Stability of Tenure of Personnel*

(b) *Espirit de Corps*

(c) *Scalar Chain*

(d) Equity

31. Interpersonal, Informational and Decisional roles are the three phases of a manager's work role. This was given by –

(a) Henry Mintzberg

(b) Fayol

(c) Koontz and O'Donnell

(d) Luther Gulick

32. It is a process of transformation where the old system can no longer be maintained –

(a) Crisis

(b) Stress Management

(c) TQM

(d) MBO

33. It is used to collectively describe all commercial transactions i.e., private and governmental, sales, investments, etc. that take place between two or more regions, countries and nations beyond their political boundary –

(a) International business

(b) Ordinary Business

(c) Government Business

(d) Political Business

34. It is instantaneous, self-correcting and forward-looking –

(a) Ideal control

(b) Ideal Planning

(c) Ideal Coordination

(d) None of the above

35. The operative function of a Human Resource Manager means –

(a) Those tasks or duties which are specifically entrusted to the personnel department under the general supervision of personnel manager

(b) Those that are the basic functions of planning, organising, directing and controlling in relation to his department

(c) Personnel/Human resource manager has specialised education and training in managing human relations. He is an expert in his area and so can give advise on matters relating to human resources of the organization

(d) None of the above

36. Non-traditional control devices are based on –

(a) Non-scientific methods

(b) Scientific methods

(c) Conventional methods

(d) All of the above

37. It has its origins from the field of corporate insurance –

(a) Stress Management

(b) Management

(c) Crisis Management

(d) Risk Management

38. Modern control system is _____ rather than work or job oriented –

(a) Worker-focused

(b) Job focused

(c) Incentive focused

(d) None of the above

39. Blue-collar workers are –

(a) Working on machines and engaged in loading, unloading

(b) Clerical employees

(c) Executive employees

(d) None of the above

40. Which Institute has defined a budget as "a financial and/or quantitative statement prepared prior to a defined period of time of the policy to be pushed during that period for the purpose of attaining a good objective" –
    (a) The Institute of Cost and Management Accountants of England
    (b) The Institute of Cost and Management Accountants of England and Wales
    (c) The Institute of Cost and Management Accountants of Wales
    (d) None of the above
41. The term 'business ethics' came into common use in year –
    (a) 1950
    (b) 1960
    (c) 1970
    (d) 1980
42. Business Ethics has a _____ application –
    (a) Universal
    (b) Natural
    (c) Practical
    (d) None of the above
43. Ethics has become the buzzword in the corporate world because of –
    (a) Globalization
    (b) Modernization
    (c) Expansion
    (d) Liberalization
44. A set of principles and expectations that are considered binding on any person who is member of a particular group is known as –
    (a) Code of ethics
    (b) Values
    (c) Ethics
    (d) None of the above
45. The Sarbanes-Oxley Act of 2002 made it important for businesses to have an –
    (a) Ethics code
    (b) Code of conduct
    (c) Code of practice
    (d) Business ethics
46. Scope of Ethics in Business is in which area(s) –
    (a) Compliance

(b) Finance & HR

(c) Marketing and Production

(d) All of the above

47. Measures to improve ethical behaviour of business are framed at which level –

(a) Institutional level

(b) Government level

(c) Societal level

(d) All of the above

48. Which of the following Act made code of ethics mandatory for all organizations –

(a) The Companies Act, 1956

(b) The Sarbanes-Oxley Act, 2002

(c) The Partnership Act, 1932

(d) None of the above

49. Which of the following is a feature of Business Ethics –

(a) Business Ethics has a universal application

(b) It is a relative norm. It differs from business to business.

(c) Business Ethics is based on well accepted moral and social values

(d) All the above

50. An expert who is confidentially available to solve the ethical dilemmas is known as –

(a) Ethic Coach

(b) Ethics Trainer

(c) Ethics Guide

(d) None of the above

51. Business Ethics is based on well accepted –

(a) Moral and social values

(b) Social values only

(c) Moral values only

(d) None of the above

52. The idea of business ethics caught the attention of academics, media and business firms by the end of the –

(a) First Word War

(b) Second World War

(c) Cold War

(d) None of the above

53. Corporate entities are legally considered as persons in –

(a) USA

(b) Japan

(c) China

(d) None of the above

54. Business Ethics cannot be enforced by –

(a) Governance

(b) Businesses

(c) Law

(d) None of the above

55. Business Ethics is a code of conduct which businessmen should follow while conducting their –

(a) Normal activities

(b) Special activities

(c) Specific activities

(d) None of the above

56. Compliance is about obeying and adhering to –

(a) Rules and authority

(b) Discipline

(c) Laws

(d) All of the above

57. Administrative corruption include “gifts” to the –

(a) Factory Inspector

(b) Boiler Inspector

(c) Pollution Control Board Inspectors

(d) All of the above

58. Which of the following is a reason for business not behaving ethically –

(a) To protect its own interest and of the business community as a whole

(b) To keep its commitment to society to act ethically.

(c) To meet stakeholder expectations.

(d) To not protect their employees and their reputation

59. Ethics in production means –

(a) It deals with the duties of a company to ensure that products and production processes do not cause harm

(b) It deals with the moral principles behind the operation and regulation of marketing

(c) It covers those ethical issues arising around the employer-employee relationship, such as the rights and duties owed between employer and employee

(d) All of the above

60. They are concerned about ethics, social responsibility and reputation of the company in which they invest –

(a) Employees

(b) Employers

(c) Investors

(d) Students

61. I, we, you, he, she, it, we, they, me, him, her, us, them are examples of –

(a) Possessive Pronoun

(b) Relative Pronoun

(c) Collective Pronoun

(d) Personal Pronoun

62. Identify the correct spelling –

(a) Occasion

(b) Occassion

(c) Ocassion

(d) Ocasion

63. The idiom '*To arrest someone's notice'* means –

(a) Cast a slur upon

(b) Catch somebody's eye

(c) To catch a Tartar

(d) To come off with flying colours

64. What is meant by 'ab initio' –

(a) List of additions

(b) From the origin

(c) From the beginning.

(d) According to value

65. A job application letter is said to be similar to a –

(a) Purchase Letter

(b) Sales Letter

(c) Public Notice

(d) None of the above

66. A sales letter drafted for a large number of people is known as –

(a) Sales manual

(b) Sales Order

(c) Sales Enquiry

(d) Sales Circular

67. Which of the following is a system of interlinked hypertext documents accessed via the Internet –

(a) Intranet

(b) Extranet

(c) World Wide Web

(d) None of the above

68. Which of the following protocol is used by the web –

(a) HTTP

(b) HTPT

(c) TTPH

(d) TPTH

69. Which of the following is a web browser –

(a) Google Chrome

(b) Internet Explorer.

(c) Firefox

(d) All the above

70. It is a document giving full details of goods being shipped, prepared by the exporter and sent to the importer –

(a) Invoice

(b) Sales Receipt

(c) VAT

(d) Sales Tax

71. The abbreviation “E&OE” stands for –

(a) Errors and Omitted Errors

(b) Expected and Omitted Errors

(c) Errors and Omissions Excepted

(d) Exceptions and Omissions

72. These are demanded when buyer returns goods already paid for on grounds of, say, unacceptable quality –

(a) Debit Notes

(b) Credit Notes

(c) Sales Letters

(d) Statement of Accounts

73. Telegrams may also be communicated over the telephone and this is called –

(a) Telephonogram

(b) Phonogram

(c) Telegram-phone

(d) None of the above

74. Fax is the abbreviated form of the word –

(a) Facsimile

(b) Faximile

(c) Fac

(d) Simile

75. Telex machines allow exchange of –

(a) Photos

(b) Text

(c) Email messages

(d) None of the above

76. When an organisation needs to share important information with members of general public such as a change of name or representative, it drafts a –

(a) Office Orders

(b) Office Notes

(c) Representations

(d) Public Notice

77. RSVP is the abbreviation of the French words “respondey s’il vous plait” and means –

(a) Please come

(b) Please

(c) Please reply

(d) Invitation

78. A press release should have which of the following features in order to be selected –

(a) Detailed

(b) Factual

(c) Lengthy

(d) Unsuitable

79. These are used for disseminating information to a large number of employees within the organization –

(a) Office Circulars

(b) Representations

(c) Public Notice

(d) None of the above

80. The abbreviation ‘ESOP’ stands for –

(a) Employee Stock Option Plan

(b) Employee Share Option Plan

(c) Employee Share Option Programme

(d) Employee Stock Option Programme

81. Communication is an _____ process –

(a) Ongoing

(b) One way

(c) Three Way Process

(d) None of the above

82. Memo, Report, Office order, Circulars, Staff Newsletters, Fax etc are the form of –

(a) Non verbal Communication

(b) Written Communication

(c) Oral Communication

(d) Audio Visual Communication

83. It is a word opposite or contrary in meaning to another word. It means –

(a) Antonyms

(b) Synonyms

(c) Homonyms

(d) None of the above

84. Acoustics means –

(a) One who performs gymnastic feats

(b) The action of attacking with provocation

(c) Science of the production, transmission, reception and effect of sound

(d) None of the above

85. The part of speech (or word class) that is used to name or identify a person, place, thing, quality, or action is known as –

(a) Noun

(b) Verb

(c) Adjective

(d) None of the above

86. A _____ Sentence contains only one finite verb and can make only one complete statement –

(a) Simple

(b) Complex

(c) Compound

(d) None of the above

87. To transform into a purer or idealized form means –

(a) Sublimate

(b) Vandal

(c) Ransack

(d) Revive

88. A syllable is the minimum rhythmic sound of a spoken language. A word may have one or more syllables. How many syllables are there in retribution, satisfaction, transatlantic?

(a) One

(b) Two

(c) Three

(d) Four

89. These are those prefixes that denote the meaning of removing something or depriving something or someone –

(a) Reversative Prefix

(b) Derivative Prefix

(c) Pejorative Prefix

(d) Place Prefix

90. It separate or enclose subordinate clauses and phrases in sentences –

(a) The Comma (,)

(b) The Hyphen (-)

(c) Full Stop (.)

(d) None of the above

91. The latin word *"bona fide"* means –

(a) Strange

(b) Good faith

(c) Colleague

(d) None of the above

92. The proverb "*an aged lover"* means –

(a) A fool and his money are soon parted

(b) There is no fool like an old fool

(c) One man's meat is another man's poison

(d) It never rains but pours

93. Which of the following is applicable in case of Telegrams –

(a) The message must be detailed

(b) Time should be written according to the twenty four hour clock

(c) Normal grammar and punctuation may always be followed

(d) Block letters must not be used

94. This began as an American experiment in computer communication technology during the cold war and has revolutionised the world –

(a) Fax

(b) Emails

(c) Telegrams

(d) None of the above

95. BCC stands for –

(a) Blind Copy Carbon

(b) Before Carbon Copy

(c) Blind Carbon Copy

(d) Before Copy Carbon

96. Who is called the 'father of email' and is credited with its invention –

(a) Aristotle

(b) Tomlinson

(c) Merriam

(d) None of the above

97. The following is an example of which type of letter –

Dear Pradeep,

I was delighted to learn that your work on cryogenic engine has been appreciated by the Indian Space Research Organisation. I am confident that it will be possible to manufacture these engines indigenously and our dependence on other countries will end soon.

I feel proud of your achievement and send you my best wishes for the future.

(a) Congratulatory Letter

(b) Sympathy Letter

(c) Thank you Letter

(d) Condolence Letter

98. What is the difference between "enquiry" and "inquiry" –

(a) Enquiry means asking a question, and inquiry is a formal investigation.

(b) The prefix 'en' comes from French, and 'in' from Latin.

(c) Enquiry is a request for truth, knowledge or information, and inquiry is an investigation into something.

(d) All of the above

99. It is a document giving full details of goods being shipped, prepared by the exporter and sent to the importer –

(a) Bill

(b) Invoice

(c) Receipt

(d) None of the above

100. It is a document that outlines the contents of a forthcoming meeting –

(a) Meeting

(b) Agenda

(c) Minutes

(d) None of the above

ANSWERS

1. a
2. b
3. a
4. b
5. b
6. a
7. b
8. b
9. b
10. b
11. b
12. c
13. b
14. a
15. b
16. d
17. d
18. a
19. b
20. b
21. b
22. d
23. c
24. a
25. d
26. d
27. a
28. b
29. b
30. b
31. a
32. a
33. a
34. a
35. a
36. b
37. d
38. a
39. a
40. b
41. c
42. a
43. a
44. a
45. a
46. d
47. d
48. b
49. d
50. a
51. a
52. c
53. a
54. c
55. a
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66. d
67. c
68. a
69. d
70. a
71. c
72. b
73. b
74. a
75. b
76. d
77. c
78. b
79. a
80. a
81. a
82. b
83. a
84. c
85. a
86. a
87. a
88. d
89. b
90. a
91. b
92. b
93. b
94. b
95. c
96. b
97. a
98. d
99. b
100. b